

Turning Garbage into Gold

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New Public Management refers to the hiring out of public services to private parties at a specified price and with written assurances of service levels and service quality. It is being tried out in cities around the world and has been found to be successful in most cases.

Case Study: Garbage Dumps in Delhi

The Year 2000: Garbage dumps in Delhi were an eyesore with garbage spilling out from all sides, cows and dogs in and around them, the stench extending for miles. And, the Municipal Corporation of Delhi (MCD) was spending Rs 40,000 per dump every month for its maintenance, transportation, salaries of employees.

Then a company called Green Line headed by Raminder Singh approached them. Associated with projects like Green Delhi, which was launched in 1992, the company wanted to take over the management of garbage dumps across the city in order to provide a better service to the people of Delhi as they had been doing in various other cities across India like Jalandhar, Bangalore, Amritsar, Ludhiana, Chennai and others.

They presented their ideas to the MCD and it took them eight and a half months to convince the MCD to give them a five year contract on ten garbage dumps in different parts of Delhi, with a six month experimentation period. These were located at:

- Defence colony
- Vikas Marg
- Ansal Plaza
- Moolchand
- Lady Shriram College
- Panchsheel Club
- Nehru Place
- Three on Munirka Road

In May 2001, the experiment started. Proper walls were built around each dump to make sure that people dumped their garbage inside the dump and not outside. Two men along with a security guard were posted 24 hours a day at each dump. It was the job of these men to keep cows and other animals away, ensure that no one wrote or spat on the walls of the dump and segregate the garbage before being dumped so as to minimise the smell emanating from it. Also, the moment the dump got full, these men could call the garbage truck, which would come almost immediately to transport the garbage to the landfill site.

The Result: Neat and clean garbage dumps with nothing spilling out, no smell and a prompt and efficient system of collection. Strict supervision by the company supervisors has ensured that the initial high standards are maintained. Officials from the MCD are free to check any dump at any time.

Green Line as well as the MCD manage to make a profit out of this operation. According to the terms of the contract, the company pays the MCD Rs 10,000 to 12,000 per dump every month for the use of the space on the outside walls of the dump for advertising. As for Green Line, by getting big companies like Sahara, Hutch, Airtel and others to advertise on the walls of the dump, it not only manages to sustain the operation but also earn a reasonable profit.

The success of the initial experiment prompted the MCD to invite tenders on 150-200 more dumps around Delhi from various other companies. With the result, private parties at a much lower cost are providing a public service more efficiently. In fact, the MCD is actually making a good profit. In the first two months itself, the MCD saved about ten lacs.

For Green Line however, this cleaning of the city has come with a price. Till 1997, there used to be big hoardings put up all over Delhi and after a Supreme Court ruling, they had to be removed. These were under the control of the mafia. Since Green Line was the one to start this successful operation, they probably felt that getting Green Line out of the picture would bring them back their profits. So, they charged them with being given favouritism in the allotment of the first ten garbage dumps as these were given without any tender. The case is pending in the Delhi High Court and an enquiry has been lodged into the matter.

Just another example of how no one in our country is allowed to do something good without being bothered in some way or the other.