



PRIVATIZATION WATCH

Produced by Public Services International

PSI Privatization Update: 23 June 2016

[Subscribe](#) to PSI's fortnightly newsletter, [view it on-line](#) or [download a PDF](#)



Global momentum is building to reject TiSA, the trade in services agreement. [Public Services International has published a report](#) on the dangers of the agreement for the action plan against climate change adopted at the COP 21 climate conference at the end of 2015. *TiSA Versus Climate Action: Trading Away Energy Democracy* reports that “since TiSA talks define any and all activity related to energy—from exploration to distribution—as ‘**energy related services**,’ including **government procurement**, ERS would effectively extend over energy and climate policy the **global trade rules that prioritize private investment and export expansion above all other public interests.**” UNI Global Union has also issued a call for [a global democratic debate on TiSA](#).

23 June is the [UN Public Service Day](#), the UN Secretary-General Ban Ki-moon says: "On this Public Service Day, I thank all public servants for their daily efforts to make a difference. I also call upon young people everywhere to consider dedicating themselves to the noble cause of public service as we strive to build a future of dignity of all."

Public Services International, the global trade union organisation that represents public service workers, welcomes this positive message, especially in times when public services are under attack all over the world. Rosa Pavanelli, PSI General Secretary, says, "I hope this means that the UN is going to shift its emphasis from private capital to public investment to support the achievement of the Sustainable Development Goals. Austerity budgeting and reliance on private capital are failed policies. Multinational corporations are accumulating capital in offshore tax havens rather than reinvesting. We need to ensure multinationals pay their fair share of tax and that governments use this revenue to drive public sector growth through [investment in universal, quality public services](#). Universal access to these public services is a pre-condition for healthy economies and just and equitable societies."

Pearson plans to privatize education worldwide. "The company has its eye on much, much more. Investment firm GSV Advisors recently estimated the annual global outlay on education at \$5.5 trillion and growing rapidly. The figure is nearly on par with the global health care industry, but there is no Big Pharma yet in education. Most of that money circulates within government bureaucracies. [Pearson would like to become education's first major conglomerate, serving as the largest private provider of standardized tests, software, materials, and now the schools themselves.](#)"

Africa & Arab Countries

Ghana: The Public Utility Workers Union (PUWU) and the Public Services Workers Union (PSWU) have [called on the government to halt the privatization of Electricity Company of Ghana](#) (ECG). They warn of astronomical tariff increases if a foreign profit-making entity takes over ECG. "Mr Richard Amperbeng, General Secretary of PSWU and Mr Ato Bondzi-Quaye, General Secretary of PUWU, took turns to explain the ECG privatization **to representatives of the civil society groups** (CSOs), which included Third World Network (TWN), Africa Centre for Energy Policy (ACEP), ISODEC, NETRIGHT, Abantu for Development, ECG, and WACAM, among others." A [recent analysis by PSIRU](#) shows the influence of the US government and its Millennium Challenge Corporation in the planned energy privatization.

Nigeria: The Nigerian Labour Congress, Joint Action Front and Academic Staff Union of Universities **protest what they call the privatization of schools in Oyo state**. The government had called for expressions of interest in the ["public/private partnership and ownership of schools"](#) in its bid to develop human capital founded on quality education in the state." The bid request includes management of the schools. The secretary of the Oyo Progressive Assembly, Agboola Afees, said "we must not allow the policy to stand not as matter of political differences but to protect the poor whose access to education [will become further limited by giving schools to private businesses.](#)"

Nigeria: Media reports suggest that "the 10 gas power stations built under the National Integrated Power Projects (NIPP) by the Niger Delta Power Holding Company (NDPHC) Plc [might be sold in bits](#)" to **"salvage the almost messy privatization of the plants."**

South Africa: Citing "shocking" spending numbers on private security, **the South African Municipal Workers Union calls for insourcing of municipal security** in eThekweni. Simon Mathe, SAMWU's General Secretary, says "security services for municipal assets will always be required by municipalities hence [there is no need to outsource this service](#). Municipalities should directly employ people who will be responsible for this service on a permanent basis. The outsourcing of services like these and others in municipalities has resulted in a situation wherein workers are continually exploited by the tenderpreneurs who are not interested in service delivery but their own pockets."

Uganda: The Uganda Nurses and Midwives Union (UNMU) say **"they are subjected to poor working conditions, little pay and heavy workload."** Masereka Zakayo, the UNMU national secretary for education, research and ethics, "appealed to government and other international bodies [to come to the rescue of health workers](#), more particularly the nurses and midwives who are at the frontline of preventing and treating disease by ensuring that they have protective gears, adequate salary and housing."

Asia Pacific

Australia: The Victoria government's [efforts to repair the damage to public services created by previous massive staff cuts and outsourcing](#) runs into conservative resistance. "The Andrews Labor government is hiring more police, teachers and nurses to ensure Victorians across the state get the services they need and deserve," Treasurer Tim Pallas said in a statement. **Community and Public Sector Union Victorian secretary Karen Batt** says "The former government just replaced the workers they retrenched with insecure, labour-hire contractors in their thousands. Not only did this program cost Victorians \$300 million in retrenchment payments, (but) the former government then spent \$600m to engage replacement staff. Services just collapsed as experienced staff were sent packing. This government recognizes that direct employment and building capability in-house will improve service delivery and importantly decision making."

Australia: The Turnbull government's decision to **give control of the medical details of millions of Australians to a private, for-profit company** draws criticism from Catherine King MP, the Shadow Minister for Health. "The whole process has been kept secret from the Australian public and has not been registered on AusTender. The Turnbull Government needs to come clean about [what type of companies will be managing our personal data. Will it be private health insurers? The big banks?](#)" Public concern is also growing: One member of the public told *The Age*, "Once you give control of records to a private company, you also give control of who gets to view these documents. This is a no brainer. **There is no way the government is going to stop with this.** More and more records of different types will be added with subsequent contracts, [until all medical records are under private control. Privatization by stealth.](#)"

Australia: The Governance Institute of Australia has released a new [guide for the directors of public sector entities](#), setting out **the difference between private and public sector directorships**. The guide says "The accountabilities enshrined in government legislation or as prescribed by the relevant Minister provide a challenge to those private sector individuals seeking public sector board appointments without due consideration of the significant shift in the independence paradigm."

Australia: Human Services Shadow Minister Doug Cameron says "the Coalition Government was **planning to outsource 'more than 1,400 staff' at Medicare centres** around the country **as part of a wider goal to privatize the organisation.**" [*Cairns Post*, 2 June 2016]

Japan: [Osaka Ishin, a pro-privatization party, is facing an "existential crisis."](#) A year after Osaka city voters rejected Osaka Ishin no Kai's most fundamental policy proposal in a referendum, the party finds itself heading south. Ever since the referendum, the party has failed to gain traction outside the prefecture, unable to fill the void left by the retirement of its charismatic founder, and heads into the July Upper House election, and a possible simultaneous Lower House election, low in the opinion polls. Its message is "a combination of policies to cut costs, privatize public services, curb the power of public-sector unions and achieve more local autonomy from Tokyo."

New Zealand: [A pay equity working group](#) set up following a landmark Court of Appeal ruling will make its recommendations, which may lead to increased costs for the industry. The working group "was the government's response to a Court of Appeal ruling in **the case of Kristine Bartlett, an aged-care worker, and the Service and Food Workers Union against private rest home chain Terranova Homes and Care.**" Erin Polaczuk, PSA national secretary, said "regardless of the outcome of the joint working group's discussions, businesses should be planning for equal pay."

Inter-America

Latin America and the Caribbean: "Privatized education" is a series of interviews addressing the issue of [privatization of education in Latin America and the Caribbean](#). Through interviews with researchers, the material draws attention to the growing privatization of education in the region, and its impact on the realization of the human right to education.

Latin America and the Caribbean: Business associations in Latin America and the Caribbean are [positioning themselves in favor of the privatization of education](#). Among the most recent examples, one can cite the Chamber of Commerce, Industries and Agriculture of Panama, which is proposing the creation of private schools, on the basis that this will constitute savings for the State; and the National Chamber of Commerce and Services of Uruguay, which reported an article in which it is mentioned that legislation allowing the existence of private institutions, but free, would be the beginning of a necessary "education revolution".

Argentina: In a recent [opinion](#) piece published by the newspaper *Clarín*, economists Nicholas Ajzenman and Eduardo Levy Yeyati argue that an education with rigid and outdated content feeds the growing gap between supply and demand for skills in Argentina. They suggest the need to implement dynamic structures accompanying advances in knowledge and skills aimed at fostering the adaptation of workers to market demands. Pondering the contents of this note, Maximiliano Estigarribia, a member of the [Argentina Right to Education \(CADE\)](#), contrasted the look of an education focused on market demands defending the [concept of education as a human right](#).

Brazil: Civil society and student movements [resist the privatization and militarization of education in Brazil](#). The stated objective is to reduce infrastructure in the face of declining enrollment and in preparation for the municipalization of basic education. These actions, taken without public debate have led to overcrowded classes, a weakening of the public system and open the way for the creation of early childhood education centers and institutes of technical and technological training based on public-private partnerships.

Brazil: Maria Silvia Bastos Marques, the new head of the national development bank BNDES, says the bank “[will sell equity assets and utilize concessions and privatizations](#),” and that “**she will personally oversee the institution’s privatizations and public-private partnerships** until she selects a director to do so. She said she would be ‘pleased and gratified’ if Rio de Janeiro state decides to enlist BNDES to help privatize its water and sewage utility.”

Canada: In a referendum organized by the Ontario Health Coalition, [99% of Ontarians oppose efforts by the provincial government to cut or privatize the services that hospitals provide](#) in their communities. “The Ontario Public Service Employees Union (OPSEU), which proudly represents a large and diverse number of hospital workers, mobilized its members to be volunteers for the campaign leading up to the referendum. **Sara Labelle, chair of OPSEU’s Hospital Professionals Division**, said hospital workers want to continue providing the vital public health care services that people need and rely upon.” **OPSEU President Warren (Smokey) Thomas** said “there’s a huge disconnect between what the people want and what the government does. These Liberals don’t listen to the people. They listen to profiteers who want to get their hands on more public cash. That’s why they’re slashing hospital funding, privatizing public services, and doling out billions to wealthy corporations in fat tax cuts year after year.”

Canada: In a [poll](#) organized by the Canadian Union of Public Employees (CUPE) Ontario, **an overwhelming 86% of residents oppose efforts to privatize Cassellholme**, the only public, municipal home for nine east Nipissing municipalities. [Fred Hahn, president CUPE Ontario](#), says councillors on the Cassellholme board should “pay close attention to what the community wants. That’s for the municipalities to continue to operate the home publicly and continue to have a say in its governance. People in this area inherently understand what some mayors and councillors appear to have forgotten that municipal services, like long-term care are valued, and people take pride in supporting them.”

Ecuador: On 6 June, Ecuador and Dubai [signed the first contract of a Public-Private Partnership](#) for the construction, maintenance and operation of port of Posorja (Ecuador). The Dubai company DP World will manage the process, an investment of USD 1200million which is planned to generate 2000 jobs.

Mexico: Three social leaders were [sent to jail](#) for opposing the reform of the water system in Coyotepec, which they say amounts to privatization. One resident said “the people of Coyotepec have maintained an autonomous system of water management for decades and decades; however, its proximity to the Bicentennial City Huehuetoca **makes water a natural good besieged by real estate companies and industries** that need water to better develop their businesses.” The local water cooperative the community formed [had accumulated debt to the national electricity company](#).

United States: [The “Uber model” has come to private municipal waste management](#). Rubicon “matches independent local garbage haulers with multinational clients, and lets them schedule on-demand pickups for their trash through a proprietary technology. Perhaps most importantly, Rubicon taps into the social consciousness of companies who care about what happens to their waste.”

United States: Despite a recent victory by Oregon activists, [the battle for public drinking water has just begun](#). “Nestlé, quite literally, wants to take public drinking water, put it in bottles, and sell it back to the public.”

United States: [The Chicago School Board is moving to privatize the management of engineers at 50 schools.](#) “William Iacullo, president of International Union of Operating Engineers Local 143, **questioned board members about why they would give SodexoMAGIC and Aramark** the benefit of participating in an expanded pilot program, while the district is in the process of awarding a big contract for the same services. (...) Iacullo says he doesn’t think it is a good idea to privatize engineers through this integrated facilities management contract. ‘What I am worried about is the services being reduced because **no company can make money off the Board of Ed without reducing services,**’ he says.”

Europe

Belgium/Netherlands: [Merger talks between the Belgian and Dutch postal services fall through.](#) The Belgian service Bpost, which is 51% owned by the Belgian government, made a bid for the Netherlands’ PostNL, which was privatized in 1989. “Analysts said a tie-up between the two companies would make strategic sense but that the Belgian government’s stake may have posed an obstacle to a deal.”

France: Employees of the Touraine Laboratory demonstrated at the county council to denounce **the sale of the establishment and its possible privatization**, calling it “[an attack against the public service](#)” and warning of risks to the independence of analysis in the areas of water quality, food safety and animal health.

Sweden: After a fierce debate, the **Nybro council rejects the privatization of personal assistance.** Kaj Raving, an anti-privatization activist, said “[It was a decision for all groups of staff, patients and their relatives.](#) Now they can rest easy, he says.”

United Kingdom: **The amount of money the NHS spent on private ambulance companies has trebled in just four years.** “Unions said money should not be leaving the NHS and called for higher pay to attract staff. [Alan Lofthouse, Unison lead officer for ambulance workers said: "It is creeping privatization, something we are very concerned about.](#) ‘In the short term people need an ambulance. But in the long term they can not be part of a fully-funded system because there is a profit being made by private companies.’”

United Kingdom: [Mark Serwotka, general secretary of the Public and Commercial Services Union,](#) says “**we have a once-in-a-generation opportunity to break the political consensus over cuts and privatization.** This is new ground for us—having such close allies on the Labour front bench—and we need to reassess our political campaigning.”

United Kingdom: Aditya Chakraborty says that “**austerity is far more than just cuts. It’s about privatizing everything we own.**” Writing in *The Guardian*, he says “at best, privatization is a short-term gain for a long-term loss. The public sells one of its prize assets in order to enable the chancellor to bank some cash immediately. In a report published on Monday, the campaign group We Own It calculates that if Osborne sells the Land Registry, National Air Traffic Services, Channel 4 and the Ordnance Survey [the public will kiss goodbye to control over £7.7bn in dividends and profits in the next 50 years.](#) Sure, we pocket a couple of billion now – but we lose far more in the long run. These are services that have taken many decades, even centuries, of public investment and management to build up.”

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.