PRIVATIZATION WATCH Produced by Public Services International

Subscribe to PSI's fortnightly newsletter, view it on-line or download a PDF

PSI Privatization Update: 23 January 2017

Photo: Surulere, Lagos, Nigeria. Creative Commons – The Commonwealth

The New York Times' Eduardo Porter says the Trump administration's infatuation with privatization is based on flawed economics. "Privatization is likely to sweep through not only prisons. The president wants to privatize health services provided by the Department of Veterans Affairs. He wants to privatize public infrastructure — drawing private sector companies to fix, build and manage bridges and roads, water supplies and airports. He is selling privatization as a surefire winner that will deliver better services for less public money. '**There's a magical thinking among business executives that something about the profit motive makes everything run better,' noted Raymond Fisman, a professor of economics at Boston University. 'What is government going to be like when it is run by billionaire C.E.O.s that see the private sector as a solution to all the world's problems**?' A serious body of economics, not to mention reams of evidence from decades of privatizations around the world, suggests this belief is false."

Donald Trump has appointed Adebayo Ogunlesi, a top Nigerian business leader who has advised the Nigerian government on privatization, to his "**Strategic and Policy Forum**." Ogunlesi is chairman of Global Infrastructure Partners and a member of the board of directors of Goldman Sachs.

A United Nations expert has urged the authorities in Nigeria's biggest city, Lagos, to ensure the 2017 budget improves funding for water and sanitation access for an estimated 21 million residents. "Government reports indicate alarmingly high deficits in the sector, leading to clearly unacceptable conditions for millions of the megacity's residents," said Mr. Heller, UN Special Rapporteur on the human rights to safe drinking water and sanitation. Mr. Heller is urging the Government to consider alternatives such as boosting the effectiveness of the public service provider, including by adopting appropriate financing schemes and responsibly reducing water losses. "For more than a decade, the Government has adopted a hard-line policy according to which the solution would seem to only attract private capital, notably via public-private partnerships (PPPs). Numerous civil society groups have urged the Government to guarantee their right to participate in these processes," the Special Rapporteur said.

The Lagos government is denying that its consideration of a 'public private partnership' involving private investment in the Lagos Water Corporation is privatization. "'PPP is not privatization. Even with investors, Lagos Water Corporation is still in control of all its facilities. I am assuring the labour here that **there will not be reduction in number of workers**. Rather, the workers have more work to do, to ensure that the corporation continues to meet the expectations of water consumers in the state." **But the Lagos Water Justice Network, comprised of local and global trade unions and NGO's has laid out a detailed case on the pitfalls of water privatization in Lagos, and is circulating a petition against it**. See its 56-page report, Lagos Water Crisis—Alternative Roadmap for Water Sector. The Network says "public financing, rather than private investment, provides a better deal for the people and the government of cities like Lagos," and instead proposes 'public-public partnerships.'

Greece: The German "Network for solidarity with Greece" in Germany, has launched a petition calling on the EU-Commission and the German Federal government to abandon their plans for water privatization in Greece. The network is also calling for all written documents to be made public as well as the minutes of oral negotiations between the Greek government and the institutions concerning the transfer of EYDAP and EYATH to the newly founded superfund.
All EU member state residents are invited to sign the petition in English – French - German or Greek.

United Kingdom: The government has just passed legislation that will allow them to lift the cap on aid funds spent through their private equity arm from £1.5bn to £6bn. The bill allows for increases of up to £12bn without new primary legislation.

Africa & Arab Countries

African stock markets, short of listings, continue to rely on the privatization of state companies for their viability. "Privatization remains the staple. Strengthening the stock market by selling public assets has always been one of the motives for privatization in developing countries. Thus, privatization is not destined to improve public services or to ensure universal access."

Algeria: Striking train drivers warn that SNTF is being softened up for privatization. "We denounce the mismanagement of human resources within the National Railway Company (SNTF) and we are against its privatization," said Haroun Boulemya, a trade union leader. "**There is a clear desire to bring the SNTF on its knees to justify its privatization**."

Algeria: The state will not privatize Algeria Telecom, which "remains a public service par excellence," says Mme. Houda Iman Faraoun, the Minister of Posts, Information Technology and communications. But she says "**there may be an option for an Initial public offering (IPO)**, possibly, if the spin-off impacts the optimization of services and services," adding that the sector must [keep pace with] the level of the technological advances world-wide, and "must undertake the restructuring of the sector."

Benin: Trade unions are strongly opposing the privatization of four public companies. These include the Confederation of Autonomous Trade Unions, the General Confederation of Workers of Benin, the Confederation of Independent Trade Unions of Benin, the Confederation of United Trade Unions of Benin, and the national trade unions of the workers of Benin. "At the Council of Ministers on 30 November, **the Benin government decided to liquidate** the National Agricultural Promotion Corporation, the Agricultural Input Purchasing Center, the National Food Security Support Office and the National Board to Stabilize and Support Farm Income Prices."

Egypt: The privatization process "has been handled poorly in the past few years and was plagued with corruption charges," says ECES chairman Omar Mohanna. "The outcome is that today people believe that **privatization implies that companies and assets are sold in backroom deals at very low prices**."

Egypt: The Ministry of Investment is preparing feasibility studies for the privatization of 75 integrative Takamul hospitals across 16 governorates. "There are a total of 377 hospitals countrywide that are in need of restructuring, but only 75 are ready for the process." But **Rashwan Shaaban, the assistant secretary of the Doctors Syndicate**, "said that **the syndicate rejected measures of privatization because it will increase the price of health services provided to citizens**. The syndicate instead called on the state to develop these hospitals. According to sources, civil society partners in this initiative include Misr El Kheir, Baheya, Dar Al Orman charity, and Egyptian Cure Bank."

Mauritius: Opposition leader Paul Bérenger supports concerns by trade union leaders that **the Trade in Services Agreement** (TiSA) now under negotiation will bring the privatization of public services, which the government denies, saying privatization will remain an internal matter.

Morocco: A united union front has mobilized to oppose the privatization of education. "According to the SNE-CDT, the education sector 'is the victim of certain troubles and failures,' where 'public education is bankrupt' as all temporary procedures and measures '**are aimed at destroying public education to subsequently privatise it**.' These measures are also aimed at 'eliminating' the rights and prior gains of the sector's teachers and officials. In addition, the union believes that **recruitment of contract teachers will greatly harm public education** and illustrates the state's abandonment of a public sector."

Nigeria: A Senate committee declares that the performance of the electricity distribution companies that took over from the defunct Power Holding Company of Nigeria and National Electric Power Authority is worse. The committee, headed by Senator Enyinnaya Abaribe, declared '**returns on collection have reduced but the essence of privatization is to ensure efficiency. Now, you are doing less than 20 per cent of the previous capacity. We were looking at better collection and better efficiency from you with privatization but what we are having is less than 80 per cent of what we had**.' Abaribe also condemned the DISCOs (Distribution Companies) for the import of electricity meters, especially when some companies were producing meters locally." The Punch reports that "consumers are angry that electricity supply has remained erratic three years after the privatization of the power sector and have urged the power firms to either deliver or relinquish the business."

Nigeria: Vanguard columnist Owei Lakemfa writes, "Nigerians need more government intervention, not less. All modern development has been government-driven. Nigerians need their government to regulate and provide for their basic needs, not a deregulated society where greed is hailed as enterprise; the rich get richer and the poor are sentenced to a life of misery. (…) **The Privatization Programme** which began with the Babangida regime and dramatically expanded under the

Obasanjo administration, has been nothing more than organised robbery; the theft of public property by private individuals. This was done under **the deceptive claim that 'Government has no business in business'**."

Senegal: The national electricity company, Senelec, continues to face financial difficulties because of technical failures, low end-user prices and the higher price of oil. But **efforts to privatize the company have failed**. "Initially, in 1999, the State sold 34% of the company's capital to a consortium made up of Hydro-Quebec and Elyo. However, in 2000 the Government cancelled the contract because of continuous power cuts. It then launched a call for tenders for the sale of 51% of the capital in 2001, which failed." [Global Energy Research, 11 December 2016]

South Africa: Public Enterprises Minister Lynne Brown rejects privatization. "Neither I, as government's sole shareholder representative—or our government—**will bow to pressure or external lobbying outside of government to privatize any state owned enterprises responsible for delivering basic services to the poor**. Especially, when it is not government policy. Eskom is not for sale. Koeberg is not for sale. And nor are Transnet, which has weathered the economic downtown, Denel, a Top 100 company, or the other companies in the Public Enterprises portfolio," she said.

Tunisia: In the wake of a budget agreement in which the government yielded to UGTT demands and partially backed off from plans to freeze public sector pay, the Minister of Development, Investment and International Cooperation, Fadhel Abdelkéfi, hints that public enterprises may eventually face privatization, but not now. "The privatization of public enterprises is still a taboo when they are in deficit.The collection of taxes is very low." Abdelkéfi holds up the privatization of the cement industry as an example.

Uganda is in the front line of the global fight against school privatization. "In the developing world, especially sub-Saharan Africa, government agencies and non-government organizations are having some success in pushing back against the edu-vultures. **In Uganda, more than 60 Bridge International Academies were ordered closed by the government and courts for failing to meet legal and educational requirements**." Nevertheless, a counterattack against Kenya National Union of Teachers (KNUT) secretary-general Wilson Sossion, who has been critical of Bridge International, has been organised.

Zimbabwe: Political Analyst Takura Zhangazha looks at what 2017 will hold in store. "Beyond the politics, however, the national economy will regrettably continue to serve the interests of the few politically connected elite over the majority of poor people. Using a template of state capitalism and neo-liberalism, central government will continue with its 'tenderpreneurship' privatization of public assets. **This will include continually trying to privatize social services (water, electricity, transport)** and also changing the direction of the fast-track land reform programme from being agricultural to being about urban capital."

Asia Pacific

Australia: Personal data will be wide open to the private operator of the land titles registry. They "would not only have access to all property and ownership data, **but also sensitive information about bankruptcies, marriages, divorces and deaths, experts warn**. (…) The Baird government is privatizing the 150-year-old registry despite condemnation from peak bodies across the property and legal sectors, including the Real Estate Institute of NSW and the Law Council of Australia. " The Sydney Morning Herald has declared that the land titles registry privatization should not proceed as planned. As the battle over the government's plan to privatise the New South Wales land registry service intensifies, a leaked study also shows that the service is far more valuable than was originally expected. "The bidders and the value they see are starkly different now. Before, Macquarie suggested data companies such as Veda and RP Data may pay up to $440 million. Now, 'powerhouse consortiums' are expected to offer as much $2 billion, according to the Australia Financial Review. (…) Property developers, real estate agents and surveyors say it doesn't make sense to privatize a world-leading, corrupt-free, efficient and innovative system that turns over $50 million profit a year." **Pressure from the Public Service Association** and its serious concerns about the privatization of the Land Titles Registry has forced NSW Premier Mike Baird to try and justify the sell off, but PSA says "his arguments were anything but convincing."

Australia: Patients, nurses, doctors and support staff rallied against privatization outside Port Kembla Hospital. "In a short skit featuring Santa Claus and the Grinch, representatives acted out the 'Christmas horror story' they claim is unfolding at local hospitals. **They are opposed to the NSW Government's plan to enter into a public-private partnership at Shellharbour Hospital**—and worry what affect that would have on services like palliative care and rehabilitation at Port Kembla."

Australia: Asked by a journalist what he thinks about introducing more "consumer choice in areas such as public hospital and dental care," Labour leader Bill Shorten says, "I don't trust Malcolm Turnbull or the Liberals on privatization of our healthcare system. In the last election we've warned against Malcolm Turnbull's ruthless cuts to Medicare. **They said that that wasn't a fair criticism to make and as soon as the election's over, what are the Liberal's up to again? They haven't reversed their cuts to Medicare. They haven't reversed their cuts to bulk billing. And now they're openly toying with privatising our public hospital and dental system.** When it comes to healthcare, it's too important to trust Mr. Turnbull, his investment banker mates and their absolute addiction to privatization."

China: Shenzhen begins privatization of senior care. "**Vanke, one of the largest real estate developers in China, has teamed up with the Shenzhen government to develop the first PPP senior community project in the city of ten million**. The developer has taken over the management and started work on project development this month. The scheme will transform the existing government-run community centre for senior residents in the Futian district into a 420-bed facility with a variety of amenities including day care and medical-nursing services. Vanke said it was chosen as the preferred bidder in November and signed the PPP contract on 28 December. The investment size was not disclosed. (…) The project is a pilot scheme to turn government-run senior care facilities into private operations under a PPP framework."

India: Workers' unions in Jind criticised the Bharatiya Janata Party (BJP) government for 'forgetting' its pre-poll promise of ending privatization and outsourcing in government jobs. [Hindustan Times, 12 December 2016]

India: Assam workers strike over the sell-off of cell phone towers. "**Garga Talukdar of the Joint Council of Trade Unions** said the employees and officers of BSNL will not be a party in the 'nefarious' design to kill BSNL. (…) 'Now disinvestment of BSNL is in the pipeline. Formation of a subsidiary tower company **is nothing but a backdoor method to privatize BSNL**,' the employees said." [Assam Tribune, 15 December 2016]

India: Discussing her new book on India's healthcare system, former union secretary of the Ministry of Health and Family Welfare, and founding member of Public Health Foundation of India, K. Sujatha Rao, says the country needs to renew its commitment to the public health sector. "We have no model at the moment. There is no vision, we don't know where we want to go. **India is confused whether it should follow in the footsteps of the US with privatization or socialized healthcare where the government bears all costs. Each model had its own benefits and drawbacks**. We need a health system specially fashioned to India's socio-cultural conditions. **Given the disparities in our country, the state cannot remit its responsibilities. We need more funding and attention**."

India: Jai Mrug calls for the discussion of the future of Public Sector Undertakings to move beyond privatization and focus instead on investment. "Clearly, **strategic investments hold the key to a runaway future of PSUs**. Overall, as far as all the PSUs are concerned there are just 30% PSUs that have a score of above 100 for strategic investments. As far as maintaining growth is concerned **only about 15% are near the industry benchmarks**, while the rest are below."

Malaysia: The Congress of Unions of Employees in Public and Civil Services (Cuepacs) has hailed **the government's decision to require employers to pay the levy on their foreign workers**, which was effective at the beginning of this year. Cuepacs President, Datuk Azih Muda, said "the number of foreign workers has increased since many industries in the private sector were privatized and this has jeopardized the chances of locals to get jobs. 'We have seen that **since the start of privatization, the number of foreign workers has increased, where before their work could be done by locals**. Therefore, I think the levy decision is fair and good so that the foreign workers would not become a liability to the government,' he said."

New Zealand: New premier Bill English has a troubling record on public services and privatization. "As finance minister … English has been responsible for eight budgets that drastically underfunded health and education, cut welfare entitlements and increased the goods and services tax, while slashing taxes for corporations and the rich. He also oversaw the partial privatization of power companies and devised the government's plan to sell thousands of state-owned houses."

Alan Johnson calls out [the role of some NGOs in fostering public housing privatization](). “The most obvious example of this complicity is with the sale of all the state housing units in Tauranga to IHC subsidiary Accessible Properties. This deal will involve 1140 units and will take place on 1st April 2017. The value of the deal, and the discounts and concessions involved, have yet to be reported publicly although they are substantial. It also seems that private investors are involved in the Tauranga deal so **it can easily be seen as privatization by stealth**.”

New Zealand: A Minister who strongly defended a private prison pays a heavy political price. “Worse than that, actually. Within days of that speech, the Corrections Department had stepped in to take over the running of the prison again. By December, **Serco** had lost the contract to run Mt Eden. And Lotu-Iiga was dumped as minister. It was a bloody demise for both Serco and Lotu-Iiga as **months of anguish and allegations about Mt Eden spewed forth in Parliament and the media**. **But did the scandal mask wider problems going on in the prison system?**”

New Zealand: The Health Sector Workers Network (HSWN) is supporting ambulance officers from First Union, who had 10% docked from their pay for refusing to wear uniforms during a strike action. Kieran Monaghan, a Registered Nurse and member of HSWN, said “This whole episode highlights the deep underfunding of our national healthcare services. Many detrimental health impacts are now presenting from the austerity-like funding structures. **These impacts include a reduction of accountable service provision via privatization**, a crisis in Mental Health care provision from Primary Care to Crisis intervention and inadequate health prevention and promotion, from healthy homes, to the loss of community based health-initiatives. Some reports are putting the health budget at nearly $1.85 billion dollars short of where we should be… that's the real story here. And if this was not bad enough there are the new legislative abilities employers are able to use to stop workers organizing for better conditions.

South Korea: The National Assembly’s impeachment of Park Geun-hye will be “the death knell” of her conservative economic proposals, including public services’ privatization. “One such example is the Basic Act on the Development of the Service Industry, which would provide a legal basis for financial support and deregulation in the service sector. The bill has failed to pass through the parliamentary committee for the past four years since it was submitted, due to discord with the opposition, which claimed it also applies to fields that have largely remained on a public level, such as medicine and education. **They say the bill would pave the way for the privatization of medical services, which would result in a surge in medical costs**. The government has refused to budge.”

Nevertheless, The government is planning to sell off eight of its state-run energy companies by 2020. . “**To avoid the backlash over privatization of key public services, Korea South-East Power and Korea East-West Power will limit the number of their publicly traded shares to 30 percent**. Half of those shares will be newly issued by the two subsidiaries and the rest in existing shares held by KEPCO, a structure to allow the three companies to benefit from the IPOs.”

Thailand: The Finance Ministry has proposed that insurance companies be permitted to take over the government's role in providing healthcare coverage for state officials and their families, raising concerns. “Members of the public and health practitioners do not appear as enthusiastic, however. **An attempt at privatization is often viewed with caution. Since this one concerns healthcare services, literally a matter of life and death for people, and a large sum of public money, it deserves to be considered with utmost care**.” The Bangkok Post sees the government move as inadequate: “The country's healthcare services are in need of an overhaul. That is why the Finance Ministry's proposal of having private insurance firms run its scheme for civil servants is but a piecemeal effort that is unlikely to address the real issue.”

Thailand: The Economist Intelligence Unit reports “labour unrest remains relatively rare, but **trade unions vigorously oppose any moves towards privatization**.” [EIU ViewsWire, 8 December 2016]

Vietnam: The World Bank is promoting privatization. “[World Bank Country Director] Mr. Ousmane Dione said he and other officials of the World Bank would continue discussing with ministries and sectors of Vietnam over issues related to legal representatives on behalf of state stakes at certain firms, **privatization of SOEs and will submit detailed proposals to the government of Vietnam**. For his part, DPM Hue said that leaders of ministries, sectors **had working sessions with Mr.**

Dione and other senior officials of the World Bank to discuss the government's scheme on renovation of SOEs."
[Vietnam News Brief Service, 14 December 2016]

Vietnam: **The government is pushing ahead with its privatization program**. It has released a list of 137 state-owned enterprises that it would privatize, fully or partially, between 2016 and 2020. The list **includes the Vietnam Posts & Telecommunications Group**. [Asia Wall Street Journal, 10 January 2017]. However, academics Trien Vinh Le and Kris Hartley warn that privatization "raises the specter of populist blowback and political instability—both growing trends around the world."

Vietnam/Japan: The government's privatization drive is creating openings for private, for profit-firms from Japan in the healthcare and elder care sector. "**Representatives from the Japanese trade unions** raised two problems of high unemployment rate among Vietnamese students returning from training courses in Japan, and Vietnamese workers' violation of Japanese businesses' regulations. Minister Dung said that Vietnam is working hard to tackle the issues, noting that the Vietnamese Government plans to hold a dialogue with 277 firms specializing in sending labourers abroad to find out difficulties facing both businesses and workers to find specific solutions."

Inter-America

Argentina: The Financial Times is saying that President Macri's "public private partnership" bill "will go very far in rebuilding confidence in Argentina's legal protections." The bill, the FT says, "guarantees a more transparent process for considering bids for infrastructure projects, **compensation for contracts cancelled by the government, and access to investment arbitration in international courts on a contract-by-contract basis**. The bill also aims to increase transparency and accountability by creating a national auditing office to inspect contracts, and a special public-private partnership unit in the government to promote transparency and public engagement." The legal industry is also pushing PPPs.

Brazil: **Cedae, Rio's water and sanitation company, will be privatized but not federalized**. "The commitment that the government of Rio de Janeiro will assume with the Union, under the fiscal-recovery agreement being negotiated at the moment, is to privatize the company and use the proceeds to mitigate the state's crisis. The sale of Cedae will be carried out by the Brazilian Development Bank (BNDES). The state government believes it can raise R$5 billion with the deal. Privatization is one of the counterparts required by the federal government in the fiscal-recovery process. There are other requirements." Governor Luiz Fernando Pezão said that **a reduction of working hours and wages** is among the proposals to alleviate the state's accounts, but admitted that this **still depends on the analysis of the Federal Supreme Court**. [Bom Dia Brasil transcript, 12 January 2017]

Brazil: In the wake of the horrific violence at the prison in Manaus, a row has broken out over whether the private company that ran the prison is responsible. "Umanizzare, the company that manages the prison complex, made a statement on the incident, in an announcement published in Folha on Wednesday. In the text, it says that the command, management and discipline functions of the prisons and any activity that characterizes police power are still assigned to the Public Power in the adopted co-management model. '**The law makes it clear, without doubt, that controlling rebellions is the exclusive prerogative of the Public Power**.'

The statement also notes that officials are banned from carrying any kind of weapons, 'even truncheons.' On Thursday, **Justice Minister Alexandre de Moraes, blamed Umanizzare for the deaths, noting that the 'immediate' and 'visible' responsibility is that of the company. 'The responsibility will be analyzed by the task force that is in charge of the investigation, but the prison is outsourced. It is obvious that the company was at fault.** Knives and firearms should not be allowed into the prison unit,' Moraes said. 'The company in charge of security was immediately responsible and was in charge of checking the entry of weapons,' he added." [BBC Monitoring Americas, 12 January 2017]. According to The New York Times, "a report by state prosecutors dated Jan. 4 **requested that private prison contracts be rescinded because of the 'lack of control of security and inefficient management**.'"

Brazil/USA: Donald Trump and Michel Temer confer as infrastructure and water tenders loom. "Moreover, in early December, government officials from both countries met to discuss ways of **encouraging more US companies to participate in Brazil's upcoming infrastructure concessions…** Concessions are planned in Brazil for **airports,**

highways, railways, port terminals, oil fields, electric power and basic water and sanitation works under the federal government's Crescer program."

Canada: Ontario Auditor General Bonnie Lysyk releases a new report showing, once again, that privatization has failed the province. **Warren (Smokey) Thomas, the president of the Ontario Public Service Employees Union** (OPSEU/NUPGE), says, "on average, a consultant costs $40,000 more than a full-time government IT employee. If the government hired just 10 full-time IT employees, **we'd have almost half a million extra dollars for badly needed public services**."

Canada: The National Union of Public and General Employees (NUPGE) has released **a report on privatization and emerging threats to public services**—New Forms of Privatization. While privatization schemes may be changing, the motivation has not. "Privatization is still about helping wealthy corporations or individuals make a profit at the public's expense," said Larry Brown, NUPGE President.

Canada: SaveOurWater.CA and Wellington Water Watchers are accusing Nestlé Waters Canada and the Township of Centre Wellington of **a backroom deal to privatize water**—a "scheme that will jeopardize the local water supply." The Council of Canadians has called on the province to expropriate the well from Nestlé and give it to the local municipality.

Mexico: Cleaning service workers demonstrate in front of the Old Seat of the Senate of the Republic, where the Constituent Assembly meets, to protest against any intention of privatizing this service. "Hundreds of members of the Union of Workers of the Federal District (SUTGDF) gathered in Plaza Tolsá with blankets and banners to express their non-compliance with private capital to collect solid urban waste. Dozens of garbage trucks were parked on both sides of Hidalgo Avenue. The deputy constituent of the PRD, Juan Ayala, went out to speak with the nonconformists, and **assured them that they will not allow the privatization of this service in Mexico City**."

Mexico: The MORENA (Movimiento de Regeneración Nacional) parliamentary group in the Constituent Assembly comes out in opposition to the privatization of Mexico City's water. "[Clara Brugada] asked the parliamentary groups of the PRI and PAN in the Constituent Assembly to 'honor their word and respect what was established in the opinion of the local Magna Carta, which states that water will not be privatized.'"

Mexico: **The constitution of Mexico City**, which is currently being discussed and drafted, "must prioritize that water is a public, social and cultural good, essential for life, that its management is public or community, and prohibit all forms of privatization," says the PRD federal deputy Fernando Rubio Quiroz.

Europe

Croatia: Opposition to the partial privatization of the Croatian Electrical Company (HEP) is growing. SDP official Peđa Grbin said that the government's idea **to partially privatize HEP "in order to buy MOL's share of oil company INA**" was unacceptable to his party.

France: François Fillon's planned attack on public healthcare services "will prove a reform too far," reports The Financial Times. "Mr. Fillon has insisted that, if he is elected, reforming social security will not be his priority. But the mere hint of profound change has caused **outrage and dented his approval ratings**. L'Obs, the leftwing magazine, ran a front page depicting the politician wearing a medical mask with the headline: 'Surgeon Fillon seeks to amputate health insurance.' Criticism also came from Marine Le Pen, the far-right National Front leader who is his main rival, and, worse, from senior figures in Mr. Fillon's own camp. **Soon he seemed to backtrack, erasing the proposals from his website and promising that he would never 'privatize' the Sécu**." Fillon has also vowed to cut 500,000 civil service jobs in five years.

France/Germany: Divisions over economic and social policy are surfacing on the right wing. "Le Pen's party advocates a protectionist line, while the AfD, although also anti-euro, has liberal economic leanings. **The German party backs the privatization of some state services and views competitive markets as 'preferable to state intervention**.' The dissenters accused [Frauke] Petry of not waiting for party top ranks to give their opinion on the meeting before she went public with the plan to join in" a meeting with FN's Marine Le Pen.

Ireland: An Oireachtas Committee has been told "**the feared privatization of water services was the issue raised most often** in submissions to an expert commission examining charges. Kevin Duffy, the chairman of the expert commission, laid out his group's recommendations." Duffy said, "many of those who opposed water charges and metering **focused their opposition on what they regarded as the commodification of water and the potential that this creates for the eventual sale of the water utility**."

Malta: Minister for Health Chris Fearne asks the Public Accounts Committee to invite the Auditor General to scrutinise contracts signed between Vitals Healthcare and the government for the running of the Gozo hospital. "In a statement, the Nationalist Party said that after months of resistance to publish the contracts signed for the privatization of the three hospitals, the government has now said that they should be investigated by the Auditor General. The government was doing this not because it believes in the investigation but because it knows that **such an investigation cannot be completed before the election**, the PN said. The Auditor General has a huge workload and will not finish the investigation in time. (…) The PN as well as **the Medical Association of Malta and the UHM Voice of the Workers** have for long been insisting that the contracts should be made public."

Portugal: EPSU welcomes the decision of Mafra's local authorities to remunicipalise its water services. The local authority was the first Portuguese municipality to privatize its water services, 22 years ago, making this policy reversal a real milestone. The municipality has terminated its agreement with Be Water after the private operator attempted to increase tariffs by 30 per cent, which the local authorities found unacceptable.

Romania: The new Social Democratic government brings changes. "**Privatization attempts are likely to be stalled in 2017**, with a PSD-government **potentially re-assessing Romania's privatization plans**." [IHS Global Insight Daily Analysis, 15 December 2016]

Slovenia: The Bank of Slovenia has urged the government to pursue structural reforms, including cutting red tape and enhancing privatization. "The central bank said a reform of public administration was needed to attract more foreign investment and more investment in research and development would improve productivity. **It also called for more privatization while urging state-owned firms to improve their management**. Slovenia has been reluctant to sell major state-owned companies and banks so the government still controls about 50 percent of the economy."

Slovenia: Last November, the National Assembly of Slovenia passed an amendment to its Constitution to include a new article that recognizes the Human Right to Water. The amendment affirms water should be treated as a public good managed by the state, not as a commodity, and that drinking water must be supplied by the public sector on a not-for-profit basis.

United Kingdom: Privatising probation services has been a disaster in London, and Mayor Sadiq Khan is calling for the city to again be given a supervisory role. "A watchdog has warned that **the public is being put at risk by 'unacceptable' probation failings in the capital**. The chief inspector of probation, Dame Glenys Stacey, said the **'poor performance' of the London Community Rehabilitation Company, a private provider responsible for most probation work in the city, meant some offenders were not being monitored for months**. Others were 'lost in the system' with the result that Londoners were being 'exposed unduly to the risk of harm.' In response, the Mayor said **the Government's decision to privatise most probation work last year had backfired**: 'Today's report is deeply alarming and shows that London's probation service is simply not working, with Londoners significantly more at risk as a result of **the upheaval caused by privatization**.'"

United Kingdom: The National Health Service is facing the "the worst crisis in its history and is rapidly approaching breaking point," junior doctor Dr. Mona Kamal reports in the Huffington Post. "This is a wholly manufactured crisis borne out of a sustained programme of cuts which has seen healthcare funding in the UK fall well behind other developed countries. Alongside these cuts we are witnessing **unprecedented levels of private sector involvement**. In the past 6 years, **private health providers have doubled their share of NHS contracts and are boasting 'robust demand' all whilst introducing the waste and inefficiency of the markets into our health service and eroding its public service ethos**." In a meeting with public health workers, a hospital executive said of the crisis "they'd been given instructions that Theresa May, the prime minister, didn't want any of this to get out."

United Kingdom: Should the fate of the Green Infrastructure Bank (or Fannie Mae and Freddie Mac in the U.S., for that matter) be of concern to advocates of infrastructure banks, who insist that such banks will always serve the public interest? "By stealth, the government convinced itself that only a sale of a majority stake in GIB (or the whole lot) would do. But, don't worry, the government added in a policy paper last March, the other objectives would be value for money for the public purse and an insistence that the new owner should honor GIB's green purposes. The result is that, by the end of this month, **a sale of GIB to Australian bank Macquarie is likely to be announced. We should be alarmed. That is not only because of weekend stories about Macquarie lining up buyers for GIB projects in an 'asset stripping' exercise.** Investments do not have to be held for infinity, of course, and GIB itself is sometimes a seller. But the real worry here is subtler and more serious: **can Macquarie be made to recycle the proceeds of any disposals into GIB-style renewable infrastructure in the UK? The short answer is: no. After a sale, the government is virtually powerless**." [See also, "Aussies plot to asset-strip Green Bank," in The Sunday Times (U.K.) (sub required)]. Macquarie owns a large stake in the gas distribution arm of National Grid.

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.