

Supporting Cooperatives:

How ABIHPEC Strengthens Recycling, Supply Chains, and Livelihoods for Waste Pickers in Brazil

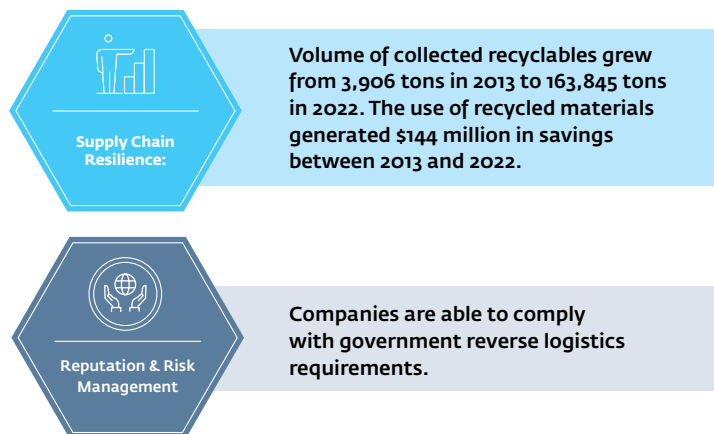
Across the world, companies are scaling up efforts to minimize their environmental impact to meet their corporate goals and government regulations. In Brazil, the Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria, e Cosméticos (ABIHPEC) is the industry association for the personal hygiene and cosmetics sector. The association helps its members to comply with Brazil's National Solid Waste Policy, which requires manufacturers or suppliers to recover the waste from their products after end-use. The policy recognizes that waste pickers are key to this and encourages companies to integrate waste pickers' cooperatives into their programs



The Challenge

ABIHPEC's members aim to recover 22 percent of the waste they produce.ⁱ Given that only a quarter of Brazil's municipalities have segregation-at-source collection systems, waste pickers play a key role in helping ABIHPEC to meet that goal. As of 2021, there were an estimated 281,000 waste pickers across Brazil, of which 87 percent were working informally in poor conditions with low earnings. Some 30 percent of waste pickers are women and 72 percent are of Afro-Brazilian heritage and mixed-race.ⁱⁱ As of 2019, only 5 percent of waste pickers belonged to a formally-registered cooperative.ⁱⁱⁱ

Benefits for Business



Benefits for Workers

In 2020, 52 percent of the self-employed waste pickers in the MPF program earned over the minimum wage, compared to 33 percent of all waste pickers. The program also improved their working conditions, public recognition, and access to social safety nets.

Inclusive Employment Solutions

In 2006, ABIHPEC launched the *Dê a Mão Para o Futuro* (DAMF) program, renamed *Mãos Pro Futuro* (MPF) in 2023, to partner with waste picker cooperatives. Two other industry association later joined the program, which strengthens the operations of waste pickers and enables ABIHPEC members to meet their reverse logistics and recycling obligations.



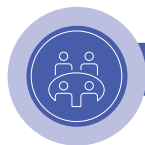
Industry: Personal hygiene and cosmetics

Members: 204 companies, from small to medium enterprises, to multinationals such as Natura, Unilever, and L'Oréal.

Base of the Pyramid Workforce: 182 cooperatives and 6,000 waste pickers in over 165 Brazilian municipalities. Overall, women represent 30% of waste pickers, while among cooperative members, that rises to 55%.



How ABIHPEC Puts Inclusive Employment Solutions into Practice



Advancement: Build capacity for self-employment

To increase cooperatives' productivity and waste pickers' incomes, MPF provides equipment such as trucks, forklifts, pressing machines, and conveyer belts that improve cooperatives' collection and sorting so that they can process and sell larger volumes of higher-quality recyclables.

Along with the equipment, which is MPF's largest financial investment, the program works with non-governmental organizations to develop waste pickers' technical, administrative, entrepreneurial, and marketing skills so that they can manage their cooperatives and operations better, as well as identify market opportunities and secure higher prices.

MPF also identifies potential leaders in the cooperatives, and then provides them with supervisory skills training to develop their capacity. Half of the waste pickers in MPF cooperatives are women and they are often the beneficiaries of this training. The impact has been substantial—for example, after joining MPF in 2018, five cooperatives in the state of Goiania saw their productivity increase by 20 percent by 2020, despite the adverse impact of the COVID-19 lockdowns.^v



Resilience: Improve access to benefits

In MPF cooperatives, waste pickers can formally become self-employed members, which means that the cooperative will pay a percentage of their social security contributions so that when they retire, they will get a government pension.

During COVID-19 lockdowns, ABIHPEC provided \$113 in cash assistance to each picker at 150 cooperatives.^{vi} These transfers were important in helping to replace waste pickers' lost income, and in maintaining strong relations between the industry associations and the cooperatives, which helped to support the recycling system.



Empowerment: Support self-organization of informal workers

MPF empowers waste pickers by supporting their self-organization into cooperatives. This includes administrative support to formalize sales through invoices, which enables MPF to pay the cooperatives directly for the reverse logistics services that they provide. This provides an extra income stream for the cooperatives, in addition to their sales of waste to private recycling companies and their collection services for municipalities.

As of 2022, 95 percent of MPF cooperatives had formalized the sale of their recyclables with invoices. The remaining 5 percent were cooperatives that had just joined the program. At the beginning of the program in 2006, only 2 percent of cooperatives had formalized sales processes.

The MPF program further strengthens the negotiating power of cooperatives by building their connections with large recycling companies. This enables cooperatives to sell their recyclables directly and cuts out intermediaries, which increases the cooperatives' market access and gives their waste pickers higher and more reliable earnings.^{vii} In 2020, 52 percent of the self-employed waste pickers in the program earned over the minimum wage, compared to only a third of all waste pickers.



Empowerment: Enhance public recognition

ABIHPEC runs public awareness campaigns to promote the MPF program and to highlight the importance of waste pickers' work, which helps to improve attitudes towards waste pickers and their status in Brazilian society. According to an MPF program representative, such positive recognition is one of the most significant benefits for waste pickers.

“For waste pickers, a key benefit is their improved status in society, through highlighting the importance of their role as agents of environmental protection and change.”

Ricardo Abussafy de Souza, Reverse Logistics Manager, MPF

The Benefits for Business: ABIHPEC's experience

The MPF program provides notable benefits for its members, such as assurance that the MPF cooperatives are complying with government regulations; reputational gains and marketing value; and cost-savings.



Supply chain resilience

By strengthening the capacity of waste pickers' cooperatives, the MPF program contributes to better integrated and systematic waste supply chains, which improves the efficiency and reliability of collection and recycling activities.

As a large-scale collaborative program, MPF provides companies, including small and medium sized enterprises (SMEs), with a reverse logistics initiative that has national reach—something that would be impossible for most companies to achieve on their own. This also allows companies to pool their resources to achieve greater impact, with notable cost savings. For example, the scale of the MPF program enables it to purchase tools and equipment in bulk, which brings down participating companies' costs.

“Multinationals have the capacity to establish their own project, but that's not the case for SMEs. MPF provides a solution for the industry as a whole.”

Ricardo Abussafy de Souza, Reverse Logistics Manager, MPF



Reputation and risk management

The most significant benefit that companies and industry associations gain from participating in the MPF program is confidence that they are complying with the government's reverse logistics requirements. Companies also benefit from their association with a reputable, nationwide program.

From a risk management perspective, MPF enables participating associations, including ABIHPEC, to take a future-oriented approach to compliance. By going beyond their current legal obligations and setting ambitious recycling targets, the associations participating in MPF are well-prepared to comply with future statutory requirements that will likely be more extensive.^{viii} Participation in MPF also means that ABIHPEC and its member companies are better prepared to engage in public policy dialogue on issues relevant to the program.



Endnotes & Sources

In addition to workforce and other company data provided by ABIHPEC, and company interviews and focus group discussions conducted in February 2022, sources include:

ⁱ Abussafy de Souza, Ricardo and Rosa Hernandes. 2020. O Big Push da Reciclagem no Brasil: Programa Dê a Mão para o Futuro e a sustentabilidade da logística reversa de embalagens: “<A Big Push for Sustainability in Brazil>, Brasilia: United Nations Commission for Latin America and the Caribbean <https://biblioguias.cepal.org/c.php?g=981128&p=7146627>

ⁱⁱ Ibid

ⁱⁱⁱ Ibid

^v MPF (Dê a Mão para o Futuro). 2021. Relatório Annual 2020. <http://maoparaofuturo.org.br/site/wp-content/uploads/2021/04/RELAT%C3%93RIO-ANUAL-2020-PROGRAMA-DE-LOG%C3%8DSTICA-REVERSA-%C2%A8DE-A-M%C3%83O-PARA-O-F....pdf>

^{vi} Ibid

^{vii} Dagnino, Ricardo de Sampaio and Igor Cavallini Johansen. 2017. Os catadores no Brasil: características demográficas e socioeconômicas dos coletores de material reciclável, classificadores de resíduos e varredores a partir do censo demográfico de 2010. Brasília: Instituto de Pesquisa Econômica Aplicada. <http://repositorio.ipea.gov.br/handle/11058/7819>

^{viii} MPF (Dê a Mão para o Futuro). 2021. Relatório Annual 2020. <http://maoparaofuturo.org.br/site/wp-content/uploads/2021/04/RELAT%C3%93RIO-ANUAL-2020-PROGRAMA-DE-LOG%C3%8DSTICA-REVERSA-%C2%A8DE-A-M%C3%83O-PARA-O-F....pdf>

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