Privatising services as if people matter: Solid waste management in Abuja, Nigeria

by Adama Onyanta

There is an overwhelming focus on the state and the private sector in the language and practice of privatisation, even though it calls for a tripartite arrangement that includes the people. A major consequence is the failure to comprehend and assess fully the important role of the people. While the people have a major part in supporting privatisation through payment of user charges, they are not often seen as key partners by city governments in Africa. Public participation has important implications for finance and cost recovery. Thus a people-centred approach to privatisation in which the users of services are consulted and involved in decision-making processes is crucial to the emergence of sustainable solid waste management systems in African cities. This study provides useful insights into the complexity of public participation in the context of privatisation of solid waste services and offers policy guidelines relevant to the major stakeholders.
those who are unwilling to pay, such action is not really feasible, since there are obvious negative implications for public health. Free-riding is therefore common. In addition, compared to other services, solid waste management is often ranked lowest on the priority list of residents. Thus while solid waste management requires cooperation more than other services, cooperation is more difficult to achieve (Anschütz 1996). These challenges underscore the need for a people-centred approach to privatisation of solid waste services. Using the case study of Abuja, Nigeria’s new capital city, this article draws on a key aspect of privatisation, cost recovery through user charges, to emphasise the important role of the people.

Context
Abuja officially became Nigeria’s new capital city in December 1991 when the national capital was relocated from Lagos. With the aid of a master plan, Abuja was systematically planned and expected to avoid the numerous problems plaguing other Nigerian cities, including solid waste management. The reality is different. Solid waste management has emerged as a major challenge for the city government. Abuja has witnessed rapid growth in population, from 378,671 in 1991 to 1.4 million in 2006, but the rate of delivery of solid waste services lags. The frequency of waste collection ranges from daily in commercial areas, to no services at all in peripheral neighbourhoods. The majority of residents do not have access to the recommended bins for waste storage. Illegal dumping of waste is common. There is no official treatment of waste and the waste collected is disposed in an open dump.

Private sector participation in solid waste management, albeit in different forms, dates back to the early 1980s, when the construction of Abuja began. The first company, M/S Philova and Jackson, an American firm, was hired by the government in 1982. Over the years, the task of waste collection has alternated between the government and private firms. In the early years, the state bore the entire costs of waste collection, even when services were provided by private firms. The first notable attempt at commercialising solid waste services occurred in 1993 when the Abuja Environmental Protection Board (AEPB), the government agency responsible for solid waste management, citing inadequate finances, introduced user charges. However, the board decided to provide services only to those who were willing to pay. This ‘no money, no service’ approach left many poor households without services. In addition, the manner in which user charges were fixed became a source of controversy. Corporate bodies who were the main target of AEPB challenged the method used by the agency on the grounds that it was arbitrary. AEPB had fixed the charges based on the number of items such as wash-hand basins, water closets (WCs) and showers in a premise. Evidently, it undertook no consultations before fixing the charges. Several years later, in 2003, the government decided to launch a pilot scheme on private sector participation in solid waste management. With no policy document in place, the expectation was that the outcome of the scheme would be used to choose the type of private sector partici-

ation method suitable for the city; develop a database on solid waste management; and address crucial issues including how user charges were to be fixed. Even though this was the first time user charges were being introduced on a city-wide scale, AEPB made no attempt to involve the people.

Planning phase
The Abuja city government may have adopted privatisation, which calls for greater engagement and collaboration with the people, but right from the planning phase the people were seen as receivers of services rather than as key partners. Much of what happened centred on relations between the state and private firms. No effort was made to include inputs from users of services. Under the 2003 pilot scheme, 12 private firms were hired to provide solid waste services in different parts of the city. Negotiations between AEPB and the private firms resulted in a memorandum of understanding (MOU) that was subsequently signed between the two parties. The MOU allocated the major task of waste collection to private firms, while the government was to take charge of maintenance of waste dumps, public enlightenment and monitoring contractors. Public enlightenment, a subtle recognition of the importance of the people, took the form of advertisements in the print and electronic media. The advertisements acknowledged that solid waste management requires the collective involvement of all segments of society and specifically cited individuals, cooperative bodies and governments. Certain questions arise. How successful were the advertisements in reaching the people? Can public support be assured through advertisements alone? It emerged that the majority of residents were not aware of the privatisation programme in spite of the advertisements. It can be argued that even if the advertisements do reach the majority of the people, public support would still be limited if the government has not taken concrete steps to make the people active participants.

How privatisation is to be funded and costs recovered are key issues that should be addressed in the planning phase. AEPB acknowledged that privatisation is capital-intensive and requires the support of the people, but not much was done besides this mere acknowledgement. The neglect of the people becomes more puzzling when seen against the expectation of government that privatisation would be largely funded through user charges. Right from the start, government failed to draw a connection between public support and cost recovery or finance. Indeed, issues of finance and cost recovery appeared to have been downplayed in general, with negative consequences for public participation. For example, the MOU signed in 2003 stipulated that contractors be paid 75 per cent of whatever amount was collected as user charges at the end of each month. Interestingly, contractors were told by AEPB to extend services to everyone, including those unable or unwilling to pay. The reason given by the agency was that it did not want to jeopardise public health. Curiously, it came up with no provisions as to how any shortfalls in revenue would be met.
Unwillingness to pay for services

A year into the privatisation programme, the unwillingness of residents to pay for services had emerged as a major problem. AEPB attributed the development to the poor quality of services provided; a common perception that waste is a social service that should be provided free; and the low ranking of waste compared to other services. The agency failed to acknowledge that it had paid little attention to the issue of cost recovery during the planning phase and certainly made no attempt to assess the willingness or capacity of the people to pay – all of which amounts to neglect of the important role of the people. Furthermore, even when the problem of unwillingness to pay became apparent, AEPB still did not acknowledge the necessity of involving the people. When the government launched the pilot scheme, a major objective was that it would use the outcome to come up with a sustainable solid waste management system. On the contrary, AEPB failed to learn any lessons from the scheme, certainly in relation to public participation. For example, the agency did not think it necessary to carry out an assessment of why people were unwilling to pay for services. Instead, it decided to address the funding shortfall by paying contractors a fixed amount every month, regardless of the amount collected in user charges. Contractors welcomed the decision, since they were guaranteed payment, but it had obvious negative consequences for public participation and sustainability. It meant that user charges were no longer important, and by extension, that the support of the people was no longer vital or needed. The practice of paying contractors a fixed amount remains in force in Abuja.

How user charges are fixed

Under the pilot scheme, AEPB fixed user charges according to the major groups of users: residents, government, commercial, hotel and educational establishments and embassies. In the case of residential rates, the criteria used for fixing the charges were the type of house; number of rooms; estimated number of occupants; and anticipated volume of waste. Users of services were not consulted on the criteria or the amount to be paid. The task of fixing user charges was given to a consultant. Furthermore, it is important to note that while consultation is a general problem, households are the most neglected group of users. Part of the reason is the common belief among AEPB officials that other users have greater capacity to pay and are more easily identifiable, thereby making it easier to collect user charges from them. AEPB’s actions over the years confirm this mindset. For example, as noted earlier, the agency decided to target corporate bodies when it first commercialised solid waste services in 1993. In addition, AEPB sometimes makes the effort to consult this group of users. When representatives of corporate bodies protested over the criteria used to fix user charges in 1993, AEPB held discussions with them and reviewed the criteria a few years later. Consultation is important because it plays a role in the (un)willingness to pay for services. The contractor covering Sun City, a medium-income gated community, made the decision to consult the people through the residents’ association before fixing user charges, and attributed the willingness of the people to pay to this factor. The contractor was able to take this action because he operates the franchise system, which means he is in charge of fixing and collecting user charges, and then pays a licence fee to AEPB.

The case of Sun City is an exception. Much of Abuja is covered by contractors operating under the contract system, which, as noted earlier, involves AEPB paying the contractors a fixed amount. It is the agency that is responsible for fixing user charges. Beyond the failure to involve the people or because of it, the practice adopted by AEPB in fixing user charges is not only arbitrary but also insensitive to the interests of the people, especially the poor. For example, user charges are fixed without regard to household income and income differentials between neighbourhoods. It was observed that user charges make up a much higher percentage of the income of low-income households and a much lower percentage of the income of the richest households. The arbitrariness of the method and the insensitivity to income were confirmed when contractors complained that the rates were too high in some areas and too low in others. Another factor that demonstrates the neglect of income and affordability is the decision by AEPB to charge annual, rather than monthly, rates. In effect, this means that residents are expected to pay a year in advance. As an administrative centre, Abuja has a huge concentration of civil servants. Most are unwilling to pay the annual rates based on the argument that their salaries are not paid a year in advance. Furthermore, users that are tenants argue that if they pay annual rates, they would lose the money in the event of their having to move before the one year is up.

AEPB reviewed user charges in 2005, but the people were still not consulted. A new development was the decision by the agency to classify Abuja into three groups. Once again, household income was neglected and AEPB failed to take the obvious disparities in income between the different groups into consideration when fixing the charges. Group I consists of peripheral areas of the city such as Nyanya, Karu and Kubwa. Group II covers a range of districts, from Wuse and Garki, which are the oldest districts in Abuja, to Gwamima, a sprawling housing estate. Group III comprises Asokoro, Maitama and Wuse II. It is important to note that Group I contains some of the poorest areas of Abuja, while Group III has the richest neighbourhoods. Group II is made up of the medium-income districts. The huge income disparities between the different groups are not reflected in the user charges. For example, there is a difference of only US $3 between the high-income district of Asokoro and the medium-income neighbourhood of Gwamima. Meanwhile, Asokoro and Maitama have a high concentration of top government officials, company executives and diplomatic personnel. Evidently, the capacity to pay is not the same across districts. The spatial disparities in income translate into different levels of default in the different areas. The highest default rates are in the low- and medium-income districts. The higher income areas generate the highest revenues and
receive better services. The neglect of the people and their interests in the planning and implementation of privatisation is not the only factor responsible for the spatialised hierarchy that has emerged in the delivery of solid waste services in Abuja but it is a major contributor and, even more crucial, a notable factor in the unwillingness or inability of the people, especially the poor, to pay for services.

Conclusion and policy recommendations

This article has highlighted two key issues. Privatisation requires new relationships and partnerships between the state and the people. Second, it is difficult to see how privatisation can be successful or result in a sustainable solid waste management system without the support of the people. The issue of limited public participation is also symptomatic of a broader problem, a failure by government to see the people as key partners in urban governance in general. Thus the solutions extend to issues located within and outside partnership arrangements. The study makes the following recommendations.

Within the academic milieu, there is a need to expand research on PPPs to include the people, as opposed to the current overwhelming focus on the state and the private sector. More needs to be known about the mechanisms through which the people can take a more active part in PPPs.

Donors can act as external facilitators. A major way is to strengthen the policy-making process. In Abuja, privatisation is being planned and implemented in an ad hoc manner. Decisions are made as events unfold. A policy document is an invaluable guide and provides the ability of the people, especially the poor, to pay for services.

References


Adama Onyanta is Researcher at the Nordic Africa Institute, Uppsala, Sweden. Her particular interests are urban governance and solid waste management.