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'We Looked after People Better when We Were Informal': The 'Quasi-Formalisation' of Montevideo's Waste-Pickers

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Drawing on participatory research, this article explores the state formalisation of Uruguayan *clasificadores* (waste-pickers). It goes beyond the informal/formal binary, instead proposing the concepts of 'para-formality' to describe economic activity that exists in parallel to regulated and taxed spheres, and 'quasi-formality' to describe processes of formalisation that are supported by underlying informal practices. When unregulated, *clasificadores* enjoyed parallel services in health, finance and social security, implying that benefits of 'formalisation' must be explored ethnographically rather than assumed. The persistence of 'quasi-formal' activity within formalised recycling plants complicates simple narratives of informal to formal transitions and suggests that the concept can be useful for the study of labour policies in Latin America and beyond.

Keywords: formalisation, informality, labour, quasi-formalisation, recycling, Uruguay.

Despite its longevity, the concept of the 'informal sector' has been mired in theoretical debate and critique ever since it was coined by anthropologist Keith Hart (1973) to describe the unreported economic activity of unemployed young men in Accra. In Portes et al.'s (1989) seminal volume on the informal sector, Fortuna and Prates (1989: 78) describe it as a '(pre)concept in search of a theory'. Hart (2006) now laments its transformation into a 'jargon word' and the consequent loss of analytical precision. I situate this article within a strand of research that focuses on hybrid formalities and informalities (cf. Mica, 2016) and argue that para-formality characterises the condition of Uruguayan waste-pickers before, and quasi-formality after, their incorporation into state-sponsored recycling plants.

Latin American waste-pickers have, in recent years, been the subject of much political, cultural and academic attention. Various state and non-state actors across cities like Buenos Aires, Asunción, Curitiba, and Bogotá have promoted programmes of 'inclusive recycling', which see waste-pickers organised into collectives and given formal or semi-formal jobs with access to social security (Gutberlet, 2008; Scheinberg and Simpson, 2015; Carenzo, 2016). According to Medina's (2005: 17) classification of state

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approaches to waste-picking, such policies are an example of 'stimulation', in that they recognise 'the economic, social, and environmental benefits of scavenging and recycling'. Yet recent studies have also questioned whether the inclusion of waste-pickers in waste management schemes in places like Soweto, Rio de Janeiro, and Buenos Aires is beneficial for workers and ultimately contributes to social justice (Sternberg, 2013; Samson, 2015; Millar, 2018).

This article analyses a particular labour formalisation scheme aimed at waste-pickers (known as *clasificadores*) in the Uruguayan capital of Montevideo: a set of four recycling plants constructed in 2014 as part of a packaging/container law (the Ley de Envases), incorporating 128 *clasificadores*. The recycling scheme is consistent with a general move to reduce informal employment by the centre-left Frente Amplio coalition (FA, Broad Front), which has been in national government in Uruguay for over a decade. According to Uruguayan government figures, informal workers as a proportion of the general working population fell from 35 percent to 25 percent between 2006 and 2014 (MIDES and OPP, 2015). The International Labour Organization (ILO) estimates an even higher drop – 15 percent between 2004 and 2012 (FORLAC, 2014) – while a study commissioned by the United Nations Economic Commission for Latin America and the Caribbean (CEPAL) estimates a 17 percent decrease between 2004 and 2014 (Amarante and Gomez, 2016).

Drawing on Whitson's (2011) characterisation of Buenos Aires's waste as 'out of place' and of 'zero value' but with 'commodity potential' nonetheless, we might say that the Ley de Envases represents an attempt to recognise the value inherent in waste, and to move 'out of place' waste-pickers from city streets into recycling plants (Figures 1 and 2). In many ways, the law should be a model for inclusive recycling in the region. It provides social security to vulnerable workers – many of whom gained access to a state pension, sick pay, and an *aguinaldo* (yearly bonus) for the first time – and includes private-sector companies as voluntary signatories to the 'polluter pays' principle and funders of workers' wages. It offers a potentially successful example of a non-profit, public-private partnership, a model that Kruljac (2012) recommends for the Latin American waste management sector. Finally, it accomplishes the long-touted policy goal of enabling waste-pickers to sell directly to industry rather than to intermediaries, at much more favourable rates.

However, as revealed by my ethnographic fieldwork at the Aries Ley de Envases plant from May to December 2014, *clasificadores* were not altogether happy with the formalisation of their labour. A significant number left the plant to return to informal economic activity, whether the semi-clandestine recovery of materials at the city landfill or the cleaning of upper-class apartments. Primarily, this article seeks to understand why, given the apparent benefits that the Ley de Envases plants conferred, some workers should seek to leave so quickly and thus aims to reveal potential weak points in formalisation schemes more broadly. Previous fieldwork with waste-pickers in their former workplace, the Cooperativa Felipe Cardoso (COFECA) – a recycling cooperative situated next to Montevideo's landfill – revealed ways in which the new plant brought comparative disadvantages as well as benefits.

After a discussion of informality in the following section, this article describes the organisation of labour at COFECA, a cooperative I characterise as 'para-formal', in that it exists in parallel to formal labour arrangements and to some degree imitates them, whilst also entering the grey zone of (il)legality suggested by the prefix. I outline the desirable attributes that the disbanded cooperative possessed, such as flexibility and

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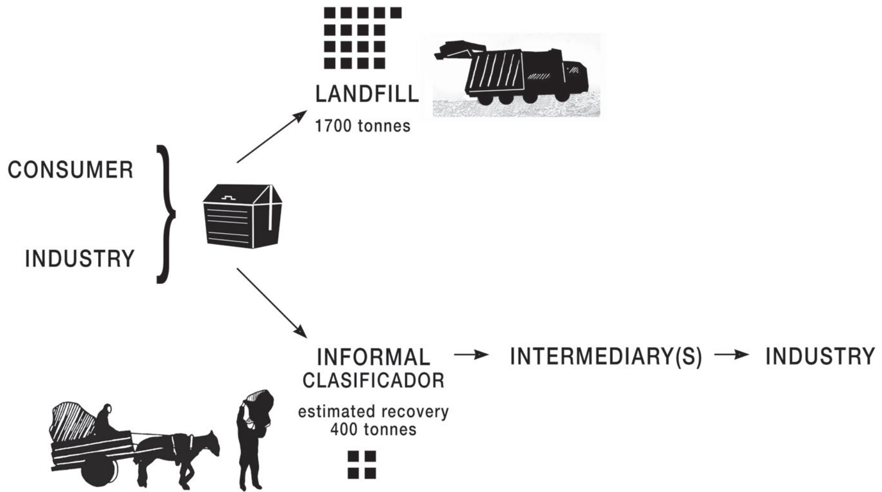
Figure 1. Recycling in Montevideo Pre-*Ley de Envases*



Source: LKSur Associates (2005: 41). Design: Mary Freedman

what workers referred to as a 'parallel social security system'. I then discuss the outcome of the initial move from COFECA to Aries and highlight a number of conflicts and difficulties that stemmed from the institutional confusion of *clasificadores* with the extreme poor, and from an understanding of the informal sector waste trade that dwells on exploitation and neglects solidarity. The final section, noting that most workers nevertheless remained at the Planta Aries, argues that they were able to do so because latent informal economic activity sustained the Ley de Envases labour formalisation project, at least in its infancy. Here I propose the concept of 'quasi-formalisation' as a useful heuristic for understanding how continued informal activity actively can actively sustain projects of Latin American labour formalisation.

Discussing (In)formality

One key problem with the formal/informal binary is the difficulty of classifying jobs, persons, or sectors as wholly one thing or the other. Take the example of what a Brazilian market seller offered:

> Marta got a formal loan from a formal bank to sell food in an informal settlement without paying all formal taxes on her business but bought products from a formal supermarket in the formal city. Into which box would that case go? (Doherty and Lino e Silva, 2011: 34–35)

Such entanglements of formal and informal economic activity, the use of incommensurable national metrics, and the supposed failure of the binary to say much about workers' experience of their own labour have led some scholars to abandon it entirely (e.g. Millar, 2018). The current intellectual trend is to address the question of precarity instead,

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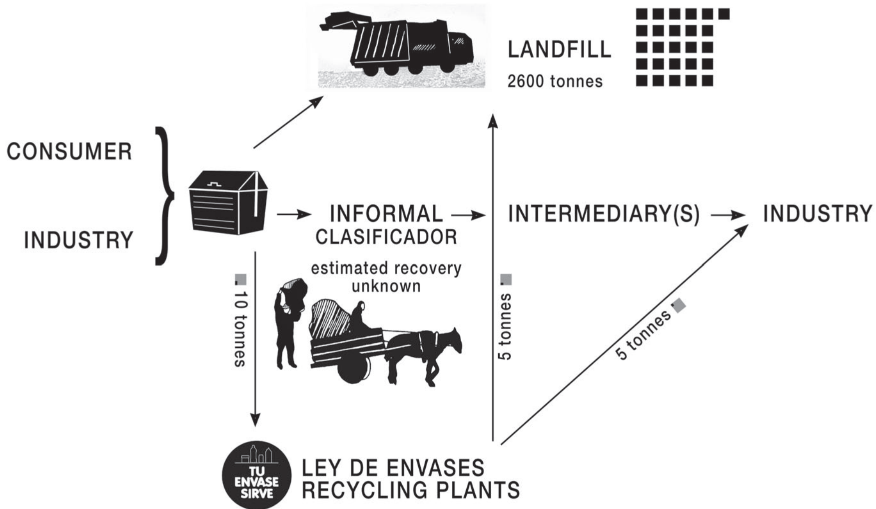
Figure 2. Recycling in Montevideo Post-*Ley de Envases*



Source: Interview conducted with R Santos (Manager Planta Aries) 6.9.14
Design: Mary Freedman

although this concept has its own weaknesses (see Breman, 2013; Munck, 2013). Fernández (2012, 2012) avoids using a formal/informal heuristic to separate Uruguayan waste-pickers from official waste management actors, opting instead for 'institutional' and 'spontaneous'. Municipal waste management is not entirely 'formal', she argues, because the *Intendencia* (local government) cannot guarantee that all collected waste stays in the formal sector. Meanwhile *clasificador* activity is spontaneous instead of informal, because it is self-emergent and because, as elsewhere in the 'Global South', there is not much of a 'formal' recycling sector to which it can be compared (Fernández, 2012: 2).

This article, unlike the work of Fernández, deals with an explicit attempt to formalise part of the waste recovery and recycling chain, and to transform *clasificadores* from cooperative workers with flexible labour hours and cash-in-hand payments into employees with fixed working hours and formal wage deductions/contributions. This is indicative of a key development that has occurred since Hart's original conceptualisation: the informal/formal binary has ceased to be a purely analytical device used by social scientists. It is now also an ethnographic term encountered by scholars studying the implementation of labour policy across the globe – one that is explicit in policy documents and influential in shaping people's orientation to life and labour. In this context, I would argue that it is inappropriate to discard the term entirely.

Assuming that the number of urban informal sector workers is evenly distributed across urban space, Montevideo, which has 42 percent of the country's urban population, was home to 142,800 informal sector workers in 2014 (Amarante and Gomez, 2016). The most recent survey of Montevidean *clasificadores*, carried out by the Intendencia de Montevideo (IM) (2012) and based on a representative sample, estimated their

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number at 3188. This figure is contested: the *clasificador* trade union uses the total number of *clasificadore*s registered with the Intendencia, 7000, which it multiplies to 21,000 to include dependents potentially involved in the domestic classification of waste (Reilly, 2017). Depending on the figures consulted then, the proportion of *clasificadores* within Montevideo's informal sector workforce can be assumed to lie between 2.2 and 4.9 percent.

However, this seemingly small percentage belies the importance placed on waste-pickers by Uruguay's social state. *Clasificadores* were the only occupational group to be given a social programme and department of their own – Program Uruguay Clasifica (PUC, Uruguay Classifies Programme), within the Ministerio de Desarollo Social (MIDES, Ministry of Social Development) – after the FA's 2005 Plan de Atención Nacional a la Emergencia Social (PANES, National Social Emergency Plan) identified them as a complex, vulnerable group exposed to multiple risks. Despite the even smaller number of *clasificadores* included in Montevideo's Ley de Envases plants –128, of whom 38 work at Aries – the plants constitute an instructive case study of wider sociological significance for several reasons.

First, *clasificadores* employed by the plants underwent a substantive change in their working conditions as they moved from semi-autonomous work at the landfill, in cooperatives, or on the streets, to formal conditions of employment at the plants. Fixed working hours, workplace discipline, access to social security, and regulated economic activity make the plants a paradigmatic example of a labour formalisation programme. The *monotributo social*, a reduced-rate income tax that ostensibly brought about a much larger decrease in informal Uruguayan labour in terms of percentage, did not significantly alter the circumstances of that (informal) labour.

Second, the Ley de Envases represents an interesting example of the kind of social policy introduced by the left-leaning Latin American governments elected in the 2000s. Panizza (2008) suggests that the FA's policies during its first year in office (2005) can be divided into those which 'adopted', 'completed', or 'corrected' the pro-market policies of the previous neoliberal governments. The Ley de Envases was passed in 2004, shortly before the FA came into power, but the changes and specifications that occurred nationally, in 2007, and in Montevideo, in 2013, were carried out by FA governments. Through a study of the Ley de Envases and its implementation, it is thus possible to observe whether the FA brought continuity or rupture to Uruguayan recycling policy and beyond.

Rather than an aerial-view policy study, however, this article relies on in-depth ethnographic research conducted over the course of a year in and around Montevideo's largest landfill. During 2014, I lived in a housing cooperative where the majority of residents were waste-pickers relocated from a shantytown situated on top of an old landfill. As well as participating in the wider life of the community – including football matches, birthday parties, and cock-fights – I set out each day to engage in participant observation with waste-pickers, classifying waste in a range of nearby sites. This was complemented by over 70 in-depth, semi-structured interviews with waste-pickers, municipal waste managers, and private-sector and NGO actors.

Participatory methods, supplemented by interview data, are appropriate for an exploration of how labour formalisation policies are perceived by workers and affect their subjectivities and temporalities. Without spending large amounts of time getting my hands dirty in the plants, it would have been difficult to critically engage with the official statistics on the quantity of waste being recycled, the number of workers being formalised, and, crucially, the nature of that formalisation. The conceptual

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apparatus of 'para-formality' and 'quasi-formality' that I propose here is designed to capture workers' experiences, taking seriously their claims about formality and informality, such as Porteño's opinion that 'the government should keep the recycling plants for horse-and-cart waste-pickers [*carreros*], because our cooperative is practically formal already due to our parallel social security system'. By critically engaging with formalisation rather than assuming its inevitable desirability, the article reinvigorates Hart's original challenge: is formalisation always a means to the end of a better life for precarious workers, or do we sometimes only 'want to shift the emphasis of income opportunities in the direction of formal employment for its own sake?' (1973: 81).

Para-Formality and Vernacular Cooperativism at COFECA

When workers signed their contracts at the Planta Aries, most came directly from the COFECA recycling cooperative, situated on the old landfill of the Usina 5, just a few hundred metres from the currently active landfill, the Usina 8. COFECA emerged out of a 2012 struggle at the landfill. When waste-pickers were denied access to the site and its materials by the Intendencia, they responded by blocking the entry of trucks. Following negotiations, they were subsequently granted permission to work, first on a small road separating two landfills (Usina 6/7), and then at the Usina 5 – on the condition that they organised themselves as a cooperative. This stipulation stemmed from the then-hegemonic social policy, which advocated labour cooperatives for the poor and waste-pickers in particular (PUC, 2006, 2008; Martí, 2012: 65).

When I first approached COFECA in early 2014 to ask if I could work with the group, the cooperative was on the cusp of change. The number of workers had declined from 150 to 40, who operated in two slightly conflictive groups. Yet it was still the largest waste-picker cooperative in the country. Workers were awaiting a long-promised relocation to a new plant, had different opinions about the move, but accepted that they would have little choice in the matter because the closure of the Usina 5 site and the disbanding of COFECA were presented to them as compulsory. Just a few years earlier, these waste-pickers had been obliged to form a cooperative at the Usina 5 in order to continue recycling; now they would be forced to become employees at a plant to do so. Aspersions were cast on the cooperative by officials involved in rolling out the Ley de Envases, so as to justify its forced disbanding and the incorporation of workers into the new plants. COFECA was branded 'not a cooperative at all' by a MIDES official, and as a *cooperativa enferma* ('sick cooperative') by an NGO coordinator at the plant.

I worked for several months at the site that *clasificadores* shared with cats, dogs, chickens, horses, maggots, flies, and surprisingly rare rats. COFECA functioned as a cooperative in the sense that it was a collective viewed as a cooperative by its members, but it operated in the 'informal sector' with regard to the sale of recyclables and lacked the trappings of formality (legal status, a working constitution, assemblies, etc.). In the absence of regular meetings, decision-making was messy and inflected with power relations of gender, kinship, and neighbourhood. It was this dynamic that led officials – estranged from COFECA for several years – to describe it in terms of lack or degeneracy.

Yet the group did exhibit important elements of cooperativism. There was equal pay based on attendance and what workers referred to as a 'parallel social security system'. If a member was sick or if they had to attend to a sick child, they would receive a

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share of the income from the sale of recyclables. Workers might receive this sick pay for a single day, but they could also collect the payment for months or even years, as in the case of Juana, who received wages from the cooperative for eighteen months while in hospital recovering from serious surgery. A single mother with four children, Juana would otherwise have been in serious economic hardship. Another benefit that mimicked the formal sector was the payment of an *aguinaldo* (yearly bonus). In the case of COFECA, the *aguinaldo* consisted of a loan – deducted from payments over the course of the year – from the intermediaries who bought recyclables from the cooperative.

I found that buyers regularly lent sums of money, often at zero interest, to the *clasificadores* from whom they bought materials. Such loans could be made in times of hardship or emergency, or if the *clasificador* did not have material to sell (because of temporary closure of the landfill, for example) and would thus be without income on a given week. As recent ethnographic research (e.g. James, 2014) on debt suggests, the old stereotype of the informal sector 'loan shark' and the powerlessness of the debtor does not always tell the full story.

In this case, *clasificador* debts to *compradores* (buyers) often went unpaid. Rather than allow a debt to be deducted from the sale of materials, *clasificadores* would often switch buyer, although they could obviously not do this indefinitely. In the case of COFECA, the group had contracted large – ultimately unpaid – debts to long-time *comprador* Stefano. Stefano appeared to hold no grudges, telling me that he had made a lot of money buying and selling COFECA's *mercadería* (merchandise) over the years. It was not so much that *compradores* were generous, but rather that their margins were wide enough to factor in an acceptable and expected level of unpaid debt.

At COFECA, income earned from the sale of stock recyclables like plastic, paper, and metal was also complemented by *requeche*, or 'leftovers', the term that workers gave to the clothes, foodstuffs, ornaments, and appliances that they recovered from the trash for household consumption or sale. *Clasificadores* during the week, many workers doubled up as market stall-holders on Sundays at *Piedras Blancas*, the largest flea market in the city. At what one informant called the 'supermarket of the poor', value was re-inscribed onto the rejected things that *clasificadores* extracted from the waste-stream as they were remarketed as low-cost commodities. COFECA workers Hojita, Sergio, and Nín had adjoining stalls, and I often stopped with them to relax after a week's work and observe the sale of *requeche*. Although their display depended on what entered COFECA on a given week, workers often made as much, or more, from *Piedras Blancas* as they did from the sale of stock recyclables.

There is much more to say about the 'vernacular' (Merry, 2006; Sorroche, 2016) cooperativism that I encountered at COFECA, but this brief account suffices to indicate that there was no absence of structure, content, or form. Confusion about the legal status of COFECA among its workers, coupled with their 'parallel system', led some to consider themselves as formal workers already. Estranged from institutional support, workers had developed their own 'para-formal' individual and collective strategies for getting by '*del día al día*' (from day to day).

The concept of para-formality has been used to describe economic activities that are in some way structured or organised but are not governed by the same legal framework as state-registered businesses. Thus, there are Polish 'parabanks', the 'local variant for non-bank financial institutions and financial intermediaries which provide activities similar to traditional banks, yet without being licensed or monitored by these' (Mica, 2016: 146). For Mica, the 'downside' of the prefix is that it is 'depreciatory and even suggestive of 'illegal undertakings' (Mica, 2016). Yet I would argue that this feature is a strength

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for my analysis, because for certain sections of the state, the recovery and sale of waste on the black market is indeed regarded as illegal.

Although they could fathom the advantages of a move to the Planta Aries, workers at COFECA hardly had nothing to lose. Indeed, they had the para-formality of flexible black-market loans, a parallel social security system, and a substantial income earned from the recovery and sale of *requeche*. The words of a worried older worker, Sergio, encapsulated some workers' fears that a new job in the plant might undermine rather than enhance income and job security:

> *Requeche* will not exist at the plant … if you find a watch or money, you'll have to hand it in … I'll be bossed around and to be bossed around at 60 when I have always worked individually, that'll be difficult. If they come and shout 'you can't smoke, you can't go to the toilet three times, there's no reason to stop', how long will I last in the job? Two days? Then what'll I do?... Who'll give me work at my age? (interview, Sergio, 3.3.14)

Informal Assumptions and Formal Realities

The Planta Aries, like Montevideo's other three Ley de Envases plants, was inaugurated with much fanfare in 2014. A large marquee was erected and packed with civil servants and future workers, while Montevideo Mayor Ana Olivera and representatives of the various organisations involved in the construction and management of the plants sat at a head table. Speeches from officials tempered self-congratulation and idealism with a recognition that much was still to be achieved. Ana Olivera described the creation of the plants as 'the achievement of the impossible', while the head of the Instituto Nacional de Formación Professional (INEFOP, National Institute for Professional Training) argued that the workers were to experience 'a radical change'. The head of the Uruguayan Chamber of Commerce (CIU), meanwhile, said that the plants represented a model for joint collaboration between the public and private sectors. The contribution of companies that had voluntarily signed up to the packaging plan, he said, were reflected in the plants' 'infrastructure, machinery, wages and work tools'. The Aries *clasificadores* who were invited to say a few words were more circumspect, with Julia saying that while she hoped the move would be for the best, the starting salary wasn't very good, and the public recycling campaign needed to be improved. Hojita, meanwhile, stressed that the group had come from a cooperative background, and expressed his hopes that promises made to the newly employed workers would be kept.

A few months after its inauguration, work had begun at the Planta Aries, but early starts and multiple bus connections, fixed shifts, a convoluted management structure, and a dreaded toilet cleaning rota were taking their toll on workers' morale. There were clashes between the NGO and workers unaccustomed to management, but the principal complaint concerned wages. A temporary municipal subsidy had run out and the income earned from sale of materials to industry was, after deductions, much less than the Intendencia had fatefully suggested to the press (El Observador, 2014). Earnings consisted primarily of a US$260 monthly minimum wage.

This should not necessarily have been a problem and had not been anticipated as such by the state bodies involved. The failure to foresee wage unrest stemmed in part from two assumptions made about the informal sector waste trade in Uruguay: first,

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that *clasificadores* were synonymous with the poor; second, that describing such workers as victims of exploitation was an exhaustive account of their economic condition. In effect, this is a hybrid of the traditional ILO position, which confuses the informal sector with the poor, and the 'structuralist' school (Chen, 2012), which understands the informal economy as being made up of 'subordinated economic units […] and workers that serve to reduce input and labour costs of large capitalist firms' (Chen, 2012: 488). The structuralist position, developed by Portes and his collaborators in the 1990s, is now predominant in Uruguayan scholarship on *clasificadores*. Sarachu et al. (2013): 4), for instance, argues that *clasificación* is a 'productive complex' where 'the enormous profit margins of recycling firms are based on the hidden exploitation of the work of the *clasificador*'. Villalba (2009: 6) likewise concludes that '*clasificadores*' current working conditions represent a clear case of economic exploitation disguised as independent activity'. With the Ley de Envases, Uruguayan government policy merges a structuralist understanding of formal/informal connections in the recycling industry with policy solutions more familiar to the old ILO position, which viewed informal workers as part of an excess labour supply and sought to challenge informality through public and private investment in the creation of formal sector jobs (cf. Portes and Schauffler, 1993: 54).

According to one worker, Nín, state and non-state actors presumed that those entering the plants were so poor as to be appreciative of a handout:

> I wasn't born here [at the dump]. I finished school and have a plumber's qualification: I am not a nobody. Back there [at COFECA], I lived better, I had a better income than here. Since they saw us all dirty, 'ah these guys are tremendous *píchis* [a derogatory Uruguayan term used for waste-pickers or tramps], we'll give them 200 pesos and they'll be delighted'. That's what they imagined. (interview, Nín, 5.6.14)

In Nín's account, COFECA *clasificadores* could be confused for the extreme poor because they were clothed in the rags, dirt, and smells of their workplace. In fact, *clasificadores* at both the landfill and COFECA had a defined set of 'rubbish clothes', a pseudo-uniform that often consisted of other workers' overalls recovered from the trash. After work, *clasificadores* would get changed back into the more common (male) 'uniform' of the Uruguayan popular classes: a pair of Nike trainers, tracksuits and skip-caps, or jeans and t-shirts. According to oral histories that I collected, washing and changing clothes at the landfill had a long history, and meant that *clasificadores* could get off the bus at a stop near the dump and return without revealing their occupation.

I bore witness to other assumptions made about *clasificadores* during the training sessions they underwent with INEFOP in preparation for work in the formal economy. On one occasion, Franco asked about parking facilities for his horse and cart and was told by the workshop facilitator that these would not be appropriate at the plant. 'What about the two cars I have in the garage?' he insisted. Parking needs had been 'estimated based on the type of people entering the plant', she responded, and *clasificadores* were not expected to own cars. 'If we were seen building recycling plants for people with cars', one Environment Ministry official explained when I raised the incident in an interview, 'then we would be questioned by international organisations who would ask what this had to do with the eradication of poverty'. Although international bodies did not fund the plants directly, the economic heterogeneity of *clasificadores* seemed to embarrass officials.

Peattie's (1987: 857) warning that '"the informal sector" is by no means equivalent to "the poor"' and that 'there is plenty of evidence that incomes among small-scale

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entrepreneurs cover a great range from extreme poverty to well over average' remains relevant in Uruguay today. As Portes and Schauffler (1993: 46) note in a critique of the association of informality with poverty, 'the original reason for coining the concept of informality and the present justification for its analysis lie in its distinctness from sheer poverty. If the two were equivalent, there would be no reason for inventing a new term'. Most *clasificadores* were, generally speaking, poor, even if estimates of their incomes varied wildly (the 2006 PANES estimated individual *clasificador* income to average only US$17 per month, for example, while the 2015 household study put the figure at closer to US$203). Yet some of my informants took home considerable weekly wages, while others had managed a 'primitive accumulation' in the waste trade. Some doubled up as small-time recycling intermediaries; others made money at market. Amongst COFECA/Aries workers, Hormiga had amassed wealth as a burglar before being born again as an evangelical Christian; his brother Bicho owned seven houses in different shantytowns; their nephew Rojo owned a car; and another nephew, Porteño, possessed a beautifully restored vintage Ford. When Porteño did not come to work in the truck, he borrowed the four-wheel drive that belonged to his father, a former glass trader turned small-scale importer. 'Being a *clasificador* doesn't mean that you are living in the mud or eating out of a can', Porteño told me; 'that's not dignified for anyone'. Perhaps to prove his point, he arrived at the plant's press-heavy inauguration in the four-wheel drive.

Officials to whom I spoke in the Intendencia were suspicious of those who had made money in the informal sector, with the informal coming to be associated with the illegal or illegitimate. Porteño, for example, was reckoned to be a *delinquente* who had become rich by appropriating and selling glass bottles at COFECA. Yet he had openly classified and sold these bottles and had been permitted to do so by the cooperative because of their low market value. Porteño in fact made most of his money from hiring out his truck, and from the small shop that his wife ran out of their home. Porteño's cousin Enrique, who worked classifying at the landfill and occasionally dropped workers off at Aries in his shiny new Volkswagen, was presumed to owe his wealth to the labour of peons working for him, whereas in fact he mostly worked alone. These inaccuracies do not mean that *clasificadores*, or even Aries workers, did not make money from illicit or exploitative practices, but they do suggest that in the enthusiastic drive to formalise labour and waste, the informal sector took on unsubstantiated criminal associations in institutional imaginaries. The kind of ethnographic research engaged in for this article is able to go beyond such ideological denunciations and provide greater empirical accuracy, demonstrating ethical spaces of value creation that, as we shall see, can continue to subsidise labour in formalisation schemes.

Alongside the assumed association between poverty and informality prominent in the ILO position, the minimum wage was also imagined to be sufficient for workers, I would argue, because of a narrow institutional focus on the exploitative nature of informal sector relations (PUC, 2006, 2008). This second hypothesis is much more closely allied to the structuralist understanding of informal/formal relations pioneered by Portes and advocated by sociologists like Jan Breman (2013). Regardless of the low wages, would workers not be happy to be freed from the voracious jaws of exploitative intermediaries who had profited from their lack of social protection? Yet, as we have seen, the *clasificador/comprador* relationship also involved the granting of loans and an *aguinaldo* that were often not reimbursed. A structuralist understanding of the informal economy centred on exploitation obfuscates the value that such institutions had for workers like those of COFECA.

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A long-held objective of government attempts to collectivise and formalise *clasificadores* has been to remove the exploitative intermediaries to whom they sold materials, thereby shortening the chain that links *clasificadores* and industry (Figures 1 and 2). Yet rather than simply cutting a link in the recycling chain, the Ley de Envases replaced one intermediary with a series of others. These included MIDES, the Intendencia, the CIU, the NGOs managing the plants, and the bodies charged with the sale of materials. For example, NGO plant supervisors initially earned double, and coordinators quadruple, the wage of *clasificadores*, who were not ignorant of this fact, nor particularly pleased with it. The convoluted chain of command and management structure, which included various new intermediaries necessitated by the formal sale of materials, constitute an example of the kind of formal sector bureaucracy that lead many of the world's poor workers to eschew it (cf. De Soto, 2002). 'Our problems [at the plant]', recounted Julia, 'are due to the number of institutions that accompany us: each has different responsibilities, and this is difficult for us to understand' (IM, 2015: 145).

Instead of filling a void, or abolishing purely negative labour relations, it is my contention that the Ley de Envases replaced 'para-formal' structures that already existed in the informal sector waste trade. It replaced the 'parallel social security' of COFECA with state social security; it replaced loans from recycling middlemen with those from high street lenders; and it replaced informal intermediaries with a whole range of state and non-state intermediaries.

Quasi-Formality: From Whitening the Black to Shades of Grey

The argument that formalisation might fail to meet the expectations of workers who stand to lose their previous para-formal arrangements is hardly revolutionary. Any balanced study of formalisation should probably conclude that the process invariably entails both advantages and disadvantages for workers. In this section, I go a step further by arguing that the Ley de Envases did not in fact represent a fully-fledged process of labour formalisation at all. In asking why a majority of workers remained at the Planta Aires, and how they were able to do so, I conclude that the Ley de Envases plants constitute an example of 'quasi-formalisation', where informal economic activity continues to subsidise a reorganised formal market in urban recyclables.

Ostensibly, Sergio's fears about the restricted recovery of *requeche* at Aries were realised. When I interviewed a CIU representative, he told me that workers were not permitted to remove materials from plants and sell them on individually at market because this would involve 'fomenting the informal sector'. They should instead concentrate on recovering the packaging that the companies which paid their wages released into the economy and environment, I was told. In addition, only household waste could be received by the plants. Valuable material from factories and workshops that had previously gone to COFECA was prohibited, because managers did not legally have permission to deal with commercial waste. The municipal government also struggled to find a formal sector buyer for certain materials, but worker demands to sell it 'on the black' were resisted for similar reasons.

Authorities responsible for implementing the Ley de Envases were effectively taking a black-and-white stance, trying to exclude anything that hinted at informal sector practices in an attempt to *blanquear* ('whiten') the recycling industry (see Lazar, 2012: 16). However, the fact that the FA allied itself with formal capital and its representatives in the implementation of the Ley de Envases does not necessarily mean that the party adopted

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a neoliberal policy outlook. A focus on the inclusion and formalisation of vulnerable waste-pickers was not central to the original law passed in 2004, and the emphasis on tackling vulnerable work and poverty that emerged through the law's implementation was characteristic of the FA government's attempt to insert a social clause into market arrangements without fundamentally restructuring them. To take just one paradigmatic example, although then finance minister Danilo Astori refused to countenance a default of IMF loans, and submitted his first three-year economic plan to be approved by the IMF in 2006, he did insert a clause seeking a sharp reduction in poverty. This was, as Panizza (2008: 189) notes, 'in contrast to the absence of any references to the alleviation of poverty in the previous government's submissions to the IMF'.

Thus, it would be inaccurate to describe FA recycling policy as demonstrating continuity with the neoliberalism of its predecessors, a critique that can be found in analyses of waste-picker and waste policy in South Africa (Miraftab, 2004; Samson, 2015) and Argentina (Sternberg, 2013). The FA's policy of promoting labour formalisation is roughly aligned with that of the ILO and Uruguay's trade union federation, the PIT-CNT – with whom it maintains an increasingly corporatist relationship (Panizza, 2008) – whilst falling short of the expectations of the Unión de Clasificadores de Residuos Solidos Urbanos (Union of Solid Urban Waste Classifiers), the more radical trade union that represents *clasificadores*. The emphasis that the FA places on selecting those with a background in informal waste classification to work in new recycling plants continues to rile representatives of Uruguay's business elites (see CIU, 2016).

In any case, despite public servants aligning themselves with the objectives of formal capital vis-à-vis the repression of informal economic activity in the recycling sector, the everyday management of the Aries plant entailed dealing with various shades of grey. As James Scott notes, it is useful to distinguish 'facts on paper from facts on the ground' (1998: 49). Whilst sorting waste at the plant, I noted that Manichean policies went unenforced by the NGO, whose coordinator argued that if he prevented *clasificadores* from taking *requeche* home openly, they would inevitably attempt to do so surreptitiously. So workers freely jostled to load materials onto the belt, since this afforded them first choice on any valuable objects. Nín even managed two separate categories from his station: one for food scraps that he gave to a neighbourhood contact in exchange for marijuana; another for objects that could be sold at market. Workers also found other informal methods of supplementing their income, with one middle-aged female worker selling schnitzel sandwiches to her colleagues at lunchtime.

With regard to the sale of recyclables, workers also took actions that had the effect of re-establishing links to the informal sector. Despite objections from the Intendencia, workers telephoned Stefano and sold him black plastic, for which he paid in cash that workers distributed amongst themselves. Concerning the arrival of recyclables, one NGO coordinator also admitted the entry of trucks containing materials that did not come from approved sources. 'If a truck comes with useful material for the plant, it'll enter', he confirmed in an interview. 'I know that the plants were built for the Ley de Envases but today the law isn't covering the workers' needs […] we cannot bury a truck of paper just because it's not covered by the law'.

The NGO even allowed workers to re-establish some elements of their previous 'parallel social security system'. For example, they extended insurance coverage to include not only the sick, but also those caring for sick relatives. When María's husband had a heart attack and she was absent at his bedside for several weeks, workers voted to include her in the dividend of the sale of material for the duration of that time. On another occasion, new workers at the plant were excluded from the sale of material that

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they had classified during their first few weeks' employment, because they could not be registered in time. 'We're formal now but we looked after people better when we were informal', Hojita complained. Nín was outraged and organised for each worker to pay US$1 to their new colleagues as a gesture of goodwill.

Instead of containing things in the formal sector, the NGO allowed the container law to be quietly ignored at various crucial junctures, enabling rogue materials to flow into the plant and *requeche* to spill out onto informal sector markets. The sale of recyclables 'on the black', the arrival of contraband trucks brimming with white paper, the trade in *requeche* at flea markets, the lunchtime flurry of sandwich-making: these activities all constitute examples of informal economic activity that continued at the plants, and indeed subsidised workers' meagre minimum wages. They make it more accurate to speak of the Ley de Envases plants as an example of 'quasi-formalisation', one where those operating Ley de Envases infrastructure at the coalface were obliged to turn a blind eye to informal economic activity in order to prevent labour unrest.

In the context of employment in East-Central Europe, Williams and Padmore use the term 'quasi-formal employment' to describe situations where 'formal employers sometimes pay their formal employees not only an official declared salary but also an additional undeclared wage' (Williams and Padmore, 2013: 72). The aim of their research is to 'challenge the separateness of formal and informal employment by showing how formal employment is, in practice, often infused with illegitimate wage arrangements' (ibid.). My adaptation of the term as 'quasi-formalisation' for the Latin American context highlights that even programmes which explicitly set out to shrink the informal sector may themselves be subsidised by informal economic activity in ways long recognised by the structuralist approach. Such an argument echoes that made by James Scott in his discussion of state-building programmes of standardisation and collectivisation, where he suggests that 'formal order […] is always and to some considerable degree parasitic on informal processes, which the formal scheme does not recognise, without which it could not exist, and which it alone cannot create or maintain' (Scott, 1998: 310). In this case, the undeclared wage or perquisite of *requeche* is allowed in order to keep the Ley de Envases plants on life support. It supplemented a meagre minimum wage paid to workers who, though used to working in the trash, were not, as one worker put it, 'dirt poor'.

Conclusion

Through a case study of the formalisation of a group of Uruguayan waste-pickers, this article has argued that informal economic activity should not be confused with absence of structure or understood in purely negative terms. Processes of labour formalisation will inevitably substitute already existing structures which may well hold certain affordances and benefits for workers. Even if collectives such as COFECA are estranged from state bodies, they might operate 'vernacular' systems of social security, and possess features normally associated with formal sector employment, such as stability. In this case, the facilities substituted in the process of formalisation included credit and intermediation, and the replacements offered were not always clearly advantageous to the workers.

Uruguayan civil servants implementing the Ley de Envases assumed that workers would be happy with a minimum wage and the associated benefits of formal social security. This is because they underestimated, or were uninterested in, the extent of what I have here termed the 'para-formal' dimensions of unregulated waste work, because they dwelt only on the exploitative and negative aspects of such work, and because they

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confused waste-workers with an undifferentiated or extreme poor. In fact, the sector is significantly diverse, with the ragged uniform sported by rag-pickers at work disguising their heterogeneity.

Most Aries workers voted with their feet to stay in the plant, at least at the time of writing. This is partly due, I have argued, to the ways in which they were participating not in a simple black-and-white informal-formal transition but in a process of 'quasi-formalisation', where informal economic activities were coterminous with processes of labour formalisation. While such activities subsidise and lower labour costs for capital, they can also help sustain low-wage formal sector employment. Building on this article's argument, it is important to explore where else in Latin America state-championed policies of labour formalisation are actually subsidised by unaudited 'para-formal' economic activities, complicating celebratory statistics, and disturbing stubborn binaries.

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