



Protecting the Public Interest from Predatory Privatization and Outsourcing: A Call to Action

December 2-3, 2015-Washington, D.C.

Hosted by the American Federation of State, County and Municipal Employees (AFSCME)

Quality public services are the foundation of democratic societies and successful economies. Citizens, communities, and productive enterprises need equal access to vital services, including education, electricity, emergency and first responses, environmental services, healthcare, clean water, and sanitation, as well as affordable and safe infrastructure to build sustainable economies for the 21st century.

*Public service workers enhance the quality of life in our country – without them, our neighbourhoods are less safe and families have less access to vital services during difficult economic times. From protecting our children to paving our roads to being the first to rush to a disaster, public service workers form the government all citizens rely on.*¹

Lee Saunders, President of AFSCME

Since the 2008 global financial crisis, local and national governments have struggled to deliver quality services in the face of recession and falling revenues. To often, policymakers and government procurement officers turn toward dubious privatization schemes and outsourcing that trigger a race to the bottom. Corporate executives now use political influence to obtain government contracts that lead to higher profits, degraded public services, and the replacement of middle class public sector jobs by poverty level wages for contracted workers. Predatory privatization and outsourcing undermines democracy and economic development by accelerating economic inequalities.

Local and national governments across the globe continue to implement fiscal austerity while facing mounting infrastructure deficits and deepening economic inequality. Financiers, consulting firms, and privatization advocates now seize this opportunity to persuade governments to deepen predatory privatization and embrace public-private partnerships (PPPs) as a means to attract expensive private capital. These projects relinquish operational control from democratically elected authorities to private companies. They rob democracy of its vital oversight function and steal away taxpayers' ownership of public assets. Experience demonstrates that these privatization schemes inevitably lead to the public paying more but obtaining lower quality of services.²

Today, international governmental organizations and national governments need to confront a growing list of global challenges, from economic recovery and inequality to climate change. These challenges cannot be overcome without a vibrant and well-resourced public sector to anchor sustainable economic development. Predatory privatization undermines everyone's capacity to meet the challenges of the 21st century.

¹ Saunders, Lee. "AFSCME Pres. Lee Saunders on Public Service Recognition Week." Accessed at: <http://www.afscme.org/news/press-room/press-releases/2014/afscme-pres-lee-saunders-on-public-service-recognition-week>

² Hall, David. "Why Public-Private Partnerships Don't Work The many advantages of the public alternative." The Public Services International Research Unit (PSIRU). February 2015 and accessed at: http://www.worldpsi.org/sites/default/files/documents/research/rapport_eng_56pages_a4_lr_0.pdf

“We need to return to the public alternative to privatization, in which national and local governments continue to develop infrastructure by using public finance for investment, and public-sector organisations to deliver the service. This provides greater flexibility, control, and comparative efficiency – because of reduced transaction costs and contract uncertainty, as well as economies of scale – and the efficiency gains of more democratic accountability.”³

Rosa Pavanelli, General Secretary of Public Services International

We stand together to share our experiences and learn from one another to formulate collective strategies at the global and national levels that defend public sector workers from political attacks by those who gain the most from predatory privatization schemes. We stand ready to work with allies and partners in civil society to renew democracy, defend the public interest, and guarantee quality public services for all citizens.

³ Pavanelli, Rosa. “Privatisation has failed. It must not become official UN policy.” The Guardian. Accessed at: <http://www.theguardian.com/public-leaders-network/2015/mar/18/privatisation-failed-official-un-policy>.