2019

PEOPLE BEFORE PROFIT

THE CASE FOR PUBLIC OWNERSHIP OF WASTE

ABOUT PEOPLE BEFORE PROFIT

People Before Profit was created to fight for a fairer, more equal society. We value the welfare of communities above wealth creation for the few.

People Before Profit see the mobilisation of people in workplaces and communities as the key to bringing about change. We believe change can be won by fighting for our interests collectively.

Join us to help build a society that works for the many, not the few.

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INTRODUCTION

Ireland's system of collecting of waste is a disaster.

It is costly, inefficient, damaging for the environment and socially unjust. Instead of reducing and generating alternatives that deal ethically and environmentally with domestic waste, bin charges were introduced. Waste collection services were privatised. Companies pushed up costs to residents while pocketing huge profits. Illegal dumping has become rampant, and collection workers face increasingly worse conditions.

This is why we call it a disaster.

People Before Profit support the return of waste management services to the control of local authorities. Here is why.

Cost: The waste management companies provide little clear information on their pricing and profits, sheltering behind a regime of commercial secrecy. However, the Competition and Consumer Protection Commission estimated that the annual average charge in 2016 was €228. The Journal.ie estimates that the annual average price now ranges between €230-€280.

Uncollected waste: As predicted by anti-bin charges campaigners, privatisation and the high costs of waste collection has led to a surge in illegal waste disposal and fly tipping. In the first quarter of 2019, for example, Dublin City Council received 2,849 reports of illegal dumping. The cost of removing this waste falls on the local council and in the first quarter of 2019 Dublin City Council had to spend €297,464 on collecting this illegal waste.

Inequality: Whether you are a millionaire or a pauper, you pay the same price per kilo of waste. This makes waste a grossly unequal charge. In the past, there was an attempt to rectify these inequalities with a waiver system for the poorest of households. The private companies, however, have systematically removed this waiver.

Environment: Private collection of waste means that there is little strategic direction of policy. As a result Ireland is not creating a 'circular economy' based on recycling, re-use and longer life products. The primary target of government policy is the individual consumer who is made directly responsible for waste disposal.

But consumers are waste receivers – not waste creators. When you go to a supermarket, you come away with large amounts of plastic and polystyrene. Large supermarket chains source cheap food from distant parts of the world and seek to prolong its shelf life for profit. A joint Friends of the Earth and Zero Waste Europe report estimated that 37 percent of all food in Europe is wrapped in plastic.

Yet while there are heavy penalties on consumers who dispose of waste illegally, there are virtually no controls on the companies that produce waste. The neo-liberal mindset of the Irish political elite thinks in terms of charges on individuals rather than regulating corporations. Reliance on private companies to then collect the waste the big corporations create, makes the problem even worse.

In 2016, for example, Ireland generated 2,763,166 tonnes of municipal waste and only recycled 41% of this. This is below the performance of many other countries who can hit recycling targets of 60%. Even the Environmental Protection Agency, which is notoriously soft on business interests stated that 'Ireland is failing to meet the recovery and recycling targets for this waste stream'.

The private waste collection companies have no interest in broader concerns but only see waste as a source for profit. Having different companies collect from the same street, using twice the amount of diesel, is simple absurd from an environmental point of view.

Tax dodgers: Despite winning a license and profiting from a public service, the waste management companies do not pay taxes in Ireland. Instead they set up offshore structures to hide their profits in the Isle of Man, Jersey and the British Virgin Islands. They register as unlimited companies so that they do not have to produce accounts or reveal who all their beneficial owners are:

- **City Bin** was founded by businessmen Glen Ward and Gene Browne and last published accounts in 2006 when it showed a profit of €1.7 million. It is now controlled from Jersey and publishes no accounts.

- **Oxigen** was owned by the Doyle family from Dunleer. Shares in the company are held by entities registered in the Isle of Man. Its last published accounts were in 2008 when it showed a €13.3 million profit.

- **Greyhound** was founded by brothers Brian and Michael Buckley. It moved its shares to the Isle of Man in 2012 and became an unlimited company that does not publish accounts. Despite this it won the contract for Dublin City Council's waste collection in 2012.

- **Panda** was formed by Noel and Eamon Waters. It is controlled by an entity called Adnap which has a post office box address in the Isle of Man. It went unlimited more recently, having declared profits of €3.5 million in 2011.

Workers' rights: The waste management companies are anti-union firms that trample on workers' rights. In 2014, workers at Greyhound were faced with a 35% reduction in their earnings and when they resisted they were locked out. Workers at Oxigen had to strike to win the right to be represented by a union. Many of the waste companies employ migrant workers in their recycling facilities on low wages and poor conditions.

THE PRIVATISATION OF WASTE SERVICES

Moves to privatise Ireland's bin collection service began in 1983 when some local authorities started charging for waste collection. Under EU rules, it is inevitable that once a charge is applied to a public service that same service falls open to competition rules that it facilitates competition and privatisation.

In 1998, the Government revealed the real agenda behind the bin charges when it issued a document entitled 'Waste Management-Changing Our Ways'. This suggested that there was a need for greater private sector involvement.

Bin charges began to spread across the country and a campaign against them launched in earnest. As bin charges became more widespread, resistance and opposition grew. A major boycott was launched, and tens of thousands refused to pay.

While more and more people refused to pay the charges, Labour Party councillors argued in their favour, suggesting that if councils could not raise funds, the service would be taken over by private companies as the Council would no longer be able to afford to deliver the service.

However, the exact opposite was the case. Once a charge was put on waste collection, it was inevitable that the next step was privatisation.

The state's response to the bin charges campaign was to imprison activists who were involved. In 2003, 14 campaigners were sent to jail. They included two TDs, Joe Higgins and Clare Daly, as well as future People Before Profit TD Bríd Smith.

By using legal intimidation, the state eventually broke the resistance and pushed through bin charges and privatisation.

IRELAND'S EXTREME PRIVATISATION

Ireland has an extreme form of privatisation that is unique in Europe. Its system is known as 'side-by-side' competition because once a private firm has a licence it can enter a local area to compete with another.

An OECD report in 2013 found that only three countries had such a system – Ireland, Poland and Finland. However, Poland has since changed its system and Finland has a mixed system.

Studies have clearly shown that 'side by side' privatisation is the most expensive system because firms effectively duplicate each other's efforts. In 2010, for example the Finnish Institute for Economic Research showed that a system of tendering rather than side by side competition would lead to a 40% reduction in charges.

In a major study, the Competition and Consumer Protection Commission has claimed that waste collection has become a natural monopoly. In other words, competition is leading to the weeding out of smaller companies. Today, 20 providers collect waste from 90% of households that pay charges. Increasingly, these carve out areas between each other, with significant detrimental effects.

According to the Competition and Consumer Protection Commission:

> ***The market is highly concentrated in places, giving operators considerable market power…. The household waste collections sector exhibits characteristics of a natural monopoly, including… high fixed cost and a large cost advantage for a single operator.***

BACK TO PUBLIC OWNERSHIP: THE INTERNATIONAL PATTERN

In 2017, Oslo brought its waste collection service back into public ownership after 20 years of competitive tendering.

Veireno, the private company that collected waste, had become a symbol of everything that was wrong. The local city council received tens of thousands of complaints about uncollected waste, and the Norwegian Labour Inspector authority found that some employees had worked up to 90 hours a week.

In February 2017, Oslo re-municipalised waste collection. The city council took over Veireno's assets and employed its 170 former staff.

Re-municipalisation has become a growing trend across Europe.

In Germany, there was a trend to privatise waste collection from the mind 1980s onwards, but this trend was reversed at the beginning of the 21st century. The collection of waste through a municipally-owned management company is now common in Germany and Italy.

THE CASE FOR PUBLIC OWNERSHIP OF WASTE COLLECTION

In July 2019, People Before Profit Councillor Tina MacVeigh successfully moved a resolution to take waste collection back into public ownership. Her motion read:

> ***This Council agrees that waste management in Dublin City should be Re-municipalised and that a working group comprising group representatives and management meet in September and October to consider how this might be advanced, said working group to report to the November Dublin City Council Meeting.***

If we lived in a real democracy, the support by a majority of elected city councillors should be enough to carry through a programme of public ownership. But there is little democracy in Ireland's local council and the unelected city officials make the decisions on waste.

As they are true believers in neo-liberal policies, they will try not to carry out a policy of public ownership.

Dublin City Council officials have already produced a five-page document to outline their case for retaining the status quo of privatisation. Two of their reasons are noteworthy.

- They suggested that if waste collection was publicly owned the council would have to set up a waiver system for the poorest 20,000 people in the city.

- They claimed that waste would have to be brought to an incinerator at the cost of €100 a tonne. Yet it was the unelected city management that foisted the new incinerator in Ringsend on the people of Dublin despite the virtually unanimous opposition from elected councillors over 20 years! To make matters worse, they inserted a key 'put or pay' clause into the contract with the private US company Covanta, which requires Dublin City Council to guarantee the waste annually or make loss of profit payments to the company instead. Dublin City Chief Executive, Owen Keegan, has even claimed that raising the amount of waste the facility handles is the 'the most sustainable environmental solution'.

OUR SOLUTIONS

People Before Profit are for a wider change of system that will make both these objections irrelevant. Here is what we propose:

1. Waste collection should be deemed an essential public service that is paid for from general taxation. It is a matter of basic public health and safety and good for the environment.

2. This means that the cuts to local government, which were pushed through by successive right-wing governments of Fianna Fáil and Fine Gael, need to be reversed. According to both the IMF and the OECD, Ireland had the largest cut to local services of any developed country. They estimate that there has been a shortfall of between 33% and 57% between 2008 and 2015.

3. Waste collection should be organised as much as possible on a collective basis. In most parts of Europe there are large bins in local neighbourhoods both for recycling and waste, instead of three bins for every household.

4. The absurd system whereby private apartment complexes are excluded from services and where tenants must pay exorbitant 'management fees' should end. All residents, whether in houses or apartments, should be able to avail of a public service paid for through general taxation.

5. With public ownership, there can be a real shift to recycling and re-use. Instead of sending waste by ship to countries in Asia, not for profit 'transition stations' should be established to help recycle and re-use waste material.

6. Incineration of waste should end as this is damaging for our climate. Undemocratic agreements signed with companies like Covanta should be terminated and an incinerator that belches out smoke and toxic materials for 24 hours each day should be closed down.

HELP US BUILD AN IRELAND OF REAL EQUALITY.

TEXT 'INFO' TO 087 283 9964 TO LEARN MORE ABOUT OUR WORK.

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