



# कष्टाची कमाई रव्होतचो रवलवा

...The Co-operative Scrap store

रव्होतचो रवलवा literally, means earnings from labour and was started with the following objectives.

- ❁ Ensure better returns for labour for the waste-pickers
- ❁ Improve the bargaining capacity of waste-pickers
- ❁ Provide insights into the closely held scrap trade
- ❁ Quantify the economic productivity and contribution of waste-pickers
- ❁ Demonstrate that it is possible for the store and the scrap traders to provide for contributory provident fund
- ❁ Demonstrate that it is possible to generate profits in the scrap trade using fair business practices.

## तेद बेइगिनिंग

As the old saying goes, failure is the first step to success, between 1994 and 1996, the Association made two attempts to run a scrap store. Although they were relatively unsuccessful, they were learning experiences. Both the attempts were carried out in two separate slum pockets. Both had to be closed down.

## वह जौ नठ झोचट पप : The initial failures

In the first year there was a profit but management was largely dependent on project staff, which literally sat by the roadside and purchased the scrap. The scrap was transported to SNTD every night because there was no other space available. The waste-pickers were enthusiastic initially and helped out in the sorting and packing but gradually lost interest. There was an instance of a waste-picker reweighing material that had already been paid for and claiming the cash. It was discovered and discussed in the group and she had to apologize.

In the second year the profits of the first year were used to rent space and then to construct a shed on an encroached space in a slum. The management was entrusted to a waste-picker's husband who was unable to cope and was completely dependent upon project staff. The municipal encroachment department demolished the structure after complaints by a cartel of local scrap traders in the area. This opportunity was used to close the store.

## इपुट्टइइ वत वइत

**AS HAVELOCK ELLIS Said** – "It is on our failures that we base a new and different and better success."

The third attempt was triggered off by the waste-pickers themselves who demanded an alternative to their abusive and exploitative scrap trader. About the same time the Pimpri Chinchwad Municipal Corporation agreed to provide space and electricity gratis for a scrap store.

The store started as an activity of the Association in February 1998 with working capital of Rs.50,000, provided by donors through the SNTD project. The store has run as a profit making enterprise ever since, with no subsidies whatsoever.

The store has run as a profit making enterprise ever since, with no subsidies whatsoever. This is based on our strong conviction that economic enterprises have to be run without donor subsidies. Payment is strictly cash and receipts are issued to the waste-pickers for every transaction. **No children** are permitted to sell scrap at the store. The purchase rates of scrap are periodically determined in consultation with the members. Accounts are presented annually. All the costs of labour and management are met through the income generated.

A young woman whose educational level is class X manages the store. Her salary is comparable with that paid in similar enterprises. There are also two hired labourers paid at market rates. The three employees are entitled to a paid weekly holiday, paid leave and bonus. The monitoring costs of Rs.12000 per annum are also reimbursed to the Union from the net profits.

The 40 members who sell their collected scrap at the store everyday are provided with a cup of tea daily and are entitled to a share of the profits generated. The profit share constitutes between 8 and 10 percent of the annual earnings of each waste-picker (calculated based on the record of daily transactions) distributed annually. Half the amount is distributed as cash the balance is deposited by members in PPF (Public Provident Fund) or Long Term Money Back Policies of the Life Insurance Corporation of India.

Over the years, Kashtachi Kamai has generated reserves of Rs.175000 which have been put aside for starting more such ventures.