



PSI Privatisation Update: 7 April 2016

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Our health is not for sale!

On Thursday April 7, Public Services International joined in the worldwide celebration of [World Health Day](#). Rosa Pavanelli, PSI General Secretary says that "Public healthcare is more effective and efficient than private systems".

Africa & Arab Countries

- 1) Ghana: Tamale chief warns against **the privatisation of the Tamale Teaching Hospital**. "According to Naa Dakpema Alhassan Dawuni, [outsourcing the laboratory](#) will deprive the people Tamale what rightfully belongs to them and hamper access to affordable healthcare delivery in the region."
- 2) Liberia/South Africa: The recent announcement that [a private American firm could be taking over public education](#) has elicited strong reactions around the continent. "The deal will see the government of Liberia **direct public funding for education to support services subcontracted to Bridge International Academies, a private, for-profit, US-based company**." The *Mail & Guardian* points out that privatisation in South Africa has a troubling record: "a 1999 privatisation in Mpumalanga, South Africa led to an increase of up to 69% in the cost of water in the municipality Mbombela. When communal taps were replaced by a prepaid metering system people were forced to turn to rivers for their water, leading to disease outbreaks."
- 3) Morocco: The BBC reports that a Moroccan politician has warned that the **government is planning to privatise health services and education**. "Hamid Chabat, secretary general of the Istiqlal party, has accused the Benkirane government of moving towards the privatisation of social sectors, starting with education and health care. He stressed that "instead of finding solutions to existing problems, ministers have opened doors widely to the private sector to make people pay for the education of their children and for health care." [BBC Monitoring Middle East, 4 April 2016, citing Moroccan privately-owned newspaper *Assabah* website on 4 April; [NGO Report](#)]
- 4) South Africa: [In a new report](#), ActionAid South Africa takes on the issue of **water pricing for private companies vs. the public**. Johann Boonzaaier, chief executive manager of the Impala Water Users Association, "says privatising water is a controversial topic because access to water is a basic human right." Emily Craven of ActionAid South Africa says "what worries us is when the monetary value is put into the equation. Because mines are the biggest polluters of the water, essentially what you would have is municipalities buying their own water from the mines that polluted it in the first place."
- 5) South Africa: Students at Buffalo City Public FET College, in East London and Mdantsane, "have to try to sleep on empty stomachs after the **college management outsourced payment of their food allowance from the National Student Financial Aid Scheme (NSFAS)**." The college, "decided to outsource the management of funds [to a company named Edu Loan at the beginning of the year](#). However, instead of the expected R1200 a month, students have reportedly been receiving only R200. Hundreds of hungry students took to the streets yesterday, disrupting operations on campus and demanding that college management address the issue."
- 6) Uganda: *The Monitor* [calls on government](#) **to get the courts out of private premises**. "Many ministries and lower government departments are sitting in decrepit buildings some of which were designed as shops or apartments."

Asia Pacific

7) Australia: **Privatising prisons will cost local jobs**, says Greens candidate for Cowper Carol Vernon. "[Private companies make profits by cutting staff](#)," Ms Vernon said. "Cutting the quality and integrity of our prisons through privatisation and contracting out will not fix chronic overcrowding in the state's prisons."

8) Australia: The new Wagga Hospital "has closed critical medical units and is **outsourcing operations to the private sector** due to a chronic nursing shortage." NSW Nurses and Midwives Association lead organiser Linda Griffiths said patients with serious heart problems and chest pains [would be outsourced until specially trained nurses were hired](#).

9) New Zealand: Amid a swirl of stories about privatisation involving assets of New Zealand Post, **public services privatisation remains a key concern**. "Contracting out government services to the private sector is another area the government has embraced, arguing there are many private and community organisations which can do the work of the state in a range of areas. National has already done this in housing, education, social welfare and (unsuccessfully in the case of Mt Eden at least) the prison system. [Now the Minister of Social Development Anne Tolley has flagged the use of private providers in the agency that will look after children in care](#). (...) The Greens raised the prospect of this sector becoming privatised and organisations being encouraged to make money from children."

10) New Zealand: Labour Corrections spokesperson Kelvin Davis [says](#) "the government's announcement that **Serco will pay back some of the profits made from mismanaging our prisons** is confirmation that National's privatisation experiment is a complete failure." Davis declared that the minister "should confirm that she's not going to carry on with National's privatisation agenda and place Mt. Eden Corrections Facility under Government control."

Inter-America

11) Canada: Jerry Earle, president of the Newfoundland and Labrador Association of Public and Private Employees (NAPE), says "**efforts by the union to uncover contractual details about three private companies** providing services for Eastern Health [are being challenged by the companies](#). (...) These services were previously offered by unionized Eastern Health employees, but have since been privatized, said Earle." The NAPE leader called this "one of the biggest drawbacks of privatization," and said "you do business with public bodies and with public funds, you have an obligation to be transparent. These corporations obviously put their business interests ahead of the public's right to know." NAPE identified the companies as Morrison Healthcare/Compass Group/Crothall Healthcare, Paladin Security and Vinci Park/Indigo.

12) Canada: **Privatization of public health care services leads to health concerns** in Ontario. Several weeks ago, "Trillium Health Partners, a three-hospital group in Ontario, cancelled its contract to outsource sterilization of hospital equipment to the private sector, due to repeated quality management problems with the company it contracted to, SteriPro. Trillium had signed a 10-year contract with SteriPro and cancelled it four years in, [opting instead to bring sterilization back under in-house, accountable public operation](#)."

"According to the Canadian Union of Public Employees (CUPE), which has been fighting privatization of health care services across the country, 'blood and bone matter returning on instruments was a problem' after the service was privatized. Moreover, according to CUPE, privatization also led to the private contractors transporting 'very delicate surgical instruments over rural highways in all weather conditions, which is not recommended by the instrument manufacturers,' which exacerbated the quality control problems." [\[Report\]](#)

13) Colombia: The [public water utility AMB](#) will undergo a restructuring, not a privatization, says the mayor of Bucaramanga after "**rumors of a privatisation** that he said began on the utility's union, which opposes a restructuring. Hernández accused the union of distributing flyers saying city hall would hand over AMB to Spain's Aguas de Barcelona."

14) United States: **Uber takes over a Florida city's (Altamonte Springs) public mass transit system**. The business media is celebrating this as [the first "conscious privatization of public service](#)". Uber, AirBnB and other platforms have been parallel to government-backed provisions, but they've never been addressed as a replacement to failing public service." Local government is grappling with the question of [how to regulate Uber and Lyft](#).

The California-based **Partnership for Working Families** has produced a working paper on the challenges to workers' rights, public interest regulation, and consumer protection posed by the "on demand economy," [Pathways Forward in An On-Demand World](#).

15) United States: As **Chicago public school teachers stage a one day strike** to protest budget cuts, school closures, privatization, layoffs, increasing class sizes and other issues, Louis Weiner, writing in *Jacobin*, ties their struggle to [global labor action to defend public education](#). "Chicago's teachers are not alone in redefining the rules of engagement with governments over school funding and ownership of public education. [UK teachers](#) will soon engage in a national one-day strike, followed by local strikes throughout the summer. From [South Africa](#) to [Hungary](#), [Kenya](#) to [India](#), teachers, parents, and students are resisting the dismantling of public education, the [process of dispossession](#)."

16) United States/Global: Writing in *Jacobin*, Carter Vance says **local resistance to water privatisation** can open "wider democratic possibilities and mobilizations." In Bolivia, "the privatization attempt generated such mass opposition and sustained protest over a four-month period that the government eventually backed down from the move and turned over operation of the city's water supply to a coalition of community leaders. Concerns about water contamination and local control of water supplies [have also driven protest movements elsewhere in Latin America](#). Canadian-owned mining companies are a particularly common target; in the last few years mass protests against companies like Eldorado Gold and Eco Oro have occurred in Colombia, Nicaragua, Ecuador, Peru, Bolivia, and the Dominican Republic, as well as other parts of the world including Slovakia, Greece, Romania, and Israel."

Europe

17) Continental: As the international community marks [World Health Day, a network of trade unionists, citizen collectives, NGOs and social movements](#) have taken to the streets in a series of actions planned in several European cities to say **the rising wave of privatisation is damaging healthcare in Europe**.

Jan Willem Goudriaan, General Secretary of EPSU, PSI's European branch, writes for EurActiv, "[tens of thousands of health professionals have lost their jobs; many more have had their wages cut and frozen](#). Increasing numbers of healthcare workers are leaving their home countries in search of better pay and working conditions abroad. The resulting pressures on the staff that remain is reaching boiling point, of which this week's 48-hour strike by junior doctors in the UK is just a snapshot. Recent months and years have seen industrial action and protest from health workers in Croatia, Kosovo, Latvia, Poland, Romania and Slovakia."

18) Continental: The Green European Foundation has issued a [report](#) on the **impact of privatisation on the organisation and financing of welfare services in Europe**. It includes sections on Spain, Sweden, Germany and Hungary and covers other countries. "In many countries, thousands of small decisions have resulted in a paradigm shift from public to private ownership in the welfare sector, without a democratically legitimised general policy. Public opinion has been taken by surprise and a counter-reaction has emerged in many countries. However, this counter-reaction has several different political colours, some being progressive and left-wing, and others being populist and right-wing."

19) France: Criticism grows over **plans to privatise mobile speed cameras**. "The government's road safety tsar Emmanuel Barbe insisted that although [private companies would run the mobile cameras](#), the analysis and handling of all contraventions will be handled by police. A pilot scheme will be launched in September before a call for tender is put out later in the year."

20) Greece: **Public sector workers, including hospital staff, go on strike to protest pension cuts and tax increases sought by foreign lenders**. "Our strike is just a warm-up, we will stage a 48-hour strike when the government submits the bill (to parliament) with the measures," said Odysseas Drivalas, a leader of ADEDY, Greece's 500,000 member public sector union. "Workers have lost almost half of their income since the crisis started, they cannot bear any more of this burden. With labour action, we can at least put pressure on them (the government)." Privatisations are part of the austerity program, and [Germany is demanding 50 billion euros in privatisation revenues](#).

21) Ireland: The head of the Public Water Forum, Tom Collins, says “water must be kept in public ownership, and warned that **the lack of safeguards against privatisation was not helping secure public support for the reform of water services.**” The forum [issued its first formal report](#), a response to Irish Water’s investment plan for 2017-2021.

22) Slovenia: Public electricity workers begin a 15-day industrial action. “With the sector mostly in state hands, the trade union is looking for talks with the government. One of its fears is **a covert attempt to privatise the sector with a sale to foreigners.**” [Slovenian Press Agency STA, 4 April 2016]

23) United Kingdom: A 46-year veteran of Leek Urban District Council **denounces privatisation of the district’s waste collection service** in his retirement speech. Speaking at his retirement presentation, Rob Lovatt said: “In 1994 the tender to outsource the waste contract came up. The council could have lost it for just £3,000, but all 56 councillors stuck their necks out and kept it in-house. Next year the contract is to be discussed again. The councillors and officers need to get their thinking caps on as I want to see it stay in the council hands.” [Leek Post & Times, 5 April 2016]

24) United Kingdom: Junior doctors, who make up more than half of all doctors in the National Health Service, walk off the job “in response to **a new government contract proposal they say would create unsustainable hours and put patient safety at risk.** It’s the fourth such action taken this year by doctors in training in all units but emergency medical care.” Kitty Mohan, a London based registrar and a member of the BMA Junior Doctors Committee, “says funding cuts and increased demands on staffers are fueling burnout.” The current chief executive of NHS England, Simon Stevens, “[used to be an executive vice-president of UnitedHealth Group, a private American health care company](#) with revenue of \$157 billion in 2015.”

25) United Kingdom: Several Labour MPs warn that **the National Health Service “could spiral towards privatisation”** should Britain vote to leave the EU. “Julie Elliott, MP for Sunderland Central, said: “The amount of high-profile supporters the Vote Leave campaign is attracting who clearly want to privatise our NHS is alarming. ‘Leaving the EU would damage our economy which would have a negative knock-on effect on our public services, especially the NHS.’ Alan Milburn, Patricia Hewitt, Andy Burnham and Alan Johnson have all said [leaving the EU would risk ‘frightening consequences for staffing, waiting times and levels of service care’](#) in the NHS.”

26) United Kingdom: After decades of work by campaigners and activists to boost overseas development spending to 0.7% of national income, **private companies are creaming it off.** Global Justice Now reports that “consultancy firms, including Adam Smith International (ASI), are ‘taking an ever increasing share of the aid budget and enjoying generous profit margins.’ In 2014 alone, the Department for International Development (DfID) spent £90 million through ASI, which is twice what DfID spent tackling HIV and Aids.” [[The Privatisation of UK Aid](#)]

27) United Kingdom: GMB, the union for patient transport services in Sussex, “[will undertake an industrial ballot of members at Thames Ambulance](#), one of the three patient transport service providers who took over from South East Coast Ambulance Service on Friday April 1st 2016. (...) The dispute focuses on Thames ambulance’s decision to provide only a single base station at Sheffield Park, Sussex which will see the majority of transferees suffering additional and far longer travel periods to and from work, **un-agreed shift changes** and for some a significant additional cost.”

28) United Kingdom: University of Durham professor Bob Hudson analyzes “**the unsuccessful privatisation of social care: why it matters and how to curb it.**” [Hudson writes](#), “the narrative is that users are indifferent to who provides a public service. Instead, it is the quality that matters. But the reality is that the two are inter-twined. The most obvious example is with the workforce which comprises 60 per cent of the costs and is ‘sweated’ in order to sustain financial margins. Research has highlighted **an array of poor practices**—restricting annual leave, reducing the numbers of qualified nursing staff, increasing resident-staff ratios, removing sick pay, failing to pay the National Minimum Wage and increased use of zero-hour contracts. Moreover there is evidence that pay rates and staff retention rates are significantly lower in the private sector than in the smaller local authority and voluntary provider sectors.”