

Decentralisation Community

Impact of privatisation in municipal corporations and possible changes/ shifts observed in the labour conditions

The Decentralization Community of Solution Exchange, an initiative of the United Nations in India, provides a platform for increasing our understanding of local governance-both rural and urban- through knowledge sharing and collaboration. We bring to you the summary of one of the discussions held in the previous month on the Decentralization Community.

Summary of Responses

Privatization of solid waste management (SWM) services has been a debated topic and has come under greater focus in recent times. This has been because of various developments such as the Supreme Court order of 2004, directing all metros to set up scientific landfills, and the funding model available under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for SWM projects in select cities. Members discussed the pros and cons of privatization, its impact on labour and the alternative methods of SWM that may be more efficient in the long run. In theory, private sector participation should help to manage solid waste more cost-effectively and efficiently, thereby giving better outputs. States and various cities have worked on alternate models, strategies and technologies for different operational functions in SWM e.g. Door-to-door-Collection, Segregation, Secondary and Tertiary Collection, Transportation, Processing and Sanitary Land filling (SLF). For instance, the Navi Mumbai Municipal Corporation services are completely privatized. In practice there are several issues arising from the privatization model of SWM.

Problems arising in Privatization of SWM

The Municipal SWM carried out by urban local bodies in India is a labour-intensive activity. The set of activities is managed on the lines of a commercial venture right from selecting a service provider through the tendering process. The cost involved is high, with a large proportion of the municipal budget spent on the salaries and wages of the staff involved. Alternatively, the private partner may recruit its own staff and there may be a huge difference in the payment of wages between the private and local body's staff. Another problem arises from the contract mode of recruitment as the job insecurity is higher. In addition, the workers engaged by the private partners are not entitled to any kind of benefits like sick leave, etc. Many times even NGOs engaged in the service lose their NGO character and work like contractors.

With regard to the labour conditions, members cited examples from Navi Mumbai, Pune and Bhubaneswar to demonstrate that these are usually poor. There are no safety gadgets, social security, health coverage or benefits. The working hours are long; there are low health and safety standards and poor working conditions. Generally, no investment has been made to improve the working conditions of employees working on SWM. Further, since the public-private partnership is usually for a limited number of years, the private partners are not responsible for any long-term investments. They also do not provide services in the slum areas and these areas get excluded. Private partners are allocated areas where it is easier to collect waste.

The lack of source segregation of waste also creates a number of problems. Added to this is the fact that many cities, in the pursuit of an integrated system, have gone in for a single party to carry out all the MSW Operations from

door to door collection to processing to SLF. There are only a handful of organizations in India who have the capabilities in all the relevant operations.

On the leadership front, the frequent change of the top guard and transfers at the Urban Local Body (ULB) level also affects the implementation of these projects, even after formal MoUs have been signed. Land ownership issues have also frequently hampered the implementation of MSW Processing and SLF plants. Some projects have also suffered due to delay in getting the requisite environmental clearances. On the whole, the lifecycle of SWM (waste generation- separation-collection-transport-treatment-disposal-reuse) has to be well understood and holistically planned and implemented. These skills and interest are difficult to find in one agency.

Suggestions on improving Solid Waste Management

Respondents recommended thinking in terms of a holistic plan for improving SWM. On the part of the government, bottlenecks and delays in projects of public private partnerships in SWM may be handled more efficiently. There have been issues of long gestation and payback periods of projects of processing and SLF and government may consider providing a Viability Gap Funding (VGF) for such projects as applicable in other infrastructure projects. This would make the SWM projects more viable. The extent and stages wherein private sector participation takes place could be well articulated by a State or ULB level policy. There must be some guidelines for developing a workable model in the specific circumstances of a ULB. Government at all levels must ensure that there is a garbage disposal plan for every city. The garbage could then be used for producing energy and compost. For instance in Kerala municipalities, accelerated composting has been found to be a good option.

Community involvement has shown good results in solid waste collection, segregation and in transfer. The successes include Kudumbashree and Water User Communities of Jalandidhi in Kerala. Another example is in Cochin, also in Kerala- the "zero garbage scheme" aimed at making Pachalam the green ward of the city corporation. Community meetings and door to door counseling can create awareness on the need for sanitation and safe environment. SWM workers can be trained on waste segregation. Collection charges from residents can generate resources for payment of the workers while waste segregation can help create good quality compost. In Kanyakumari, an NGO partnered with local government and community to manage waste. Another such example is the Bhagidari Scheme of the Delhi government.

In conclusion, members observed that good governance could aid in better management of privatization, improve service delivery and lead to a viable partnership between government, private sector and communities in SWM.