Chapter 15
Private Sector Development in Waste Management in Rural Areas

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ABSTRACT

The chapter dwells on the theoretical and practical aspects of the private sector involvement in the system of waste management in rural communities. First, the authors discuss the advantages and disadvantages as well as the risks of the private sector involvement. Second, typical features for developing countries’ case studies on the private sector development are analyzed. Third, the authors provide a summary of experience and practical recommendations for decision making concerning the development of the private sector for waste management in rural communities. The authors conclude that public-private partnerships, namely the involvement of the private sector where most effective and appropriate, is the most favorable solution. Commercialization of the public sector could be a reasonable solution for the countries with the middle- and below-middle-income levels, at least at the start.

INTRODUCTION

Waste management is a great problem in rural areas, especially in the developing countries. The waste plays a harmful role to the environment and undermines the efforts towards the sustainable development. The improper processing and preservation of waste lead to serious air, soil and water pollution. At present different types of wastes are somehow being managed to dispose and dump, which is causing environmental pollution day by day and becoming health hazardous. Until nowadays little attention has

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been given to this vital issue in many developing countries. In particular, the rural regions are the most sensitive places, because the organization of satisfactory and affordable waste management services is a cost-effective solution in small communities and remote rural areas. One of the possible ways to deal with waste in rural communities is to develop private sector involvement, to provide favorable economic and institutional conditions for long-term private investment in the waste management system.

The object of the research is to study best practices of public-private partnership to attract long-term investment in the waste management in rural communities.

The subject of the research is case studies on effective government measures for development the private sector and attraction private investment in the waste management.

The purpose of the study is:

- To analyze experience, both positive and negative, of private sector involvement in the field of waste management
- To identify obstacles and factors of success for effective cooperation between the private and public sectors
- To work out useful, specific and practical recommendations for decision making concerning the development of the private sector for the waste management in rural communities

Countries with average and below average income levels are in the focus of the research. In the first section the authors start with the initial decision to consider involving the private sector. What are the reasons for involvement of the private sector in the system of waste management? Here we will analyze such issues as cost efficiency, flexibility, bureaucracy, access to capital, political interference, etc. We also discuss the reasons of opposition to the private sector participation. Then we point out risks of the private sector involvement in the waste management system in general, and in rural communities in particular.

In the second section features of the typical for developing countries case studies on the private sector involvement in the waste management in rural communities are analyzed. In fact, many projects could be more successful and leading to more improvements if decision makers take into account disappointing experiences. That is why there is a focus not only on positive but also negative projects in order to warn of possible problems. Local government officials may learn from these experiences. The relationship with the private sector affects the standing and reputation of the government partner, so it is in the interest of both to find ways of developing mutually beneficial and sustainable partnership. Key guidelines that will positively affect this issue are considered.

In the third section the authors provide conclusions and practical recommendations for decision making concerning the development of private sector for waste management in rural communities.

**BACKGROUND**

There is a perception that the involvement of the private sector in the field of waste management is the most optimal solution (Coad, 2005b; Challcharoenwattana & Pharino, 2015; Hughes & Peterson, 2018; Marshall & Farahbaksh, 2013; Mongkolnchaiarunya, 2005; Taboada-Gonzalez, Aguilar-Virgen, Ojeda-Benitez, & Armijo, 2011; Wagner, 2007). An alternative view is that if the private sector is given the opportunity to provide services for the collection, sorting, processing and disposal of waste, cor-