

Private sector failures in Norway - the consequences



(31 January 2018) Recent private sector failures in Norway have resulted in the re-municipalisation of waste services.

RenoNorden, a large private waste management company in Norway, has recently been declared bankrupt.

This led a significant number of Norwegian municipalities to take back waste management into their hands.

RenoNorden was, until last summer, selling waste management services to nearly 140 municipalities in Norway. This was organised through 28 inter-municipal contracts, as well as a few contracts with single municipalities.

RenoNorden's bankruptcy has prompted the decision from 13 municipalities to re-municipalise their waste management and argue for the public management of

these services, but only a few municipalities (Kragerø, Romsdal IKS and Nomil IKS) have done this on a permanent basis.

The bankruptcy of RenoNorden provides good reasons for essential public services to be handled by the municipalities themselves. These issues include working conditions, health and safety, better wages, stability and quality of service, political governance and control.

Norwegian union Fagforbundet has been strongly advocating and promoting the re-municipalisation of waste services.

The following elements have been identified as incentives to re-municipalise waste management:

- Municipal waste management allows for long-term investments, instead of short-term and ad hoc planning. The circular economy cannot be implemented without a willingness to invest in the long term.
- Municipal management allows for predictable conditions where both public authorities and employees know that these are long term and safe jobs, not threatened by perennial collapse or bankruptcy. Beside, public sector's collective bargaining system ensures decent income levels and decent working conditions.
- Competence and knowledge stay in the municipality to the benefit of the community.
- Municipal management puts the local community in the driving seat and in control of the waste stream.
- Waste is a valuable resource that creates jobs and generates significant income.

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