



PSI Privatization Update: 27 September 2016

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The European parliament debated the EU-Canada free-trade agreement (CETA) and privatization was a key issue. On behalf of the Socialists and Democrats (S&D) Group, David Martin (UK) “said he wanted to ‘make sure that nothing in the CETA will prevent countries from ruling out privatization.’ His S&D colleague Marie Arena (Belgium) was much more critical, deeming useless an investment arbitration mechanism that is to be paid for by taxpayers and criticizing the use of ‘negative lists’ for the liberalization of services, the ‘stand still’ clauses of which will not allow services that have been privatized to be returned to the public sector.” [*Bulletin Quotidien Europe*, 2 September 2016]

Global PPP e-list

The objective of this [global PPPs e-list](#), instigated by [Jubilee Debt Campaign UK](#), is to strengthen collective global civil society activity to tackle the threat to public services and public finances posed by the rise of PPPs. The list

aims to provide an online space for civil society and researchers from around the world who are concerned about the spread of Public Private Partnerships (PPPs) to share information, strategies and resources, and to coordinate around joint activities. The list is restricted to broad 'public interest civil society', including activists, campaigners, researchers and investigators working to tackle the threat to public services and public finances posed by the rise of PPPs. **The list is NOT open to representatives of governments, corporations or the media.**

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Africa & Arab Countries

The African Development Bank has appointed Helen N'Garnim Ganga, a Chadian national, as General Counsel. Among her responsibilities [when she served in the private sector were several financing projects, mining and privatization.](#)

Ghana: Workers at the Electricity Company of Ghana [suspend their sit down action over privatization and move to talks with the government.](#) "They [government] have invited us so we will go and present our issues and hope for a favourable response after which we will reconvene and take a decision,' [National Secretary for the ECG Workers Union Patrick Tetteh Binyeme] told Emefa Apawu on Class FM's 505 news programme on Monday. The strike was ordered by the leadership of PUWU which said it felt **disrespected by the attitude of the Millennium Development Authority (MiDA)** as far as its comments and actions regarding the union's nationwide demonstration against the privatization are concerned." But the Public Utilities Regulatory Commission [is vowing to sanction staff and management.](#) "National Secretary of ECG Senior Staff, Patrick Binyemi, has however maintained that the nationwide suspension of services which commenced last Friday is not a strike."

Mali: A two-day meeting of civil society advocates [links food security, structural transformation, and privatization](#) in West Africa. According to the Minister's Chief of Staff of Higher Education and Scientific Research, Abdoulaye Diakit , the choice of governments and international institutions since 1996 has been to favor "globalization and liberalization, intensifying the structural causes of hunger and malnutrition, **causing the privatization of institutions of social and economic support base**, and opening the doors to the monopolisation and concentration of resources and production processes in the hands of a few giant corporations."

Nigeria: [The Environmental Rights Action/Friends of the Earth Nigeria \(ERA/FoEN\)](#), a civil society group, **has described Lagos state government's establishment of special courts to prosecute "illegal water service providers" as a cover for promoting water privatization.** Dr. Babatunde Adejare, commissioner for environment, [announced the introduction of the courts](#) at a two-day retreat organised for officials of the water sector, which had as theme: 'Towards achieving a safe and sustainable water sector in Lagos State'. Adejare who was represented by Babatunde Hunpe, special adviser to the governor on the environment, dismissed reports that the state planned to privatize water but surprisingly added that a 'public-private partnership' is necessary. In a statement issued in Lagos, ERA/FoEN said the establishment of the water courts is an "unacceptable" violation of the rights of Lagos citizens to water and has no legal backing anywhere in Nigeria.

South Africa: [The privatization of public land in Cape Town will deepen class and racial divides.](#) "This trend of asset-stripping has powerful allies. Private developers have become increasingly cosy with high-ranking politicians and officials. The scandal around Gary Fisher, who wears two caps as public official in provincial government and real estate mogul, and his substantial personal interests around the disposal of the Tafelberg site, is one such example. (...) **One has to ask, who are the gatekeepers of these resources, and how are they being allotted?"**

South Africa: Heinrich Volmink, the Shadow Deputy Minister of Health, has written a letter to the Chairperson of the Portfolio Committee on Health [requesting that a parliamentary inquiry be undertaken on the state of the nursing profession](#). “According to the South African Nursing Council (SANC), the national output of registered nurses and midwives (following the four year training programme) was 3291 in 2015. However, in a HRH strategy document, the National Department estimated that **there was already a professional nursing shortage of 44 780 in the public sector in 2010**. The nursing workforce gap simply will not be filled if such a slow rate of growth continues.”

South Africa: [The South African Municipal Workers Union \(SAMWU\) has prevailed in its struggle to prevent the privatization of Pikitup](#). The new mayor of Johannesburg [backs off from a promise to privatize trash pickup](#) after DAMWU, and both the Congress of South African Trade Unions (COSATU) and the Economic Freedom Fighters (EFF) publicly opposed the idea. On 30 August, **Sizwe Pamla, the national spokesperson for COSATU, said the union opposed the privatization of public services** because “it will lead to decreased and inferior quality services for the poor since they won’t be able to pay for the services provided by or through private interests. It will lead to higher prices for the provision of basic services, which **will adversely affect the poor and it will also limit the extension of basic social and municipal services to the poor.**”

Tunisia: The business confederation Conect calls for the “**privatization of public enterprises engaged in the competitive sector**.” They also called on government to address looming “[disturbing wage developments](#)” in the public and private sectors. But Sami Tahri, a spokesperson for the UGTT union federation, said [that central labour “is against the policy of austerity and privatization of some public enterprises”](#) and that it will oppose any government action that does not have a social aspect.

Uganda: The Ugandan Minister of Education and Sports, Hon Janet Museveni, formally announced during a session of the parliament on 9 August 2016 that the [Government will soon close the schools](#) operated by the largest and most controversial chain of commercial private schools worldwide, Bridge International Academies (BIA), which runs 63 nursery and primary schools in Uganda. Hon Museveni indicated having based her decision on technical reports from the Ministry that revealed that the schools did not respect national standards, in particular that “material used could not promote teacher pupil interaction” and that “poor hygiene and sanitation [...] put the life and safety of the school children in danger”. The decision to close BIA schools follows several statements from United Nations (UN) human rights bodies as well as [a report](#) from a UK parliament watchdog that criticised BIA, suggesting that the development of these schools may lead to human rights breaches.

Asia Pacific

Australia: The **People’s Inquiry Into Privatization**, [launched by Public Services International](#) as a [joint initiative with many Australian unions](#) including CPSU, CPSU-SPSF, NSWNMA, ASU and ETU, in partnership Per Capita, Action Aid Australia and the ACTU, has begun with [public hearings all over Australia](#). The inquiry will conclude in Canberra on 27 October.

“The Turnbull Government has directed the Productivity Commission to conduct an inquiry into how to further privatize our public services, without looking at whether handing over control of our services to corporations is in the best interests of all Australians. But we think communities should have a say over how our services are run, and for whose benefit. That’s why we’ve initiated the People’s Inquiry into Privatization. **We want to start a national conversation about the impacts of privatization, and talk directly with communities about the services they need.**”

Australia: The West Australian's federal political editor [Andrew Probyn has won the Federal Parliamentary Press Gallery journalist of the year award](#) for his "series of stories about the Turnbull government's plans to privatize the payments system for Medicare. **The original story in February revealed that planning was well underway to outsource government payments for Medicare, pharmaceutical and aged-care benefits.** Labor successfully capitalised on the outsourcing story to run a wider campaign to warn of changes to Medicare under a Coalition government, leading to the term 'Mediscare.'"

Australia: [Municipal IT contracting requires care and diligence](#), and can be a risky business. A forensic audit found that Liverpool Council **may have been exposed to credit risk, poor value for money and reputational risk by a move to outsource some services to a private company.** "The contract outsources some customer and management services, and Mr. Wulff, who oversaw a similar contract while working at Queensland's Ipswich council in 2007, said the move would improve the quality of service delivered to the community. However, an independent audit by Prosperity Audit Services obtained by the ABC has now revealed **a number of limitations within the contract that may have left the council vulnerable.**" "Based on our investigation, it appears that a number of shortcomings may have exposed LCC (Liverpool City Council) to certain preventable risks," the report reads."

India: As part of a nationwide strike for labor rights, "activists of various trade unions [staged a protest in the town \[of Gubbi\]](#). Addressing the protesters, CITU taluk president Ajjappa said, The Centre and the state should take measures to safeguard the interests of the farmers and labourers. **He pressed the Centre not to privatize the public sector units.** Similar such protests were witnessed at other taluk centres in the district."

India: Kolhapur Municipal Transport (KMT) will outsource washing and painting of its buses and repairing cushions, [but deny that this is privatization](#). "The decision of outsourcing has been taken after several rounds of **discussions with the transport committee and officials.**"

Malaysia: As Johor state faces a water crisis, Sultan Ibrahim Sultan Iskandar [says the biggest mistake Johor ever made was to privatize the Syarikat Air Johor water company](#). The problem is a loss of control by the public, overpricing and distribution. "The ruler said there were industries in Pasir Gudang which consumed a lot of water, amounting to nearly RM4 million of water a month. 'They get water, but the housing estate next door has no water. How do the people feel (about this)? You can't simply transfer water from one river to another.'"

New Zealand: A national Day of Action affirms the democratic rights of New Zealanders and [supports initiatives to build a fairer and more sustainable society](#). The movement behind it is supported by civil society organizations, including NZ Council of Trade Unions (CTU), Public Services Association (PSA), FIRST Union, Greenpeace, 350.org, Oxfam New Zealand, SAFE for Animals and It's Our Future. Barry Coates, national coordinator of It's Our Future and the Day of Action, says "the government is allowing tax advantages for multinationals and the wealthy, **and planning to privatize social services.** They are ratifying the Trans-Pacific Partnership Agreement (TPPA) which would give new rights to foreign corporations to sue our government over democratically-agreed laws and policies, and override the Tiriti rights."

Pakistan: [Privatization is gaining ground in the provincial government of Punjab](#), as "the provincial government is increasingly transferring its functions and those of local governments to newly-created limited companies. (...) **The financial rules and regulations that govern the normal government departments do not apply to these companies though they are dealing with public funds worth tens of billions of rupees.**"

Philippines: [The government is planning to privatize the operations of government-owned and -controlled corporations](#) by stripping them of commercial functions, Finance Secretary Carlos Dominguez III has said. "Dominguez said the government was looking at splitting the commercial and regulatory functions of several

GOCCs, **including the National Food Authority**, and continue the privatization of government's power assets handled by Power Sector Assets and Liabilities Management Corp. 'We will continue the privatization program, particularly in PSALM where the [energy] assets are. So **we're also making a big push in privatization,**' Dominguez told reporters at the sidelines of the inter-agency Development Budget Coordination Committee hearing at the House of Representatives."

Inter-America

Brazil: The new president Michel Temer **is vowing to push privatization and cut social spending**, the International Trade Union Confederation (ITUC) [has warned](#). "Fundamental labour rights are also under attack by the government, and the country's national trade union centres, CUT, FS, UGT /CNPL, CSB, CTB and NCST have jointly pledged to fight against plans to eviscerate the labour code." [Temer has promised to privatize "everything possible."](#)

Colombia: Workers at Ecopetrol, the largest petroleum company in Colombia, **have voted to strike in the last week of October and first week of November to protest privatization and defend the rights of direct and contract workers**. The company is rejecting the strike. [*Portafolio*, 7 September 2016] "We decided to convoke the unionized and non-unionized to personal, secret and delegated voting, to determine whether they agree or not with the USO's lead and run a protest strike against Ecopetrol," [union president Cesar Loza told journalists](#). Privatizations, sales of subsidiaries and oil production fields and delays in the work of modernization of the Barrancabermeja refinery are the reasons for a possible strike, said Loza.

Cuba: [Privatization may be creeping into municipal services](#). "As more foreign money enters Havana, it seems individualism and the gap between rich and poor will only increase. The number of Cubans working in the private sector has reached nearly half a million – three times the number in 2008, and there is a new generation of nuevos ricos (new rich) who isolate those left on government wages."

Guatemala: The Permanent Citizen Forum for People's Health holds [a discussion of needed reforms in the health sector](#). Juan Carlos Verdugo, an advisor to the Ministry of Health, said "the ministry is going to promote **a very broad public participation process for reform, not privatization, based on the right to health** with the recognition of all Guatemalan society."

Mexico: [Legislation is introduced for the total abrogation of educational "reform" and its secondary legislation](#). PT Senate leader Manuel Bartlett said the program "is a project promoted by the International Monetary Fund, the World Bank and other international organizations, **which violates the rule of law to boost the already advanced privatization of education.**"

Panama: The National Negotiating Medical Commission (Comenenal) reports that there are levels of shortages of medicines and supplies in all health units not seen even during the crisis caused by the US invasion of Panama on December 20, 1989, and that [a crisis in Panama's main hospital looms in October](#). Other elements of the crisis, according to Comenenal, are **waste by privatizing services at the CSS Panama hospital** and insufficient resources.

United States: [Informal talks are continuing](#) between Teamsters Local 251 and Fall River, Massachusetts officials **over the privatization of trash collection**. In July, the Department of Labor Relations "notified the union that based on evidence it had presented, probable cause was found to believe **violations by the city may have occurred** and deemed the sanitation workers and union complaint as a level 1 case," and "granted the union's

request for an expedited hearing that must be heard within three to six months from when the complaint was issued.”

United States: In the wake of Donald Trump’s hard-line speech on immigration, *The New York Times* warns that any massive detention of undocumented immigrants [would be “a gift to the private, for-profit prison industry](#) and will ensure that any arrests, even false ones, can be springboards to deportation.” Steven Rosenfeld of *Alternet* cites an estimate by the conservative American Action Forum that under Trump’s plan [“the number of immigration detention beds would need to increase from 34,000 to 348,831](#) and to physically transport all undocumented immigrants out of the country the government would need to charter a minimum of 17,296 flights and 30,701 bus trips each year.” *The New York Times* ran an editorial recently **calling on the Obama administration to not wait for a study due in November** and instead [immediately end the use of for-profit corporations in immigration detention](#). “Whether private prison contracts should be canceled or simply not renewed, or whether Homeland Security should contract with state or county lockups, or run its own, will need to be answered. But the administration should first be asking itself why it locks up so many immigrants who are not safety threats, who are not there to be punished, who in many cases are refugees and who are the mothers of young children or are young children. ”

United States: PSI affiliate [AFSCME applauds the Justice Department’s decision](#) to end the use of private, for-profit firms to run America’s federal prisons. The announcement, by Deputy Attorney General Sally Yates, was made in a memo [reported by the Washington Post](#). Yates wrote that – compared to facilities operated by the federal Bureau of Prisons – privately run prisons “simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs; and as noted in a recent report by the Department’s Office of Inspector General, they do not maintain the same level of safety and security.”

United States: As [predicted in a report released by Progress Michigan back in August](#), problems with privatized food service in Michigan prisons continue under a new out-of-state food service vendor. The [Detroit Free Press reported](#) that drugs were found on a Trinity food service worker inside an Ionia prison. Anita Lloyd, a spokeswoman for the Michigan Corrections Organization union, said incidents of drug smuggling and kitchen workers becoming overly familiar with inmates are continuing under Trinity, which replaced Aramark as the prison food contractor in September. Aramark began the prison food privatization in December 2013, replacing about 370 state workers. Since Trinity took over, there have been [a series of peaceful prison protests](#) over the quality and quantity of the food.

“There is little doubt the administration’s failures will continue unless further scrutiny and accountability is applied to all privatization across Michigan.” **said Lonnie Scott, executive director of Progress Michigan.**

Uruguay: The National Public Education Administration [has plans to build 165 new schools through the modality of Public Private Partnership](#) (PPP). “The first bidding documents are being drafted and will be ready [by] October. (...) But projects are one thing, reality another. **The National Federation of Secondary School Teachers** (FENAPES), who knows fight battles and win them, **warns that the project enables the ‘commodification’ of education, which is part of ‘a privatization wave’ throughout Latin America.** And it is waiting for an investigation led by professors from the University of Barcelona, who plan to file in the same month of October, when it opens the call.

Europe

Cyprus: [Trade unions are resisting efforts to privatize the state-owned telecommunication company Cyta](#). “SEK trade unionist Elias Demetriou said earlier on CyBC radio that the unions had asked the Minister to actively support the efforts of the workers to maximise the value of the organisation by keeping the status of the public

entity. Demetriou said the unions respect the Minister's position but added that 'we as unions disagree and as I have said **the parliamentary parties are on our side**, therefore we believe that we have won this battle.'

Ireland: A Dublin councillor is dismayed that [the privatization of litter collection has led to a downgrade of the parts of the town's ranking](#) in the 2016 Irish Business against litter survey. "Speaking from Ballymun this morning [Dublin City Councillor Noeleen Reilly] said, 'I am thoroughly disappointed to see our community highlighted negatively in this report. Unfortunately, it doesn't come as a surprise given the amount of representations I make to Dublin City Council in relation to illegal dumping. We have had a serious problem with illegal dumping since the privatization of the bins by Dublin City Council.'

Slovenia: The government's new candidate for finance minister, Mateja Vranicar Erman, has "[pledged further public finance consolidation, more privatization and cuts to red tape](#)."

United Kingdom: Two South Hams councillors [have called for a rethink on the district council's plans for privatizing council services](#). "At a recent council meeting, Cllr Birch called on the council to put on hold its plans for privatizing council services **on the grounds it did not have authority or a mandate from the community to pursue such a scheme**. (...) 'I am very concerned South Hams is planning to spend £300,000 of council taxpayers' money on **a scheme to transfer 95 per cent of its staff and most of its services into a private trading company without consulting the community**.'"

United Kingdom: A conservative plan to ban municipalities from running their own bus services has been given a thumbs-down by voters. "Cat Hobbs, director of We Own It, said: "We know that local public ownership of buses can work because cities like Reading and Nottingham are already running their buses and having great success. The government plan to ban councils from setting up their own bus companies is completely ideological. Councils should be allowed to run buses directly if that's the best solution. **After nearly 30 years of deregulation, bus privatization has led to falling passenger numbers, service cuts and huge fare increases in most areas outside of London**. It's time for buses to work for people not profit."

United Kingdom: Unions welcome the conservative government's decision to abandon its plans to privatize the land registry service. [Public and Commercial Services union general secretary Mark Serwotka](#) said: "We showed two years ago, and again this time round, that selling off the Land Registry would be stupid and wrong, serving only private companies looking to profit from homeowners' data. "We welcome the Government's pause, but the plan should be scrapped in its entirety, never to see the light of day again, and the Land Registry should remain fully in public hands."

United Kingdom: [Privatization of patient transport services lands the public in the middle of a commercial dispute among contractors, and workers are not being paid](#). "Yesterday *The Argus* was inundated with calls from employees of Docklands Medical Services, one of the ambulance companies contracted to pick up patients by Coperforma. They said they are owed not only last month's salary, but thousands of pounds accrued over the last several months. Steve Barton, 50, of Hastings, said: "I'm owed just under £1,000 in back pay and pay for unsocial hours worked." Steve worked for the NHS as a South East Coast Ambulance driver for nine years **and was transferred to VM Langfords when the Coperforma privatization came into effect in April**."

[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.