

Options for Organizing Waste Pickers in South Africa

A summary based on the report by Jan Theron

Like waste pickers in countries such as Brazil, India and Columbia, waste pickers in South Africa are starting to realize working collectively can help them improve their working conditions and lives. If you are a South African waste picker, this leaflet aims to help you know more about working collectively. It explains several key points:

- the differences between being employed and being self-employed
- the benefits you could gain when forming organizations together with other waste pickers
- the choices you have when organizing, including forming an association, union, business partnership, close corporation, or cooperative
- the first steps an organization needs to take when forming.



What are the differences between employed and self-employed workers?

Workers earn money two different ways: through employment or through self-employment. You are employed if you work for someone else who controls your work and working conditions and who pays you for work that you perform.

Although all employees should benefit from these rights and social protections, an increasing number of employers do not provide them. When these labour laws are not applied, the employees are considered to be part of the “informal economy.”

Labour legislation in South Africa gives employees a number of rights and social protections:

- job security – you cannot be unfairly dismissed
- membership in trade unions
- safe working conditions and fair hours
- sick and annual leave
- wages based on the minimum wage in your sector
- payment if you are injured at work
- maternity benefits
- unemployment insurance (UIF), or money set aside by your employer and by you in case you lose your job and cannot find another one.

It is called informal as it is not well controlled by the state. Most people who work in the informal economy are not, however, employed by anyone. Instead, they work for themselves. If you are a

waste picker, chances are you have created your own job and are self-employed. Even though you sell materials to middlemen (buyers), you work for yourself and are not responsible to others for the work that you do. You may choose to “contract” your services out to others for a set fee. In either case, you are part of the informal economy. You are not protected by the same social protections as formally employed workers and need to struggle to receive similar rights and benefits.

How will organizing collectively help you?

When you are self-employed, you may lose earnings if you become ill, injured or if you have a baby. You are also competing with other waste pickers as you are each bargaining with middlemen (buyers) on your own. These middlemen may give individual waste pickers lower prices as waste pickers can collect and sell only small amounts of material at a time. As an individual, you also do not have the bargaining power to make authorities give you access to landfill or other sites.

How will you organize?

You have many choices as to how your group will organize, but first you must decide why you and other waste pickers wish to organize; that is, you must have an objective.

Is your main goal to work together to help improve your working conditions and rights? Then you might choose to operate as an **association**, which can be registered as a non profit organization (NPO).

If you organize collectively you may enjoy these benefits:

- removal of middlemen, waste management companies and competition from other waste pickers
- ability to set higher prices based on greater amounts of recyclables sold at one time
- capacity to take on bigger jobs and buy equipment
- increased community awareness of your work, including lowered costs of waste disposal and lower overall waste that needs to be disposed of by the city
- negotiations with authorities in accessing and/or managing landfill sites
- better control of your working conditions
- the right to access and sell recyclable materials
- potential access to the same social protections as formal workers
- contribution to your own security through medical coverage, funeral schemes, etc.

An association shares the following features:

- is a group of people who have joined together under a set of rules, also called a constitution, to realize common goals
- represents the interests of members of the group. If you are a self-employed waste picker or even part of a waste picking business, for example, you may form an association to bring about changes in laws concerning your working conditions and social protections
- is a non-profit organization. This means that it cannot operate as a business that generates a profit.

In some countries, associations of self-employed workers call themselves “unions” because they see themselves as workers. They believe that trade unions are organizations of workers committed to certain principles that they also believe in. South Africa has a strong history of trade unionism, and there is nothing to prevent South African waste pickers forming an association they call a union. Waste pickers may want to call their organization a union if they plan to negotiate with the municipality around working conditions, want themselves and others to see them as workers, and want to link up with the broader trade union movement. In terms of South African legislation, however, only employees can register a “trade union.” Waste pickers wanting to form a union would then have to form an association, which they could call a union. It would

not have the legal rights of a “trade union”. South African street traders, for example, have formed this kind of union to join forces (mobilize) politically and negotiate with the municipality.

Do you wish to work together to gain contracts with larger organizations in order to make a profit? In this case, you might organize as a **business partnership** or a **close corporation**.

A business partnership:

- is formed by two or more people in order to make a profit
- divides the profit between the members after paying expenses and developing the business.

Although a business partnership allows members to work together, there are some reasons why it might not be the best form of organization for waste pickers. If the business partnership fails, then each member is personally responsible for any debts and liabilities. In order to function properly, a business partnership should be based on a legal contract, and it would be expensive for waste pickers to hire a lawyer to write this contract. Finally, a business partnership can only have a maximum of 20 members.

A close corporation:

- can have a maximum of ten members
- can do business and make a profit.

A number of waste picker groups in South Africa have formed close corporations. A close corporation overcomes some of the problems of a business partnership. The close corporation is a separate legal entity, so if it gets into trouble, the individual members aren’t responsible. However, the government is about to change the law and get rid of close corporations, so it doesn’t make sense for waste pickers to form close corporations. If you have already formed a close corporation, you may want to change it into a different kind of organization. For example, some waste pickers in the Free State who initially formed close corporations have since changed them into cooperatives.

If you would like to gain contracts, improve working conditions and rights and provide social support for your members, then you might want to form a **cooperative**. It must have at least five members, and there is no maximum number of people who can belong to the cooperative. Cooperatives operate as associations or businesses, but work according to certain principles that favour cooperation rather than competition.

There are two types of cooperatives that could benefit you: **service cooperatives** and **workers’ cooperatives**.

In a **service cooperative**, you work on your own, but sell your materials through the cooperative. The cooperative can negotiate higher prices than you could get individually. The cooperative can provide other services, like protective clothing or better access to recyclables.

In a **workers' cooperative**, you work as a member of a group. Instead of being paid for the materials that you collect, you are paid a wage. As an employed worker, you are covered by labour laws and have the right to social protections.

Steps to take when organizing

Objectives

Before you decide which kind of organization to form you should have meetings with all interested waste pickers where you agree on your main objectives. You may have more than one objective. For example, you may want to fight for changes in legislation and local by-laws so that you have the right to collect recyclable materials, and you may also want to negotiate contracts with the municipality. Both objectives could be met in one organization. However, it may make sense to form two related organizations. For example, you could form a union to mobilize around political matters and a cooperative to negotiate contracts. It may make sense to have different organizations working on different levels, so you could have a cooperative at the landfill where you work, but also a union that includes waste pickers who work in other parts of the city and in different cities.

Principles

Through a democratic process, the interested waste pickers should also agree on the main beliefs (principles) that will guide the organization. For example, if it is agreed that the organization should be as representative as possible, then it is important to adopt principles that state membership is open to all persons regardless of race, gender, nationality, ethnicity, age, religious or political affiliation. At the same time, the group needs to agree on conditions for membership. These could be based on where people live or work, or the jobs that they do, or both. The principles act as the foundation for the constitution.

Registration

If you choose to form a non-profit association, close corporation, cooperative or union, it is very useful to register with the authorities. The organization then becomes a "legal person." This means if

Seven principles of cooperatives

1. Voluntary and open membership
 - you become a member by choice
 - cooperatives accept everyone who is able to provide services and who is willing to become a member without social, racial, political or religious discrimination.
2. Democratic member control
 - members elect other members to serve them as representatives
 - all members have an equal vote.
3. Member economic participation
 - members contribute equally to the capital of their cooperative through purchasing shares, subscriptions or entrance fees
 - capital is divided into common property to serve the cooperative
 - extra money (surplus) is used to better the cooperative, like buying equipment or investing in other programs or services that would benefit the members.
4. Autonomy and independence
 - all agreements with governments and other groups must respect that cooperatives are democratically controlled only by their members.
5. Education, training and information
 - cooperatives train members and employees to develop skills and the cooperative
 - cooperatives educate the community about the services and benefits offered.
6. Co-operation among cooperatives
 - cooperatives work with other cooperatives both locally, nationally, regionally and internationally in "secondary cooperatives" or "cooperative unions"
 - "secondary cooperatives" cause greater change by pooling resources to raise awareness, gain access to sites, or provide services like equipment an individual cooperative may not be able to afford.
7. Concern for community
 - work for sustainable community development.

the organization runs into financial trouble, only the business, not its members, can be sued. The members are not liable for the organization's debts. In other words, your own money or property cannot be taken away. As a registered organization, you must give yearly financial statements to the government. If you have employees, then you must contribute as an employer to your workers' social protections. Because you must show you are responsible in managing finances and workers rights, governments and funding programs are more likely to deal with you, and it will be easier to gain contracts and financial support.

Constitution

In order to register, your organization must have a constitution that follows the rules of the relevant legislation. The constitution spells out the "rules" of your organization, such as who can become a member, how shares can be transferred and how surplus will be reinvested. Cooperatives must set aside, for example, at least 5% of surplus to reinvest in the cooperative and ensure its sustainability.

Plan

Your organization should also develop a plan as to how it should operate. Unlike a constitution, a plan is flexible and can be changed when circumstances change. One way to plan is to complete a S-W-O-T analysis. Here, the group analyzes its strengths,

weaknesses, opportunities and threats. The group agrees to solve problems or go after opportunities based on these findings.

Conclusions

Working with others in collective organizations can bring you a great deal more benefit than you could achieve on your own. Because of the wealth of advantages cooperatives bring to members and communities, forming a cooperative may be your best choice. Keep in mind, an organization works only as well as the members make it possible to. Members must take an active part, elect strong leaders, and make sure leaders act responsibly.

There are several places to go if you would like more information on starting an association, cooperative, union or business. Many financial institutions and individuals, for instance, provide information and advice on starting a business.

Access a pdf version of this and the original publication at: www.wiego.org or www.inclusivecities.org/toolbox.html



The following organizations help non-profit associations and cooperatives:

- For help or information on starting a business, or assistance in registering a company or cooperative, **The Small Enterprise Development Agency (SEDA)** through the Department of Trade and Labour SEDA has information centres in all provinces of the country.
www.seda.org.za; Helpline: 0860 7663 729
- In Pretoria, the **DGRV South Africa** provides training and advice to cooperatives.
PO Box 2701, Brooklyn Square, Pretoria, 0075;
Email: dgrvsa@worldonline.co.za;
Tel: 012-346 6020; Fax: 012-346 5891
- In Cape Town, the **Tembeka Social Investment Company** provides support to various projects helping people in poor communities.
PO Box 13859, Mowbray, 7705;
Email: info@tembeka.co.za; Tel/fax: 021-447 8138
- In Pietermaritzburg, **groundWork** is an NGO concerned with recycling and waste management and provides support to waste pickers who want to organize collectively.
PO Box 2375, Pietermaritzburg, 3200;
Email: team@groundwork.org.za;
Tel: 033-342-5662; Fax: 033-342 5665
- In Johannesburg, the **Cooperative and Policy Alternative Centre (COPAC)** is an NGO providing training and advice to cooperatives.
Box 1736, Killarney 2041;
Email: copac@icon.co.za;
Tel: 011-447-1013;
Fax 011-252 6134
- In the Eastern Cape, the **Funda Education and Training Cooperative** provides education and training to cooperatives. **PO Box 7054, East London, 5200; Email: ranayeke@yahoo.com**