

## Chapter 6: Confronting and Engaging Privatisation

by Melanie Samson

There is currently a clear global trend towards the privatisation of municipal waste management systems. Privatisation is traditionally understood as the transfer of state resources and activities to the private sector. Waste management privatisation in third world countries often goes beyond this by extending the reach of the formal waste management system into activities that were previously the domain of informal waste pickers. For example, although historically waste pickers in India performed door-to-door collection, some municipalities are now awarding contracts to private companies to perform this task. This displaces waste pickers and undermines their ability to generate income. Even if the activities of waste pickers are not explicitly included in the privatisation contract, shifts in the formal municipal waste management system change the context within which waste pickers function and the terms on which they relate to the broader waste management system. Perhaps most crucially, privatisation often changes the legal status of waste itself. Prior to privatisation, waste is usually seen as a common property resource through which waste pickers can sort to salvage materials to reuse and resell. However, once a municipality contracts a private company to collect, transport and/or dispose of garbage, it usually becomes the property of that company (ILO 2004, 22). This can have extremely negative consequences for waste pickers, who thus lose free access to the source of their livelihood.

This chapter looks at how privatisation has affected waste pickers in different cities and how different waste picker organisations have chosen to engage with privatisation. A range of positions has been adopted on privatisation, each of which has different implications for the form and nature of the municipal waste management system, the relationship between waste pickers and municipal waste management workers, and the relationship between waste pickers, private companies and the state.

Some questions to think about when reading this chapter are:

- How does privatisation affect the quality of waste management services and the livelihoods of waste pickers?
- Must waste pickers accept the privatisation of municipal waste management as inevitable?
- Are the interests of waste pickers and municipal waste management workers necessarily in opposition?
- How can solidarity between waste pickers and municipal waste management workers be strengthened?

## Privatising Public Spaces, Excluding Waste Pickers – the Privatisation of Waste in Delhi

In Delhi, India the municipality excluded door-to-door collection from the privatisation process as it realised that granting formal contracts for these services would displace waste pickers who were already performing these tasks informally. However, as the Chintan Environmental Research and Action Group (Chintan 2007) demonstrates, even when privatisation supposedly protects waste pickers by excluding door-to-door collection it can nonetheless have extremely negative consequences for them.<sup>43</sup>

Historically the municipality in Delhi did not provide waste collection services. Residents deposited waste in transfer stations called *dhalaos*, from which it was transported by the municipality for disposal. Waste pickers could access materials at both the household and *dhalao* levels. In some instances communities paid waste pickers a fee to remove their waste for them. The waste pickers would sort the waste, extract the recyclable materials and dispose of the rest at the *dhalaos*.

According to Chintan, a number of factors prompted the Municipal Corporation of Delhi to begin privatising waste collection. These included Supreme Court rulings that put pressure on municipalities to improve their waste management systems, the obsession with becoming a 'world class city', the desire to ensure that the city had a functioning waste management system when it hosted the Commonwealth Games to be held in 2009 and loss of confidence in the municipality's ability to provide essential services.

The Infrastructure Development and Finance Corporation was contracted to oversee privatisation of the transport and disposal of the Municipal Corporation of Delhi's waste. Only one consultative meeting was held, during which NGOs mounted strong opposition to privatisation. Nevertheless, three companies were awarded contracts for different parts of the city that commenced in June 2005.

Each contractor was responsible for ensuring the separation of waste in the *dhalaos* in its area. The contractors all sub-contracted the actual work to labour brokers. The labour brokers recruited workers to act as bin guides who would clean the bins, separate the waste and help load the compactors. Although the contract encouraged the companies to hire waste pickers, this was not always done. The workers were paid one-third of the legal daily minimum wage and did not receive any benefits. Officially the contractors had the right to sell the recyclable materials deposited in the *dhalaos*. However, they initially did not do so, and bin guides who worked in higher income areas supplemented their income by selling recyclable materials. In poorer areas where fewer recyclable materials reached the *dhalaos*, the workers had to take responsibility for numerous *dhalaos* in order to augment their incomes, lowering the quality of services provided.

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<sup>43</sup> The following information on privatisation of waste management in Delhi is summarised from Chintan (2007). This document can be found at [www.chintan-india.org/others/ChintanPrivatisationPaper.doc](http://www.chintan-india.org/others/ChintanPrivatisationPaper.doc). Information on Chintan's other initiatives and activities can be found at [www.chintan-india.org](http://www.chintan-india.org). Further information on privatisation of waste management in Delhi can be found in the presentation made by Bharati Chaturvedi of Chintan at the First World Congress, at [http://www.recicladores.net/index.php?option=com\\_content&task=view&id=77&Itemid=143](http://www.recicladores.net/index.php?option=com_content&task=view&id=77&Itemid=143).

Historically, waste pickers had performed the task of segregation in the *dhalaos*. Based on their own informal codes they had shared access to the *dhalaos*, leading to high levels of recovery of recyclable materials. However, once the *dhalaos* were privatised this system was disrupted. In some *dhalaos* workers allowed waste pickers to access the waste if they helped to load the compactors. However, the companies began to lay claim to the waste, threatening to completely deny the waste pickers access to their livelihood in the future. In the meantime, waste pickers were prohibited from using the *dhalao* spaces to sort their materials, thus robbing them of their historical workspace. Waste pickers who conducted door-to-door collection were even prevented from disposing of non-recyclable waste in the *dhalaos*.

The privatisation contract not only reduced the role of waste pickers in recycling but also decreased overall levels of recycling. Prior to privatisation, waste pickers retrieved between 15% and 59% of Delhi's waste. However, the contract only requires the private contractors to segregate 20% of the waste by the eighth year. As payments to the contractors are based on the weight delivered to the landfill, there remains a strong disincentive to segregate waste and remove recyclable materials from the waste-stream. Bharati Chaturvedi of Chintan points out that nevertheless, as a result of mobilisation, recently waste pickers have managed to renegotiate the form and nature of privatisation and their role within it. For example, current discussions with the company in one zone are resulting in handing over the *dhalaos* to the waste pickers, who simultaneously undertake doorstep collection. By focusing attention on the negative implications of privatisation in Delhi, Chintan and the waste pickers have also succeeded in staving off similar efforts in other cities<sup>44</sup> (Chintan 2007).

## Renegotiating Exclusionary Forms of Privatisation in Cairo

Cairo has a vibrant and well-established informal waste management system. In a 2008 publication commissioned by the GTZ, CID Consulting<sup>45</sup> documents how, when waste was privatised, initial attempts to bypass the informal system failed and the system had to be modified to include traditional service providers.<sup>46</sup>

In Cairo, waste collection services began in the early 1940s when Muslim oasis migrants known as *waahis* began collecting paper from households to sell as fuel to both public baths and preparers of the fava bean national breakfast. In the late 1940s Christian Copts who had migrated from rural areas in the south of Egypt initiated door-to-door collection services with donkey carts. Known as *zabbaleen* (informal garbage collectors), they took the waste back to their homes at the edge of the city, separated it and fed the organic waste to their pigs and goats. In the 1950s, when metals and plastics entered the waste-stream, the *zabbaleen* began to recycle these as well.

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<sup>44</sup> Personal communication with Bharati Chaturvedi.

<sup>45</sup> For more information on CID consulting please see [www.cid.com.eg](http://www.cid.com.eg).

<sup>46</sup> The following information on privatisation of waste management in Cairo is summarised from "The Informal Sector in Waste Recycling in Egypt" by CID Consulting (2008).



Sorting waste in Cairo

(picture courtesy of CID Consulting, originally published in CID, 2008)

The *waahis*, who had higher levels of education than the *zabbaleen*, retained informal ‘ownership’ of the collection routes, but the *zabbaleen* took over actual collection work. The *zabbaleen* kept the organic waste, plastic and metal, and passed the paper over to the *waahis*. As fuel oil and private bathrooms were introduced, the *waahis* eventually lost the market for their paper. However, they continued to generate income from monthly payments for residential collection services. In some cases *zabbaleen* paid a fee to the *waahis* to access the waste, and in others the *waahis* paid the *zabbaleen* for services rendered.

The Cairo Cleansing and Beautification Authority (CCBA) was established in 1986 to oversee the actors in the waste management system, license private collection companies and traditional providers such as the *zabbaleen* and extend services to low income areas. Whilst both private companies and traditional providers fell under the authority of the CCBA they received different treatment. Private companies bid for tenders, and once they succeeded were paid a fee by the CCBA for providing services. In contrast, the *zabbaleen* paid a fee to the CCBA for the right to collect waste from a certain number of apartment blocks. They were expected to continue collecting fees directly from residents and were vulnerable to losses if some apartments were vacant or residents did not pay. Because most of the *zabbaleen* were illiterate they did not know how to drive the trucks required by the CCBA and could not obtain credit. As a result, they continued to be dependent on the *waahis* who helped them to obtain their CCBA licences.

In 2003 Cairo followed the example of Alexandria and put out a tender for the collection and disposal of the city’s waste. An Italian public-private partnership and two Spanish companies were awarded contracts for three different parts of the city. In the fourth zone, the CCBA formed a public-private partnership that later sub-contracted an Egyptian company to provide services.

The contracts only require the companies to recycle 20% of the waste, far below the rate of 80% achieved by the informal sector. This has had extremely negative effects for the formal recycling industry, which has suffered a dramatic decline in inputs, and has been forced to acknowledge the importance of the informal sector.

For their part, the companies holding the privatisation contracts also had to come to terms with the the *zabbaleen*'s central role in waste management. The companies are not contracted to provide a door-to-door service, and members of the public are supposed to place their waste in communal collection points. Initially the companies wanted to hire *zabbaleen* as collection crews paid a wage to work eight hour days, collecting and loading the rubbish from the collection points for disposal without taking it home to separate and recycle. The workers were also expected to perform additional tasks required by the contract. This did not appeal to the *zabbaleen*, and so the companies instead hired unemployed youth. However, most of the youth quit because they were not used to working, and furthermore did not like working with waste.

Unable to recruit new people to the sector, the multinational companies eventually conceded to the *zabbaleen*'s terms for their employment. The *zabbaleen* are only required to complete their rounds and do not have fixed working hours. Despite the terms of the contract, the *zabbaleen* continue to use their own trucks and to divert the waste to their homes, segregating it for recycling before disposing of the rest. Both the companies and the CCBA turn a blind eye to these practices, and the CCBA does not impose fines for these breaches of the contracts.

The case in Cairo shows that privatisation processes that ignore the role of the informal sector can encounter serious problems. In order to function, the formal sector companies that won the contracts needed to acknowledge and accommodate the role of the *zabbaleen*. However, there were still strongly negative effects for the *zabbaleen*. Historically, the *zabbaleen* were subordinate to the *waahis*. When the private companies agreed to sub-contract the *zabbaleen*, who did not have companies that could enter into formal contracts, the *waahis*, who had registered companies, were awarded the contracts instead and hired the *zabbaleen*. Although many of the *waahis* were paid a fair wage, they did not extend this treatment to the *zabbaleen*. As the privatisation contract neither acknowledged nor attempted to redress existing power inequalities in the sector, it effectively exacerbated them.

In addition, even though the contract did not include door-to-door collection it generated forces that undermined provision of this service by the *zabbaleen*. Many residents who now had to pay a fee to the private companies via their electricity bills objected to continue paying for the *zabbaleen* to collect from their houses. The *zabbaleen* also live under constant threat that the CCBA and companies will start to enforce the terms of the contract, which will transform them into wage workers and deny them access to the recyclable materials on which their livelihoods depend (CID Consulting 2008).

## Waste Pickers and Municipal Workers Uniting Against Privatisation

Privatisation can potentially pit waste pickers against unionised municipal workers. Many instances have been reported of municipalities trying to use waste pickers as strike-breakers, having them deliver services when municipal unions are on strike. Sometimes waste picker co-operatives and associations bid for contracts to privatise services currently delivered by municipal workers. As discussed in Chapter Five, when municipal workers went on strike to oppose the privatisation of waste management in Bogotá, Colombia, the *Asociacion de Recicladores de Bogotá* (ARB) helped the city to collect the waste. After the strike ended and the municipal workers were defeated, it subsequently took a contract to continue collecting waste in one part of the city (Ruiz-Restrepo 2008, 2). According to Nohra Padilla, a founding member and Executive Director of the ARB, this was based on practical considerations; as the fight against privatisation had been lost, the ARB felt it would be better for the work to go to *recicladores* than to private companies. Although Padilla states that the ARB has good relations with municipal unions, she argues that since its main concern is improving the livelihoods of its members, the ARB would likely not have a problem bidding for other contracts on work currently conducted by municipal workers.<sup>47</sup>

Other waste picker organisations have a broader perspective on worker solidarity. For example, according to Poornima Chikarmane, a founding member of the KKPKP waste picker union in India, the KKPKP has not become involved in delivering waste management services that are provided by municipal workers.<sup>48</sup> Yet, as the state begins to offer contracts in new areas such as door-to-door collection that encroach on the work historically performed by waste pickers, the KKPKP has had to reflect on the stance it will take towards these developments.

In its document “From critical mass to crucial opportunity: the story of SWACH” (KKPKP 2009) the KKPKP points out that waste pickers saw a gap and began providing door-to-door collection because the municipality did not offer the service. This service provision was neither initiated by the state nor conducted within the public sector; it has always been provided privately by workers in the informal economy. When the state starts to offer contracts for these services it is not taking an activity that was previously conducted publicly and moving it into the private sector. Rather, it is taking work that had been conducted by informal workers in the private sector and potentially putting it into the hands of large private companies; that is, unless waste pickers can find a way to retain their role within the delivery of this service.

Although KKPKP members define themselves as workers, they value their autonomy and their daily earnings and often do not want to be in employment relationships. According to the KKPKP, the inefficiencies of the municipal service delivery system and the pervasiveness of neo-liberalism feed the demand for the privatisation of such services. The KKPKP has proposed alternatives (such as the SWaCH co-operative discussed in Chapter Four) that challenge corporate models of

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<sup>47</sup> Interview with Nohra Padilla conducted by Melanie Samson on 15/01/2009.

<sup>48</sup> Personal communication with Poornima Chikarmane.

privatisation and keep the state involved in service delivery, simultaneously taking into account the interests of waste pickers and service users (KKPKP 2009).

In other contexts waste pickers have united with unionised municipal workers to oppose privatisation processes that threaten both of their livelihoods. The case of privatisation in Cali, Colombia discussed in the previous chapter, provides useful insight into the challenges in forging these kinds of alliances. Juan Diego Gómez of Public Services International (PSI)<sup>49</sup> reports that in Cali unionised municipal workers employed by the EMSIRVA public waste management service provider and *recicladores* initially joined forces to oppose the plans to privatise service delivery and create a new, privately run dump. Through a series of workshops and meetings the two groups built solidarity to defend their work. However, once the new landfill was created, the municipality and the private company running it intervened to break this alliance. Late in 2008 the company offered *recicladores* a three-month contract to work at the landfill and the municipality offered some of the leaders of the *recicladores* jobs in the municipality. When both of these offers were accepted, the *recicladores*' organisation was weakened due to the loss of leadership, and tension was created between *recicladores* and unionised municipal workers who felt that the *recicladores* had undermined their struggle.<sup>50</sup>

As discussed in the previous chapter, government proceeded with its plans and privatised service delivery in three of Cali's four zones and began to liquidate EMSIRVA, resulting in 430 municipal employees losing their jobs. The landmark court victory outlined in Chapter Five forced the government to delay awarding the contract in the fourth zone. The municipal workers were neither consulted nor involved in the development of the legal case and the ruling is silent on the rights of former EMSIRVA employees in the reissuing of the tender. However, SINTRAEMSIRVA (the union that represents EMSIRVA employees) feels that the forced postponement in the awarding of the tender in the fourth zone creates space for it to continue agitating for service delivery in this zone to be retained within the public sector. SINTRAEMSIRVA has launched a campaign against the liquidation of EMSIRVA and the privatisation of services that has received support from unions around the world affiliated to PSI. It is also pursuing legal action to reverse the liquidation and privatisation processes.<sup>51</sup> The union is still hopeful that it can rebuild solidarity with the *recicladores* in the mobilisation against privatisation. However, this will be even more difficult to do in a context where the *recicladores* have already lost access to the privatised dump and have secured a Court ruling stating that they must be allowed to participate and be given priority within the revised tendering process.

In Montevideo, Uruguay, co-operation between municipal workers and *clasificadores* has been more successfully sustained. Members of the *Union de Clasificadores de Residuos Urbanos Sólidos* (Urban Solid Waste Recyclers' Union), which was formed in

<sup>49</sup> Public Services International is a trade union federation of public sector unions with over 500 affiliates in more than 140 countries ([www.world-psi.org/](http://www.world-psi.org/)).

<sup>50</sup> Telephonic interview with Juan Diego Gómez designed by Melanie Samson and conducted and translated by Carmen Roca, January 2009.

<sup>51</sup> E-mail communication with Juan Diego Gómez, with translation by Lucia Fernandez and Sofia Trevino.

2002, and the *Asociación de Empleados y Obreros Municipales* (Association of Municipal Employees and Workers) have mounted a strong, collective struggle against plans to privatise the dump. The *clasificadores* are fearful that the company will either evict them from the site or force them to work as employees that are paid lower wages. Similarly, the municipal workers suspect that they will be fired or underpaid and therefore lose the benefits currently provided by the municipality. Solidarity between the two groups has also been facilitated by the fact that both are affiliated to the PIT-CNT trade union federation, which unlike trade union federations in many other countries accepts unions of informal workers as affiliates.<sup>52</sup>



Waste pickers protest against privatisation on Labour Day in India

(photo courtesy of Chintan)

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<sup>52</sup> Lucia Fernandez, personal communication.