

Changes in the competition for city trash collection may mean efficiencies come at the expense of social equity.

*Few of us would think of looking to the trash can in search of social equity issues. But a multi-year study by **Jing Wang** and **Erica McFadden** in a southwestern US city raises the question of whether cities using private contractors for trash collection are trading social equity for efficiency, with Latino areas served by private contractors rating their trash services far lower than those living in other areas.*



Trash collection is an underappreciated service. We all use it, and need it, but rarely think about it – until a pickup is missed or some other service failure occurs. Then, what begins as an eyesore, can become a public health risk. If such problems occur more often in lower income, ethnically diverse neighborhoods than in more affluent ones, they can also become failures of social equity.



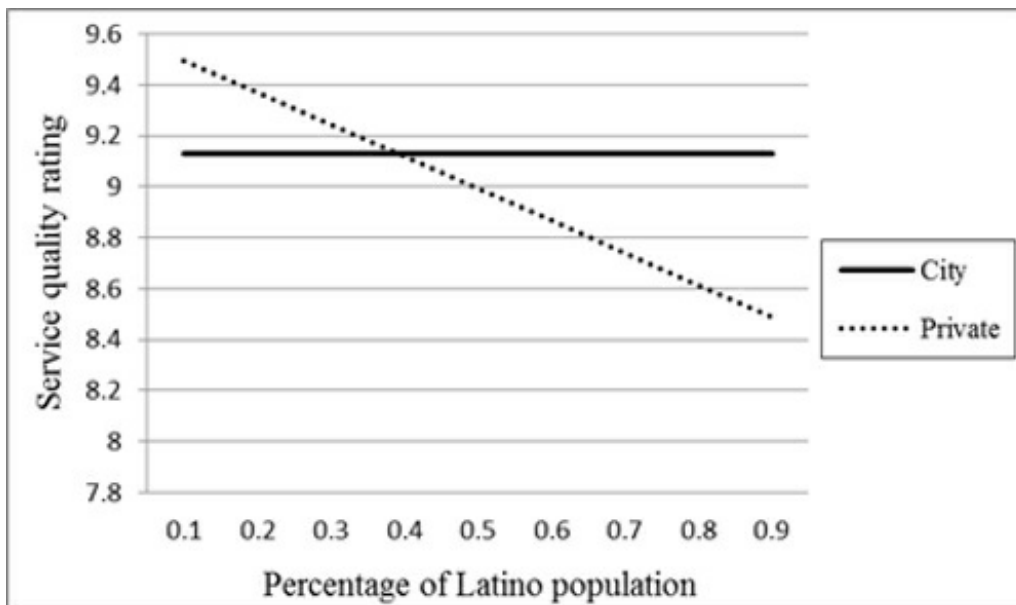
In fact, with private contractors increasingly involved in municipal service delivery, some public administrators have raised concerns that social equity is being traded for economic efficiency. In response, our [new research](#) investigated how privatization impacts diverse populations. The overall household quality ratings of city-delivered and privately-delivered trash (e.g., solid waste) collection services were compared across neighborhoods with different ethnic compositions. The study was conducted in a large, southwestern U.S. city, over a period of over six years. The goal: was to determine if there were differences in reported trash collection quality and, if so, what those differences are.

Two noteworthy findings emerged:

- 1) The city trash collection quality outperforms private contractors in overall customer ratings.
- 2) The ratings of Latino-concentrated areas served by private contractors are significantly lower than those of other areas.

This drop in ratings in Latino-concentrated areas does not appear when the city delivers the services – the city’s customer-rating score is estimated to be 9.13 out of 10 regardless of the percentage of Latino population in the service area. However, in the areas served by private contractors, the rating declines as the percentage of Latino population increases (Figure 1). In general, the findings indicate that the private contractors do not deliver services to Latino-concentrated areas as equitably as the city does.

Figure 1 – Service Quality Rating and Percentage of Latino Population in a Service Area.



Note: All other independent variables were kept at their means

It is important to note that our sample city is engaged in managed competition, in which public entities compete with private ones to deliver solid-waste services. City officials believe that competition will lower customer costs and assure quality service delivery. But the study findings indicate that there are unintended costs as well.

One such cost arose when private contractors won the bid to serve diverse neighborhoods that had long received city services. Private contractors took over these diverse neighborhoods without knowing that some of them included houses inhabited by multiple families – thus producing larger than expected quantities of trash. This lack of historical knowledge resulted in private-contractors using trucks incapable of carrying such large loads. A lack of knowledge by contractors, in other words, contributed to reduced service quality among already disenfranchised groups.

This echoes broader concerns about the overlooked value of social equity in public-service privatization. US local governments have overwhelmingly embraced privatization to address both financial constraints and a desire for higher performance. Solid-waste collection is seen as a prime candidate for privatization because it appears to present fewer value conflicts and fewer face-to-face encounters with customers. It is also seen as an industry in which private equipment and staff can be adapted with relative ease to provide a historically public function. However, our findings show that privatization may not perform so efficiently when one factors in the value of social equity.

There are other issues concerning the privatization of public services. In a [survey](#) on local government contracting conducted by American University for the National League of Cities, the majority of public managers complain of contractors falling short in performance. Yet, almost half of them complain of a lack of time and staff to effectively manage contracts. Further, contract requirements rarely consider the quality and consistency of public services to diverse populations. If there is insufficient or inadequate regulatory oversight, contracting can be a cumbersome and expensive instrument for service delivery, occluding some populations altogether. In fact, some cities have [noted complaints](#) from citizens of diverse neighborhoods of diesel fuel emissions from trucks, pervasive odors, and noise. Privatization and deregulation, in other words, however logical, may contain elements contradictory to racial, environmental or economic justice.

As a result, political leaders and public administrators should consider several policy implications when privatizing any service that impacts citizens:

- Municipalities must ensure that contractors follow the rules, and that there are mechanisms in place to correct deficiencies.
- The city should develop and gather equity indicators keyed to different demographic groups to monitor service providers' performance across all populations.
- Shorter contract terms can motivate higher performance.
- Cities should adjust service patterns to accommodate demographic changes to improve overall quality and make services more responsive to the citizens being served.

Evaluating contracts with empirical evidence and promoting social equity constitute a continuing process that should be part of all measures of public service. The goal – even in the humble area of trash collection – is an important one: To ensure that services are not only efficient and effective, but also equitable and responsive to all citizens.

This article is based on the paper, 'The Absence of Social Equity Measurement in Municipal Service Privatization: Are Residents Feeling Dumped on?', in State and Local Government Review.

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