



Sustainability of Social Enterprises Involved in Waste Collection and Recycling Activities



Waste pickers at Pugu Kinyamwezi Landfill, Dar es Salaam

Executive summary

Social enterprises involved in solid waste management (SWM) provide small-scale and low-cost solutions that are adapted to the local context and help the public sector to be innovative and more cost-effective. Basically, the waste collection and recycling enterprises that start as entrepreneurial entities driven by the opportunity to fill the service delivery gap left by the state use market-oriented activities to generate an income that assures their survival. Yet, even as the most enterprises have a social impact, they experience several challenges, including limited access to resources, negative perception of their activities, competition, unsupportive policies, unreliable supply of raw materials, dishonesty of waste pickers and poor working conditions. Still, the enterprises sustain themselves through good management, engaging the right teams, supporting waste pickers, marketing and networking, developing their skills, using appropriate technology, reinvesting their earnings, diversifying and being members of cooperatives. Such enterprises should therefore be recognised by local authorities and supported to adopt entrepreneurial orientation. Efforts should be made to develop the waste management value chains and provide incentives to private sector to enter the SWM system. This can be achieved through partnerships and integration of the grassroots initiatives into formal SWM services.

Introduction

The enterprises that combine social goals with the pursuit of profitable opportunities are becoming an integral part of the waste management system in different parts of the world. However, in many cities of the global south, local governments, policy actors and development projects doubt the capacity of social entrepreneurs to operate alongside the public sector to fill service delivery gaps, such as collecting, sorting and processing waste. For the purpose of contributing to policy debate on sustainability of the social enterprises involved in waste collection and recycling activities, a study on grassroots innovations developed by waste picker organizations and networks was conducted in Tanzania under the support of an international action-research project: Recycling Networks and Waste Governance¹. Study findings and

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1. The project supported studies on grassroots innovations developed by waste picker organizations and networks in five countries of the global south: Managua (Nicaragua), Dar es Salaam (Tanzania), Buenos Aires (Argentina), São Paulo (Brazil) and Kisumu (Kenya)



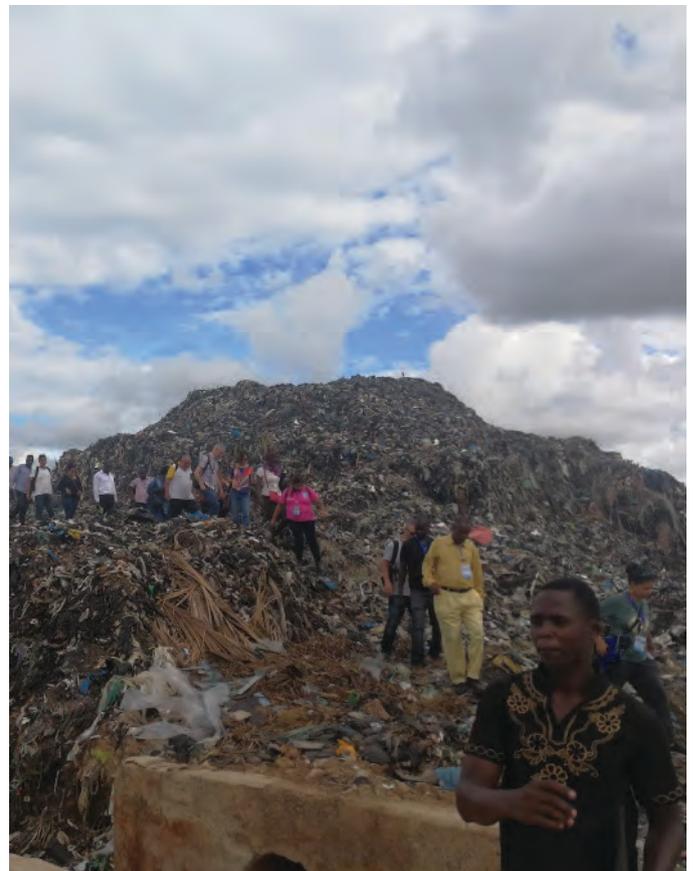
experiences draw from similar countries show that social enterprises can provide small-scale, low-cost solutions that are adapted to the local context and can help the public sector to be innovative and more cost-effective. They search for inventive ways to sustain themselves and use market-oriented activities to generate an income that can then be reinvested in their organization. If they are supported, innovative and entrepreneurial waste management enterprises have a great potential to evolve and meet society's needs as well as generating a return to ensure their sustainability.



Plastic bottles collected by waster pickers for selling to the Chinese Industry, Dar es Salaam

Methodology

This policy brief is informed by a qualitative study which was done in Dar es Salaam, the largest commercial city in Tanzania. The study entailed focus group discussions and semi-structured interviews with 40 grassroots initiatives as well as detailed analyses of five case studies. Most of the initiatives were unregistered/informal community-based groups, private companies, registered associations, self-help groups and registered CBOs, which provided various services, such as collecting, transporting, sorting, processing, recycling and composting waste, as well as buying and selling waste material. The five cases met the criteria for social and/or environmental entrepreneurship as they were motivated to both serve the community and make a profit. Their analysis sought to obtain: a profile of the initiative; the working environment; management and governance; opportunities and challenges; and sustainability strategies. A qualitative content analysis of individual and across cases was done to generate the findings that informed this policy brief.



Research Group Visiting Pugu Kinyamwezi Landfill During the Conference held in Dar es Salaam on 29th of April to 4th of May, 2019 on Waste Governance and Recycling Networks.



Results and conclusions

Most social enterprises involved in collecting and recycling waste are characterised by ease of entry, small-scale operations, labour intensive technology and family/group ownership. The majority of them are informal with a small capital whose main activities are collecting, processing, buying and selling (intermediation) and recycling waste. In order to survive, those enterprises combine their key roles with other services, such as lending money to their members, running a supplementary business, training waste pickers and disseminating their ideas. Accordingly, despite their size and legal status, social enterprises provide a possible solution to social and environmental problems left by governments, especially where the state is unable to provide adequate solid waste management services.

More specifically, the study findings indicate that:

- Although the owners/ groups of social enterprises have a social motive for starting their enterprises such as cleaning the environment and empowering the waste pickers, the main motivation is the existence of an opportunity that would ensure their survival, growth and the generation of employment.
 - Despite variations of their structures, they face similar start-up challenges relating to limited access to resources, the negative perception of waste management, low income, competition, inadequate support by the local government, unreliable supply of material, theft and dishonesty of waste pickers, lack of management skills, poor working conditions, and difficulty in getting clients at the beginning.
 - The majority of initiatives are able to survive and sustain their operations by applying strategies that are quite similar to the ones applied by commercial enterprises.
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- Both the formal and informal enterprises are somewhat structured, with a division of roles, and operating principles.
 - They apply feasible technologies and they have the governance structures that ensure their survival (transparency, performance-based rewards and operating guidelines).

- The majority of them have linkages/partnerships with waste suppliers, associations/cooperatives, a corporate organisation or local government for the purpose of building their capacity and sustain themselves.
- Some social enterprises educate other players in the waste value chain to increase their knowledge on how to manage waste while others participate in supplementary activities of a social nature to complement their core role. Accordingly, social enterprises fill service delivery gaps, such as waste collection and recycling, while generating an income, employment and linkages in the waste value chain.

Overall, that the waste collection and recycling initiatives which start as business entities can become social enterprises as long as they mainstream the social goal in their agenda and have a social impact. A wide variety of organisations can therefore be typified as social enterprises involved in waste management with widely differing characteristics.



References and further reading



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The authors recognize the vital input of the waste pickers to the research, as without their knowledge and critical experience we could not have conducted this research. We would also like to acknowledge the funding agencies that supported the empirical research: the Swedish Research Council VR, the Social Sciences and Humanities Research Council of Canada, the Formas Swedish Research Council for Sustainable Development, and from the Swedish International Centre for Local Democracy through the Grassroots Initiatives for a More Inclusive Governance project.

Policy recommendations

Recognition of social enterprises: Recognising and involving those at the grassroots in collecting and recycling waste could improve the effectiveness of the municipal waste management services and expand the scope of collaboration between the local government and private sector. This can be achieved by setting up a specific registry at the municipal and city council offices to register social enterprises providing solid waste management services. Those enterprises can be provided with specific identification and contracted by local authorities to offer their services.

Support waste pickers to adopt entrepreneurial orientation: Waste collection and recycling initiatives need to adopt an entrepreneurial orientation and reduce dependence on state/development projects given that opportunities for growth exist and expected support is not assured. Support is needed for them to have adequate management, engage and retain the right people with adequate skills, market and network their initiatives, develop skills, use adequate technologies and participate in business associations. The local government authorities should set-up specific desks to build the capacity of waste pickers and transform their initiatives to become more entrepreneurial and self-sustainable.

Develop the waste management value chains: Support upstream and downstream linkages through, for instance, training waste pickers to become entrepreneurs and supplying them with basic equipment and tools, developing linkages between intermediaries and waste processors. The key actors involved in solid waste management can be supported to develop the win-win business relations in order to ensure that they benefit from opportunities emerging from the development of the value chain.

Provide incentives to private sector: The private sector should be given incentives to enter the SWM system, which could be done through supporting enterprises to access resources. Part of the incentive could be encouraging social enterprises to enter the SWM system by giving them an incentive and contracts to delivery some services.

Partnership and integration: In order to create an effective social waste collection system, local governments need to partner with those at the grassroots taking the initiative and support them to start, survive and grow. On the other hand, those at the grassroots need to learn from typical business entities and develop strategic networks with other businesses, the government, educational institutions or other waste management companies, which will help them access financial resources, networks, technologies, work space and markets for their products and services

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