

# **Challenges to “Quality Public Services”**

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# **1. PSI and “Quality Public Service s”**

# 1.1. What is PSI?

- Public Services International is a global trade union federation representing 20 million working women and men who deliver vital public services in 154 countries.
- PSI champions human rights, advocates for social justice and promotes universal access to quality public services.
- PSI works with the United Nations system and in partnership with labor, civil society and other organizations.

## **1.2. What PSI believes in? – “Quality Public Services”**

- Quality Public Services (hereinafter referred to as “QPS”) are the foundation of democratic societies and successful economies, and make our communities and economies more equitable, resilient to downturn and disaster, and protect vulnerable people.

- Provision of QPS is states' primary responsibility for realization of human rights, gender equality and social justice. QPS ensure that everyone has equal access to vital services, including a s health care, education, electricity, clean water and sanitation.

- QPS also support the economy by providing public infrastructure, research and innovation, a healthy and skilled workforce, and strong and stable justice and regulatory institutions.
- QPS should be universally available and accessible. Therefore, QPS must provide guaranteed access for all, free from discrimination, as a legally-enforceable right.

- Most public services are more efficient and effective when owned and managed by the public. Consequently, the majority of public services globally remain under public ownership and management.
- Contrary to the rhetoric of private sector efficiency, a major driver of privatization is the expected profit produced by job cuts and lower labor costs.

- Privatization and outsourcing is used to break unions' collective agreements, drive down wages and conditions, introduce precarious work and destroy unions.
- Privatization disproportionately affects sectors with a higher percentage of women and undermines integration of women to the labor market. They also create precarious work that undermines labor rights in ways that disproportionately affect women.



## **2. Challenges to QPS – Privatization & PPP –**

## 2.1. Privatization

- Privatization means transferring ownership of agencies administered as part of the state and organizations owned by it, to private sector.
- When QPS are privatized, maximizing corporate profits replaces the public interest as the driving force. In most of cases, privatization is a dangerous trend that must be reversed.

- The fight against privatization is not just a fight to stop the sale of our public services. It is also a fight for the type of society we want, a fight for social justice and equity.

## 2.2. Privatization to Public-Private Partnership (PPP)

- Developing countries who sought financial and technical assistance of the World Bank in stages of economic and social change in 1980s are the ones who had suffered the shortcomings of privatization programs as suggested by International Institutions controlled by free market advocates.

- The structural adjustment programs applied in those countries and the outcomes resulted from that approach of privatization raised criticism on privatization failures and negative outcomes.
- For decades the failures of water, energy, rail and health privatizations have made clear across the globe that those who promote privatization offer false promises.

- As privatization became a public relations liability in the 1990s, corporations began to promote Public-Private Partnerships (PPPs).
- PPP is a contract between a government and a private company under which: A private company finances, builds, and operates some element of a public service; and the private company gets paid over a number of years, either through charges paid by users (often called a concession), or by payments from the public authority.

- Many governments are turning to public-private partnerships (PPPs) in the hope that the private sector will finance public infrastructure and public services which has been severely hit by the financial crisis. This hope has long run through the World Bank and OECD, but is now emerging in the G20 and the ongoing negotiations at the United Nations for the Sustainable Development Goals and the Financing for Development. If successful, PPP may become official UN policy

- (Search “SPOTLIGHT on Sustainable Development 2017” and download it from <http://www.world-psi.org/sites/default/files/documents/>)
- (Search “WHY PUBLIC-PRIVATE PARTNERSHIPS DON’T WORK” and download it from <http://www.world-psi.org/sites/default/files/rappo>)



### **3. What will PSI do for “Quality Public Services”?**

- Continue to advocate for public provision of quality public services and highlight the problems of privatization to the regional and global development banks, the IFIs, bilateral aid agencies and the UN

- Build anti-privatization coalitions at country, regional and global levels, together with CSOs and allies
- Assist governments, unions and communities to successfully reverse privatizations after failed privatizations

- Promote successful examples of reversals of privatization and advocate for rules and laws that facilitate this, to show that reversing privatization is possible (Search “Reclaiming Public Services” and download it from <https://www.tni.org/en/publication/reclaiming-public-services>)

- Continue to monitor privatization trends and track the companies driving the privatization process across sectors and the involvement of the regional and global investment banks

- Share privatization information among PSI sectors, affiliates, researchers and NGOs and continue to publish the newsletter - Privatization Watch – to assist affiliates and allies identify trends (Search “PSI Privatization Watch” and download it from <http://www.world-psi.org/en/privatization-watch-newsletter-all-issues>)

Thank you very much!