



# PRIVATIZATION WATCH

Produced by Public Services International

PSI Privatization Update: 6 June 2016

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[Send a letter to the World Bank Executive Director representing your country](#) asking that the World Bank end all support for water privatization



PSI is working with a number of allies to put pressure on **the World Bank to stop promoting water privatization** under the guise of public private partnerships (PPPs).

Last month, U.S. Congresswoman Gwen Moore (Democrat from Wisconsin) released a [hard-hitting letter](#) condemning the World Bank's water practices and calling for an immediate halt to all funding and promotion of water privatization, including water PPPs. Representative Moore's letter puts tremendous pressure on the Bank, which has been magnified by media coverage in at least 14 countries,

We need to ramp up pressure on the World Bank by showing that there is a global movement behind the demand to stop funding and promoting water privatization, under any name.

Can you [send a letter to the World Bank Executive Director representing your country](#) asking that the World Bank end all support for water privatization, and address the concerns expressed in Moore's letter in a transparent and inclusive manner?

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Public Services International says **"no to the privatization of occupational health and safety!"** PSI welcomes the rejection of a draft standard by member organizations of the International Standards Organization (ISO). PSI has consistently held the view that the proposed standard elaborated by ISO tramples on the ILO's mandate, and for that reason it should be set aside. [This would have been a de facto outsourcing and privatization of a standard on matters which should be agreed on by social partners and regulated and enforced by governments](#)

## **Africa & Arab Countries**

**Ghana:** PSI affiliates, the Public Utility Workers Union (PUWU) and the Public Services Workers Union (PSWU), have [called on the Government to stop the privatization of Electricity Company of Ghana \(ECG\)](#). Following PSI's advice, the two unions are collaborating to advocate against the concession. The Public Utilities Workers Union's deputy general secretary, Michael Nyantakyi, says ECG's problems stem from unpaid bills from government's use of electricity, not bad management. [He said the government was looking to give 25 years of control to a foreign company](#). "Some of these companies are from Nigeria, United Kingdom, France, Lebanon, Philippines and Turkey. Others are from the United States, South Africa, Thailand, Ireland, Canada, United Arab Emirates (UAE), Israel and India."

**South Africa:** The Free State Health Department is looking to get out of its **"public private partnership" with Netcare, a private, for-profit healthcare company**. "A review commissioned from KPMG in 2010 had raised [several areas of concern](#), said [Marcus Molokomme, chair of the department's private facilities advisory committee]. Molokomme said the Netcare contract had introduced unforeseen complications, with the billing arrangements for private-sector patients requiring radiology services, to the financial detriment of the department. Clinicians prioritized private patients who 'jumped the queue', and the contract had created 'fertile ground' for abuse of the province's policy for remunerative work outside the public service, he told the inquiry." The company responded that "it remains optimistic about the scope for providing services to state patients in SA, [despite the hostility expressed by Health Minister Aaron Motsoaledi at the Competition Commission's health market inquiry](#)."

**Uganda:** The government has reportedly [stopped the expansion of Bridge Academies, the American-backed school privatization chain](#), due to issues including **"the legality according to the Education Act 2008, the quality of infrastructure, teachers' issues, methodology and curriculum."**

## **Asia Pacific**

**Australia:** As the national election campaign gets into top gear, Labor leader Bill Shorten promises to end a freeze on Medicare rebates and **protect it from privatization**, saying Prime Minister Turnbull's "only plans for Medicare are [to cut bulk billing and to privatize it](#)." The *Australian Financial Review* reports that ["Labor will be able to claim it is putting universal health care ahead of tax cuts for big business"](#). It has also promised to oppose plans to privatize Medicare's back office operations, something the government has been planning for almost three years." Both Shorten and Turnbull [have promised not to privatize Australia Post](#).

The *Australian Financial Review* also reports that "it is unusual for a government to go into an election badly at odds with its workforce. But make no mistake: **federal public servants are not, at present, a happy bunch.** (...) **The national secretary of the Community and Public Sector Union, Nadine Flood, says** "public services have suffered because 18,000 jobs have been cut and funding has been slashed. The latest budget confirms the government will cut another 3,000 to 4,500 jobs in coming years and press ahead with plans to further outsource and privatize public services including Medicare."

**New Zealand:** [A surge of spending on temporary staff in the health sector](#) is causing apprehension about safety. “**Public Service Association national secretary Erin Polaczuk said she was ‘concerned’** about the surge in spending on locums, particularly in the allied health area. An overuse of locums could have a ‘major impact’ on patients, she said. ‘There is no continuity of care and in some areas this can lead to a loss of trust, which is very important in areas such as mental health. There is also more chance of crucial changes in a patient’s condition being missed, which can have tragic consequences.’”

**New Zealand:** [Female public servants are essentially working for free](#) from mid-May until July because of the gender pay gap. “**Erin Polaczuk, national secretary of the Public Service Association** – New Zealand’s largest union representing nearly 62,000 workers in central government, state-owned enterprises, local councils, health boards and community groups, **called for action to address the pay gap.**”

## **Inter-America**

**Colombia:** PSI joined Colombian trade unions, water and environmental civil society organisations in Medellin, Colombia on 12 May for a Community forum on the “[Defense of common and public goods](#)”.

The Forum discussed the new privatization threats and the plunder of natural and cultural common goods and public institutions through government policies and the signing of international treaties, such as the international agreement on trade, TISA, which Colombia is currently negotiating with 49 other countries.

The Forum committed to pursuing the work of denouncing and publicizing the effects of privatization while pushing for public-public agreements, public-community agreements, community-community solidarity and support as well as sharing strengths both nationally and internationally to counter the effects of public-private –partnerships (PPPs) promoted by international financial institutions and multinationals.

**Brazil:** Brazilian trade union federations, including PSI affiliate, FNU, have jointly produced a special publication for world water day “[Against the privatization of sanitation services and PPPs](#)”. The 30-page leaflet analyses the results of privatization processes in Brazil as well as how PPPs in the State of Alagoas caused a revolt among the population. It also includes cases studies such as the example of Uruguay’s successful struggle against privatization.

**Brazil:** **The new administration is pushing hard to liberalize privatization requirements.** Newly appointed investment partnerships secretary Moreira Franco says [the current PPP model, which was put together by the administration of suspended president Dilma Rousseff, “cannot survive the way it is.”](#) Franco is in charge of concessions, public-private partnerships and privatization issues in the country.” **Interim president Michel Temer has signed a “public private partnership” bill.** “Falling under the country’s partnership and investment program, the bill [aims to stimulate public-private partnerships for infrastructure projects, as well as other privatization measures.](#) Among other things, it assigns federal government funding for concession agreements with federal, state and municipal governments. According to [Franco], more specifics will be contained in decrees to regulate the legislation. These will define long-term federal policies, specify qualified enterprises for the implementation process, and detail guidelines for structuring, bidding and contracting.”

**Canada:** The Canadian Union of Public Employees (CUPE) is fighting **attempts to privatize the Cassellholme Home for the Aged.** “[CUPE Ontario president Fred Hahn](#) says the province has “the ability to support infrastructure renewal without sacrificing the high standards of care in public long-term care homes. ‘We strongly encourage the health minister to say no to municipal divestment of Cassellholme.’ Susan Braedley, a Carleton researcher, says municipally-operated long-term care facilities provide a higher standard of care than not-for-profit homes, and significantly higher than for-profit homes.” Braedley, who will be a guest speaker at a community forum in North Bay on June 7, says that “[in privatizing a long-term care home, a municipality is likely to be transferring higher costs to the health care system.](#) They are actually creating more costs for taxpayers, while also reducing publicly held assets.”

**Canada:** The Oxford Health Coalition is fighting for [several community referenda](#) for higher funding of public health services in Ontario. Cathy Mott, an Ingersoll resident and member of the local coalition, “**said the organization is concerned about**

**the increased privatization of health care services and funding cuts to hospitals.** ‘Of the 10 Canadian provinces, Ontario is ninth in terms of (per capita) spending for our hospitals.’ (...) That’s why she spoke to three municipal councils last week—Zorra, South-West Oxford and Woodstock—to ask for support and a place to hold advance polling stations. ‘We really appreciate the municipalities giving us more legitimacy by giving us their support,’ Mott said.” The final day of voting is May 28.

**Canada:** Thousands of [demonstrators confront municipal officials at the Union of Quebec Municipalities meeting](#), “**warning the government not to table a bill that would restrict the right of workers to bargain freely** and would give elected officials the power to impose working conditions on their employees.”

**Mexico:** Coordinadora Nacional Agua para Tod@s Agua para la Vida, which is “struggling for alternatives to the privatization of municipal systems,” **has developed a bill to protect Mexico’s citizens from predatory water privatization.** The citizens’ bill “has been developed through a nation-wide bottom up process. It connects local grassroots struggles against privatization, water resource contamination, indigenous peoples, and urban popular movements for access to, and local control over, water resources. Important local water struggles in Puebla, Guadalajara, Tuxtla Gutiérrez, Ramos Arizpe, Saltillo and Mexico City are the background of this national mobilization. The citizens’ bill ambitiously addresses sustainable water basin plans and democratic water service provision in an integrated way.”

**By contrast, the government’s bill** “developed behind closed doors, would strengthen executive authority over water, and **would mandate the privatization of municipal systems:** it would promote energy-intensive hydraulic megaprojects and ensure water availability for mining and fracking. The citizens’ initiated National Process for Consensus on Water has managed to thwart three attempts to pass the government’s proposed bill fast-track, without debate.”

**Trinidad and Tobago:** Based on information provided by the National Workers Union to a cabinet-appointed committee, *The Guardian* newspaper says “the Ministry of Health’s **multi-million dollar External Patient Programme (EPP), in which patients at public hospitals are transferred to private medical facilities at the expense of taxpayers,** is ‘scandalously corrupt’ and must be abolished.” According to the NWU, “public health institutions are now holding bays and clearing houses for the routing of patients into the private health system and the State pays—another disgusting incident of [the looting of public funds by politically connected persons.](#)”

**United States: Privatizing the Veterans Administration** has become an issue in the U.S. presidential election. Donald Trump [is supporting](#) efforts to at least partially privatize the system, while Hillary Clinton and Bernie Sanders [oppose such a move.](#)

**United States:** Citizen activists form a Grand Alliance to Save Our Public Postal Service. “**The U.S. Postal Service (USPS) is under attack by forces that favor privatization** and oppose sensible proposals to invest in expanding its package delivery services and in re-introducing postal banking services that exist in many countries and that were provided in the United States from 1910 to 1966.” Middle-income postal service job opportunities [are especially important for communities of color, particularly African Americans.](#)

**United States:** Oregon activists [win an 8-year battle to block Nestlé Waters’ plan to bottle water in Cascade Locks](#), which some said would amount to “**privatizing a public resource for corporate profits.**” A referendum to ban large water bottling operations in Hood River County won with 68% on the vote. “The plan has faced opposition from the start, despite widespread support among the town’s leadership. Measure 14-55 was the latest wave of backlash in a years long battle. **Julia DeGraw, an organizer for Food and Water Watch, a national group leading the Nestle opposition in Oregon,** called Tuesday’s victory ‘proof that voters are smart. When you talk to them about something as crucial as their water, which is necessary for an agricultural economy, right after they have a drought, there is not enough misinformation the opposition can throw at voters to make them buy it.’”

**United States:** “**Privatizing our water is neither responsible nor just,**” declares Meghan Kallman, state environmental coordinator for the Rhode Island Progressive Democrats and board member of the Rhode Island Sierra Club. [The city of Providence’s mayor is looking into selling the system to address municipal financial obligations.](#) “Water is a public good and a human right, and does not belong in the hands of private companies,” says Kallman. “Six years ago, [the UN General](#)

[Assembly declared that access to clean drinking water was a human right](#). As climate change makes accessing fresh water progressively more difficult, we will have to be particularly thoughtful about how we manage one of our most precious resources.”

**United States:** Some members of the Austin, Texas, city council [are pushing to privatize municipal waste services](#). “Strongly opposed to the idea was Austin Resource Recovery Director Bob Gedert, who told the committee he didn’t see a ‘due cause’ for the discussion. He noted that customer service is among the highest in the nation, that the department has strong diversity and that it hires second-chance employees. For these and other reasons, he said, rate comparisons were nonsensical. ‘We provide services that other cities don’t provide,’ Gedert said. **‘We take pride in our employees and pay drivers significantly higher than the living wage.’**”

## **Europe**

**Ireland:** A councillor has [predicted](#) that county councils **will cease to exist by 2025 if they continue to privatize their services**. “We have already lost our waste service, water and our education grant service is gone. If we do not apply the brakes I would certainly say that by 2025 Mayo County Council will go the same way as the Town Councils, that is the neo-liberal agenda. We have to justify our existence and if someone does not shout stop we will be replaced by regional assemblies,” Gerry Murray said.

**Norway:** Norwegian trade unions, currently in the middle of national collective agreement negotiations, **are waging a successful battle against the privatization of public services**. “Interestingly, we have seen some [positive tendencies regarding privatization policies in Norway over the last couple of years, particularly at municipal level](#). At the local elections in September last year, centre-left majorities took over many of the biggest cities, and **some of these new majorities have started to re-municipalize some of the services which had previously been privatized or tendered out to private companies**. This is the case for some of the nursing homes for elderly, for cleaning of public buildings and for the use of temporary workers’ agencies. A coalition of trade unions and other organizations in our Campaign for the Welfare State has been instrumental in developing this policy, in a national campaign against ‘welfare profiteers,’ as we call them.”

**Spain:** [The government of the city of Leganés wants to privatize municipal maintenance](#). Critics are saying that the move is being carried out opaquely, and that the government’s management model consists of **turning over essential public services to the private sector**. Unions organized in the Unitary Workers Committee have called for the withdrawal of [maintenance specifications that they call the first step toward privatization](#). “**It is a red line,**” says committee spokesperson Donallo Augustine.

**Spain:** The PP charges that the PSOE government of Aranjuez [is privatizing preparation of the municipality’s real estate databases](#). **The Socialist mayor has rejected the charge as “irresponsible,”** saying that municipal workers have never done the work.

**Spain:** The Federation of Citizen Service (FSC CCOO-Cuenca) denounces efforts by the mayor of Carboneras de Guadazaón [to privatize home care services](#), which are currently managed directly by the local authority. Critics allege that the efforts lack transparency, are proceeding without any consultation with the workers involved, and **have been accompanied by a “dark” process of poisoning the reputations of professionals in the public service**.

**Spain:** *El Diario*’s Anton Losada, pointing to a burning old tire “cemetery,” denounces what he calls [“the privatization of disaster”](#) by municipal governments—**outsourcing problems they do not wish to solve to private companies**.

**Spain:** *Health Economics Review* has published **a research paper comparing hospitals administered by public vs. “public private partnerships” (PPPs) models**. “In summary, regarding the performance and efficiency analysis, it is seen that the PPP group obtains good results, above the average for those directly managed, but not better in every case. Therefore, [the results are not conclusive enough to clearly opt for one model of management; in both cases strengths and weaknesses were identified.](#)”

**Ukraine:** The State Property Fund (SPF) plans [to complete preparations for the privatization of six regional power distribution companies \(oblenergo\) by September](#). SPF Chairman Ihor Bilous announced ““With oblenergo, everything is very simple. [...] In general, all the six oblenergo will have a combined starting price of about USD 250 million. Naturally, some will be more expensive and some less expensive. Reform of the energy sector that sets RAB tariffs would help us very much [...] to sell oblenergo at higher prices. If the reform takes place by the time, the price will be higher and there will be more competition,” he said.

The SPF is not expecting to sell the Centrenergo shares before 2017. Centrenergo is one of the leading power generating companies in Ukraine where the state owns a 78.289% stake, ““I would very much love to, but we will not have time to sell it this year. We are only preparing it.” said Bilous. According to him the Centrenergo power company is old as are its assets and require very large investment in modernization

**United Kingdom:** [Mark Serwotka, general secretary of the Public and Commercial Services Union \(PCS\)](#), the trade union for British civil servants, warns that **the government is planning to privatize driving tests**. Serwotka said “this is a classic tale of Tory austerity, cutting staff then wondering why there are delays. But worse, they then claim things could be better under a private company whose motive would be profit. We think this would have disastrous consequences for learners and ultimately for road safety.”

**United Kingdom:** The Environmental Services Association (ESA) **is pushing local authorities across Britain to outsource waste services**, launching [a glossy 26-page report](#). The report comes in the wake of ESA's January “[Remunicipalisation Conference](#).” However, Susanne Halmer and Barbara Hauenschild noted in [their extensive study of remunicipalization—including of waste services](#)—that regarding privatization, “all of Europe is experiencing a change of direction. The resentment of people throughout Europe because of the approach of private providers has hugely increased. The public sector is taking over formerly public, over the course of time privatized tasks with increasing frequency. Remunicipalisation is always carried out as a consequence of disappointing privatizations and liberalization.”

**United Kingdom:** The Communication Workers Union and Unite warn that the Post Office is “[heading for ruin](#)” after another 600 job cuts were announced. Dave Ward, general secretary of the CWU, said “**the Post Office was split from Royal Mail in 2012 in the run-up to privatization and we are yet to see a plan that will secure its future.**”

**United Kingdom:** The risk that **the National Health Service could be privatized under the proposed TTIP trade and investment agreement** continues to stir controversy. [Downing Street has “insisted the NHS is already protected from the TTIP deal currently being negotiated between Brussels and America](#). [But] critics have previously suggested the NHS could be open to privatization under the terms of the agreement.” But one conservative pro-Brexit MP [said](#) TTIP “may potentially put the UK Government and the NHS facing legal challenge from foreign corporations if we refuse to put some of our public services, including the NHS, out to tender for privatization.”

*[Public Services International](#) is a global trade union federation representing 20 million working women and men who deliver vital public services in 150 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 labour, civil society and other organisations.*