



**THE  
COMMERCIALISATION  
OF WASTE  
MANAGEMENT IN  
SOUTH AFRICA**

**Municipal Services Project**

**Occasional Papers No.3**



Occasional Papers Series

## **Number 3**

June 2001

# **The Commercialisation of Waste Management in South Africa**

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## **ABOUT THE PROJECT**

The Municipal Services Project is a multi-year research, policy and educational initiative examining the restructuring of municipal services in South(ern) Africa. The project's central research interests are the impacts of decentralization, privatization, cost recovery and community participation on the delivery of basic municipal services like water, sanitation and electricity to the rural and urban poor. The research has a participatory and capacity building focus in that it involves graduate students, labour groups, NGOs and community organizations in data gathering and analysis. The research also introduces critical methodologies such as 'public goods' assessments into more conventional cost-benefit analyses.

Research results are disseminated in the form of these Occasional Papers publications, a project newsletter, academic articles and books, popular media, television documentaries and the internet. The project website is located at [www.queensu.ca/msp](http://www.queensu.ca/msp).

Research partners are the University of the Witwatersrand (Johannesburg), Queen's University (Canada), the International Labour Resource and Information Group (Cape Town), the South African Municipal Workers Union, and the Canadian Union of Public Employees. The project is funded in part by the partner institutions and by the International Development Research Centre (IDRC) of Canada.

ISBN 0-88911-972-4

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Design and layout: jon berndt DESIGN

Printed and bound by Logo Printers

# Table of Contents

<b>INTRODUCTION</b>	
<b>COMMERCIALISING SOLID WASTE MANAGEMENT IN SOUTH AFRICA</b>	<b>1</b>
Entrenching a Two-tiered System	2
Lack of Public Consultation	3
The Loss of Public Sector Skills	4
The Impact of Restructuring on Municipal Workers	4
<b>CHAPTER ONE</b>	
<b>SELLING PRIVATISATION TO THE POOR: The Billy Hattingh “Community Based Refuse Removal Scheme” in Khayelitsha</b>	<b>7</b>
THE BILLY HATTINGH SCHEME	9
THE LEAD UP TO PRIVATISATION	10
The Role of Sanco	11
The Selection of Billy Hattingh	13
Selling the Scheme	13
Resistance from Labour	14
EVALUATION OF THE SCHEME	16

<b>CHAPTER TWO</b>	
<b>FISCAL DISCIPLINE AND WORKER RESPONSE: The Restructuring of Johannesburg's Solid Waste Management</b>	<b>21</b>
THE CORPORATISATION OF WASTE SERVICES	22
LOCAL GOVERNMENT TRANSITION AND IGOLI 2002	24
Levels of Service Inequality	27
EMPLOYMENT CHANGES AND CONTRACTING-OUT	34
<b>MUNICIPAL WORKERS AND CASUALISATION: Towards an Authoritarian Management Style</b>	<b>38</b>
Reorganisation of Tasks and Functions	41
<b>CONCLUSION: New Canaan, New Egypt</b>	<b>45</b>
<b>REFERENCES</b>	<b>47</b>
<b>LIST OF TABLES</b>	
Table 1: Solid Waste Facilities and Production of Waste in the 11 Regions of the New Johannesburg Unicity, 2000	28
Table 2: Allocation of Resources for Waste Management in the Johannesburg Unicity, 2000	33

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## INTRODUCTION:

### COMMERCIALISING SOLID WASTE MANAGEMENT IN SOUTH AFRICA

**T**he collection of household refuse – or the lack thereof – is one of the most powerful visual benchmarks of inequality in South Africa. Although the situation has improved somewhat since 1994, formerly whites-only suburbs are still kept immaculately clean with regular door-to-door refuse collection and teams of street sweepers, while most black township and rural area residents are forced to dump their refuse in open spaces or in unsealed communal skips. Street cleaning is often non-existent, and where it is available workers are often unable to cope with the volume of uncollected waste. As a visual indicator of change, solid waste management acts as a daily reminder to millions of poor South Africans that their health, safety, and living environments have changed very little in the past seven years.

Municipal governments in South Africa have been turning increasingly to commercialisation (i.e., privatisation, outsourcing, corporatisation) as a way of addressing this refuse collection backlog. Why this has happened, and how successful it has been at addressing the problem, are the subjects of the two papers in this collection. The first paper looks at a micro-enterprise refuse collection programme in Khayelitsha, Cape Town, known as the Billy Hattingh scheme. The second looks at the newly-corporatised refuse collection service in Johannesburg called “Pikitung”. Although very different in their institutional make-up and size, these two initiatives are both driven by the same commercialisation impulse that is reshaping the waste management sector throughout South Africa. The papers also offer remarkably similar insights into the dangers of running waste management ‘like a business’.

This introduction provides a summary of the findings of these two research reports and groups them into four themes: concerns about the entrenchment of a two-tiered refuse collection system; a lack of proper public consultation in the commercialisation process; the loss of public

sector skills; and the impact of service restructuring on municipal workers.

## Entrenching a Two-tiered System

During apartheid public sector refuse collection resources were enormously skewed in favour of historically white neighbourhoods. In some cases dozens of refuse vehicles and hundreds of personnel – not to mention capital expenditures – were available for white suburbs while more heavily populated black townships were serviced by only a few (poorly maintained) vehicles and a handful of staff. Not only was this inequitable, it was extremely inefficient, with workers and equipment in white neighbourhoods often sitting idle while their counterparts in black areas were overworked and under-resourced.

With the end of apartheid and the creation of unified, non-racial cities it was hoped that these resources would be more equitably and efficiently distributed, and indeed there has been some progress in this regard. But it is evident from the two case studies provided here that relatively little redistribution has taken place in the refuse collection sectors in Cape Town and Johannesburg and that public sector resources remain largely situated in white, middle-class neighbourhoods.

Outsourcing and corporatisation, it is argued here, have served to entrench these apartheid-era inequalities. By placing the emphasis for service expansion and improvement on ring-fenced, cost recovery business units rather than on a redistribution of existing public resources or more progressive cross-subsidisation mechanisms (or, for that matter, requests for increased inter-governmental transfers from central state), municipal decision-makers in Cape Town and Johannesburg have effectively frozen both the quantity and quality of refuse collection services to the townships.

In the case of the micro-enterprise refuse collection scheme in Khayelitsha, service levels have not improved in any meaningful way since outsourcing began in 1997, and the concern is that the private company will only provide services to the level that residents can afford (the underlying premise of cost recovery). Moreover, there is little hope of any significant long-term structural improvement to waste management in the area because of the low-tech, low capital investment, and highly fragmented nature of micro-enterprise operations. As a result, littering in open spaces remains a major problem and 'house-to-house' collection in the informal areas has been cancelled because it is deemed too difficult to manage. Meanwhile, suburban homes in other parts of Cape Town retain the service levels they have always had and most of the public resources. In fact,

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recent research by the Municipal Services Project found per capita ratios as high as 10:1 when comparing public resources available for refuse collection in historically white suburbs to black townships in the city.<sup>1</sup>

The distribution of public resources for refuse collection is equally problematic in Johannesburg, but rather than pushing for the redistribution of these resources, the new waste management utility will focus on cost recovery and the outsourcing of services in poor neighbourhoods. Moreover, the ring-fencing of the sector will make it more difficult to cross-subsidise from other service sectors and will make it difficult for politicians and citizens to intervene in the policy-making process (a fact that managers see as an advantage of running a more efficient 'business unit').

The most immediate concern in both of these cases is the poor quality of services in the townships. However, the use of enormous amounts of public resources to support the extravagant socio-environmental lifestyles of the wealthier suburbs – lifestyles that effectively depend on continued inequality in waste management services – is also problematic. Middle-class South Africans are among the most profligate users of resources and producers of waste in the world. By leaving in place the infrastructure that makes these standards of living possible, waste management decision-makers have given an effective 'stamp of approval' to continued over-consumption.

### **Lack of Public Consultation**

The second major theme that arises from the case studies is the essentially undemocratic manner in which decisions were made to outsource and corporatise waste services. In the case of the micro-enterprise scheme in Khayelitsha, union requests to redeploy workers from the suburbs (where equipment and personnel sat idle) to the townships (where they were badly needed) were ignored by management and no public sector restructuring options were explored in any detail. Management-labour relations during this process became so bad, in fact, that the issue had to go to arbitration (a case which the union initially won but then had overturned on appeal by the municipality). The one community meeting that took place in Khayelitsha to discuss the privatisation option with community members, meanwhile, was biased in favour of outsourcing due to the fact that the private consulting firm facilitating the meeting was also advising the municipality on how to outsource and the community leaders who organised the meeting were openly in favour of outsourcing.

In Johannesburg, the decision to corporatise waste management was



part of a much larger plan to corporatise and privatise a series of municipal services in the city, but there was little scope for debate. More tellingly, perhaps, is the fact that line managers within waste services appear to be making outsourcing decisions in an *ad hoc* and non-consultative manner, threatening the ability of the new waste management utility to operate as a coherent metropolitan service. In other words, the decision to corporatise – as contentious as it was with municipal workers – may actually heighten the *ad hoc* and discretionary nature of service delivery decisions being made by management.

### **The Loss of Public Sector Skills**

A third concern raised in the papers is a loss of public sector skills and institutional knowledge. In the case of outsourcing and privatisation, the loss of public skills and knowledge is very clear and direct: a service is transferred to the private sector and new employees and managers take over. This is particularly true in cases where contracts are short or where contractors go bankrupt (as is frequently the case with micro-enterprise operations). In these latter cases, important knowledge about the needs of a community and information about best-practices is largely lost along with the private company – a concern that is amplified in poor urban areas which are the most socially complex and logistically difficult to service.

In the case of Johannesburg, outsourcing also threatens to undermine the institutional memory of the waste management utility, but it is the cost-cutting nature of the new business-like approach to refuse collection that threatens to reduce the skills base of the utility. The casualisation of the labour force along with a general deskilling of labour through the introduction of cost-saving capital equipment has meant that refuse workers are less knowledgeable about the service they provide and less able to respond creatively to changing needs in the sector.

### **The Impact of Restructuring on Municipal Workers**

The final theme taken up in the papers is the impact of commercialisation on municipal workers and the labour they do. Besides the obvious anxieties over job losses, most of the workers interviewed for these research papers expressed concern over job casualisation, short-term contracts, multi-tasking, and the downward pressures these developments are having on wages, health and safety, and job security. Most workers in private refuse collection companies are earning considerably less than unionised municipal workers and have far fewer (if any) benefits and health

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and safety training.

Less tangible, but equally disconcerting, are the tensions being created by commercialisation between workers and township residents. Micro-enterprise, community-based refuse collection schemes are particularly problematic in this respect in terms of how they can play on the desperation of unemployed residents eager to earn an income – even if it is only short term, dangerous and poorly paid work. In the Billy Hattingh scheme in Khayelitsha, workers were deliberately portrayed as “lazy” and “overpaid” by municipal managers and community leaders (most notably Sanco officials) in order to generate support for the outsourcing programme. Workers have since had aggressive encounters with residents wanting to blame them for the poor services in the township, undermining the potential for a more unified and politicised challenge to the continued poor quality of refuse collection services in the township.

**David A. McDonald**

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## ENDNOTES

1 In this case the reference is to the “value of office supplies and support equipment in stock at the depot” on a per capita basis in the suburb of Durbanville (R1.03/pp) as opposed to Khayelitsha (R0.08/pp). We also found significant differences in areas such as vehicle quantity and quality, capital and operating expenditures per capita, human resources per capita, and so on. To cite another example, per capita operating expenditure reported for the “last fiscal year” in Khayelitsha was R57/person while in Durbanville it was R194/person. The research was conducted in mid-2000. A detailed report on the research will be published in 2001 by the Municipal Services Project.



# CHAPTER ONE

## **SELLING PRIVATISATION TO THE POOR: The Billy Hattingh “Community Based Refuse Removal Scheme” in Khayelitsha**

by  
Msokoli Qotole and Mthetho Xali

*The system will offer a once in a lifetime opportunity for the development of potential local businessmen.*

Extract from City of Tygerberg brochure promoting the development of the Billy Hattingh refuse collection scheme

**K**hayelitsha is a sprawling urban township of approximately 400 000 people thirty kilometres southeast of the central business district of Cape Town. Built in the 1980s by the apartheid regime as a segregated residential area for African workers and a growing number of migrants from rural areas, Khayelitsha quickly became a sight of dense informal housing, high rates of unemployment, and social unrest. It was also massively under-serviced in terms of the provision of water, electricity, refuse collection and other basic municipal amenities.

Seven years after the end of apartheid Khayelitsha is still under-serviced, with tens of thousands of people living without adequate access to potable water, electricity and sewerage systems. Efforts have been made since 1994 to upgrade and extend services to the area by the various municipal councils that have managed Khayelitsha, but these efforts have proven to be slow and the standard of services is generally well below that enjoyed

by the historically white areas of the city.

Refuse collection is one such service. While most suburban areas, and many other township areas, receive once-a-week curbside collection of their refuse, most residents of Khayelitsha must take their garbage to a large communal skip that may be several hundred meters away from their home, and which may not be collected very frequently, resulting in overflows of refuse that attracts dogs and rats and becomes a health and safety hazard.

In 1997, the Tygerberg City Council – an interim local authority responsible for services in Khayelitsha as well as several historically white suburbs – decided to outsource refuse collection to a private company in a section of Khayelitsha north of Spine Road (comprising about 45 000 households). The contract went to a group called Billy Hattingh & Associates, a consortium of private consultants and banks that had been developing small, medium and micro-enterprise (SMMEs) ventures related to service delivery throughout the country since the early 1990s.

This report is an assessment of the Billy Hattingh initiative in Khayelitsha (still in operation at the time of writing) – colloquially referred to as “the one man contract” due to its very micro scale of entrepreneurial development. The report begins with an overview of how the scheme operates and then moves on to discuss both the process that led to its formation as well as its outcomes since 1997. The conclusions are generally critical, both in terms of the non-consultative and biased manner in which the privatisation debate took place as well as the impact it has had on workers and the dynamics of service delivery in the city as a whole. We argue here that the Billy Hattingh scheme has not only failed to significantly improve the level and quality of services in the area, it has also worsened service disparities in the city and exacerbated social tensions in Khayelitsha by pitting council workers against community members in the debates over service improvements and access to jobs.

The research consists of interviews with representatives from the City of Tygerberg, The Entrepreneurial Development Corporation (Tedcor) (the company that bought the concept from Billy Hattingh & Associates and now operates it), several local entrepreneurs who were awarded contracts, council workers and representatives of the South African Municipal Workers Union (Samwu), and community members. The one group that we were not able to access were the workers employed by the private entrepreneurs. The paper also draws on municipal records, correspondence of key actors and several other relevant documents, one of the most useful being a record of an arbitration hearing between the municipality and the union over the right to outsource (CCMA [undated]).

## THE BILLY HATTINGH SCHEME

**T**he Billy Hattingh scheme is perhaps best described by the National Business Initiative (NBI) which, in collaboration with the national government's Municipal Infrastructure Investment Unit (MIIU), has written a glowing report of the Billy Hattingh scheme, referring to it as "innovative" and "successful" (Anon. 2000, 2). According to the NBI, the scheme operates in the following way:

*The scheme is based on a relationship initiated in the early 1990s between Billy Hattingh & Associates, a private company, Future Bank, and First National Bank. The scheme aims at the empowerment of local residents as entrepreneurs, the social and economic development of communities, and the growth of the SMME sector. The scheme operates in the following way: Billy Hattingh & Associates signs a tri-partite contract with a local authority and a local resident acting as an entrepreneur. The entrepreneur is paid a monthly contract fee by the local authority in exchange for the service rendered, the local authority retaining overall responsibility for the service and the collection of service payments from residents. The process of selecting the entrepreneurs is carried out by a steering committee composed of Billy Hattingh & Associates, the local authority and community leaders. The entrepreneurs must be unemployed and must come from the same community that they are to serve. To the extent that entrepreneurs employ others, local labour must be used. Future Bank, First National Bank, and associated institutions have undertaken to provide financial support for all approved projects. The financial support includes a Mercedes-Benz truck, a large (30 cubic meter) container, as well as other appliances and equipment required for the execution of the contract. Required maintenance and repairs are done by the equipment suppliers, after approval by Billy Hattingh & Associates. With regard to capacity building, the scheme ensures that through training the entrepreneurs are fully equipped to manage a profitable concern of their own. The training courses include: business management, transport management, personnel management, industrial relations, and project-specific courses such as waste management.*

The Billy Hattingh scheme is not the only such micro-enterprise initiative in the country. Nor is the idea unique to South Africa. There are similar micro-enterprise examples around the world where private

companies have acted as financial and technical intermediaries for local entrepreneurs on a wide range of services.

## THE LEAD UP TO PRIVATISATION

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In April of 1995, the (then) Acting City Engineer of Tygerberg municipality gave a report to a Service Committee meeting on the state of the cleansing department in Khayelitsha.<sup>1</sup> The gist of the report appears to have been a refutation of “rumours” about the department’s failures to reform itself and points to the potential to rebuild the cleansing department from within using public resources. Amongst other things, the report notes that the proposal from the Khayelitsha Negotiating Forum to privatise refuse removal would “cause untold dissatisfaction in the workplace”. The report also refutes claims that a compactor operation in Khayelitsha was not feasible – some managers felt that the narrow streets and shacks made it impossible to use large vehicles to collect refuse – and points out that four compactor trucks were already in use in the area. The report recommended the following with regards to the future of the department:

The current service rendering by the cleansing section be improved through:

- The implementation of the recently approved staff establishment for the cleansing department;
- The implementation of the one man contracts in the squatter areas;
- The provision of the necessary compactors by the SMP or other funding source;
- The concept of contractors with own vehicles and employing their own employees not be recommended for refuse removal in Khayelitsha.

These recommendations on the reorganisation of the cleansing service were shelved until a visit to Johannesburg to study a Billy Hattingh form of service delivery had been undertaken, as per a previous council decision (the latter being made at the request of a councillor from Khayelitsha according to council minutes). This trip took place in May of 1995, and when the delegation returned they recommended the adoption of the Billy Hattingh scheme.<sup>2</sup>

Towards the end of 1995, however, council was still regarding the issue

of cleansing in Khayelitsha as a matter that could be solved internally, with Executive Committee minutes from September of that year focussing on the need to purchase new equipment: "The Cleansing Section is currently utilising 13 tractors and trailers, 4 compactors and 4 seven ton trucks. These vehicles have become very unreliable. On average there are 2 to 3 tractors that would not start on any given morning.... The operation of the cleansing branch is seriously jeopardised by the lack of reliable and adequate vehicles."<sup>3</sup> The resolution at the end of this meeting was to purchase two compactors immediately, with another two to be purchased two months later. Vacancies within the branch, and the need to fill these positions, were also noted.

But before the reorganisation of internal resources could be effected, there was a discernible shift on the part of management's attitudes to the cleansing "problem". Line management's main concern shifted from one of under-resourcing to one where workers were deemed to be unproductive; that is, the blame for poor refuse collection in Khayelitsha was now placed on labourers who were not working hard enough. According to the Acting City Engineer at the time, the compactor trucks in Khayelitsha were only picking up seven tons of refuse per day compared to the norm of 14 to 17 tons per day (CCMA [undated], 10). Management also stated that workers were not disciplined, were leaving work before their official quitting time, and that the refuse removal system used in Khayelitsha was inefficient compared to the private sector, arguing that it cost the council R21 per erf to collect refuse in Khayelitsha as compared to R6-8 per erf in the market place for a comparable service (City of Tygerberg [undated]).

### The Role of Sanco

It is at this point that the Khayelitsha branch of the South African National Civic Association (Sanco) weighed in on the debate, organising a workshop for residents on refuse collection issues in early 1996. Notably, the workshop was organised and facilitated by Triple Trust Consulting, the same firm that was commissioned by the Tygerberg council to advise them on restructuring the cleansing department. Triple Trust had also sent one of its consultants on the Tygerberg delegation that visited Johannesburg in May 1995 to investigate the Billy Hattingh scheme there. There were also two councillors from Khayelitsha at the workshop – the same two councillors that had advocated for the privatisation of cleansing operations in the area the year before – and several entrepreneurs from the community. In other words, it was a highly biased 'community meeting', prompting



a representative from the Commission for Conciliation Mediation and Arbitration (CCMA) to write in his report on the subsequent arbitration process that those in attendance at the community meeting, and those organising the meeting, had already made up their minds as to which way the restructuring of the cleansing department should go (i.e., privatisation) (CCMA [undated]).

The mood of the community workshop was captured in the “Main Points” of the meeting report, as follows (Triple Trust Consulting 1996, 1):

Sanco stakeholders:

- Expressed great dissatisfaction with the overall waste management system;
- Expressed hostility towards council, particularly the workers;
- Expressed enthusiasm for lower-tech/community-based, rather than higher-tech/council-based capacity-building options.

It is also worth noting the manner in which the workshop was structured, to get a sense of the scope of debate and the direction it took (Triple Trust Consulting 1996, 1):

- Identification/brainstorming of problems by Sanco-KDF [Khayelitsha Development Forum] members;
- Clarification and fleshing out of these and related problems by Yonn Dierwechter [a consultant from Triple Trust Consulting];
- Presentation by Yonn Dierwechter of three options for capacity-building under current consideration;
- Discussion and resolutions.

The outcome of the workshop was a strong endorsement of the Billy Hattingh scheme, with the Sanco office making a point of informing community members of their decisions and the reasons for these decisions (most notably their position that “inefficient council workers” were largely responsible for the inability of council to provide adequate cleansing services in Khayelitsha).

### **The Selection of Billy Hattingh**

A proposal for outsourcing cleansing operations north of Spine Road was thereafter submitted by Tygerberg council and accepted by the Execu-

tive Committee, after which a request for tenders was released. Three companies responded to the request but two were immediately rejected on the grounds of higher costs and insufficient experience.

The Billy Hattingh scheme was then selected, for the following reasons:<sup>4</sup>

- The scheme is cheaper than what it cost the council to clean Khayelitsha. Prior to the introduction of the scheme the council was spending about R11m per year. The Billy Hattingh scheme would cost the council R4 774 674 per year.
- The scheme would ensure a regular service and a clean Khayelitsha. The problem of ill discipline on the part of the council workers would be solved as a result of the scheme.
- The scheme would cover areas of informal housing in Khayelitsha that were currently inaccessible by compactor trucks due to a lack of adequate road space by providing house-to-house collection for these areas.

## **Selling the Scheme**

Once a decision had been made, council embarked on a campaign to win the 'hearts and minds' of council workers and Khayelitsha residents as to the benefits of the Billy Hattingh scheme. When speaking to workers the council argued that that no union jobs would be lost as a result of the outsourcing. The workers affected by the scheme were told that they would be redeployed within the City of Tygerberg. In a letter from council to Samwu, workers were assured that "alternative or vacant positions would be offered to the existing affected personnel to secure their future employment within the City of Tygerberg. All its workers are very important to Council and existing service conditions and perks will remain."<sup>5</sup> Council argued that the position of some municipal workers might even improve as a result of redeployment.

Workers were also told that the scheme was not equal to privatisation. The scheme was presented as a "partnership" between council, the entrepreneurs and Billy Hattingh and workers were told that it should be viewed as a measure to extend and improve services to the community. Reference was also made to informal settlements that were going to receive refuse removal services for the first time through the implementation of the scheme.

In short, the Billy Hattingh scheme was presented to workers as a

demand by the community and the political leaders of Khayelitsha for better refuse collection services. In a leaflet entitled "Become Part ... there is a place for you", council states that it has "committed itself to sustainable good quality service at the lowest affordable tariff to ensure a healthy working and living environment for all its people. Khayelitsha's existing cleansing service was identified as one of the areas where improvements should be considered to enhance the living conditions of residents and at the same time empower the local people".

To the residents of Khayelitsha, the scheme was sold as a job creation measure. The community was told that the scheme would bring relief to the unemployed, with an estimated 165 people being employed as labourers and 13 new entrepreneurs being created. It was also argued that money generated from the scheme would remain in the area (implying, in turn, that council-run services represented an outward flow of resources from the community).

There was also a television programme that highlighted the Billy Hattingh scheme which showed the micro-enterprise workers to be highly satisfied with their jobs. One female worker interviewed for the programme expressed her happiness to have "the opportunity to be able to put bread on the table" as a result of her job with Billy Hattingh.

### **Resistance from Labour**

The municipal workers union (Samwu) challenged the claims of the Tygerberg council on several fronts. In a "Memorandum Against Privatization" dated September 18, 1997, the union argued that private companies are "profit driven and not needs driven". They pointed to international experience with privatisation, arguing that it results in "the quality of services being cut back to increase profit of the private company; communities no longer being able to demand accountability from their local government representatives for services provided; job losses and work intensification; worsening working conditions; and lowered environmental, health and safety standards".

The union also objected to the introduction of the Billy Hattingh scheme on the basis that it constituted a unilateral change of conditions of employment for workers, and that suitable public sector alternatives had not been explored. Repeated requests from Samwu to redeploy existing workers from wealthier suburbs (where many were under-utilised) to Khayelitsha (where extra personnel could have made a significant difference) were met with silence from managers according

to union leaders. Workers also organised a once-off clean-up of sections of Khayelitsha on their own time in an effort to demonstrate to residents in the township and to council that it was possible to keep the area clean using council workers, but these initiatives were not developed further by council.

Tensions ran high when the Billy Hattingh scheme was eventually finalised. Several councillors were physically assaulted in actions that took place during the union's protests, and some union members were arrested. The matter was subsequently taken to the Commission for Conciliation Mediation and Arbitration by the union, and both parties had to provide evidence in support of their positions. One of the witnesses at the arbitration was an ANC councillor who was deeply involved in the outsourcing process. Part of his evidence alluded to his attempts to get the council workers in the cleansing section to understand why ANC councillors supported the scheme. He claimed that as an organisation they were concerned with living conditions in the area, chief amongst these being high levels of unemployment.<sup>6</sup> In this councillor's assessment of the situation, Samwu was a stumbling block to development in the area.

The CCMA ultimately ruled in favour of Samwu, arguing that the outsourcing of the cleansing function was an unfair labour practice. The Tygerberg council immediately appealed the decision, however, and received support from the (then) Minister of Constitutional Development, Valli Moosa, who was responsible for local government affairs. The Minister wrote to the General Secretary of Samwu arguing that, "I believe the CCMA ruling in the Tygerberg case undermines the constitutional rights of the Tygerberg municipality. I therefore support the action by the Tygerberg municipality in appealing against the CCMA ruling, and I intend to lodge a supporting affidavit with this appeal."<sup>7</sup> The CCMA decision was ultimately overturned by the Labour Court and the outsourcing was able to proceed.

## EVALUATION OF THE SCHEME

**H**as the Billy Hattingh scheme been a success as an operation? The City of Tygerberg has certainly been impressed, arguing that the new contractors now "collect 67 tons of refuse per day and provide door to door and street sweeping services to 45 000 households. Illegal dumping has been drastically reduced and the

appearance of the area has been improved” (City of Tygerberg [undated]). According to the same report, entrepreneurs have been provided with skills and resources and 119 new jobs have been created as a result of the scheme.

The Tygerberg council also claimed that the success of the scheme inspired municipal workers providing cleansing services south of Spine Road to work harder: “They now collect 42 tons per day”. As noted earlier, council had previously reported that municipal workers in a similar area were only collecting seven tons of refuse per day.

The National Business Initiative’s (NBI) assessment is also very positive: “The main roads are now cleaned daily instead of once in six months; much of the illegal dumping in other areas has been stopped; [and] the standard of living of the entrepreneurs has improved (along with the standard of living of those employed by the entrepreneurs)” (Anon. 2000, 4).

The entrepreneurs that we spoke to were also positive about the scheme. They said that they now know how to run a business and have created jobs for the unemployed in the area. One entrepreneur complained about the council not cleaning the building rubble in the open spaces that then makes these open spaces dumping areas for residents, and several others noted that there was still room for improvement – particularly with respect to litter – but overall these entrepreneurs were happy with their situation and the quality of the job they were doing. The Tedcor community liaison officer (the group that now runs the scheme) also felt that the scheme has been a success; so much so that they have expanded their operations to Crossroads and Phillipi in Cape Town.

However, the council operations manager in Khayelitsha was not as upbeat about the scheme. In an interview with the author, he noted that it had created jobs and entrepreneurs but also identified several negatives with the Billy Hattingh operation:<sup>8</sup>

- The entrepreneurs did not have adequate background in waste management and sometimes the service they provide is not up to the expected standard (council has since appointed an inspector to ensure that the entrepreneurs deliver what is expected of them);
- Illegal dumping continues to be a problem and there is still a considerable amount of litter around;
- The scheme is not suitable for all refuse removal functions; for

example, the scheme is not equipped to collect builder's rubble;

- House-to-house collection in the informal settlement areas is not taking place as planned.

(This latter point was confirmed by the entrepreneurs we interviewed who told us that they no longer provided house-to-house collection in the informal areas. The reason they gave for this is that residents were putting their clothes in black refuse bags and workers would sometimes take these bags by mistake thinking that it was rubbish.)

This manager also had a different perspective on why it is that waste collection rates had been apparently low with council workers and had improved under the Billy Hattingh scheme. Rather than blaming it on inefficient municipal workers – as the Tygerberg council had done – he claims that the poor collection rates were a result of weak municipal management: “Management is also to be blamed for the situation of cleansing in Khayelitsha. If you don't manage there will be problems”. According to him, “The cleansing department can be managed cost-effectively if managed effectively”.<sup>9</sup> In other words, what existed before was “mismanagement” and not “inefficient workers”.

The council workers that we spoke to operating south of Spine Road (i.e., those still working for the council) were also critical of the scheme. They alleged that the scheme encourages exploitation of labourers. According to one council labourer: “Billy Hattingh workers are responsible for cleaning, sweeping, and litter picking. Even those workers that are responsible for refuse collection, they are also expected to do litter picking. The wages they get are far lower than the minimum in the municipal sector”. Wages for the council workers were, in fact, considerably higher than those working for Billy Hattingh at the time of interviews – approximately R1 600 per month versus R1 300 per month – as were other employment benefits.

Council workers also told us they have not seen any significant improvements in refuse services in the area as a result of the scheme: “Illegal dumping continues to exist, there is no house-to-house collection in the informal settlement as it was promised and there is no regular street sweeping.”

The Samwu metro branch secretary agreed with the views of council workers, arguing that the scheme did not have an impact on unemployment levels.<sup>10</sup> He argued that general working conditions for those employed in the Billy Hattingh scheme were lower than those of council

workers, and as a result some of the workers employed by Billy Hattingh have been approaching the union to become members.

According to Samwu's website ([www.cosatu.org.za/samwu/cid.htm](http://www.cosatu.org.za/samwu/cid.htm)) the privatisation scheme is "wasting council's funds": "The Metro Council has wasted millions of rands on a private refuse removal in Khayelitsha, which has failed so dismally that municipal workers have had to return to the area to assist the private company. In effect the Council is 'supplementing' the services that have failed to be provided by the company, and not the other way round".

Our own assessment of the scheme is quite critical as well. In addition to the multi-tasking that some interviewees suggest forces workers to miss their lunch and tea breaks in order to finish their jobs on time, and the lower wages and benefits of Billy Hattingh workers, there is the larger question of service equality in the city of Cape Town as a whole. With the introduction of low-tech, high-labour methods of refuse collection under Billy Hattingh, the city council may have created some additional jobs and entrepreneurial skills, but they have effectively precluded any opportunity to provide mechanised services of the sort and on the scale provided in historically white neighbourhoods, thereby entrenching many of the apartheid-era service inequalities of the city.

The Billy Hattingh scheme has also stripped the municipality of the institutional memory that was in place with workers (and to some extent managers) in terms of the cleansing needs and challenges of Khayelitsha. The Billy Hattingh scheme has contracted these tasks out on a short-term basis to entrepreneurs and workers with little, if any, experience with waste management, and who may not be in business in a few years time – taking with them any knowledge they may have gained about effective, equitable and efficient waste management in the township.

Finally, the Billy Hattingh scheme has driven a wedge between municipal workers and residents of Khayelitsha. By starting from a position that was antagonistic to council workers, rather than trying to find ways of exploring how to rebuild and experiment with the public sector, the Tygerberg council has put in motion a social dynamic between Samwu workers and township residents in Khayelitsha that may take years to normalise.

The biased and undemocratic manner in which the scheme was introduced to the area is also cause for concern given that this kind of micro-enterprise outsourcing is being actively promoted in municipalities throughout the country by governmental and non-governmental organiza-

tions. In the push to address the abysmal refuse conditions of townships and informal settlements in South Africa it is important to fully assess the pros and cons of SMMEs and to have more representative consultations with community groups, labour organizations, local government representatives and other interested parties. The stakes are too high to rush into *ad hoc*, low-cost options for what are in reality long-term social, economic and environmental problems with waste management in South Africa.

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## ENDNOTES

- 1 See minutes of the Continuation Meeting held on April 10, 1995.
- 2 In his evidence, the Assistant Superintendent of cleansing indicated that the delegation had visited an area near Alexandra known as Sethla.
- 3 See Executive Committee Meeting minutes, Tygerberg council, September 13, 1995.
- 4 See minutes of the meeting held in Bellville on January 17, 1997. See also CCMA [undated], especially the evidence given by councillor Ngcuka (pp. 28-30).
- 5 See letter from Tygerberg Council to Samwu dated July 3, 1997.
- 6 See the transcript of the CCMA arbitration hearing, where councillor V. Ngcuka gave evidence about addressing workers in the cleansing branch in Khayelitsha.
- 7 Letter addressed to Samwu's General Secretary from Valli Moosa, dated April 3, 1998.
- 8 Interview with the City of Tygerberg Operations Manager for Khayelitsha, September 17, 2000.
- 9 Interview with City of Tygerberg Operations Manager for Khayelitsha, September 17, 2000.
- 10 Interview by the authors with Samwu metro branch secretary, September 15, 2000.





# CHAPTER TWO

## FISCAL DISCIPLINE AND WORKER RESPONSE:

### The Restructuring of Johannesburg's Solid Waste Management

by

Franco Barchiesi

*He looked at that soaking garbage and knew for the first time what his job was all about. Not engineering or transportation or source reduction. He dealt in human behaviour, people's habits and impulses, their uncontrollable needs and innocent wishes, maybe their passions, certainly their excesses and indulgences.*

Don De Lillo, *Underworld*

**T**he iGoli 2002 programme of restructuring the Greater Johannesburg Metropolitan Council (GJMC) has important implications for access to municipal services and infrastructure in South Africa's largest city. This report examines the impact of the iGoli plan on solid waste management, with a particular focus on the allocation of resources between areas of the city and conditions of workers.

Waste management in this report refers mainly to the collection and transportation of domestic refuse. Issues of waste disposal as well as industrial, business, medical and hazardous waste will not be addressed in depth. It should also be noted that service restructuring in Johannesburg is still rather fluid, to the extent that some of the findings and analysis

provided here may shortly become outdated. However, the primary focus of this report is to provide an overview of restructuring and to situate this in its historical and socio-economic context, in the hope of contributing to a better understanding of the longer-term implications of these reforms.

Qualitative, in-depth interviews have been conducted with municipal officials, managers at individual depots, and 60 workers at the solid waste depots of Inner City, Norwood, Selby, Waterval and Avalon, in four of the local councils of the GJMC. These interview areas cover neighbourhoods with different levels and quality of service, from previously white suburbs to the central business district (CBD) and black townships (especially Soweto and environs). Interview materials highlight employees' experience of and response to current changes in service delivery systems.

## THE CORPORATISATION OF WASTE SERVICES

**T**he slogan under which the iGoli 2002 restructuring plan for Johannesburg has been marketed – “It Cannot Be Business As Usual” – encapsulates the double agenda of improving the financial sustainability of the municipality while at the same time reducing inequalities in service delivery. On the first point, massive budget deficits and general administrative inefficiencies have been represented as legacies from the past, reflected by Johannesburg's declining credit rating and deteriorating financial position. On the second point, the restructuring project has been depicted as the final step in a process of local government transformation that accompanies the post-apartheid transition: an integrated framework for service delivery to bridge the social gaps administered by the old separate structures for historically white and black areas of the city.

In the iGoli plan's broad outline this restructuring is intended to take the form of either privatisation or corporatisation of municipal amenities and infrastructures, with the latter referring to the transfer of assets and services to new “utilities” and “agencies” where the council remains the sole shareholder. These corporatised entities, registered in terms of the Companies Act, are expected to operate as autonomous cost centres and structures for the management of service delivery contracts. In particular, assets formerly run by the GJMC Solid Waste Directorate are scheduled to become the ownership of a new utility, Pikitup Johannesburg (Pty.) Ltd., which started operations in June 2001. The GJMC retains a 100% share

ownership of the utility (GJMC 1999a).

These changes in the sphere of public service delivery in Johannesburg are indicative of what is referred to in the international literature as the rise of the “contracting state” (Broadbent and Laughlin 1996; Harden 1992; Eardley 1997). This constitutes a notable departure from the initial orientation of the South African government and the African National Congress (ANC) towards a “developmental” state that contained a strong interventionist and redistributive component.

The concept of a “contracting state” refers to a separation of the local functions of service authority and those of service provision, with the latter being delegated to entities operating on private business principles to establish, operate and develop infrastructures. The organisational units of public service delivery and their products are ring-fenced and reconstituted as autonomous profit centres, which increases the scope for managerial decision-making and decreases the possibility of cross-subsidisation from other levels or structures of government (Bond, Dor and Ruiters 1999).

The choice of utilities departs from a pure public-private partnership (PPP) approach, since no concession or leasing agreement is entered with private capital to run the service. Moreover, the council retains substantial regulatory powers in setting standards and tariffs and in approving the utility’s capital expenditures and borrowing requirements (GJMC 1999b). However, this model confirms the essential feature of PPP schemes in the separation between the regulatory authority of the service and its provider/operator. The utility’s independence from the council and from political scrutiny is reinforced by the need to maintain stable credit ratings, ensure a prompt recovery of costs, and repress rate defaulters and insurgent practices (Govender and Aiello 1999).

The choice of a formally “public sector” option in this case can, however, reinforce the privatising nature of the mechanism. In fact, the position of the council as the sole shareholder would make it particularly susceptible to recurring undesirable prospects of covering losses and risks of the utility (Cointreau-Levine 1994), which iGoli 2002 wants to avoid. Consequently, utilities’ corporate priorities, cost-recovery needs and profit-making imperatives have a potentially much stronger and more immediate leverage on the council’s agenda on standards and tariffs than in the case of a concession with a separate private company. In the case of a private contract, items such as revenues and risk sharing are negotiated and contractually set in a more predictable way and for a longer time frame, while renegotiations of these aspects between utilities and the council take

place at every budget year with the potential of introducing extremely short-term and *ad hoc* corporate objectives. At the same time this confirms that asset ownership is not necessarily the decisive factor in defining the privatising nature of restructuring.

## LOCAL GOVERNMENT TRANSITION AND IGOLI 2002

Under apartheid, white municipalities were largely funded through revenue raised in locally-based business and industrial activities, while black townships, in the absence of any significant economic activity, relied on service fees and municipal housing rents, with limited transfers from the national government. No cross-subsidisation existed between the two urban realities. The Greater Johannesburg Transitional Metropolitan Council (GJTMC), established in 1993 as an interim structure in the transition to the 1995 municipal elections, prioritised the establishment of a unified administration and tax base for a highly diversified metropolitan area whose centres were provided by the former Johannesburg and Soweto city councils and nine other racially segregated municipalities. At the same time, the manufacturing decline of the city, coupled with a rise in informal activities and increasing inflows of new residents led to a proliferation of shack settlements that implied for waste management a rising demand concentrated in sites difficult to service. The urgency of the problem was highlighted by the fact that by 1992 about two million people in Johannesburg (half of the population of the city) were without water or sanitation services (Swilling and Hutt 1999, 189).

While bulk capital investment in waste management remained the competence of the GJTMC, the transitional arrangements provided for a second tier of local government, constituted by four metropolitan substructures that could exercise GJTMC-related functions on the basis of their ability to develop strategic management frameworks. However, the vagueness in this arrangement led to a stalemate in the division of tasks between the two levels, which paralysed any attempt to modify the allocation of resources between them. As a result, the Johannesburg City Council (servicing historically white neighbourhoods) had a staff-to-serviced population ratio of 1:482, a budget of R123.41/person per annum, waste collection once a week, with bins and plastics provided, and regular street cleaning, while the staff-to-residents ratio in the Soweto City Council was 1:2 412, with a budget of R26.31/person per annum, refuse collection every two weeks

and no service for street corner dumps. Shack settlements, then administered by the Transvaal provincial government, had a staff-to-resident ratio of 1:28 333 and a budget of R0.74/person per annum (Swilling and Hutt 1999, 194-7).

The Greater Johannesburg Metropolitan Council (GJMC), with its four Metropolitan Local Councils (MLCs), replaced the GJTMC after the 1995 local elections and inherited this situation of deep fragmentation and inequality. However, the new political legitimacy gained by the council did not facilitate a clearer articulation of tasks between the metropolitan administration and the local councils, and the unification of waste management services remained unfinished. The GJMC responded with a managerialist turn by starting an "Organisational Review", completed during the second half of 1997, which recommended a streamlining of managerial functions with a "performance-orientated" outlook and a subdivision of the municipality's "core" and "non-core" activities. While waste management fell under the former, this exercise opened the way to the eventual privatisation of municipal assets such as Metro Gas, airports and the fresh produce market, in what was to become the iGoli 2002 plan.

Crucial stakeholders like the South African Municipal Workers Union (Samwu) were notified of the government's organisational review only at an advanced stage. Local union organisers, caught completely unprepared, were not requested to provide any input.<sup>1</sup> The new philosophy of the council, which departed from a previous emphasis on participatory, decentralised management, was embodied in the appointment of a "Committee of 10", made up of municipal councillors, following a proclamation by the provincial government. This requested the GJMC to address the gap in budget finances through credit control policies, a more efficient utilisation of the staff and a study of "alternative forms" of service delivery that retained "income generating" functions in the municipality, and identified other activities to be outsourced. In this context, the municipality's role was limited to "core" functions of defining development objectives and policies and to the "provision, regulation and monitoring" of service delivery and income generation, where the involvement of the private sector was encouraged. These activities were scheduled to be ring-fenced in order to calculate market costs, benefits and potentials. A broader consultative process including business, labour and civil society was supposed to define forms of commercialisation or privatisation for these entities (GJMC 1998).

The Committee of 10 was then replaced by a "Committee of 15"

(Govender and Aiello 1999, 652-3), with an even greater prominence for unelected officials and a clear mandate to identify municipal activities targeted for privatisation and public-private partnerships, or Municipal Services Partnerships (MSP), as they are referred to in South Africa. The integration of municipal services delivery and the redefinition of forms of provision and access came to depend increasingly on the ability of the council to recover costs, especially by disciplining rate defaulters through the suspension of services. The viability of public services relied increasingly on income generated by autonomous business units.

The centralisation of power in the hands of municipal technocrats, and the removal of the last semblance of linkages between the restructuring process and participative-representative forms of policy-making were eventually completed at the beginning of 1999. The privatisation of Metro Gas, the fresh produce markets and other projects were then well under way. A new City Manager, Ketso Gordhan, and three officers in the areas of transformation, finance and labour relations were also appointed. This group of officials, together with council representatives in the "Transformation Lekgotla", ultimately completed the iGoli 2002 plan (Govender and Aiello 1999, 655).

At the same time, the notion of a "Unicity", provided for in Johannesburg by the 1999 Municipal Structures Act, reduced the possibility of decentralised metropolitan policy-making, which had inspired initial views of a "community-driven" process of transformation. This is now replaced by a centralised policy-making authority with a decisive role for a new executive mayor, and an articulation of the city's territory into 11 "regions" (replacing the MLCs) in charge of defining local economic development plans. The unicity concept reduces the decentralisation of political participation to a decentralisation of functions, redefined as corporate units and profit centres in the context of a hierarchical, managerial and de-politicised pattern of decision-making (Hassen 1999).

This shift in the municipality's internal functions and the subordination of sub-metropolitan policy-making to attracting private investment and business confidence was pressingly supported by the World Bank. This institution, in fact, provided funding to develop a Local Economic Development (LED) methodology to monitor market and investment opportunities, with a specific focus on small-medium enterprises, through new economic information systems. The Bank recognised that iGoli 2002 must be successful if similar processes were to be introduced in other South African municipalities (Chandra and Ahmad 2000).

## Levels of Service Inequality

On the eve of the inauguration of the proposed utility (approved by the Executive Committee of the GJMC on March 16, 1999), the waste management service in Johannesburg is organised according to a division of tasks between the central Metropolitan level and the four Municipal Local Councils (with the latter set to dissolve into the amalgamated unicity): Eastern (EMLC), Northern (NMLC), Southern (SMLC) and Western (WMLC). The MLCs actually play what is by far the most decisive role in the service, with the GJMC being allocated approximately 9% of the 1999-2000 budget. Of all the MLCs the biggest share of the budget (approximately 33%) goes to the SMLC, which covers recently developed, and rapidly populating, poor areas such as Orange Farm (started in 1988 and incorporated in the SMLC in 1997) and new extensions of Ennerdale and Lenasia. It is, in particular, the prerogative of the GJMC to run the waste disposal in landfill sites and incineration, while the MLCs are responsible for collection (including street cleaning) and transport. Only 6.6% of the waste produced in the GJMC area is incinerated, and the remaining is treated in landfill sites.

The service of collection is currently structured in 13 depots and 54 "garden sites". Garden sites are fenced dumping areas, attended by a municipal supervisor and an assistant, which are used as collection points for domestic waste, garden refuse and tree cutting. These are also the points where waste for recycling is dumped and collected by recycling companies (GJMC 1999a, 12). Currently, all garden sites in Johannesburg, which serve 50% of the municipality's area and collect 15% of its waste, are located in historically white or business areas of town. Waste is disposed in six landfill sites and one 350 kg/hr gas-fired incinerator (limited to processing animal carcasses, condemned foodstuffs, and medical waste). Of the six landfill sites, two are facing closure in 2001 (Kya Sands, to be replaced by Northern Works, and Robinson Deep), while the longest lifespan is for the Goudkoppies site, scheduled for closure in 2030 (GJMC 1999a, 9; *Business Day*, February 1, 2001).

Collection of domestic refuse is done by approximately 200 municipal rear-end loader trucks or by contractors' compactor trucks, working with 240-litre wheeled bins or 85-litre bins. Bulk collection is generally done in 5.5, 6, 8 or 9 cubic metre skip containers serviced by lift-on trucks. The 73 informal settlements in the city, with approximately 130 000 households and 553 000 inhabitants, are serviced by 5.5 cubic metre open skip containers placed at street corners. Street cleaning is done regularly on approximately 1 000 kms of municipal streets (mainly business, shopping



and public parking areas) and litter-picking on approximately 3 000 kms, of the 7 700 kms of streets in the municipal area. Street cleaning collects approximately 11% of the waste produced in the municipality, while an additional 21% is constituted by illegal dumping (GJMC 1999a, 12-13). According to the GJMC, "very little" is done in the sphere of public participation, education and environmental awareness, due to budget cuts (GJMC 1999a, 14), and the municipality does not have any programme in place to support the differentiated collection of domestic waste (especially organic). Table 1 provides a breakdown of waste facilities and waste production for the metropolitan area as of 2000.

**Table 1: Solid Waste Facilities and Production of Waste in the 11 Regions of the New Johannesburg Unicity, 2000**

Region	Area Covered	Solid Waste Facilities	Per Capita Production of Waste (kg/person/day)*	Households with no Waste Collection
Diepsloot	Dainfern, Farmall, Chartwell, <i>Diepsloot</i> , <b>Kya Sands, Lanseria, Fourways</b>	1 depot (Randjespark) 1 landfill site (Kya Sands, closed and to be replaced as of 2000)	Not Available	"White" suburbs: 0-10% Diepsloot Informal: 60-70%
Midrand/ Ivory Park	Vorna Valley, Glen Austin, Halfway House, <b>Midrand CBD</b> , <i>Ivory Park</i>	Depot shared with Region 1	Not Available	Midrand/Ivory Park: 20-30% Sunninghill: 0-10%
Sandton/ Rosebank	Greater Sandton, Northern Suburbs, Ferndale, <b>Rosebank, Illovo, Melrose Arch, Sandton CBD</b>	2 depots (Norwood, Strijdom Park), 1 landfill site (Linbro Park, also serving regions 4, 5 and 7), 6 garden sites	3.35	0-10%
Northcliff	Johannesburg West, Randburg West, Florida	1 depot (Waterval), 10 garden sites	3.35	10-20%
Roodeport	Greater Roodepoort, Crosby, Fairland, Greymont, <b>Westgate, Constantia, Laser Park</b>	1 depot (Durban Deep), 1 landfill site (Marie-Louise, also serving region 6), 3 garden sites	3.00	Roodeport: 10-20% Leratong Village, Matholeville: 90-100%
Ennerdale/ Orange Farm	NANCEFIELD, LENASIA, <i>Orange Farm, Weilers Farm</i>	2 depots (Nancefield, Lenasia), 1 landfill site (Ennerdale)**	1.48	Ennerdale Ext.6: 70-80% Ennerdale South: 90-100% Orange Farm: 60-70%

Doomkop/ Soweto	SOWETO WEST (DOBSONVILLE, NALEDI, PHIRI, ZOLA, PROTEA, CHIAWELO, MOROKO, KLIPSPRUIT WEST), LENASIA NORTH	2 depots (Avalon, Dobsonville), 1 landfill site (Goudkoppies, also serving Diepkloof)	2.00	50-60%
Alexandra	Kelvin, Lombardy East, Kew, Bruma, ALEXANDRA, LINBRO PARK, WYNBERG, MARLBORO, MODDERFONTEIN	1 depot (Zandfontein), 1 garden site	3.35	40-50%
Inner City	Johannesburg Inner City, Yeoville, Jeppestown, Fordsburg, <b>Johannesburg CBD</b> , DENVER, BENROSE	1 depot (Selby, also serving region 9), 1 landfill site (Robinson Deep, also serving region 9), 34 garden sites (including region 9)	1.46	10-20%
Johannesburg South	Turffontein, Robertsham, Mulbarton, Mondeor, Kibler Park, Booyens, Bezuidenhout Valley, CITY DEEP	1 incinerator (Springfield)	Not Available	10-20%
Diepkloof/ Meadowlands	SOWETO EAST (MEADOWLANDS, ORLANDO EAST, DIEPKLOOF, DUBE, JABAVU, JABULANI, MOFOLO, PIMVILLE, ZONDI), ELDORADO PARK, <b>Golden Triangle</b> , <i>Freedom Park</i>	2 depots (Zondi and Central Camp)	1.41	40-50%

Note: Suburban residential areas are written normally, informal settlements in italics, business/commercial areas in bold, townships in capital letters and industrial areas in capital italics.

\*= information provided by landfill sites, 1999.

\*\*=Orange Farm is serviced by the Palm Springs Lekoa-Vaal Regional Services landfill site, outside the GJMC area.

SOURCE: Author's elaboration from GJMC population statistics and GJMC 1999-2001 Budgets.

The GJMC's waste management budget has been drastically reduced during the past five years, and no funds for capital expenditures were made available between 1997 and 2000, while contractually committed items constituted the service's capital budget. This effectively prevented the council from directing resources to expand existing infrastructures. As a

result, the 1997-98 capital budget of R1.5 million was only 0.4% of the total for the GJMC, with a 71% decline in absolute terms from the previous year. The 1997-98 operating expenditures of R338.3 million led to a shortfall of R133.6 million, notwithstanding an *increase* in the operating income from R200 million to R280 million in 1999. The shortfall was reduced to R110 million in 1999-2000, also thanks to a drastic reduction in repairs expenditures for an ageing and collapsing fleet (in 2000, 60% of all repairs done in GJMC workshops were related to the waste management fleet (GJMC 1999a, 16)).

In 1999-2000 salaries constituted around 35% of all expenditures, whose main items were activities defined as “non-income generating” such as garden sites, street cleaning and illegal dumping. To these are to be added R61 million in outstanding loans (corresponding to more than 40% of all fixed and movable assets). The main reasons for the deficit were the decaying state of the service’s fleet, the trucks’ high downtime, and the frequent use of contracts on an *ad hoc* basis as a solution to these problems.

At the same time, the neglect of council’s assets – which is in itself the product of budget cuts – has direct negative impacts on garden sites maintenance, street cleaning and collection of illegal dumping (which together already account for about one third of all the waste generated by the four local councils). It can therefore be concluded that the main reason for the current deficit of the service is provided not by high wage costs, as some managers claim, but by poor fleet management and by the lack of capital investment consequent to budgetary downsizing. In a way the deficit operates as a self-reproducing, “catch-22” situation: shortfalls require cuts and austerity, which increase the shortfalls. In this situation, fiscal austerity can no longer be justified as a means to allocate resources more effectively and to reduce deficits but becomes itself the main factor in the reproduction of the deficit.

Moreover, the argument from the council that “non-income generating” activities such as garden sites contribute to the deficit obscures the economic and environmental relevance of garden sites as the only recycling area in Johannesburg’s waste system and a source of employment and trade opportunities. For these reasons the expertise of municipal workers as managers of the garden sites, organisers of relations with the community, and brokers of a higher environmental awareness is very important. Other items that impact on the current shortfall are street cleaning (which is currently concentrated in the most affluent suburbs) and the removal of

illegal dumping and litter. The latter suffers from the lack of a regular service and the absence of small-size structures like garden sites in poorer areas such as Orange Farm, Ennerdale, Poortjie and Lenasia, and from the limited infrastructures for street traders in the CBD (GJMC 1999c). At the same time illegal dumping, which affects almost exclusively the poorest areas of the city and some CBD areas, causes environmental and health hazards that are strictly related to the lack of a regular collection.

New capital injections directly related to iGoli 2002 allowed GJMC's overall capital expenditures to more than double in 2000-01 to R828.1 million. This was funded with proceedings from sales of assets (18.1%) and with grants from the Finance Department and the Development Bank of Southern Africa (34.2%), in support for the restructuring exercise (GJMC 2000). The allocation for waste management was also significantly raised, but it remained a relatively modest share of the total budget.

At the same time, waste management retains a strong non-income generating profile, as a result of a non-marketable, non-tradable component of the service that in terms of waste by-laws has to be provided irrespective of payment. In fact, the service in 2000-01 contributed only 3.55% to GJMC's revenues, while its contribution to expenses was 5.1% (third biggest item), notwithstanding rates of increase in user fees (implemented across the board and with minimal cross-subsidisation) that for the past five years have been well above the rate of inflation. As a result, waste management is one of the services most heavily cross-subsidised from other service branches of the GJMC at the moment, with about 40% of its budget being funded by other sectors.

Despite the cross-subsidisation from other sectors, the impact of waste tariffs on households' municipal services accounts is already relatively high. This is especially true for low-income families (12.5% of all domestic rates for a 280 sq.m. stand, R7 000 land value and no electricity, compared to 6.1% for a 1205 sq.m. stand and R45 000 land value). Moreover, it also translates into a level of non-payment that in 1998 was R55 million, equivalent to 41.1% of the shortfall and 15% of the budget (GJMC 1999a, 15).

These concerns are heightened by the fact that inherited inequalities in access to the service (see Table 2)<sup>2</sup> have become sharper and deeper after five years of fiscal austerity. As in the case of other municipal services, problems associated with the disposal of solid waste in Johannesburg continue to reflect the city's socio-economic hierarchies. In particular, an inverse relationship seems to exist between the density of consumption-

accumulation of waste in privileged versus marginalised areas, and levels of access to refuse collection services. Refuse in suburban, predominantly white, areas is the result of individualist, highly wasteful forms of consumption across a dispersed area. Ironically, it is in these areas that service provision is concentrated, and therefore this lifestyle is rewarded and encouraged, even if the cost of servicing it is a major factor behind the draining of municipal resources.

On the contrary, marginalised, overcrowded communities with a higher collective and lower per capita production of waste are neglected. In this way, the GJMC's waste management system reflects a broader trend towards the fragmentation of urban space in South Africa. Individual needs in high per capita consumption, wastage and income areas are prioritised to the detriment of community needs for improved environmental and hygienic conditions in under-serviced, over populated zones.

In fact, while the affluent northern suburbs (which makes up approximately 25% of the municipality's surface area and with a per capita daily waste production of 3.35 kgs) have fewer than 10% of households without waste collection services. This figure increases to about 70%, with peaks of 90-100%, in the Ennerdale-Orange Farm area in the South (less than 10% of the municipality's area). Moreover, these poor areas have much lower per capita waste production of 1.48 kgs. Similar figures apply to Soweto, with a per capita average production of waste that is less than half that of the Sandton-Illovo-Rosebank-Melrose area, and yet an aggregate production three times bigger. These figures indicate patterns of behaviour that in poor black townships and informal settlements are more orientated to the reuse and the extension of commodities such as plastics, cardboards and metal.

Disparities are accentuated by differences in technologies and materials for refuse collection. Residents of the wealthier northern suburbs generally use 85- or 240-litre sealed and wheeled litter bins which are loaded onto compactor trucks and removed at once. Conversely, nearly 600 000 people living in informal settlements are generally serviced by 5.5 cubic metre open skip containers located every 200 stands. Given that containers are not closed and that loose waste is thrown into them (and can be emptied as rarely as once every three weeks) this constitutes a significant health and environmental hazard, amplified by insects and rodents attracted by unsealed waste. Moreover, late collection leads residents to burn the refuse in containers to make space available, which generates potentially harmful fumes.

**Table 2: Allocation of Resources for Waste Management in the Johannesburg Unicity, 2000**

REGION	POPULATION	Staff: Residents Ratio	Budget: Resident Ratio (R per person per annum)
Diepsloot	45,000	1:228	N/A
Midrand/ Ivory Park	500,000	N/A	N/A
Sandton/ Rosebank	208,000	1:941	100
Northcliff	216,000	1:977	90
Roodeport	225,000	1:709	115
Doornkop/ Soweto	1,100,000 (combined with Diepkloof/ Meadowlands)	1:1,450	54
Alexandra	395,000	1:1,204	58
Inner City	180,000	1:549	128
Johannesburg South	200,000	1:610	115
Diepkloof/ Meadowlands	See Doornkop/Soweto	1:2,000	31
Ennerdale/ Orange Farm	270,000	1:2,842	N/A

Source: Author's elaboration from GJMC population statistics and 1999-2001 Budget.

The GJMC has recently withdrawn from initial attempts to provide more uniform access to bins for rich and poor areas, due to budget constraints. In April 2000 the SMLC decided to centralise container operations in an independent depot as a separate cost centre.<sup>3</sup>

The use of containers represents an extension in the waste management system of apartheid-initiated "site and service" policies according to which poor communities are allocated inferior services that the new government first retained as an emergency measure, than as an "incremental" solution, and finally confirmed as a normal feature of urban life under fiscal austerity for people unable or "unwilling" to pay.<sup>4</sup> In the same vein, pit-latrines have replaced people's demands for waterborne sanitation, and collective yard

taps have replaced in-house running water. Budget cuts are not to be considered here as merely unfortunate necessities. Rather, the segmentation of services according to the affluence of residents, far from being a simple legacy of the past that has to be addressed with scarce resources, becomes the essence and the programmatic representation of the iGoli 2002 philosophy. In the words of two officials operating within this restructuring framework:

*Pit-latrines and community standpipes offer a much lower level of service [than in-house waterborne services and sanitation], but they may be the only services sustainable given the economic conditions of the customers being served. In general, different levels for solid waste collection services could also be applied. Lower services levels, including communal skip or once a week collection could be used in lower income areas with a lower ability or willingness to pay. Twice weekly curbside service with 240 litre containers is the top level of service in higher income communities (Dohrman and Aiello 1999, 697).*

What emerges here is that the concept of scarcity, either due to council's budget cuts or enforced through national and provincial policy-making, assumes the role of a disciplinary and pedagogical device to convey the message that equality of access to and equal standards is foreign to a managerial notion of "market sustainability". Ancillary to this conclusion is that residents and users must be educated to a hierarchical stratification of the services that they can claim, depending on criteria such as their monetary income, availability and "willingness" to pay.

## EMPLOYMENT CHANGES AND CONTRACTING-OUT

**A**t the end of 2000 the GJMC solid waste departments employed approximately 3 000 staff, plus 1 500 casual workers, to cover a "theoretically" fully staffed level of 4 523 (GJMC 1999a, 8). Budget cuts had enforced a freeze in new recruitments for the previous three years. It is indicative, in fact, that even with the employment of casuals the service did not achieve its fully staffed level. Permanent employment has been reduced largely through natural attrition and by not replacing retiring workers. Considering the municipality's territorial expansion over this period, the GJMC estimates an average vacancy

level of 22% of its workforce. It can therefore be argued that the three-year recruitment freeze disguises a *reduction* in real terms of employment levels in the service. With a hypothetical natural attrition of only 5% a year, 650-700 permanent jobs would have been lost in the past five years.

Importantly, more than half of casuals are employed in the demographically fastest growing council, the SMLC, which shows that the need for newly established services in recent expansions of the city has been addressed to the detriment of permanent job creation. This use of casual, temporary (three-month contracts) and contract labour is not new to waste management services in Johannesburg and is in fact historically entrenched in this sector, more so than other municipal services. In particular, casuals are hired to fill staff shortages and perform intermittent tasks, such as the removal of illegal dumps. As such, they are largely concentrated in the poorer areas of the city, as in the SMLC, where in 1999-2000 the amount of money spent on casuals was 20% of that for total wages of permanent workers, and the WMLC, where this figure was 48% (GJMC 1999a). At the same time, many capital-intensive tasks have been contracted for a long time to private operators, as in the case of refuse compactor trucks, outsourced in the middle of the 1980s.

Moreover, the community-based and labour-intensive components of refuse services, which rely on users' discipline in upholding timetables, avoiding littering and maintaining collection bins, has facilitated experiments with decentralised "community contracting" in waste collection. These complex contractual arrangements – and especially those defined by Swilling and Hutt (1999, 206) as "citizen participation" in service management and "economic participation" of contractors in service delivery – tend to overlap, especially when the involvement of entrepreneurs from the community is seen as a way to re-establish trust, which minimises non-payment and illegal dumping. The ability of the municipality to use contracts not just as an economic device but as a politically legitimising strategy has marked the success or the failure of similar schemes. At the same time, ruling parties can use these networks to boost their support in otherwise potentially problematic or disaffected areas by using the service as a means of patronage and clientelistic recruitment by local leaders and councillors. Conversely, these initiatives have generally been regarded with suspicion by other established actors, such as a largely unionised workforce, which have seen them as forms of unfair competition and undercutting of employment conditions.

Experiences with community contracting in Johannesburg include the



so-called “one man contract” schemes, privately funded, in informal sections of Alexandra. Here, community leaders contracted residents to collect and transport refuse to designated collection points, but the system encountered many difficulties and became un-economical, due in part to residents’ demands to be paid in exchange for their co-operation (Palmer Development Group 1996, 116-7).

In the Johannesburg central business district and historically white suburbs, contracts are usually for the short-term provision, up to four years, of compactor trucks. Contractors work with a team of council refuse workers responsible for loading the trucks. The working week for contractors usually lasts 44 hours, on dayshifts and nightshifts. In some cases the council enforces penalties for poor performance (usually linked to a specified quantity of waste to transport per day). In 1999-2000 the GJMC spent R62 million in vehicles’ contracts (15.8% of the operating budget), plus R30 million in smaller, *ad hoc* contracts for collection, street cleaning and supply of bins, bringing the total outsourcing costs to 23.5% of the operating budget (GJMC 1999a, 17). The council recognises that a substantial share of this cost is caused by *ad hoc* hiring of vehicles caused by the ageing of the council’s fleet, which cannot be attended to due to funding shortages. In this way, measures presented as cost-cutting have a direct effect in increasing expenditures.

Companies that have entered contractual relationships with the GJMC are usually South African-based corporations. The main player, especially through its subsidiary Wade Refuse, is Enviroserv Holdings Ltd., a listed company whose main shareholders are Ferbros, Old Mutual, Standard Bank and Bidvest, with a limited participation by Zader (a black empowerment group). Enviroserv has emerged with a dominant market position after its merger with Waste-Tech. Other companies that have benefited from GJMC’s contracts are Waste Group, Multi Waste and Nare Refuse Removals. Processes of concentration in the sector have substantially reinforced the position of companies such as Enviroserv, which brings into question the future viability of small and medium “community empowerment” schemes. Moreover, it is clear that this increasing corporate power will use opportunities provided by iGoli 2002 to expand to the broader waste management system. As a company report from Enviroserv (1999) states:

*The intention of the Gauteng local authority to run its Johannesburg Waste Management Utility as a Public Private Partnership will hopefully influence the stagnation seen nationally in the privatisation of municipal*

*services. We remain positive that the new Minister of Local Government will accelerate this process and our domestic waste division, Wade Refuse, is well positioned to benefit from these opportunities.*

The power that corporate capital is gaining is likely to further encourage many of the current undesirable consequences of subcontracting. This refers in particular to the high levels of capital intensity associated with the use of compactors. This can lead to economic inefficiencies, especially considering that organic waste does not require compacting, or requires it at far lower levels than inorganic-undifferentiated waste (Viale 1999). This capital intensification would lead to a waste of compactors' space, and consequently of capital itself. In Johannesburg's case, service done by 21 cubic metre compactors working on 240-litre bins is very expensive (three times the cost of normal bins and 25% more personnel and vehicle time (Swilling and Hutt 1999, 204). Using compactors reduces capital effectiveness due to traffic jams – quite common in a car-dependent city like Johannesburg – and to long distance between landfills and residential areas.

Organic waste, meanwhile, constitutes a high share of refuse produced in Johannesburg, approximately 35% in affluent areas and 20% in informal settlements. The wasteful use of compactors is, once again, linked to over-servicing of suburban lifestyles and patterns of consumption. Important savings could be realised with a different organisation of refuse collection, compared to the current one encouraged by the link between the power of private contracting companies, high capital intensity and emphasis on individual consumption.

An alternative could be provided by a process of differentiated collection of organic waste, which can be collected more efficiently by municipal loader trucks and municipal workers in a more labour-intensive method. This would save on capital expenses and provide for new opportunities for employment. At the same time, the quality of employment would benefit as well. In fact, the use of compactors reduces the contribution of municipal workers to a mere manual input of loading bins, downgrading and dequalifying workers' roles. Incidentally, the use of local "entrepreneurs" in contexts where waste is dumped in open skip containers goes precisely in this direction of separating living labour from mechanised functions. Employing municipal workers in a process based on separated collection of waste would facilitate more direct interaction between residents and workers, and employees would be restored to a function of offering expertise and advice and raising awareness about

more effective and environmentally sound collection practices necessary for such a system to work.

Important to this latter scenario would be the garden sites, currently defined by the council as “non-income generating activities”, which could provide a decentralised, small-scale, community-based structure for differentiated collection; recycling (with the economic activities associated with this); and composting. This would be all the more effective if garden site services were provided free of charge and cross-subsidised. Finally, waste reduction at the source would increase, reducing the overloading of landfills and water contaminating leachates.

In all these activities, new opportunities for employment would be combined with denser links between workers and communities which emphasise the “knowledge” component of the waste collection job (Viale 1999, 74). This would also strengthen workers’ positions, create better jobs and be conducive to a culture of the public service that could facilitate, for example, environmentally sensitive aspects such as accumulation of illegal dumping with all its associated costs.

It is therefore striking that the business plans for the new waste management utility – while rhetorically advocating the importance of recycling and source reduction – do not consider these issues in any detail. Rather, the profit-making rationale of the new utility, combined with the dubious distinctions of “income generating” versus “non-income generating” services, supercedes social and environmental concerns. The result is a series of assumptions, which really amount to leaps of faith, that business efficiency will somehow translate into better practices in these areas.

## MUNICIPAL WORKERS AND CASUALISATION: Towards an Authoritarian Management style

**T**he historically high numbers of casual workers in the waste service of Johannesburg (30% of the total municipal workforce in 2000, but in some depots as in the EMLC, the Inner City and Soweto, this figure rises to 60-70%) constitute a ‘buffer zone’ of numerical flexibility. This has allowed the service to deal with varying collection frequency in different areas of the city, seasonal variations and costly interventions resulting from the disruption of the service, as in the case of illegal dumping. The GJMC’s labour relations specialist, former unionist Makgane Thobejane,<sup>5</sup> argues that the use of casuals will be reduced by the

new utility in a long-term process of “quality jobs” creation and consolidation of employment relationships as a result of the “rationalisation” of the service. However, decentralised managers in charge of the implementation of the programme hold different views. Roelf de Beer, for example, Executive Officer for Waste Management in the WMLC, and the person responsible for the implementation of the utility’s business plan, explicitly mentioned the possibility of easier access to casual labour as one of the advantages of the new structure, due to the fact that business imperatives would make such employment forms more acceptable than in the case of the GJMC as an owner subject to political pressures.<sup>6</sup>

Casual and temporary workers are usually hired at the gate or ferried in trucks between depots according to daily requirements. In particular, the depots of Selby (SMLC) and Marlboro (NMLC) are used as main sorting centres for casuals, which indicates a rationalisation and centralisation of recruitment, compared to hiring at each individual depots’ gates. In Soweto this function is performed by the Diepmeadow depot, which also sends its casuals to other parts of the NMLC. While municipal workers generally report an increase in casualisation over the past five years, this is related to policies implemented at the level of MLCs. In particular, workers at the NMLC report that casuals generally replace permanent workers who retire (the large Waterval depot has lost 100 permanent jobs in this way). Casuals have no formal contract, are not notified of their employment duration, are not covered by GJMC’s benefits (medical aid, provident fund and housing scheme) and their duration of employment can be as short as a single day. The contracts of temporary workers (equally excluded from GJMC’s benefits, but employed at the same wage rates as GJMC workers) can be renewed for as long as six months to one year before they become permanent. (Shop stewards interviewed for this report give different estimates of casuals’ remunerations, however, ranging from R35 to R45 per day (compared to approximately R60 for GJMC’s street cleaners)). The decision to hire casuals is in the hands of the depot’s manager who – sometimes after consultation with shop stewards, but lack of consultation remains a major source of complaint – is required to obtain authorisation from the MLC’s technical service department, and is funded by the depot’s budget.

Casuals perform repetitive, labour-intensive activities (such as street cleaning and “*boppas*”, or plastic bags delivery, which are done entirely by hand or manual tools). Therefore there seems not to be a disincentive for the new utility in employing them, also given that they can provide a vulnerable counterpart to the unionised workforce. In this regard, the range

of activities in which casuals are used seems to be increasing. According to workers from the Avalon depot (Klipspruit, near Soweto) casuals from other depots are required to do nightshifts in recent extensions of Lenasia, which is under Avalon's jurisdiction, therefore replacing local workers. These changes have taken place without consultation with workers and reflect a growing unilateralism in decisions to employ flexible work.

This trend towards an authoritarian redefinition of employment relationships is facilitated by long-term budget problems that encourage the recruitment of casuals. It also introduces a new scenario in worker-management power relations, one which increases worker vulnerability in a way that will likely have significant impacts in the new utility. The use of adverse budget contingencies as a vehicle for creeping and more structural changes in employment and production organisation is confirmed by workers' experiences of subcontracting.

Historically, subcontracting has been largely limited to compactor trucks, usually with a driver and an assistant. Contract lengths vary from 6 months for *ad hoc* contracts linked to peak times to up to four years. In 2000, 34 out of 49 contracts signed by the council (for a value of R62 million out of R 94.5 million in total contracts, 25% of the operating budget) are for vehicles and maintenance, followed at a distance by street cleaning and bin liners. In the past, contracts were started by the MLCs after consultation with the depots' managers. The GJMC has tried to rationalise contracting operations, relying on fewer suppliers and minimising the currently high level of *ad hoc* contracts due to downtime of municipal trucks.

The scenario of an increased use of partnerships with the private sector in the provision of vehicles, plants and fleet management poses many questions. First, as has been highlighted in the literature on other municipal services (Van Niekerk et al. 1999), the need for the private contractor to recoup all costs can have negative effects on tariff rates and accessibility for the poor. Second, there is the possibility of 'cherry picking': contractors privileging relatively affluent areas with well-organised collection facilities, leaving a depleted council's fleet to attend to poorer neighbourhoods and informal settlements. Third, subcontracting could produce further downward pressures on wages, working conditions and employment levels. From this point of view, the Executive Officer for Waste Management in the WMLC, who defines the current wage levels and the 40-hour working week "the biggest threat to our survival", recognises that subcontracting has the merit of achieving a higher degree of

downward wage and time flexibility.<sup>7</sup>

Workers' experiences with subcontracting confirm an accentuation and acceleration of authoritarian methods of employment restructuring along with the rise of the new utility. Particularly resented (and a major cause of work stoppages and not infrequent physical confrontation between council and contract workers) is the recent introduction of contract work in "non-traditional" areas. This includes street cleaning, which in many communities provides an important job opportunity for unskilled workers, and the use of contract drivers on council trucks, even for a few days or weeks. Shop stewards report that these changes are usually introduced without consultation or information disclosure.

### Reorganisation of Tasks and Functions

Managerial discourse also links the utility concept to strategies of 'multi-skilling' and a more efficient utilisation of machinery, plant and equipment. Important in this regard is the aim to reduce worker-to-truck ratios. "Teams" are organised to operate on trucks as they become available for collection rounds, which implies flexible starting times. This arrangement, previously required by the high number of trucks in maintenance that cannot be serviced due to budget constraints, is likely to become a structural feature of work organisation. In this way workers will have to face both longer inactive periods and a higher daily and weekly spread of working hours.

The organisation of collection teams in this service varies according to depots, councils and geographical areas (Swilling and Hutt 1999, 202-3). Traditionally, refuse compactor trucks are serviced by nine council workers and a supervisor; five workers ("loaders") load onto the truck refuse bags carried by refuse removers to specified collection points and four workers (the *boppas*) distribute plastic bags to the houses. Areas that were not previously part of the Johannesburg City Council can present variations to this scheme. In Soweto, refuse is usually loaded from the houses without a collection point and often with no plastic bags. In this case teams may be bigger (six loaders and four workers bringing bins or bags on the side of the road from each user's house). *Boppas* and refuse removers are driven in advance to the collection areas by council trucks, which also transport street cleaners.

However, this structure has undergone significant changes in the past two years. The scarcity of functioning council trucks (the Norwood depot, for example, had its trucks reduced from 24 to five between 1995 and

1999) has led to an increase in the size of teams, which are supposed to cover larger areas than before, resulting in increased workloads. This situation is complicated by the shortage of the most basic instruments, such as protective clothing, brooms, shovels and forks; a shortage lamented by many workers. Currently, teams can be made of as many as 14 workers, while street cleaners have seen their areas expanded to both sides of streets, where previously two cleaners would work together. At the Avalon depot, teams can have as many as 32 members, doing the amount of collection previously done by three teams of about 16 people.

Following the establishment of new municipal boundaries and the MLCs, geographical areas covered by many depots have increased through a process of deployment that allowed recently acquired extensions of the city to be redistributed among different depots. The absence of funds to provide more workers and trucks has contributed to increasing work intensification, as shown by the case of Orange Farm, serviced by only two municipality trucks, compared to the 17 available to the Waterval depot, in the affluent North. This problem is particularly serious in the informal settlements, especially in the southern part of the municipality. Moreover, waste collection by municipal workers is met by resistance from informal settlement residents. In a survivalist economy, waste is an important resource and its control provides income opportunities, albeit marginal. Samwu members blame this situation on local councillors who, "playing gambles with our lives", as one worker put it, attempt to build patronage and support networks in informal settlements by promising employment opportunities in "community-based" schemes.

The increase in areas and workloads has led to a substantial and regular accumulation of unfinished jobs that are usually attended to either after working hours (often unpaid) or the following day, which tends to reproduce and enlarge the problem. This situation is often created by the fact that workers have to start their round with delays of up to two hours (when waste starts to rot and smell) due to the unavailability of trucks. At the same time, accumulating uncollected waste leads to residents' complaints and conflict with council workers. Shortages of trucks have in particular penalised dedicated services for garden sites. Given that this job is now done by contract trucks after their normal round, garden sites are unattended for longer periods of time (frequency of service often declining from once a day to twice a week), during which they become full and have to be locked. This often creates further tension between workers and residents, leading at the same time to an increase in illegal dumping and

scavengers, who in turn collide with municipal workers for the control of the refuse. Many municipal workers have reported personal accounts of violent conflicts with residents, including stabbings and the use of firearms.

Five years of increasing flexibility in employment and working conditions coupled with stringent fiscal austerity has increasingly separated workers from the communities, rather than re-qualifying their social and environmental role. Multi-tasking has also contributed to a disappearance of specific features and competencies in individual jobs, blurring the distinction between tasks that are often performed simultaneously, deepening a generalised deskilling. Lack of investment in new trucks and the restructuring of teams have provided new strategic weapons with which the council has exercised renewed pressures on the material conditions of its workers. In particular, these processes have provided justifications for management's choices not to replace relatively high-wage employees, such as drivers and supervisors, choosing instead to use "acting" personnel taken from lower grades, but without a remuneration corresponding to their new tasks. At the same time this use of "acting" personnel in supervisory and team leader positions is enabled by a general deskilling of the job, encouraged by mechanised compacting devices provided by private contractors (i.e., supervisory roles are becoming less challenging).

Far from having teams performing operations requiring multiple competencies and knowledge of socio-environmental processes, the council largely employs teams of low-wage, multi-tasked, semi-skilled workers in highly routinised functions. This will likely impact negatively on workers' perspectives for change and sense of collective power, in a sector already characterised by historical vulnerabilities. Waste management employees in Johannesburg are, in fact, to a significant degree a product of the apartheid low-wage economy and migrant labour system. They have been in municipal employment for long periods of time, their average age is high and many of them still reside in municipal hostels while maintaining strong rural links. The devices put in place by apartheid to reduce reproduction costs, especially the compound system, still exert a downward pressure on their wages, and reinforce the municipality's position in collective bargaining.

The career opportunities for most refuse workers are equally narrow, ranging from *boppas* or street cleaner positions whose wage is R1 100-1 200/month after deductions, to extremely rare opportunities to become a driver for R4 000/month before deductions. The sections of this working class that are more established in the urban areas and can access related patterns of consumption, find these wage levels inadequate to cope with



living expenses (especially of a fixed kind such as bonds, water, electricity, education, transport). Virtually all the workers interviewed for this report who permanently live in Gauteng declared that they are unable to save money at the end of the month, and most explained that they incur new debts regularly. Migrant workers have a higher saving rate for remittances in totally impoverished rural areas thanks to low rentals in the hostels (where as many as 10 people have to share one room) and by refusing to join medical aid schemes, which deprives them of any medical coverage.

The perception of iGoli 2001 as a programme of restructuring that reinforces a neo-liberalised, low-wage economy makes workers feel even more vulnerable. Many of them retain idealised views of an era before the establishment of the GJMC and the MLCs, acronyms that represent for them a distant, dismissive, arrogant and authoritarian management. Some even go so far as saying they miss the days of the Johannesburg City Council and the racially separated municipal structures, represented as a period in which workers were at least trained, instructions were fair and “management was talking to the people”.

Historical views aside, most workers express a growing sense of powerlessness and disillusionment with the present government. As a street sweeper and Samwu shop steward from Avalon depot put it:

*It's my government who I have voted for. It said we are going to live in peace and harmony in our country. Now I see only fear and crisis, and it is our government who is creating all these things. This government is hitting us as the working class. What I see is privatisation...and this will go back to the days of apartheid. One person is going to make the job of ten people: that is privatisation. We thought we're going back to Canaan, but they're bringing us back to Egypt.*

These feelings represent and confirm the crucial argument, developed throughout this paper, that to understand municipal services restructuring in Johannesburg, and waste management in particular, the GJMC's technical and managerial rationality of corporate restructuring has to be located in its historical context. This is marked by class conflict, uneven urban development and authoritarian restructuring. Rather than seeing iGoli 2002 as a point of clear separation from a past characterised by budget deficits, inefficiency and *ad hoc* crisis management, it is necessary to look at the long-term socio-economic continuities that bind that past and the current transition to the Pikitup utility. In particular, the modifications in

forms of work and employment defined during the past five years have not just been part of a contingent response to budgetary crisis. They have defined a pattern of flexibility and worker disempowerment and devaluation, even of their physical lives.

Five years of neoliberal crisis management have fundamentally eroded existing forms of worker identity, strength, knowledge and solidarity with communities. These results provide strategic advantages for the new utility's corporate strategies and profit-based approach to service delivery. The rhetorical commitment by Pikitup's management to eliminate the undesirable consequences of the old system – such as wasteful *ad hoc* contracts, illegal dumping and ineffective income generation – does not obscure the fact that for workers and communities the transition to the age of independent utilities in service delivery takes place under particularly adverse social conditions.

## Conclusion:

### New Canaan, New Egypt

This report has provided an assessment of the trajectories and prospects facing waste management in the new Johannesburg unicity and locates the current restructuring in social, economic and geographical context. A very influential literature, predominantly of a management studies nature, has come to understand the crisis of services in the city as one determined mainly by technical factors such as a lack of organisational integration, economic inefficiency and inadequate “communication” with the serviced communities (see, for example, Swilling and Hutt 1999). Such analyses legitimise a reading of fiscal austerity enforced especially in the 1997-2000 period as an exercise in emergency management in the context of limited resources due to policies of containment of expenditure enforced at the national and provincial levels. More nuanced views along this line define the “emergency” in social terms, by mentioning the rapid growth of urbanisation as an important factor in the current challenges. In these views “rapid urbanisation” as a social problem usually refers to black areas of the city.

Even if the impact of neoliberal policies at a central government level is decisive, notions like “limited resources” and “rapid urbanisation” tend to reify in unproblematic and self-fulfilling ways what are actually deeply contested social processes of unequal allocation of resources. Worse than that, such views end up placing undue blame on residents for failures in

service delivery, often resorting to spurious socio-psychological categories such as “ignorance” and “apathy” as features inherent in the mass psychology of rate defaulters. These arguments have been debunked by a recent literature that emphasises how non-payment can be understood in terms of everyday political strategies and forms of resistance that express the unacceptability of urban living conditions (Desai 2000).

Municipal workers are particularly vulnerable in this scenario, since they are made to pay twice. First, as members of poor communities they have access to relatively expensive services that are downgraded by the systematic siphoning of the city’s resources to feed the most affluent areas of the city. Second, the form that restructuring has taken clearly goes in the direction of devaluing workers’ power, remuneration, knowledge and organised strength. At the same time, the neoliberal restructuring of waste management does not address social inequalities, promote an environmentally sensitive service, or link ecological standards to employment creation and workers’ skills. In this sense, waste management can become a litmus test for the whole entrepreneurial ideologising that underpins the iGoli 2002 project.

Current trends towards higher capital intensity in refuse collection and routinisation/downgrading of workers’ inputs may help to make the new waste utility profitable, but it is neither necessary nor more efficient from an economic point of view, less preferable environmentally and ineffective from the point of view of service integration. Acknowledging these contradictions, and accepting the possibility of re-invigorating public sector workers and resources, is the first step towards developing concrete policy alternatives.

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## ENDNOTES

1 Interview with Hlubi Byiana, Samwu Johannesburg branch organiser, April 17, 2000.

2 All estimates quoted hereinafter are author’s elaborations based on GJMC statistics.

3 SMLC Executive Committee Decision, April 26, 2000.

4 Yet costs of improving this situation would be far less than prohibitive. Swilling and Hutt (1999, 205) calculate that providing plastic bags to shacks would cost R13.50 per stand, which would amount to an additional expenditure for the municipality of R675 000. This represents only 0.17% of the waste management operating budget for 1999-2000.

5 Author’s interview, March 16, 2000.

6 Author’s interview, October 19, 1999.

7 Author’s interview, October 19, 1999.

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