

Packaging EPR in Uruguay

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About this Brief

This brief is one of a series of case studies examining Extended Producer Responsibility (EPR) Systems in various locations around the globe. Produced by the Global Alliance of Waste Pickers and WIEGO, this series looks at how the growing adoption of EPR policies and systems worldwide can either threaten or improve livelihoods for informal waste pickers who have traditionally been key players in recycling and reuse.

EPR systems come in many shapes and forms and can cover a range of materials. Their primary purpose is to hold producers responsible for the environmental and economic cost of the packaging and products that they put into the market. Some systems are mandatory policies, while others are voluntary initiatives led by companies or consortiums.

Waste is not just an environmental issue—it is a valuable commodity. For waste pickers, EPR systems can be controversial because they shift both power and profit to producers or other waste sector actors, often introducing new actors who compete for materials. But in places where waste pickers are organized, EPR can be a positive disruption that has the potential to finance new or existing waste picker activities. Thus, EPR can present both risks and opportunities for waste pickers and their organizations. Without a clear understanding of EPR in different contexts, however, it can be difficult for waste pickers and their organizations to know what to demand when an EPR system is being proposed or how an existing system should be changed.

This series aims to close that knowledge gap by sharing on-the-ground, lived experience of local waste pickers and their organizations in places where some form of EPR exists. Each study concludes with a set of recommendations for improving the system to better accommodate waste picker integration.

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Cover photos:

Top – César Maciel in 2014, supporting the Géminis plant's first direct sale of recycled paper to industry, to a plant that makes paper products such as nappies, toilet paper rolls, and tissues.

Bottom – A sorting plant waste picker shows off her hat, which reads "Your packaging's still good."

Photos: Patrick O'Hare

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Summary

Uruguay's **Act no. 17.849 on the Use of Non-Returnable Packaging (Ley de Envases)** was passed in 2004 and is widely considered the first EPR legislation to be approved in Latin America and the Caribbean. Implementation started in 2007 with a pilot project in the Canelones region, and in the capital city of Montevideo in 2012. Although it aspires for national reach, the Ley de Envases is only present and active in six of Uruguay's nineteen regions (*departamentos*).

The Uruguayan Chamber of Industries (Cámara de Industrias) is a key actor in the governance and management of the Ley de Envases and is responsible for the collection of a levy from companies that produce or import packaging in Uruguay. This levy varies according to the amount (weight) of packaging that companies put on the market, regardless of the material from which the packaging is made. An important part of this levy is spent on paying waste pickers a basic wage, which is then complemented by the sale of recyclables.

The state is represented in the management and governance of the Ley de Envases through the participation of the Ministry of Social Development (MIDES), the Ministry of the Environment (formerly DINAMA), and regional governments (*Intendencias*) in the regions where the Ley de Envases is present. Depending on the region, recyclables are collected either by waste pickers (*clasificadores*) or by the municipal government before being taken to recycling plants to be sorted by waste pickers, who are now organized in cooperatives but were previously managed by NGOs. Generally, such recyclables are collected from street-side containers rather than through door-to-door collection.

The Ley de Envases has provided social security and a stable income for the waste pickers who have been included, but they represent only a small fraction of the Uruguayan waste picker population. In most regions, waste pickers are forbidden from accessing commercial recyclables, limiting the quantity and quality of raw materials that they can receive and thus their potential incomes.

The fair inclusion of waste pickers into the waste management system through the *Ley de Envases* is hindered by its limited geographical reach, a convoluted and opaque governance structure, the existence of competing national legislation (a more recent Waste Management Law), and the fact that plants are mostly only permitted to receive household waste. The inclusion of some waste pickers in the scheme has also been accompanied by the dispossession and exclusion of a larger number of informal waste pickers, particularly in Montevideo (O'Hare 2022).

Basic Case Data

- **Location:** Uruguay
- **Scale:** National
- **System type:** Mandatory law
- **Materials:** Non-industrial packaging
- **Number of organized waste pickers involved in the system:** 212
- **Number of independent waste pickers informally engaging in the system:** None

Background: Context and History of the Ley de Envases

Changing perceptions of waste and its management in Uruguay have contributed to the current EPR system, whose origins need therefore to be placed in historical context. According to Fry (2015), waste in Uruguay is generally associated with the 20th century hygienist discourse, which came with the establishment of a new social paradigm of modernity and progress, counterposed to what were now considered “barbaric” forms of social behaviour. A civilizing urbanism, which placed new expectations on the behaviour of citizens, was nevertheless accompanied by a division between the private and public spheres, with a lessened individual responsibility for actions occurring outside the private space of the home. This contributed to an entrenched problem of littering and dumping in Montevidean public space that was long seen as the fault of citizens and/or municipal governments. Only in recent years, particularly with the boom in nonbiodegradable plastic packaging, has some responsibility for littering been attributed to producers, importers, and manufacturers of such packaging.

While the single-use plastic bag has recently, in Uruguay as elsewhere, been deemed a villain worthy of its own legislation and prohibition (with exceptions), an earlier plastic antagonist was the disposable polyethylene milk sachet that Uruguay’s national dairy cooperative (CONAPROLE) opted to replace its re-usable glass bottles with in the 1990s. According to some estimates, half a million of these bags were distributed in Uruguay on a daily basis towards the end of the century. Criticism of the waste and litter generated led to a voluntary EPR scheme in Montevideo. Through this scheme, a pioneer in the country, schoolchildren were encouraged to clean and hand in these sachets at their schools. The sachets were taken to a recycling plant and transformed into plastic rubbish sacks that were purchased by Montevideo’s regional government. According to sources who were involved in this scheme, the signing into law of the Ley de Envases and its infrastructure of mixed recyclables collection effectively led to the first scheme’s demise.

Interest from international organizations in waste management reform and regularization also forms part of the origins of the Uruguayan EPR scheme. For instance, the Inter-American Development Bank, from 1981 onwards, provided match funding for Montevideo’s Sanitation Plan, where what would later become waste management plans were outlined. This goes to show that proposals to establish such a system and the way it has been conceptualized cannot be attributed to a single actor. From qualified informants, we can identify the beginning of a debate around EPR in the national parliament from the 2000s, but these drew on discussions that took place within the political coalition that has ruled Montevideo since the 1990s.

It is important to note that Uruguay’s draft Packaging Law (2002) initially proposed a ban on non-returnable/reusable packaging. This draft Law emerged, as noted by the Law’s proponents, partly in response to two events. First, widely disseminated images of drains blocked with (plastic) waste, in the context of the search for a boy, eventually found drowned, who had fallen into the open pipes of Montevideo’s drainage system. Second, the closure of Uruguay’s only glass manufacturer (*Cristalerías del Uruguay*) and its effective replacement with a disposable PET bottling plant (CristalPET), founded by the same owners. The draft Law went out for consultation, with the Uruguayan Chamber of Industries and its Uruguayan Plastics Industry Association (AUIP) playing a key role in what might be called its “watering down”, as it moved from a ban on non-returnable packaging to voluntary contributions that importers and producers would contribute according to the amount of such packaging that they put on the market.¹ It is worth noting, however, that the redacted and eventually approved Law passed with the cross-party support of the Senate’s Environment Committee and the proponents of the original bill, centre-left senators Monica Xavier and Reinaldo Gargano.

In the run-up to the approval of the Law, little consultation was carried out with waste pickers, recyclers, and other informal sector actors involved in the recycling trade. However, between the passing of the Law (2003) and its regulation (2007), a trade body had been established for plastics recyclers (the Association of Plastics Recyclers of Uruguay or ARPU) and a trade union for waste pickers (the Unión de Clasificadores de Residuos Sólidos Urbanos or UCRUS). Both bodies were consulted with and mentioned in the regulation of the law, although both maintain strong disagreement with how the Law was eventually implemented and managed.

¹ See 22nd ordinary session of the fifth ordinary period, of the 45th session of the Uruguayan senate, available at: <https://parlamento.gub.uy/documentosyleyes/documentos/diarios-de-sesion>

Operation, actors, and main competencies

To understand how the packaging waste management system has functioned since Act no. 17.849 and the corresponding regulatory decree entered into force, we must briefly describe the main actors involved and their competencies. The agency in charge of regulating and enforcing the Law is the DINAMA, which formed part of the Ministry of Housing, Land Planning and Environment (MVOTMA) and is now integrated into the Ministry of the Environment. It is also incumbent on this agency to set recovery and geographic coverage goals, and to approve Packaging Waste Management Plans (*Planes de Gestión de Envases or PGE*) submitted both by regional governments and by companies. These two types of management plans are different but interrelated. PGEs developed by regional governments establish, for instance, recovery guidelines, while those developed by companies include specific strategies that guide their own measures. This multiplicity of tasks regarding packaging waste management adds complexity to the building of a smoother and more integrated system. The powers granted to DINAMA by the Law have been transformed over time into a limited monitoring capacity, resulting in little foresight and proactive capacity.

Another key actor in the system is MIDES, particularly its *Uruguay Clasifica* (Uruguay Sorts) programme, which supports waste picker cooperatives, manages social assistance to waste pickers, and seeks to create mechanisms for waste pickers to be considered for formal waste management jobs. The third actor in this system is the CIU, which has been responsible, on the one hand, for the development of private companies' PGEs and, on the other, for providing a platform for the Chamber of Waste Management Companies of Uruguay (CEGRU), which represents companies in the waste sector. When companies adhere to the Packaging Management Plan prepared by the CIU, they must submit a declaration of how much packaging they have released onto the market, a note of adherence to the plan, and an acknowledgement of the rights and duties involved in joining the plan.

The companies that form part of the PGE-CIU make a monetary contribution based on their share of packaging placed on the market. This contribution is transferred to a trust, which finances the salaries of waste pickers who work at plants set up to sort waste. The trust contract comprises the Chamber of Industry as the trustor, on the one hand, and ASINUR (a limited company) as trustee, on the other. This limited company manages the resources transferred to the system and is entirely accountable to the CIU. The trust is responsible for paying for workers' wages, packaging waste containers and collection points, the building and set up of waste sorting plants, as well as security, uniforms, and equipment. Regional governments finance collection and the dispatching of trucks to the plants. As such, the scheme has and can be classified as one where there is a shared responsibility, financial and otherwise, for the recovery of packaging, distributed between public and private bodies (see Stephenson and Faucher 2018).

The UCRUS, meanwhile, has fulfilled its role as a trade union organization advocating for the rights of plant workers, as well as contributing to strategies aimed at improving waste management. The Law does not give waste pickers a leading role, nor does it consider consumers as systemic actors or stakeholders. Nevertheless, the UCRUS both monitors the implementation of the Law at a regional level and articulates with other social policy tools. Further, it established relationships with the CSOs that help waste picker groups to run sorting plants, and with the other institutions involved in the implementation of the Law.

The regulatory decree established a committee to monitor the Law, comprising MVOTMA, MIDES, CIU, and Uruguay's Chamber of Commerce and Services. Participation in the Monitoring Committee is open to waste pickers, but it is MIDES that decides on their representatives, thus highlighting the supervised nature of the participation of waste pickers in the system. Although the Act and the regulatory decree asserts non-transferable obligations for the different actors in the system, this does not always bear out in implementation. A clear example of this is that the nationwide reach of the Law has completely stalled, with Montevideo the last region to sign up to a PGE in 2014. The most advanced section of the Law, in terms of compliance, is the one that deals with tax obligations and the registration of the systemic actors.

Packaging Waste Governance

The Ley de Envases was designed to be national in scope and without binding targets on the amount of packaging to be recovered either by weight or percentage of material released into the market. Implementation of the Law was split into stages, with Article 9 providing a period of up to three years for the effective rollout of the regulation, as well as a period of 180 days after its adoption to determine how it would be applied to bottling plants and importers of water, soft drinks, and plastic bags.

The three-year limit for the operationalization of the Law was used by the relevant authorities to produce regulatory decrees, which, amongst other things, established the following deadlines to start operations (Decree no. 260/007, Art.10):

1. For type I products (liquids for human consumption, liquids used for the preparation or cooking of food, and items for home disinfection and cleaning): March 31st, 2007.
2. For type II products (other products for human consumption not included in type I and for the perfume, cosmetics items, and toiletries industry): June 31st, 2007.
3. For type III products (other packaged products not included in types I and II): December 31st, 2007.

All primary packaging placed on the market is covered by the regulation, except for those of exclusive use and consumption by industries, shops, or agricultural and livestock activities, with specific regulations put in place for these exceptions. Although the Law is national in scope, the main bodies in charge of its operationalization are regional governments. Regulatory decree no. 260/007 requires them to cooperate with the recovery and treatment system, primarily in generating specific measures that will ensure that waste packaging management plans are implemented, while at the same time enabling the operation of segregated waste collection systems designed to reduce the amount of packaging in the mixed waste stream that is generally landfilled.

In all of the regions where the Ley de Envases has been implemented, agreements have been signed between the relevant parties mentioned in the Law (MIDES, DINAMA, CIU, and regional government). While these agreements do not contradict the law, they do go beyond and interpret it in different ways. A clear example of this is the responsibility given to regional government. If analyzed closely, Article 11 of the Act requires them to enact additional rules to “avoid mixing [packaging waste] with ordinary solid waste or household waste”. However, the agreements (at least in the case of Montevideo) also require regional authorities to implement, monitor and coordinate with the civil society organizations (CSOs) contracted by MIDES to integrate waste pickers.

The Ley de Envases in Montevideo and beyond

Following the implementation of a pilot scheme in Canelones in 2007, the next four regions to establish packaging waste management plans were Flores, Maldonado, Rivera, and Rocha in 2010. The launch of four classification plants in 2014 marked the arrival of a PGE in the capital. In Montevideo, waste collection is carried out by the regional government, with the exception of a central area that since the 1990s has been operated by a private concessionary. This central area coincides with that in which new bilateral containers for mixed recyclables were distributed for transport to the four PGE plants, complemented by containers placed in supermarkets and in some large housing complexes. The rolling out of general waste containers in Montevideo began in the 1990s and has now reached 95 per cent coverage, through a combination of mixed waste containers (the majority), segregated collection (mainly through the PGE but also in another pilot scheme), door-to-door collection (in Rural Montevideo), and the special collection of bulky and garden waste. Commercial waste is not included in the PGE and generators have three options for its disposal: to contract the regional government, to contract an authorized waste transporter, or to register as an authorized waste transporter themselves.

Montevideo’s PGE plan consists of an environmental and social proposal to recover the types of packaging included in the Law, based on the principle of waste segregation at source. Implementing the Law and enforcing its regulatory decree generated a management system and advertising campaign called *Your packaging’s still good* (“Tu envase sirve”), which worked to meet regulatory requirements through a partnership between the CIU, the Regional Government of Montevideo (*Intendencia de Montevideo*), MVOTMA and MIDES, who went on to constitute a Monitoring Committee. As in the other regions of the country, Montevideo’s PGE is structured into three stages: 1) packaging

waste sorting at source; 2) segregated collection by the regional government (through collection points and/or special containers); and 3) classification and valorization through commercialization.

As in the other regions where the Law has been implemented, the Montevideo plants were initially managed by NGOs, with the idea that these would eventually hand over control to the workers in the form of cooperatives. Thus from 2014 until 2020, the classification plants were managed by different NGOs, mostly with a socio-educative rather than a productive profile, a factor which in some accounts contributed to their low productivity. Again, as in the rest of the country, waste pickers' incomes are made up of a stable wage paid by the CIU plus income from the sale of recyclables. Unlike the rest of the country, however, waste pickers in Montevideo were able to negotiate a wage "complement", which in 2019 amounted to USD\$103; this was in addition to a USD\$495 basic wage, from which social security contributions were deducted. Whenever any of the plants achieved sales of over USD\$103 per worker per month – a rare occurrence – they accrued this additional income as a further supplement to their basic wage and complement. As a rule, there are no subsidies related to the sale of recyclables and no artificial mechanisms to stabilize prices. Two exceptions to this are subsidies for the recovery of Tetra-Brik and Expanded Polystyrene (EPS). Tetra-Pak subsidizes the recovery of the former, albeit at a very low rate (USD\$0.03 per kilo), while the Uruguayan producers and importers of EPS subsidize its recovery at a much more favourable rate (USD\$0.4 per kilo).²

The Montevideo PGE agreement refers to an addendum, the "Management Plan for the Recovery of Non-Returnable Packaging in the Region of Montevideo", which sets the total budget (see table below) to operationalize the plan.³ It is worth noting that during the first year, it was public authorities rather than the producers/importers that made the largest economic contribution. However, it does not necessarily follow that those who provided the most funding and resources have wielded the most influence in the implementation of the Law in Montevideo. Indeed, in some accounts, the CIU used the fact that it pays the salaries of waste pickers working in the classification plants as leverage to exert a dominant position during negotiations. Ultimately, the monitoring commission often serves as a platform for the settlement of labour disputes, with the CIU playing the role of employer, waste pickers assuming the union role through the UCRUS, and the other institutions intermediaries in case of conflict.

Table no. 1: Total budget in Uruguayan pesos (UYU)*

Type	Financing source	Total Year 1	2012		2013	
			1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Investments	CIU	28337000	14168500	0	13953500	215000
	IM	55040000	33970000	0	20296000	774000
	MIDES	0	0	0	0	0
	DINAMA + IM	0	0	0	0	0
	Total	83377000	48138500	0	34249500	989000
Operations	CIU	17902608	933350	4391365	4551165	8026729
	IM	11484361	1935414	2010114	3518605	4020228
	MIDES	3348702	0	1116234	1116234	1116234
	DINAMA + IM	5000000	800000	2000000	1200000	1000000
	Total	37735671	3668764	9517713	10386004	14163191
Total	CIU	46239608	15101850	4391365	18504665	8241729
	IM	66524361	35905414	2010114	23814605	4794228
	MIDES	3348702	0	1116234	1116234	1116234
	DINAMA + IM	5000000	800000	2000000	1200000	1000000
	Total	121112671	51807264	9517713	44635504	15152191
	Distribution	100.00 %	43.00 %	8.00 %	37.00 %	13.00 %

Source: Management Plan for the Recovery of Non-Returnable Packaging in the Region of Montevideo, 2012

*1 USD≈20.2 UYU in 2012; 1 USD≈20.4 UYU in 2013

² Figures are for 2022.

³ See page 33 at http://www.ciu.com.uy/innovaportal/file/49856/1/pge_montevideo_plan_2012-08-24_definitivo.pdf

The PGE agreement also set out ambitious targets for the recovery of recyclables in Montevideo. A comparative glance at the figures from 2019 shows how short the PGE has fallen of these targets (recovery was even lower in 2020 due to temporary plant closures during the pandemic).

Table no. 2: Original Goals vs. 2019 Figures

Indicator	2015 Target	2016 Target	2019 Figure
Percentage of Population participating in scheme	10%	20%	4.2%
Tonnes deposited by the public per day	19	38	8.2
Percentage of population covered	60	60	57.5
Average recovery rate of packaging placed on market	20%	60%	5.7%
Amount recovered per classifier per month (kg)	2,000	n/a	770

Source: O'Hare 2021

Given that this comparison is only between targets – which many consider to have been unrealistic – and relatively recent figures, it is also worth comparing figures from 2014-15, the first period for which they are available, with those of 2019, the last year for which data is available before the COVID-19 pandemic had a considerable impact on recovery rates and the functioning of the plants.⁴ We can see from the comparison that between the dates considered there were very little improvements within the system.

Table no. 3: Chronological comparison 2014/15 vs 2019

Montevideo Plant Indicator	November 2014 – August 2015	2019
Material unloaded in plants per month (tonnes)	210	231
Material commercialized per month (tonnes)	89	86
Percentage of material unloaded that is commercialized	41	35
Percentage of material unloaded that is discarded	59	65

Source: O'Hare 2021

Finally, we can draw a comparison between the functioning of the system in Montevideo and its record in the other regions in which it has been implemented. The establishment of the PGE in the capital city represented a significant scaling up of what had gone before, something that was to be expected given the population size of Montevideo relative to the rest of the country, and the fact that it hosts by far the largest number of waste pickers in the country. The scale of the investment in equipment and human power can be seen in Table 4.

⁴ Complete figures for 2014 and 2015 are not available and therefore a monthly average has been taken from a period of 10 months vs. the 12 months of 2019 from which a monthly average has been calculated.

Table no. 4: Regional Comparison 1, 2019

Region	Total Cost of Program per Month (USD)	Average number of workers per month
Montevideo	266,667	112.0
Canelones	212,986	34.5
Flores	31,205	14.5
Maldonado	51,065	13.5
Rivera	48,226	23.9
Rocha	42,553	13.8

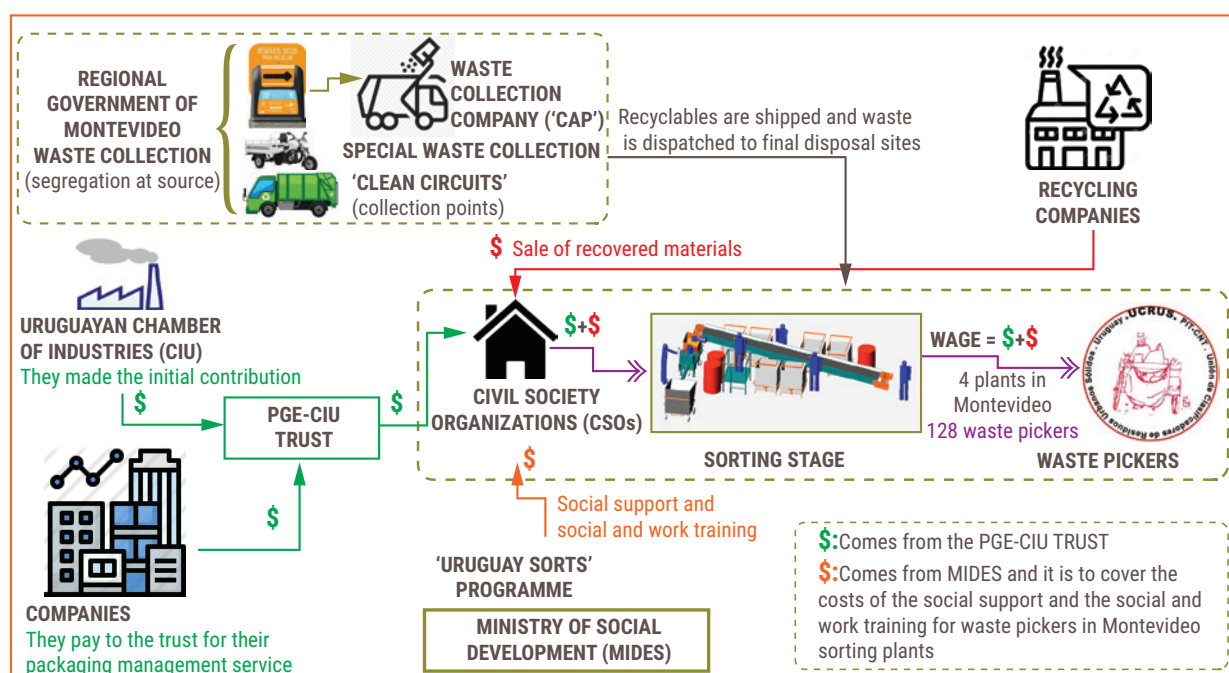
However, this larger investment and the more hands put to the job did not necessarily result in improved recovery rates relative to the other CIU-PGE regions, as can be seen in this final comparative table.

Table no. 5: Regional Comparison 2, 2019

Departamento	Size of population covered	Percentage of collected material that is recovered	Percentage of collected material that is discarded	Kilos recovered per clasificador (waste picker) per month	Cost of each tonne collected each month (USD\$)	Cost of each tonne recovered each month (USD\$)	Cost per inhabitant per month (USD\$)	Collection method
Montevideo	757,689	35%	65%	770	1,569	2.893	0,35	VCP
Canelones	214,739	81%	19%	3,100	-	848	0,33	VCP + DD + LG
Flores	22,982	80%	20%	808	3,012	2.686	1,39	VCP + DD + LG
Maldonado	40,000	73%	27%	1,228	3,170	3.727	1,26	VCP + DD + LG
Rivera	73,029	47%	53%	1,005	717	1.899	0,56	VCP + DD + LG
Rocha	68,088	83%	17%	1,187	1,629	2.571	1,42	VCP + DD + LG

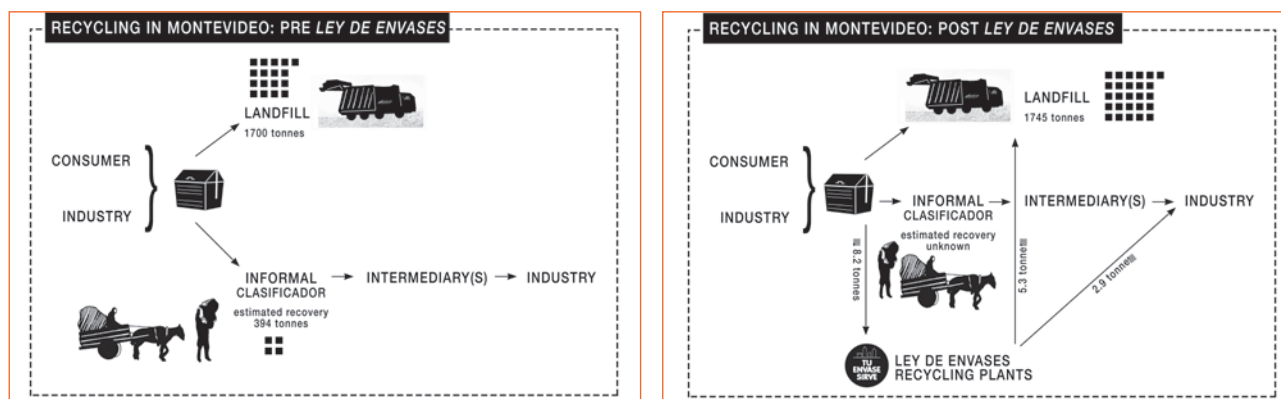
Source: O'Hare 2021 VCP: Voluntary collection point DD: Door-to-door collection LG: Large generators

Figure 1: Financing the Ley de Envases (Montevideo)



Source: Cecilia Matonte-Silva, 2021

Figure 2: Operation of Uruguay’s waste system before (left) and after (right) the Ley de Envases.



Source: O'Hare (2020). Design: Mary Freedman

Waste Picker Participation in the System

Previous WIEGO publications (e.g. Matonte Silva 2018) have provided accounts of the rules and regulations that shaped the conflictive relationship between waste and Montevideo, tracing legal prohibitions on waste pickers’ access to waste that had been introduced by the regional government since the 1970s. Confrontations between waste pickers and regional authorities have been documented ever since. At the same time, waste pickers’ role in waste management has started to be redefined and their labour recognized as fundamental to the transformation of waste into raw materials and commodities. Yet it has been persistently difficult to apportion programmes, resources, and spaces that transmute this recognition into meaningful improvements in waste picker conditions and a strengthening of their role in the recycling chain. In fact, policies that repress waste pickers and waste segregation have often coexisted with attempts to recognize and include them, leaving substantial transformations incomplete.

Waste picker organizations are not mentioned in the Ley de Envases and they are only considered in the regulatory decree in a very circumstantial way. Article no. 4 of the decree, for instance, makes reference to the social inclusion of waste pickers, and recommends formalising their work, but leaves the drafting of inclusion guidelines to MIDES. Article no. 17 creates, in turn, a “Monitoring Committee” in which waste picker participation is institutionally subordinate to the appointments made by MIDES. On this issue, interviewed informants raised the problems that the regulation creates. Because it is formally stipulated that waste picker organizations must somehow go through MIDES, their participation takes place under tutelage, making it difficult to build autonomy and to reinforce direct representation of their interests. According to sources, the first working group established by DINAMA to operationalize the system involved representatives appointed by each regional government from all 19 regions, the CIU and MIDES. When union representatives asked the working group why waste pickers had not been called to attend, authorities answered: “It did not cross our minds.”

A qualitative leap in the representation of waste pickers, both within and outside the EPR system, was the creation, between 2002 and 2004, of the UCRUS. Originally, all the waste pickers that it represented worked in the informal sector. Later, it was able to integrate those who had achieved some formalization through the establishment of co-operatives. Today, it also includes workers from packaging waste sorting plants. In 2015, after a long and arduous process, the UCRUS was recognized and included in Uruguay’s trade union congress, the Inter-Union Workers’ Plenary-National Workers’ Convention (PIT-CNT). This allowed waste pickers’ bargaining position to be strengthened through the support and endorsement of the Trade Union Confederation (which represents almost all Uruguayan workers). At the same time, however, the UCRUS has at various points been weakened in its capacity to represent waste pickers.

The descriptive report on human rights in Uruguay, produced in 2018 for WIEGO, states:

“[...]although in terms of building alliances the inclusion of the UCRUS into the PIT-CNT can be seen as a [sic] progress, not all workers in the sector have the same rights recognised. Workers who are formalised through contracts signed with Non-Governmental Organisations (NGOs) responsible for the management of waste sorting plants benefit from social security contributions, [and] union rights, which give them different rights as workers compared to those who work informally (at final disposal sites or as cart drivers)”

Matonte 2018: p. 7

In principle, registered waste pickers are prioritized when Ley de Envases sorting plants hire new staff, in a process that is mediated by MIDES. In practice, priority is also given to the family members of sorting plant workers, who nevertheless still go through an interview process. Outside of Montevideo, in rural regions where waste pickers are less prevalent and numerous, the social profile of new sorting workers often differs (Flores's sorting plant, for instance, employs a large number of single mothers with no previous experience in the recycling trade). The UCRUS campaigns for more workers to be included and formalised, given that even using the most conservative estimate of the number of waste pickers in Montevideo, the Ley de Envases plants only include around 10 per cent of all the waste pickers in the city (O'Hare 2021).

In summary, the standing of waste pickers in the packaging waste management system requires a nuanced analysis. On the one hand, we have the aforementioned tutelage and subordination instituted through the governance of the PGE. On the other hand, there has been pressure from the trade union confederation to increase workers' autonomy and reduce levels of tutelage. We have the demands of the waste pickers who are included in the system, which have to do with working conditions, wages, union leave, training, the ability to receive commercial waste and add value to recycle, and capacity building to improve their activities. Conversely, we also have the situation of informal waste pickers that lie outside the system, who have seen their conditions deteriorate in part as a result of the implementation of the Ley de Envases and its hermetically sealed containers but mostly due to the expansion of a formal market in waste transportation. The UCRUS has mostly campaigned to include dispossessed waste pickers within formal inclusive recycling schemes, but there is also recognition that not all waste pickers prefer waged labour or cooperative work over the autonomous but precarious informal labour at the landfill and on the streets.

Challenges and the Future of the Ley de Envases

Multiple challenges have been identified vis-à-vis the governance of the Ley de Envases on account of the complexity posed by inter-institutional relations, the multiplicity of scales, and the diversity of actors who make up the system. Though supposedly national in scope, the system had reached only half of the national territory as of January 2022 and had only been implemented in six of Uruguay's nineteen regions. These include two of the four regions that comprise Montevideo's metropolitan area, which together make up more than 50 per cent of the country's population. Since the early implementation of the packaging waste act, however, the national material recovery rate has not exceeded 4 per cent of declared packaging. In 2020 (amidst the pandemic), 3.04 per cent was recovered. That year, the 2,260 companies that participate in the management plan designed by the CIU declared that they had placed more than 72,000 metric tonnes of packaging onto the market, of which only around 2,000 were recovered. These headline figures disguise regional differences in recovery rates, with Canelones, Montevideo's regional neighbour, often regarded as a qualified success story in this regard. As the former director of an environmental business group notes:⁵

"Canelones recovered around 32 per cent of equivalent packaging [in 2019]. That is a significant number. We are talking about 2,600 metric tonnes out of the 7,000-projected consumption in the region, according to packaging consumption estimates based on GDP and the region's population. In Montevideo, it was about 3 per cent"

Press release of *El Observador*, February 2021

In terms of the environmental impact that implementing such a system could bring about, the way the system has functioned so far is far from ideal. One of the main weaknesses of this system is that it does not provide incentives for greater reuse of recovered packaging, with certain glass bottles the only materials that are sold for re-use rather than recycling. Nor has Montevideo's packaging waste management system significantly reduced the amount of waste dumped in landfills. One obvious challenge for the system is to improve its levels of recovery through the strengthening of segregated collection systems and the implementation of door-to-door household collection, something that has only occurred in smaller cities of Uruguay's interior and on a pilot level in Canelones. The introduction of a deposit-return scheme for certain forms of packaging (such as PET bottles) is also being considered by the CIU as they seek to reform the system and improve recovery rates.

⁵ See: Federico Baráibar, former director of Compromiso Empresarial para el Reciclaje (Business Commitment to Recycling), CEMPRE. <https://www.elobservador.com.uy/nota/cayo-el-reciclaje-de-envases-y-hay-dos-factores-que-lo-explican-202121012132>

Producers and importers of packaging – represented by the Chamber of Industry – were assigned a leading role in providing the investment needed for the implementation of an effective system. Yet the document submitted when the parties signed the Montevideo implementation agreement showed that the regional government made the greatest economic contribution. We can see that the private sector maintains a powerful position when negotiating the wages and working conditions demanded by plant workers and the distribution of the financial burden for managing the system. From the analysis of interviews with relevant Monitoring Committee members, we can find situations where Montevideo’s regional government is held accountable for issues, such as the development of companies’ packaging waste management plans, that are the responsibility of private actors or national environmental bodies. The political costs of running the system poorly often fall either on workers, who see their wages and working conditions affected, or on regional governments, who lose support on account of poor operations, particularly during the waste collection stage.

As for evaluating and improving the system, changes are meant to be designed and implemented through a joint agreement by the Monitoring Committee members. To date, the way to resolve the conflicts that arise in the management of the system is through permanent negotiation among the stakeholders; regional governments play a leading role in this regard. Conflicts are often resolved through bipartite or tripartite negotiations at the level of regional management, since, in the case of Montevideo, any problem with waste collection has the potential to attract public attention. When conflicts arise, especially labour conflicts, the regional government is quick to send all trucks to landfills while negotiations with workers are held, so as to avoid an accumulation or backlog of waste. Because the UCRUS is part of the PIT-CNT, there is more room to manoeuvre when negotiating with the private sector, which quickly assumes the role of a traditional employer.

As of 2021, Montevideo’s classification plants have followed those in most of the rest of the country in undergoing a process of cooperativization. Workers have taken on the management of the plants, and civil society organizations have been phased out gradually, with some management assistance retained in the form of plant coordinators.⁶ This is an ongoing process that cannot yet be clearly assessed because it overlaps with changes within the national and regional governments, and with the health and economic crisis that we are currently experiencing. In March 2020, Uruguay declared a state of health emergency due to COVID-19, when both the special collections and the collection points that supply the waste sorting plants were suspended. Plants were also closed, and all waste was taken to the landfill. While the plants were closed, workers were covered by a special insurance implemented by the national government through the Labour Ministry. The regional government saw the suspension of waste segregation at source as a huge setback in the management of household waste; on July 15th, 2020, an operational protocol was signed in the Ministry of Labour and Social Security that gave waste workers guarantees for going back to work.⁷ Yet the 2020 figures reflect lower recovery-at-source levels due not only to closures but also the fall in consumption caused by the health emergency measures.

As for the transparency of the system, there are several points to consider. The Chamber of Industries website provides a monthly report and figures on the operations of the PGE-CIU in the regions of the country where it is currently implemented, establishing a useful database to support analysis of the system. Yet the trust that manages the contributions made by private companies does not allow access to systematic data beyond that which this actor is willing to offer. There is, for example, no breakdown of operating costs. Another indication of a lack of transparency is the consultancy that the CIU is currently undertaking to define their future position in terms of their commitment to the PGE-CIU and how it might be reformed. Instead of seeking to improve the system in coordination with the other actors, the CIU has effectively postponed any systemic changes until this consultancy has been completed, leaving not only the regional governments and waste pickers but also the businesses that contribute to the scheme in limbo. For instance, Environment Ministry resolutions have placed targets on the amount of plastic packaging that should be recovered in the coming years, yet plastic manufacturers and brands that use plastics to package their products have been unable to devise new plans to meet these targets until the future of the PGE-CIU has been resolved.

Indeed, a big question mark hangs over the entire EPR scheme given that the General Waste Management Act, passed in 2019, initially foresaw the repealing of the Ley de Envases and the replacement of voluntary EPR contributions with an obligatory tax. As of yet this has not occurred, and the Waste Management Law awaits accompanying regulation. There appears to be little political appetite to implement a new tax, particularly while producers and importers continue to pay their dues to the PGE-CIU. The PIT-CNT and other civil society groups have recently called

⁶ These plant coordinators are financed by MIDES but effectively employed by the cooperatives, of which they are not members.

⁷ See <https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2021-03/Protocolo%20COVID%2019%20-%20Clasificado%20y%20Residuos.pdf>

for the scrapping of the Ley de Envases and the full implementation of the General Waste Management Law, tax included. For now, both Laws continue to enjoy an uneasy coexistence. The recent history of Uruguayan packaging waste management seems to indicate that while power relations may not always favour waste pickers, there is no doubt of UCRUS's dedication to waste pickers and its willingness to defend them through broad alliances with the labour movement in Uruguay, Latin America, and worldwide.

Recommendations

- Improve working conditions, wages, union leave and training for waste pickers employed in EPR sorting plants.
- Allow waste pickers to receive commercial waste and add value to recycle, with capacity building to improve their activities.
- Provide incentives for the reuse of recovered packaging.
- Strengthen segregated material collection systems and implement door-to-door household collection.
- Allow public access to system data, including the breakdown of operational costs.
- Require that changes to the system be designed collaboratively between all relevant system stakeholders.
- Improve recovery rates and productivity through a joint strategy agreed between all relevant actors, with waste pickers, organized in cooperatives and the trade union movement, given a prominent decision-making role.
- Expand EPR-financed segregated collection to a nationwide level, as originally envisaged by the Ley de Envases.
- Should the Ley de Envases EPR scheme be replaced by a tax on producers and importers as envisaged by the **Ley Nacional de Gestión de Residuos** (National Solid Waste Management Law), use revenue from this tax to ensure the continued employment of waste pickers currently working in Ley de Envases sorting plants

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List of acronyms

1. **IADB:** Inter-American Development Bank
2. **CIU:** Chamber of Industry of Uruguay
3. **DINAMA:** National Environment Directorate
4. **MIDES:** Ministry of Social Development
5. **MVOTMA:** Ministry of Housing, Land Planning, and Environment
6. **CSO:** Civil Society Organizations
7. **PGE:** Packaging Waste Management System
8. **PIT-CNT:** Inter-Union Workers' Plenary-National Workers' Convention
9. **UCRUS:** Union of Urban Solid Waste Pickers of Uruguay
10. **WIEGO:** Women in Informal Employment: Globalizing and Organizing



Photo: Patrick O'Hare

ABOUT GLOBAL REC

The Global Alliance of Waste Pickers is a network of waste picker groups representing more than 300,000 workers from 100+ organizations across 34 countries.

Visit www.globalrec.org

ABOUT WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies.

Visit www.wiego.org

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