



PSI Privatization Update: June May 2018

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## Fighting for public services in the public interest



What is at stake is not just protecting public companies in services deteriorating due to the current private sector management policies, but [loudly demanding the refoundation of quality public service in the public interest](#), explains Rosa Pavanelli, PSI General Secretary.

## PPPs Partner Prefers Public Procurement!

**Kenya:** [Bechtel, the U.S. engineering company](#), warns the Kenyan government that **using a 'public-private partnership' model for the Nairobi-Mombasa expressway "would cost five times more at \$15 billion and take much longer to complete"** than using its 'engineering, procurement and construction (EPC)' model. "Bechtel warns that **should Kenya opt for the alternative route, it will find itself in a negative cash flow territory** and the State would be left with the burden of paying out \$5.4 billion over 25 years. (...) The Kenya National Highways Authority (KeNHA) director-general, Peter Mundinia, on Monday said construction would take the EPC model but operations, maintenance and tolling would be done under PPP." [Bechtel's concerns have led to the delay of the massive project.](#)

## The PPP Concerto

There are good reasons why [privately financed infrastructure projects become significantly more expensive](#) – and slower to complete – than planners anticipate. One solution is to bring in private financing only after a project is completed.

## Privatization: P3, SIB, ASD....huh?!

The **Canadian Union of Public Employees (CUPE)** has produced [a useful guide to privatization](#). "Privatization has many names. This guide cuts through the language that privatization promoters hide behind, to show what's really at stake for our public services. It also lists some of the key privatization pushers, as well as the processes that governments and employers use to pave the way for privatization."

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## Africa & Arab Countries

[Cameroon Water returns to public hands](#). But **Public Services International** “also advises that management involve the workers and their union in the rebuilding. **There are a number of grievances outstanding from the privatization, and they need to be resolved.** More important is the workers’ knowledge and expertise, which must be applied to the process of rebuilding.” See the PSIRU briefing, [Water Renationalisation in Cameroon 2018](#), commissioned by PSI to provide an overview of the re-nationalisation of water supply in Cameroon, which comes into force in May 2018. The briefing covers the history of water privatisation in Cameroon, workers’ response to privatisation; public and private performance in terms of expanding access to drinking water and the process of renationalisation.



**Africa/Asia/United Kingdom: The National Education Union (NEU) [rallies against Pearson and Bridge, the school privatization corporations, for exploiting students, parents and teachers in Africa and Asia.](#)** “Bridge became notorious last year **when it took the Kenyan National Union of Teachers (KNUT) and its general secretary Wilson Sossion to court after they criticized the corporation.** In 2016, the company fabricated allegations against Curtis Riep, a Canadian investigative researcher working in Uganda, which led to his temporary arrest. In addition to Pearson, trade unionists also highlight the fact that Bridge is supported by the World Bank, the British and US governments and billionaires Mark Zuckerberg and Bill Gates. **Standing side by side with African trade unionists, joint NEU general secretary Kevin Courtney** said yesterday that his members support the right of all children to free, high-quality education.”

**Ghana:** The Public Utility Workers Union (PUWU), a PSI affiliate in Ghana, is accusing the Millennium Development Authority (MiDA) and the government of Ghana of intentionally excluding them from the Evaluation Panel during the last round of negotiations that led to the selection of the concessionaire, Meralco Consortium, a Philippines firm, [to manage the Electricity Company of Ghana](#) (ECG).

**Lake Chad:** Renowned international scholar **Horace G. Campbell** analyses an international conference held in Abuja, Nigeria to discuss the future of Lake Chad. But [“the unspoken question of the meeting was the influence of large water privatization companies such as Veolia in discussions on the future of water resources in Africa.](#) Water activists around the world have been able to reveal consistent prioritization of private profit at the expense of the environment and public interest. **Hence, when the LCBC promotes the idea of public-private partnerships to save Lake Chad, it is not clear that the scholars in N'djamena have followed the controversies surrounding French water companies around the world.”**

**Middle East/North Africa:** Global accounting and advisory firms [are reckoning on an increase in privatization to boost the initial public offering market](#), from which they often get commissions. “The increase in deal value year-on-year indicates that the IPO market performance is strong,” said Mayur Pau, MENA Financial Services IPO Leader, EY (formerly Ernst & Young). “The most important impetus for the regional IPO market will likely be from **the privatization drive across the region leading to the listing of government or quasi-government enterprises.”**

**Liberia:** Rep. J. Fonati Koffa has [criticized as disgraceful the Bridge Partnership Schools for Liberia's infrastructure in Sasstown.](#) “Bridge PSL currently operates schools in 8 districts across Maryland and Grand Kru Counties. (...) Bridge came under fire in March when some **88 civil society organizations urged investors to cease their support for the multinational for-profit chain of private schools Bridge International Academies (BIA)**, which runs over 500 schools in Kenya, Liberia, Nigeria, Uganda, and India. These organizations are calling investors' attention to a series of concerning practices by BIA and the associated legal and reputational risks they incur.”

**Mauritius:** Deputy Prime Minister Ivan Collendavelloo has announced that [the privatization of the Central Water Authority \(CWA\) will be completed by the end of this year.](#)

**Nigeria:** [Civil society and labour organization held a two-day conference in Lagos on 'public-private partnership versus public sector solutions'](#) **organized by the Public Services International.** “**Josiah Biobelemoye, the National President of the Medical and Health Workers Union of Nigeria**, said proponents of PPP (public-private partnership) in the Nigerian health sector had promised that its implementation would improve quality and equity. (...) ‘The main problem is wrong diagnosis of what the real challenge is. Instead of avoiding corruption and attending to critical issues that will better the health sector, the government and managers of our health facilities have diagnosed paucity of funds, leading to **inadequate funding as the major set-back and are busy presenting PPP as the treatment.**”

**Nigeria: Environmental Rights Action/Friends of the Earth Nigeria (ERA/FoEN)** welcomes the Minister for Water Resources' declaration of a state of emergency in the water sector, but [disagrees that privatization is the solution.](#) **ERA/FoEN Deputy Executive Director, Akinbode Oluwafemi** said “countries that experimented water privatization in Public Private Partnership, PPP, or other forms **have started taking back their water from the privatizers. It is a story documented in Buenos Aires and Paris, and it is happening across Africa from Tanzania to Cameroon, Ghana and, more recently, Gabon. It is a tsunami of remunicipalization.** It is therefore worrisome that Nigeria is not learning from these lessons of corporate water failures.” Oluwafemi “insisted that, the pressure on the Nigerian government to financialize the water sector is coming from **international finance institutions that continually create false narratives about so-called solutions that will only rake in more profits for multinationals at the expense of the larger population who will be presented with options of paying huge costs or getting cut off for not being able to.**”

**Nigeria: The Lagos State chapter of the Amalgamated Union of Public Corporations, Civil Service Technical and Recreational Services Employees (AUPCTRE)** has again [rejected attempts by the state](#)

[government to privatize water in the state](#). The **Secretary General of AUPCTRE, Abiodun Bakare**, said “government officials have at different times declared that government can no longer manage the corporation hence it was considering privatization. Our union sees this declaration as a self-indictment on the part of the management of the Lagos State Water Corporation.”

**Nigeria:** [The World Bank has criticized the government for lax contract enforcement and poor diligence](#) in the **botched energy privatization program**. “The poor financial viability of the eleven Discos has resulted in their low remittances to NBET (averaging 29 per cent in 2016) with resulting lack of timely and full payments to Gencos that, in turn, accumulate arrears to gas suppliers.’ (...) The operational and financial troubles of the sector have been aggravated by **weak governance and inadequate enforcement of contracts**. These factors, it explained: ‘have **exacerbated the flaws of privatization that resulted in new owners without a strong track record in the management of electricity utilities who purchased Discos' shares with high leverage**.”

**Nigeria:** The **National Association of Nigerian Nurses and Midwives (NANNM)** have pleaded with the Federal Government [to declare a state of emergency in the health sector](#). “**Mr. Wale Olatunde, Chairman, NANNM Public Health Institutions Sector**, made the call at the on-going annual labour workshop in Abuja with the theme, ‘**Harmonious Trade Dispute Resolution: A Panacea for a Healthy Industrial Relationship**.’ Olatunde said that such a measure would purge the sector of inefficiency and corruption. He said there was need to liberate the administration of health care system from doctors, who, he claimed, **were ruining the public health institutions ‘through privatization**.’ He urged the Federal Government to ensure full and urgent implementation of the terms of agreement it entered into with the **Joint Health Sector Union (JOHESU)**.”

**Ogbonna Chimela, the National Vice Chairman of the Joint Health Sector Union (JOHESU) and President of the Nigerian Union of Allied Health Professionals (NUAHP)** says the government has lost its way from when it originally introduced private contracting into the health sector. “In the original format, you are not supposed to lose any staff, those private owners who have equipment that government hospitals don't have will bring it in, bring experts to train people and the government will now sit down and discuss how the profit made from it will be shared with the private owners. (...) [What the government is doing now is privatization and commercialization which is different](#). They will make the cost of things very high because the essence of the initiative is now profit making and not for the masses.

**South Africa:** The City of Johannesburg [is insourcing the jobs of 1,400 municipal contract workers who were formerly employed under the municipality's Jozi@Work programme](#). “This follows a successful meeting the City held on Wednesday, with the **South African Municipal Workers Unions (Samwu), Independent Municipal and Allied Trade Union (Imatu)**, as well as the City's waste-management entity, Pikitup, which decided that some former Jozi@Work employees would be employed directly by the City. Mshaba said that these workers would be employed **on a permanent basis and would see their earnings increase from R2,200 to R6,000 per month**.”

**South Africa:** [COSATU denounces reports of retrenchments and privatization at Eskom](#). “**The federation is not going to allow the privatization of Eskom and the victimisation of workers**. Workers should not be forced to pay with their livelihoods for the failures of government. **We have seen no tangible steps to address the poor leadership and financial mismanagement at Eskom** and the rush to cut jobs and destroy the livelihoods of many innocent workers and their families is an ill-conceived idea.”

**South Africa:** Cape Town's **Water Crisis Coalition (WCC)** and the **SA Federation of Trade Unions (Safu)** are mobilizing to fight against the city government's Zero Day campaign, [saying the administration is aiming for water privatization](#). “**Shanel Johannes, a coalition organizer**, said they were ‘completely against the privatization of water. When we formed in mid-January one of the first things we did was to open the Newlands spring for public access. There are more springs that we want to open. We know there is water,’ she said.”

**Uganda:** There is renewed controversy [over the contract, performance and tariff collected by electricity distributor, Umeme](#), the private, listed company that has held [a 20 year electricity distribution concession since March 2005](#). President Museveni has expressed his dissatisfaction. The issue “brings back the question of **competence and due diligence by government officials and institutions who oversee public trust**. It also suggests there are issues of technical and financial competences, and business ethical behaviour by **service providers who often take advantage to cheat as they make colossal profits.**”

## Asia Pacific

The Philippine House has passed a bill [to ban the privatization of public hospitals](#). There were efforts to privatize the state-run Philippine Orthopedic Center (POC) in 2015 but **they were defeated by widespread public protests**. “The bill defines privatization as a process in which non-government actors become increasingly involved in the financing and the provision of health care services which **includes outright sale, public-probate partnership, corporatization, contracting out of equipment, joint venture, franchising, management control and leasing and user changes**. Likewise, the bill provides that **at least 90 percent of the total bed capacity of all public hospitals should be allotted for indigent or poor patients**. ‘This will address the lack of access and inequality in health care brought about by the privatization of public health services,’ the Committee Report on the measure read.” For a third violation of the law, that person will be perpetually disqualified from holding any public office.

**Australia:** The Public Service Association has listed a dispute in the Industrial Relations Commission (IRC) against the Department of Justice, Digital and Technology Services (DTS) [in relation to the continued use of agency contractors as supervisors](#). After hearing the parties, the IRC made a number of recommendations, including that “Digital and Technology Services is to review its current supervisory arrangements, to ensure that contingent workers (**contractors**) and consultants are not supervising public service employees.” The PSA says it “will ensure that the Department of Justice complies with these recommendations. The PSA also invites member feedback if these recommendations are being breached. The PSA is also having ongoing discussions with the Department of Justice about **recruitment of public sector employees to ongoing roles, as opposed to use of Agency Contractors**, as part of its wider Labour Hire Campaign.”

**Australia:** Following the [announcement](#) that a corporate dominated, government-appointed commission is to undertake a comprehensive review of the public services, concern is mounting that Prime Minister Turnbull is about to launch a new wave of outsourcing and cutbacks. “It [follows the Coalition's massive cuts to public service staffing](#), and coincides with growing scrutiny of the government's booming spend on contractors and consultants” reports the Canberra Times. Responding to the announcement, [CPSU National Secretary Nadine Flood said](#), “A clear-eyed and objective look at the Australian Public Service is clearly needed, but **we have real concerns that this review will be subservient to neoliberal orthodoxy** and the bizarre and damaging policies the Turnbull Government has imposed in pursuit of that extreme ideology. This review must be a catalyst to repair **the ongoing damage that's been inflicted by the Turnbull Government on public services, regulatory and policy capability**, rather than a license to double-down on those flawed policies. Just one example is their whacky policy that the Australian Public Service must be smaller than when John Howard lost office, with an Average Staffing Level cap **driving expensive and damaging contracting out and privatization.**”

**Australia:** An uproar has been created in the disability community because [the National Disability Insurance Agency has hired Serco to run its call centers](#). “The British-based Serco **has become a byword for those opposed to the privatization of government services** and its expansion into Australia has seen it run detention

centers and recently win a contract to provide call center services for Centrelink.” **People with Disability Australia co-chief executive Matthew Bowden said** [“We have no details on what expertise Serco have in providing communication services for people with disability, or why the NDIA has decided to outsource such a vital part of its services.](#) The NDIA needs to hire more staff and make their communication avenues with people with disability more transparent. Instead, they are offloading their responsibilities, and requirements, to deliver services to people with disability.””

**Community and Public Sector Union (CPSU) National Secretary Nadine Flood** has denounced [the government’s decision to hire 1,000 more Centrelink workers from the private sector](#) instead of restoring some of the 5,000 public sector jobs it’s slashed. “Instead the government is continuing **to sell the agency off piece by piece,**” Flood said, “lining the pockets of their corporate mates like Serco **rather than putting that money into wages and secure jobs for call center workers.**” Opposition **Labor leader Bill Shorten** says [“We don’t need privatization of key Human Services, we need reinvestment in Human Services.”](#)

**Australia:** The **Community and Public Sector Union** and **Health and Community Services Union** express concern about government plans to outsource child services in Tasmania to nongovernmental organizations. “**The Community and Public Sector Union’s Tom Lynch** said [the redesign was effectively outsourcing accountability to the non-government sector](#) ‘rather than a Minister of the Crown being responsible for our child safety service, [and being] accountable to the people of Tasmania through the Parliament of Tasmania.’ Mr. Lynch said he believed the service would be more bureaucratic **and deter people from making notifications about at-risk children.**”

**Australia:** West Australia’s [land information services look set to be privatized.](#) “The sale of Landgate is looming as a crucial component of the Budget, with the agency tipped to fetch up to \$2 billion from potential buyers on the open market.”

**Australia:** The NSW Labor Opposition is opposing a Berejiklian government “attempt to use the multi-billion dollar Sydney Metro project as [a Trojan Horse for yet more privatization of public transport and massive development across the city.](#) The government has proposed converting the existing T3 Bankstown Line to the driverless Metro system and have mooted extensive development in suburbs along the line. **Shadow Transport Minister Jodi McKay** said the Transport Administration Amendment (Sydney Metro) Bill is a vehicle to allow the government **to hand over large tracts of land along the Metro corridor to developers.** The legislation, which passed today in the Legislative Assembly, will make the Sydney Metro a statutory authority and take responsibility for the delivery of the project away from Transport for NSW.”

**China:** Concerned about the financial health of local banks, the government [has put the brakes on ‘public-private partnerships.’](#) “The move was aimed at closing loopholes in the initiative that were being exploited by local governments to raise funds through banned channels and **spend money on risky projects** that were unlikely to earn an adequate return on investment.” The finance ministry [ordered the overhaul in November.](#)

**India:** In its National Convention held in New Delhi, on 8 June, the Indian National Coordination Committee of Electricity Employees & Engineers (NCCOEEE) [decided to call for a nationwide power strike](#) on 7 Dec this year to protest against the Electricity (Amendment) bill 2014. This bill seeks to extend privatization to the distribution of electricity.

**India:** Deputy Mayor Dr. Siddharth Dhende says that [short staffing has weakened Pune’s hospital facilities, “thus forcing privatization of civic body-run hospitals and clinics.”](#) Dhende says “the Pune Municipal Corporation (PMC) has created good health infrastructure **but more than 50 per cent of this infrastructure is not in use merely because of inadequate medical staff.** Despite several complaints, the IAS officers, mainly municipal

commissioners, are not filling up the vacancies while the facility remains unused. **This, in a way, is pushing privatization of the medical facility.**”

**India:** The prestigious Lancet medical journal reports that [cutbacks and privatization have stressed out doctors, medical staff and patient families](#). “The Lancet report highlights the fact that funding of public health care has declined and **passive privatization has been encouraged** this has caused stress on pockets of [the] common man leading to brawls,’ says senior IMA member Dr. Aleem Siddiqui. He adds that it is important that the government **begins spending more on public health care and regulate the private services**. The 2017 Lancet report says that exorbitant medical bills often make the conflict between the patients' kin and the hospital authorities inevitable.”

**India:** Dr. Shuchin Bajaj, Founder Director of Cygnus Hospitals, says [India needs well-equipped primary healthcare centers](#). “As we stress on **globalization and privatization**, a quarter of our population is slipping through all safety nets, to land in debt and resultant poverty. Almost 50 million people **slip below the poverty line every year due to healthcare costs**. We have more than a quarter of a billion people living with a burden of disease estimated at \$30 billion, about 5 per cent of our GDP.”

**India:** Private hospitals in Kerala [refused to pay a government-ordered salary increase to nurses](#). “The government issued the order **in the face of a strike by the nurses**, said Kerala Private Hospitals’ Association general secretary Hussein Koya Thangal.” **United Nurses Association district president Beljo Elias** said, “A couple of hospitals gave the revised salary, while some others have promised to pay the revised salary by next month. [We are now fighting against the cutting down of our allowances](#). At least the amount already issued in the notification should be paid to the nurses.”

**India:** Tamil Nadu Chief Minister Edappadi K. Palaniswami says [government hospitals are as good as private hospitals](#). “Deputy Chief Minister O. Panneerselvam, in his address, said Tamil Nadu was considered the medical hub of India and listed out the efforts taken by the State government to improve the medical infrastructure in the State.”

**Indonesia:** The Jakarta Post says that “instead of confusing the public with legal technicalities of contract restructuring, [Jakarta should just return water management to the public](#). Like Paris, it should form a Water Observatory, a space where citizens can ensure that the water company is publicly held accountable.” The media outlet was responding to **a demonstration by Jakarta residents on World Water Day** demanding “that **water management be returned to the public, as part of a global trend called ‘remunicipalisation.’**”

**Japan:** [Osaka municipal subway operations have gone private](#). “Former Osaka Mayor Toru Hashimoto worked on the privatization project but was unable to get it done during his tenure. His successor, Hirofumi Yoshimura, completed the project after winning the Osaka Municipal Assembly’s approval following his proposal that **all shares in the new company be owned by the Osaka Municipal Government.**”

**Japan:** The government [has begun the privatization of seven Hokkaido airports](#), which it wants to complete by 2020. “In addition to the seven airports in Hokkaido, the Japanese government **is also looking to privatize Fukuoka Airport and Kumamoto Airport on Kyushu, the southernmost of Japan’s main islands; as well as Hiroshima Airport**, which is located on Honshu, the central main island.”

**Myanmar:** [A massive ‘public-private partnership’ project that will eventually cover around 15% of the Yangon region is proceeding](#). “According to the Yangon regional government, the public-private partnership project on an 80-square kilometer plot of land on the west bank of the Yangon River includes a power plant, an industrial park and residential areas. (...) Serge Pun, a business tycoon who heads local conglomerate Serge Pun & Associates,

has been named the firm's CEO and is supported by four other board members, including former Singaporean foreign minister George Yeo.”

**New Zealand: Ian Powell, Executive Director of the Association of Salaried Medical Specialists (ASMS)** has [welcomed the government's policy decisions not to sell off public assets](#). “These two positive statements follow the Government's responsible decision to halt the move to privatize public hospitals through the development of Public Private Partnerships for redevelopment projects in Dunedin, Christchurch and Westport,” said Powell. “These decisions **meant that it would be impossible for the dubious and foolish attempt of Taranaki DHB bosses to fully privatize the public hospital laboratory to proceed**. The work done by hospital laboratories affects around 70% of clinical decision-making. Minister of Health David Clark's express approval is required for that to go ahead. (...) Taranaki's health bosses surely must realize now that this explicit direction of Government policy on public assets and privatization means that **the Health Minister can't possibly approve their laboratory privatization push**. We welcome this thwarting of their short-sighted and high risk ambition.”

**New Zealand:** The New Zealand Herald criticizes the government for [choosing a 'public private partnership' model \('a discredited means of financing major projects'\)](#) to build Penlink, a proposed alternative route between the Whangaparaoa Peninsula and State Highway 1 at Redvale. “These are **inevitably more expensive and often fail**. Governments and local authorities sometimes see these as useful because the debts do not appear on their balance sheets. They will also be subject to the requirements of the TPPA and the General Agreement on Trade in Services, (GATS) allowing international corporations to force their way to gaining such contracts. **More importantly they are seen to be a form of privatization**. The fears and concerns are heightened because PPPs are normally focused on large publicly owned infrastructure, and it is **the public who stand to lose control of vital assets, or eventually, the effective ownership of the assets**.”

**South Korea:** *Korea Times* condemns [the “collapse of governance”](#) under the administrations of the past 12 years. “**At the heart of this war on government is the promotion of deregulation** (which means literally de-criminalization). The result of deregulation is that government officials have lost the ability to serve as a check on for-profit organizations. Today, profits for business has become the critical issue in the policymaking process and consequentially the government has lost its ability to formulate and implement long-term policies. **That problem has been made worse because deregulation has been paired with privatization so that infrastructure is run for profit. Such an approach poisons attitudes toward the community at every level.**”

## Inter-Americas

**United States:** University of California staff staged [a three-day strike against austerity and privatization to support service workers](#). “One of the main battles **AFSCME workers** face is **the constant threat of seeing their jobs outsourced to nonunion workers employed by for-profit companies**. As the university increasingly privatizes aspects of its operations, workers employed by the institution are always looking over their shoulder, fearful that their jobs will evaporate overnight and they'll be replaced by workers who answer to a different boss. ‘**Every day we're paying attention to when we see new faces on board,**’ said Maricruz Manzanares, a custodian at the University of California at Berkeley. ‘Suddenly we see a new group of workers and we don't even know who they are, until we talk to each other and the union and we find out they belong to a company. **Lately the university has developed shady techniques**. They used to do it openly, but now they're finding ways to do it in the dark.’ Either way, she said, ‘the university does not behave as a public institution.’” **Kathryn Lybarger, president of UC AFSCME 3299 and California AFL-CIO** reported on the history of the local, **on the effort to privatize and outsource university services**, and on **systemic racism**. [See [video, about 19 minutes](#)]



**Antigua and Barbuda:** After more than 150 years and the Category 5 Irma Hurricane that devastated most of the island infrastructure, “the president of the two-island nation, Gaston Browne, [is pushing to end the traditional customs of Barbuda and privatize land ownership](#) to attract tourism-oriented foreign investment.” **Annette Henry, manager of a Barbudan social media group**, says “selling the island as a commodity will just be the end of our utopia—what we know as paradise.”

**Argentina: The Union of Road and Allied Workers of Argentina**, led by **César González**, has called for a “state of alert and mobilization” [against the “hollowing and scrapping” of the National Roads Authority \(DNU\)](#) through layoffs prompted by the closure of its technical schools. **Graciela Alena, assistant secretary of the union**, said that “everything is compounded before **the impending layoffs of 200 workers who make up the DNU, in the context of the privatization agency.**”

**Argentina:** A dispute has broken out over [the fate of toll collectors’ jobs after a ‘public-private participation’ scheme was implemented](#). The head of the **Trade Union of Workers of Tolls and Allied Workers (SUTPA)**, **Sergio Sánchez**, says **Javier Iguacel, the National Director of Roads** is promoting road privatization, in which he “gives all the benefits to employers and expenses to the state.”

**Argentina:** President Macri’s urgent appeal to the IMF for help [may lead to the partial privatization of pensions](#).

**Barbados:** The National Conservation Commission (NCC) is “entangled in a legal fight with The Crane Beach Resort over beach access amidst [a public outcry over what is being seen as efforts by the hotel to privatize the beach](#). A number of protesters converged on the beach last Saturday, declaring ‘dah beach is mine,’ a line from the hit song Jack by **veteran calypsonian and Cultural Ambassador Anthony Gabby Carter, who has accused the luxury resort of evicting vendors from the beach last month.**”

**Brazil:** President Temer has appointed as Minister of Mines and Energy a pro-privatization aide, Wellington Moreira Franco, who [“served as Temer’s infrastructure investment czar, which included oversight of concessions and privatizations.”](#) His portfolio includes overseeing the proposed privatization of Centrais Elétricas Brasileiras SA (Eletrobras). Moreira Franco’s appointment **“ends the battles of two senators and former energy ministers, who had proposed candidates to the role in an effort to scuttle the privatization.”**

**Brazil:** The [extensive privatization program introduced by former São Paulo Mayor João Doria, who is now running for president, will be carried on by his successor, Bruno Covas](#). “The secretary of Privatization and Partnerships, Wilson Poit, has **in hand 61 projects of privatizations, concessions and public-private partnerships (PPPs)** in different stages.” **Bruno Pereira, partner of Radar PPP, a consultancy assisting the government in its privatization program**, “reckons the partnership package of Messrs. Doria and Covas has more chance of getting off the drawing board than those presented by their predecessors, whose plans were ‘very complex, with many challenges.’ They included **the healthcare PPP** and the creation of the Arc of the Future, a big plan of urban renovation, proposals made respectively by the administrations of Gilberto Kassab and Fernando Haddad. The technical staff of the Secretariat of Privatization and Partnerships and of **SP Parcerias (company linked to the secretariat that helps it in the process)** is also highly praised by private-sector experts.”

28) **Brazil: Jair Bolsonaro**, a right wing pre-candidate for the October presidential elections, says “of the list of 149 state-run companies existing today, he believes [two-thirds should be extinguished and the rest privatized.](#)” He also **“considers [it] feasible to privatize the prison system from now onward, preserving the existing prisons under the state control.”** But **“Nomura economists** estimated the market [is pricing a 25 percent likelihood the winner will stick to an agenda of deficit-cutting and privatization](#), which analysts say is key to restoring Brazil’s investment grade.”

**Brazil:** The **Congressional Joint Commission** has voted in favor of Provisional Measure 814/2017 (MP-814), which [authorizes the privatization of Eletrobras and six of its subsidiaries](#). **Congressman Henrique Fontana denounced the measure**, saying “this is a report that determines the increase of energy bills by roughly 5 percent. It **facilitates the privatization process and sale of Brazilian public property**. Even worse, it proposes that 20 percent of the Social Fund, money derived from Pre-Salt oil and Pre-salt gas that, until this moment, **was reserved for investment in education and healthcare, will be withdrawn to finance a gas pipeline construction program.**”

**Canada:** Saskatchewan was the first Canadian province to use social impact bonds. The Saskatchewan projects show [social impact bonds can be structured to increase the chance of the payout for investors](#) – by excluding those likely to require higher levels of assistance.

**Canada:** The New Brunswick government [is backing off from plans to privatise housekeeping, food services and patient transportation in hospitals](#). “The province intended **to entrust their management for 10 years to the French multinational Sodexo**. Negotiations are currently in abeyance, confirmed the Minister of Health Benoît Bourque in an interview with Acadie Nouvelle. ‘The contract is not signed yet. We are not going at the moment.’ The minister has taken a softer position than his predecessor, Victor Boudreau. The latter had repeated for several months that he would not retreat and that the reform would be completed, despite **the opposition of Vitalité and the hospital unions.**”

**Canada:** **Warren (Smokey) Thomas**, president of the **Ontario Public Service Employees Union (OPSEU)**, [calls for privatization and support for public services to be made a provincial election issue](#). **Kenora Rainy-River MPP Sarah Campbell** says the privatization of snow plowing is an important issue. “Campbell was speaking at [the public town hall meeting on the privatization of public services and highway maintenance last night](#), hosted by **the We Own It campaign**. The campaign aims to **bring private services back into the public sector**. Campbell spoke about the difficulty that workers face, when working for a private company opposed to a public service. ‘They go from having good wages and stable working environments, to being on-call every single day, all winter long. If they want to do something with their families or just clock out for one day, they could lose their job.’”

**Canada:** The **Public Service Alliance of Canada**, and its component, **the Union of Canadian Transportation Employees (UCTE)** are [cautiously celebrating the successful outcome of their campaign to protect airports from privatization](#). “It was recently made public that the government has decided to shelve a report that explores the further privatization of Canada’s airports. ‘We are pleased that the federal government has confirmed that they will not be proceeding with a plan to sell off Canada’s airports at this time,’ said **Robyn Benson, PSAC National President**. ‘Canadians would not benefit from a private, for-profit, airport infrastructure system. Costs would rise for passengers, and the quality of service would diminish just so a few investors can make a profit.’”

**Jamaica:** The Airports Authority of Jamaica [has received a loan](#) from the European Investment Bank “and is the beneficiary of a subsidy **which is being utilized to provide technical assistance and studies related to the planned privatization of the airport.**” A request for expressions of interest in the project has been sent out. “This contract is expected to be implemented from 2019 February to 2019 August.” In its recent [Article IV Consultation report](#), the International Monetary Fund (IMF) “recommended” (p. 73) that the government “privatize the Norman Manley International Airport and finalizing [sic] concession of the Kingston Container Terminal.” The IMF also reports (p. 72) that “work on **alternative financing products** is also ongoing **with World Bank support.**”

**Mexico:** Claudia Sheinbaum, the MORENA candidate for governor of Mexico City, says [austerity doesn’t mean privatization of public services](#). She met with leaders of the **National Workers Union, the Frente Amplio Social**

**Unit and the Association of Pilots**, on the premises of the **Telephone Workers Union**, and “committed to engage constructively with the workers of the capital.”

**Mexico:** Thousands of union members rallied to defend labor rights across the country on May Day. In Cuernavaca, Morelos, they “[demonstrated against the privatization policies that have affected labor rights](#).” In Juchitan, Oaxaca, members of various public sector unions in the region of the Isthmus of Tehuantepec marched to demand wage increases, **against the privatization of water services in the state**, and for respect for labor rights and employment incentives. **Marco Antonio Petlcalco, secretary general of the telephone workers union**, demanded a reorientation of the country's economic policy to generate jobs and boost wages, leave out the salary cap, and **put an end to the privatization of the health system and social security and diversion of savings funds**. [Metro Puebla, 2 May 2018]. The government [has denied that the health sector is going to be privatized](#).

**Mexico:** [Private insurance companies have called for ‘public-private partnerships’ in the health sector](#). At the **28th Convention of Insurers, Recaredo Arias, CEO of the Mexican Association of Insurance Institutions (AMIS)**, “said that the health system needs reform that promotes access to quality health, which is needed to increase the scope of coverage and level of protection and reduce pocket spending. (...) He added that **in Mexico, only 24% of health spending comes from public funds**, while in other countries of the Organization for Economic Co-operation and Development (OECD), **it reaches more than 50 percent**. He also highlighted the fact that **pocket spending is 41.4%, the second highest rate in member countries**.”

**Panama:** The **director general of the Social Security Fund, Alfredo Martiz**, complains that he has been “hamstrung” in his post because “their attempts to outsource certain services where there are large arrears [are blocked on the grounds ‘that it is privatization](#).”

**Peru:** [The government is looking to recover a privatized water utility](#). “Tumbes may be incorporated into a government plan to invest 532mn soles (US\$160mn) this year **to overhaul the country's bankrupt municipal water companies** known as EPS, Bruce said. State water regulator OTASS is already operating a dozen of the country's 47 bankrupt EPS. Tumbes is a major fishing and agricultural area that is also home to oil and gas operations, including state oil company Petroperu's Talara oil refinery. (...) The bid to take over another private concession comes after the government previously announced **it would develop the US\$510mn Chinchero airport project as a state-run venture after scrapping the contract previously awarded to concessionaire Kuntur Wasi**.”

**St. Lucia:** Heated controversy has broken out between the government and opposition over the possible privatization of Owen King European Union hospital (OKEU). Melanius Alphonse, a development consultant, [points to](#) “the political fallout resulting from **handing over a facility built with European taxpayers’ money to private, for profit interests**. There is **no transparency and substantive consultation with medical practitioners and nationals regarding privatization**, universal healthcare, and financing.” **Philip J. Pierre**, the leader of the opposition, said “[government should begin meaningful consultation on a universal health care system](#) that will allow all citizens of the country access to adequate and affordable health care services. **We will mobilize all concerned citizens to resist privatization of the OKEU Hospital and warn that we will employ all legal means to stop such reckless action**.”

**United States:** As [a wave of teacher strikes and mass protests spreads across the U.S.](#) because of low wages, retirement benefit cuts, diversion of education funding to privately-run charter schools and other issues, **teachers are also standing up for school services support staff**. Under pressure, “the Legislature in Oklahoma City voted to provide teachers with an average raise of \$6,000 per year, or roughly a 16 percent raise, depending on experience. Gov. Mary Fallin, a Republican, signed the package into law. **Teachers said it was not enough**.”

**They have asked for a \$10,000 raise, as well as additional funding for schools and raises for support staff like bus drivers and custodians.”**

**United States:** In a first-of-its-kind analysis, [In the Public Interest](#) “has found that public school students in three California school districts **are bearing the cost of the unchecked expansion of privately managed charter schools**. Charter schools cost Oakland Unified \$57.3 million per year. That’s **\$1,500 less in funding for each student that attends a neighborhood school**. For San Diego Unified, the annual cost of charter schools is \$65.9 million. In East Side Union, the net impact of charter schools amounts to a loss of \$19.3 million per year.” ITPI reports that **Charter schools are draining funding from neighborhood public schools in many districts nationwide, [leading to cuts in core services like counseling, libraries, and special education](#)**.

**United States/Puerto Rico:** A number of unions and community groups [are coming together to fight privatization on the island](#), and have formed a new coalition—**People United Against the Sale and Privatization of Services**. “Everything is linked by what the fiscal control board is doing,” said **Ángel Figueroa Jaramillo, president of UTIER**. “Everything is within the framework of a fiscal plan that is upsetting everything. Today is energy and education, but **tomorrow can literally be pensions. People are looking for how to channel their frustration and outrage. They are looking for where to cluster**. Well here they have a front where to group, which will be in your regional council.”

**United States/Puerto Rico:** The Republican governor and his education secretary [are planning to close nearly one third of its public schools as it pushes vouchers and charter schools](#). [Teachers are fighting back](#), and participated in a [one-day strike last month](#). “Lawmakers and the island’s governor recently approved legislation to allow [charter schools and voucher programs](#) throughout the territory, and in response, a teachers union [filed a lawsuit](#) aiming to stop the island from further privatizing its school system.” *Truthdig* reports that “Edwin Morales, who heads a teachers’ union, was arrested after breaking into the Education Department building to ask questions about the decision to allow charter schools and vouchers. He said, ‘We are talking about vouchers. We are talking about charter schools. We are talking about the possibility of firing teachers that, for us as a union, doesn’t help the island to recover.’”

**United States/Puerto Rico:** The former energy secretary of President Carlos Menem of Argentina, Carlos Manuel Bastos, **who oversaw the privatization of Electrical Services of Greater Buenos Aires, [has been giving advice to Puerto Rican officials on how to do it](#)**. He was invited by the Puerto Rico chapter of the **Business Council of Latin America**, whose president, Efrén Pagán, is also [founder and president of the public relations company Arco Publicidad](#).

## Europe

### Balkan Monitoring Public Finance:

The Project, "[CSOs as Equal Partners in Monitoring of Public Finance](#)" explicitly aims to improve the transparency and accountability of policy and decision-making in the area of public finances, within the Balkans region, through strengthening the role and voice of NGOs monitoring the institutions performance in that area. Key project activities are research and monitoring, advocacy, capacity-building, sharing of knowledge/practices and networking in the fields: of public debt; public-private partnerships; tax equity and infrastructure projects.

[VIDEO: [https://www.youtube.com/watch?v=EDxjGDY\\_KLg](https://www.youtube.com/watch?v=EDxjGDY_KLg)]

France: After 30 days of strike, the longest in the last 30 years, the consolidated version of the [government's railway reform legislation](#) was formally adopted by the Sénat in a 245:83 vote on June 14. The reforms convert the SNCF Group, operator SNCF Mobilités and infrastructure manager SNCF Réseau from their current 'EPIC' status as state organizations into state-owned joint-stock companies, giving the management greater corporate responsibility. SNCF's monopoly of the domestic passenger rail market is to be phased out, with the introduction of open access competition on core routes from 2020 and competitive tendering of regional operating contracts from 2023, in line with the EU's Fourth Railway Package. New staff joining the rail sector after January 1st 2020 will have revised terms and conditions. The country's railway unions have decided to continue their two-days-in-five program of strikes until the end of June with the aim of [weighing in on the collective agreement negotiations](#).

**France:** A British trade union, the **Associated Society of Locomotive Engineers and Firemen (ASLEF)** is extending its support to the French CGT union and [urging its members to prevent any attempts to privatize the railway sector, citing problems that exist in the United Kingdom](#). ASLEF General Secretary Mick Whelan said "I urge France not to make the same mistakes that were made here in Britain. **Privatization hasn't worked; privatization doesn't work; and privatization will not work. It was an ideological, not a practical, decision,** and we are suffering the consequences with the highest fares in Europe, the oldest rolling stock, and we see **millions of euros hemorrhage from the system every year in the form of profits and dividends for the privateers.**" The rolling French strikes, which are expected to run through June, [have cost SNCF 100 million euros](#) (\$123 million).

**Germany/United Kingdom: Steve Rushton of Equal Times** writes that "the momentum to democratize UK public services is growing," and [it has taken inspiration from the success of the remunicipalization movement in Germany](#). "A key pillar of the Community Wealth Building plan is the facilitation of municipal energy companies, which connects to a wider global shift away from privatized provision," Rushton reports. "**Germany is leading the global charge in remunicipalization.** Last year, the Transnational Institute detailed 835 cases of public services such as **waste management, water and transport** either returning from various forms of privatization (outsourcing of services, public-private partnerships, etc.) **back into public hands**, or cities and regions **creating new local public services**. Some 347 of these examples took place in Germany, 284 within the energy sector."

**Malta:** [Doctors have withdrawn their demand that the privatization of St Luke's, Karin Grech and Gozo general hospitals be halted](#). "Martin Balzan, president of the Medical Association of Malta, said this morning that doctors had achieved their aim that ensures **all present and future doctors involved in public-private partnerships will remain answerable to the government's chief medical officer**. The union had gone on the warpath earlier this year after news broke that **Vitals Global Healthcare**—the company that was granted a concession to run three public hospitals—had sold its shareholding to American outfit, **Steward Healthcare**, less than two years into the deal."

**Portugal:** As EDP's Chinese shareholders, China Three Gorges, [launched a takeover bid for the company](#), the former president of the **Regional Government of Madeira, Alberto João Jardim**, says the energy sector "**should never have left the hands of the State.**"

**Slovenia:** The Left Party [commits to fighting privatization](#). "At a recent congress, the party announced it will stay true to its key priorities, foremost among them poverty reduction, redirecting military spending to development, science and education, **halting privatization, boosting labour rights** and securing affordable housing"

**United Kingdom:** As the Birmingham council elections approach, [a debate over privatization of refuse collections](#) has gone into high gear. **The Liberal Democrats have proposed that the bin service should be broken up**

**into three parts and privatized.** The Labour Party is proposing to “**launch a Clean Streets Campaign working with community organizations** and schools to promote behaviour change while increasing the number of enforcement officers and using mapping to target fly-tipping hotspots”; the Conservatives want to “drive improvement in the waste service by modernising the service and reviewing the service against the best performing collection services in the country”; the Greens say “**No privatization of bin services**—that will just result in refuse workers being paid poverty wages. We would **seek to exit the Veolia contract requiring quotas of waste sent for incineration.**”

**United Kingdom/Gibraltar: More than 400 Gibraltar Health Authority workers, led by Unite,** “shouted ‘Enough is enough’ from the steps outside St Bernard’s hospital” as they “[staged a mass-walkout over the ‘backdoor’ privatization of the GHA.](#) A cross-section of staff including doctors, nurses, domestic and administrative staff participated in the industrial action on the longstanding concerns regarding the GHA’s reliance on supply workers. (...) Addressing workers in Spanish **Victor Ochello, Unite the Union Gibraltar Regional Officer,** indicated that it was embarrassing a socialist government is privatizing the GHA through the backdoor. Taking to the megaphone **Unite official Paul Tremayne** demanded to emphatic applause: “Equal pay for a good job that you’re doing, not minimum hours, not minimum wages, give them proper contracts, proper jobs and let’s make sure the future generations have full-time jobs.” Additionally, **Unite official Louis Gonzalez** reiterated that the action was not directed at the agency workers insisting that it was about ‘equal pay for equal work’.”

**United Kingdom:** Critics denounce [plans to have a crowdfunded private police force patrol wealthy London neighborhoods.](#) The **Labour leader of the opposition at Westminster council, Adam Hug,** said “While the Met is facing extreme pressures because of funding cuts, this is clearly an attempt to get local businesses to pay for a security service.” The May government is cutting £200m from police forces in England and Wales. **Labour’s shadow policing minister Louise Haigh** said it was “[utterly appalling that people are turning to private security services to feel safe.](#) This is the legacy of eight years of Theresa May’s austerity in policing.”

**United Kingdom:** The profit motive [has taken over Britain’s immigration detention system,](#) with a resulting **loss of public control.** “**Bail for Immigration Detainees (BID),** a charity which provides legal advice and representation to immigration detainees, **is bringing a public law challenge against the cabinet office in relation to its contract relationship with G4S.** “The Panorama documentary confirmed the reports we regularly receive about the disgraceful treatment of detainees in immigration detention,” said **Celia Clarke, director of BID.**”

**United Kingdom:** More than 60 Unite members, who are employed by outsourcing firm Serco, “protested outside the board meeting of the hospital’s trust [to demand that the hospital and its contractors fund a pay rise which is equal to that for workers directly employed by the NHS.](#)” Unite regional officer Ruth Hydon “said that it is an ‘injustice’ that **Serco workers are being paid less than NHS workers performing the same line of work.** ‘It’s time to end poverty pay for NHS workers employed by private contractors. Serco workers should get the same increase as their colleagues to help pay for the high cost of housing and transport in London. They are demanding pay justice.’”

**United Kingdom:** Aslef, the train drivers union, is [accusing the government of covering up the true cost of subsidies to private operators of the rail system.](#) The government will stop providing statistics on subsidies. “**Aslef general secretary Mick Whelan** said the figures were important **to show the ‘mad, mad world’ of privatized railways.** He said: “Now [the figures] are creeping back into the shadows. It’s not fair on taxpayers, it’s not fair on passengers and it’s not fair on those of us who work in the rail industry. **‘What has the government, and what have the privatized train companies, got to hide?’**”

**United Kingdom:** A new paper by Dr Helen Mercer and Professor Dexter Whitfield "[Nationalising Special Purpose Vehicles to end PFI: A discussion of the costs and benefits](#)" provides an initial set of costings relating to the

proposal to end PFIs in the UK through nationalising the Special Purpose Vehicles. The article uses book value to estimate that the cost of compensating the shareholders of the SPVs on HM Treasury database would be between £2.3bn and £2.5bn. It further analyses the potential savings to public authorities. The article proposes that service contracts are renegotiated so that the public authorities contract directly with the providers, not via the SPV. This secures significant annual savings from the elimination of operating profits, of £1.4bn, indicating that nationalisation will pay for itself within two years. Further the article proposes to honour all outstanding liabilities but to secure substantial refinancing through a new body in which ownership of the SPVs will be vested. Finally, the article suggests that as service contracts are ended, either through break clauses or other reasons, the public authorities must bring provision 'in-house', ending outsourcing and also providing further savings from more rational and integrated provision. The approach has been developed on the basis of significant research into how PFIs operate and consideration of the range of alternative solutions to the PFI problem that have been put forward so far. These issues are also explained and developed in the article.

*[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.*