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PSI Privatization Update: 29 March 2017

PPP FACT 4

PPPs DO NOT MEAN INCREASED EFFICIENCY

PPP cheerleaders say that services will always be more efficient under private sector control and influence. But research has consistently failed to demonstrate this supposed effect. Even the IMF admits that "the theory is ambiguous and the empirical evidence is mixed."

Solution

Well structured and funded public services respond more efficiently to public interest outcomes than private models. Increased "Public-Public Partnerships" can help a range of state-run services exchange knowledge and support for further efficiency gains.

IMF Official highlights need for strong civil service and dangerous risks associated with PPPs - it seems that some officials are finally starting to admit that PPPs don't live up to the hype - and that a strong civil service is key in mitigating risks created by the private sector.

Strengthening the notion of civil service as a vocation in developing countries is critical to building the institutions needed for sound economic governance, an International Monetary Fund official has told [Public Finance International](#).

Many of the world's poorest countries suffer from a dearth of skilled civil servants in areas like public accountancy, administration or financial management, with those that are trained in such roles quickly poached by the private sector.

Gerd Schwartz, deputy director at the IMF's Institute for Capacity Development, added that underpayment and a lack of professionalization meant that in some countries work in the public sector was viewed with disdain.

Toronto municipal workers [celebrate major milestone in fight to keep solid waste public](#) - Under intense pressure, the mayor has put the brakes on his own privatization plan. Since late November 2016, CUPE 416 has been engaged in a campaign to bring the facts about solid waste privatization to the residents of Toronto, Canada. At the heart of their campaign were three key messages: the numbers presented by the mayor didn't add up, there were no savings in privatization, and any decision to privatize would be based on little more than ideology.

When private goes public – community wins. Five years ago, the town of Conception Bay South, Newfoundland and Labrador, Canada, was facing problems with its privatized solid waste collection. Complaints were on the rise, and costs were headed in the same direction. The CUPE local representing the town's workers had [worked tirelessly over the years to convince management and council that public worked best](#), first bringing bulk garbage pickup back in house, and building a solid case to end privatization once and for all. Now, at the end of a successful five-year in-house trial period, the service is staying public. The town-run service has also expanded to include curbside recycling pickup. "It's a win-win for everyone," says CUPE 3034 president Terri-Lynn Cooper. In a recent survey of town residents, garbage collection topped a list of what residents liked about their community, with nearly 82 per cent of people choosing the service first.

Africa & Arab Countries

Stock market analysts "see [increasing momentum on African bourses driven by privatization plans in Nigeria, Morocco, Egypt and Tanzania.](#)"

Botswana: [Five parastatals have been earmarked for privatization](#): the entities include Air Botswana, Botswana Meat Commission, Botswana Railways, National Development Bank and Botswana Agricultural Marketing Board.

Burkina Faso: Lawmakers are trying to step [in to prevent the privatization of FESPACO](#), the country's world renowned film and culture festival. "It is important to have legislation. If FESPACO, which is created by an administrative text, tomorrow is created by a law, **it will be difficult for the government to privatize without going through the parliament,**" says Michel Ouédraogo.

Kenya: Muthoni Wanyeki, Amnesty International's regional director for East Africa, the Horn and the Great Lakes, denounces the government for [failing to bargain in good faith with striking public sector doctors](#), and ties this to "the fact that **those responsible for public policy on public service delivery no longer utilize public services themselves** if they can avoid doing so has created an alarming disconnect. That we see every time any category of public workers go on strike—think here of the teachers' strikes. **Public policymakers are no longer personally invested in ensuring public service delivery. Because they can pay for private service delivery.** For everything from education to health."

Madagascar: The head of the Autonomous Workers Union, Haja Maminirina, [demands that workers have a voice in the management of the state-owned power company](#), Jirama. "We are not against the change of management and restructuring to improve the management of the company. On the other hand, all the forces of the company must be consulted if we want to change the status of the Jirama.

Indeed, **the decisions taken by the leaders over the years have had a negative impact on the country, including the privatization of state-owned companies.**”

Mauritius: [Jayen Chellen, general secretary of the Consumers Association of Mauritius \(ACIM\), opposes privatization of the country’s water facilities.](#) “We do not want water to be privatized because through the Bill Mauritius Fund, the CWA harvests Rs 3.2 billion” he says. “The sum needed to change the used pipes revolves around Rs 4 billion. **This privatization will lead to an increase in costs and profits without improving the quality of the water. It is the shareholders who will benefit. We will also lose a patrimony. All economists agree that a public good should not be privatized.**” ACIM has asked to meet Ivan Collendavelloo, the Deputy Prime Minister and Minister of Energy and Public Utilities on this subject but to no avail.

Morocco: [Protestors march through Rabat](#) to mark the anniversary of the 2011 wave of protests, known as the February 20 Movement, “that was inspired by the Arab uprisings taking place in Tunisia and other Arab countries. Protesters, representing a myriad of political affiliations, rallied under the banner of the February 20 Movement and called for an end to corruption, better housing and employment opportunities, **and an end to privatization of schools,** among other demands.”

Namibia: A [debate on privatization](#) has broken out in the pages of The Namibian following a call by Andrew Jansen of Simonis Storm Securities for the partial privatization of some state-owned enterprises as a possible solution to the economic crisis in the country. S. McCarthy of Walvis Bay writes, “Of course, Jansen **is merely repeating the old propaganda that the so-called private sector is more efficient** and, therefore better for Namibia. **Just where is the evidence for this assertion?** Does 'efficiency' mean greater profits for the 1%? This is probably how the capitalists use this concept. But what about the other side? The loss of jobs, the greater pauperization of the rest, and the vast increase in workloads for the remaining employees?”

Nigeria: [Protests grow over an “environmental protection” bill seen as a stalking horse for water privatization.](#) “A coalition of civil society groups, grassroots campaigners and water unionists have vowed to resist the Lagos State Environmental Management and Protection Bill which was passed into law on [February 21] by the Lagos House of Assembly, less than two weeks after the groups challenged key sections of the bill at a public hearing organized by the House Committee on the Environment.” The groups include Environmental Rights Action/Friends of the Earth Nigeria (ERA/FoEN), Amalgamated Union of Public Corporations, **Civil Service, Technical and Recreational Services Employees (AUPCTRE)**, Peace and Development Project (PEDEP) and Centre for Children's Health Education, Orientation and Protection (CEE-Hope). Others are Center for Dignity and African Women Water Sanitation and Hygiene Network (AWWASHN), among others. “ERA/FoEN Deputy Executive Director, Akinbode Oluwafemi, said we are too shocked at this clandestine passage by members of the House which was so hurriedly done that it smacks of disrespect for Lagos residents who are already victims of **the Lagos government’s deliberate withholding of funding to the water sector to pave way for privatization**” Mr. Oluwafemi pointed out that, “The hasty convergence and recourse to recess by the lawmakers after passing this law is not only suspect, it is a conspiracy against the people.”

[PSI berates Nigerian government’s privatization programme](#) describing it as unfavorable to workers. In a parallel development, the Lagos State Council of Trade Union Congress (TUC) has decried the recent bill passed by the Lagos State House of Assembly, denying Lagosians access to water. Peters Adeyemi, PSI vice-president, said “As a result of privatization, employment is no longer secured, what you see is abuses against the workers. Virtually every utility in our country is been privatized. Despite the

widespread conviction that government has no business in business and everything has to do with the private sector, we are aware that most of our national assets have been sold to individuals. We also know that most of the privatization projects that the government has embarked on have not succeeded. The so-called privatization has failed, and collapsed".

Nigeria: IBEDC Managing Director and Chief Executive, John Donnachie [reveals](#) that state agencies [“have not paid for their electricity consumption for the past three years following the privatization of the power sector.”](#) The power sector is facing a major crisis and recently received [a N702 billion bailout](#).

Saudi Arabia: The government has invited local banks [to advise it on the privatization of the post office](#).

South Africa: The National Education, Health and Allied Workers Union (NEHAWU) and the Democratic Nursing Organisation of South Africa (DENOSA) [marched to defend public services](#). Among their demands are the “freezing of vacancies in the public service and absorption of community healthcare workers.” [NEHAWU workers delivered a memorandum to Finance Minister Pravin Gordhan before he delivered the 2017 budget speech](#). “According to **NEHAWU General Secretary Bereng Soke**, the issues to be raised during the day of national action [included], but [were] not be limited to, **retrenchments and outsourcing**, a demand for a higher minimum wage, the total scrapping of e-tolls and the full implementation of national health insurance. ‘The aim of this national day of action is to show the Treasury and government as a whole that **we are not prepared to accept starvation wages, outsourcing, labour broking and private public partnership**, he said.” **South Africa: Democratic Nursing Organisation of South Africa (DENOSA) President Simon Hlungwani**, citing a sharp deterioration of the physical security of public sector health workers, **demands that the government stop tendering for security services “and hire permanent security personnel.”** [Pretoria News, 23 February 2017]

South Africa: Kelly Gillespie, head of the anthropology department at the University of the Witwatersrand, [analyses the increasing privatization of South African public universities](#). “Our students have brought an urgency to matters that have long been on public record: that our universities are racist and colonial institutions that serve a limited notion of the public, and **that the incremental loss of government subsidy over the past 20 years has created a devastating privatization of higher education**, felt most keenly by the university through reduced resources and students in a year-on-year above-inflation increase in fees. (...) When read alongside the creeping corporatization of the university — corporate bonuses for senior management, incentivized publishing, performance management systems—**securitization can be understood as a thrust in the privatization, and the demise, of our public universities.**”

South Africa: The Southern African Conference of Catholic Bishops denounces the South African Social Security Agency (Sassa) for [dragging its feet on the 2014 order of the Constitutional Court to implement the insourcing of the grant payments by March 31, 2017](#). “We call on the Presidency to show ethical leadership and hold the minister and Sassa to account for putting the grant disbursement system at risk. **We also call on the cabinet and the Treasury to review the outsourcing of public services** that are critically important for the eradication of poverty among our people. **We consider the extensive outsourcing and proliferation of private-public partnerships around key public services to be a new form of privatization that is not in the interests of the poor in our country.**”

South Africa: [The National Union of Mineworkers and COSATU are criticizing a decision by Eskom to shut down five power stations](#)—Hendrina, Kriel, Komati, Grootvlei and Camden. SA’s climate change obligations to introduce renewable energy into the electricity grid “**should not result in backdoor privatization, and further commercialization of Eskom.**” The union federation’s national spokesman, Sizwe Pamla, said “Eskom and the government should suspend their plan to shut down the power stations until a just transition-solution is arrived at by all affected stakeholders.”

Sudan: [Port Sudan port workers protest privatization plans](#). Osman Tahir, the head of the **Alternative Port Workers Union**, “reported that about 230 workers who were laid-off from work were allowed to return to their jobs at Sea Ports Corporation, which he said is a result of the **growing pressure and protests against the privatization.** (...) The demonstration was held by seaports workers themselves **who refuse the privatization of the port of Port Sudan.** Tahir: ‘Hundreds of workers attended, as well as civil society organizations. It lasted until midnight.’ Speakers at the event stressed that the port’s privatization will result in the displacement of many employees.”

Togo: As the government [moves towards privatizing public health services](#) (while denying it is doing so), [criticism mounts](#): “**From 7 to 8 February, a sub-regional seminar initiated by the Public Services International (PSI) and the National Federation of Public Service Unions of Togo** brought together in Lomé journalists and trade union and civil society actors from Togo, Burkina Faso, Mali, Senegal, Benin, Chad, Cameroon, DR Congo, Nigeria, Niger and Guinea Conakry. And it was around the theme ‘Public Private Partnership and the Right to Health.’ (...) Participants expressed serious concern: ‘Does the form of contracting in question, in particular the PPP, guarantee the supply and access to quality care to which all Togolese citizens are entitled? **What would explain the non-involvement of all social partners, civil society and users in the ongoing contracting process?**’ To this end, workshop participants ‘**express deep concern about the relevance, effectiveness, efficiency and timeliness of such an approach for Togo, and ask the government to open a wide consultation with all stakeholders, including trade unions, civil society organizations and especially users, with a view to an inclusive, participatory and transparent process, call for the establishment of a national basis on this PPP contracting process as soon as possible.**”

Tunisia: The UGTT, the main labor federation, says that it “[categorically refuses](#)” the [privatization of public banks](#). The decision to sell state banks has not yet been taken, said Lamia Zribi, the Finance Minister. But Mongi Rahoui, chairman of the Finance Committee of the People’s Representative Assembly, says the authority to do so lies with the assembly, not the executive.

Tunisia: Secondary school teachers and their supporters [stage a sit-in in front of the headquarters of the Ministry of Education to defend public education system](#), and “**categorically refuse the privatization of public education.**” One teacher says a neglected, marginalized state institution and a lack of educational reform will push parents to enroll their children in private schools. They demanded the resignation of the minister.

Tunisia: As [talk of privatization](#) looms over Tunisair, “**social tensions have been exacerbated for several months within the company.**”

Asia Pacific

Australia: David Hetherington, who chaired the **People’s Inquiry into Privatization**, explains “[how privatization is failing our communities](#).” The People’s Inquiry included independent panellists

Yvonne Henderson (former Equal Opportunity Commissioner WA) and Action Aid's Archie Law. The inquiry visited 12 cities and regional centres including Perth, Darwin, Adelaide, Hobart, The Latrobe Valley, Melbourne, Canberra, Wollongong, Sydney, Newcastle, Brisbane and Cairns. “For several months, I’ve been travelling around Australia as panel chair of the People’s Inquiry into Privatization, **hearing from local communities about how the sell-off of public services has affected them and their families.** The impact of the submissions is deeply concerning when considered in its entirety. **The privatization of disability care is just one of the stories we’ve heard—the narrative repeats in electricity, health, education and many other areas.**” [[People’s Inquiry Website](#)]

Australia: The Labor party wins overwhelmingly in Western Australia, “[derailing billions of dollars of privatizations including a port and major energy grid.](#) The opposition state Labor party, **which campaigned against the government's plans to sell** a majority stake in the A\$15 billion (\$11.3billion) Western Power electricity grid along with privatization of the \$1.5 billion Fremantle Port, won decisively and **will govern without needing a coalition partner.** The result **puts a dent in the country's privatization plans,** with the Australian government encouraging the states to sell assets by offering them up to A\$5 billion in cash grants if they then quickly re-invest proceeds in infrastructure projects.”

Australia: The government [defies calls to keep disability group homes public and outsources them to a consortium of three private companies.](#) “**The Public Service Association’s assistant general secretary Troy Wright** said the government’s ‘consultations were a sham. ‘They are telling families they will be consulted before a final decision is made, but in the Hunter’s case the residents and their families are being told who the operator will be,’ Mr Wright said. ‘It’s a short-list of one, which is no short-list.’ The union’s Hunter organizer, Paul James, said the NDIS was formulated on ‘principles of choice’ but the NSW privatization was forcing people into decisions they did not want to take.” [Disability workers across NSW took industrial action against the privatization of disability services.](#) **PSA regional organizer Michelle Mackintosh** said “if these workers are absorbed into the private sector, ultimately they will face lower wages and conditions. If these workers leave the sector their experience leaves with them, which is detrimental not just to the sector, but to their clients as well.”

The Public Service Association (PSA) organized a pop-up protest on International Women’s Day [to protest the privatization of disability services.](#) The **Labor MP for Blue Mountains, Trish Doyle,** spoke up in parliament for disability workers, condemning “[the inferior redundancy conditions given to a female-dominated employment sector.](#)”

Australia: [Jobs are threatened if the privatization of Housing NSW goes ahead,](#) the **Public Service Association (PSA)** says. “PSA North West organiser Steve Mears said the association is preparing to lobby state MPs to ensure their jobs are retained, with uncertainty surrounding how many jobs could cross over to the private sector. ‘**Virtually our whole government social housing has been sent out to the private sector for management,**’ Mr. Mears said.”

Australia: The Newcastle Herald says “The Sydney Morning Herald article ([‘Inflated hearing aid prices cause uproar’ SMH, 3/3](#)) [should be enough to end the Turnbull government's intention to privatize Australian Hearing.](#) **Such privatization would throw the young and the elderly, who are given great service by Australian Hearing,** in with the rest of the Australian public now being fleeced by those whose main aim is the sale of hearing aids—the dearer the better.”

Australia: Opposition leader Luke Foley [is interviewed](#) by talk radio host Ray Hadley about **the privatization of the land titles office.** The Sydney Morning Herald [reports](#) that “**hundreds of**

employees at NSW's land titles registry are now uncertain about their future after a leaked draft contract revealed the future private operator could send their jobs out of the state."

India: **Imrana Qadeer**, a former professor and one of the oldest faculty members of Jawaharlal Nehru University (JNU), [tells a conference on health-related policies and challenges](#) that "the government was investing a lot in developing tertiary care centres in the country, but there was a need to strengthen primary healthcare centres. If primary health centres were developed, doctors, too, would prefer to serve in the rural areas, she added. **Concerned over privatization of the country's health sector, she said private hospitals had grabbed the entire tertiary care sector and now they were gradually moving towards primary and secondary care. This was a major issue of concern and would badly hamper services in the public health sector,** Qadeer added."

India: Writing in India Water Portal, Makarand Purohit looks at "[what's wrong with water privatization?](#)" and at its history. "The drive to privatize the water sector in India accelerated after the year 2000, when the Government of India **adopted various reforms suggested by international financial institutions** like the World Bank and the Asian Development Bank." Water law expert Pradeep Purandare says "**the public-private partnerships in India have so far failed to improve water services in the country, and there is no private sector regulation act and rules to regulate the functioning of the private sector.**"

India: Trade unions have held a massive rally to protest [government plans to sell stakes in 10 major companies](#). **Centre of Indian Trade Unions National General Secretary Tapan Sen, MP**, "alleged that the move was part of the concerted efforts of Union government to allow back-door entry to corporates like Reliance in the defence-related production sector. He said workers' unity would help protect the PSUs from corporate greed to misappropriate government land and resources. **INTUC State president R. Chandrasekharan, HMS leader Thampan Thomas, and M.B. Rajesh, MP**, also used their speeches to stress the need for workers' unity to protect the PSUs. [Public sector companies]"

India: [Solid waste management may be privatized in Bengaluru](#). "The **main hurdle** in the implementation of waste segregation and decentralised management **is the nexus between contractors, officials and corporators**, said Megha Shenoy from the Ashoka Trust for Research in Ecology and the Environment."

India: Employees of BSNL, the state-owned telecommunications company, [are up in arms over privatization](#). "In a memorandum, union members strongly opposed the Centre's decision to consider NITI Aayog's recommendation on disinvestment/strategic sale of BSNL as conveyed by the PMO to the secretary of the department of Telecom through a letter dated December 30, 2016. [BSNL Employees Union](#) **president Shakil Khan** informed that the company is giving its private counterparts a run for their money. They demanded that the BSNL must fully remain a government undertaking and **said that they would oppose all moves to privatize it 'in the interest of its customers and the nation.'** They said BSNL decisions of the government should be focused on strengthening the company, not weaken it."

New Zealand: **The New Zealand Public Service Association** has demanded that all government agencies should follow the lead of the Ministry of Business, Innovation and Employment, [and release details of their spending on contractors](#). **PSA National Secretary Glenn Barclay** says "since National came into power in 2008, pay and working conditions have deteriorated, so that many people with in-demand skills choose to leave permanent jobs and become contractors. A healthy and vibrant public service should be able to provide good jobs which are fairly rewarded, and these figures show that's not

happening. (...) New Zealanders expect good public services to be delivered by dedicated employees. Instead, millions of dollars is going straight into the private sector's coffers." He also said "the government needs to explain why ministries are becoming increasingly casualised."

New Zealand: Patrick Nolan, the principal advisor for economics and research of the New Zealand Productivity Commission, [looks at the complex issue of public sector productivity](#). Whereas private sector productivity is usually measured by price, this is not suitable for public services evaluation. "In contrast, public services typically lack, or at best poorly reflect, prices as they are provided free or are subsidised. Hence prices cannot be used as proxies for the value the services generate and some other way is required to combine diverse outputs into a single index (a weighting schedule). Quite often cost weights are used but these reflect the value placed on the service by the producer and imply that higher costs equal higher quality. (...) Done properly efforts along these lines **will support public sector productivity growth and stronger public services.**"

New Zealand: The Green Party has denounced [the government's plan to let foreign, for-profit companies make money from public mental healthcare by using "social bonds."](#) **Green Party social development spokesperson Jan Logie** says "social bonds are a continuation of the Government's attempt to privatize public services, which will always see the most vulnerable left out and National's mates better off. National has been trying to launch these social bonds since 2013, with many expensive unintended detours and holdups. The set-up costs have run into the tens of millions of dollars, at a time when our social services are under severe budgetary restraints. **This new contract doesn't sound like it will be particularly innovative, it will just suck resources away from core Government services.** Models of individualized support and wrap-around care are nothing new and nothing our own community organizations can't or aren't providing already." The **Labour Party's deputy leader and health spokesperson Annette King** said the **social impact bond scheme "undermines the work our local, severely under-funded mental health services, are doing.** (...) She said trusting a private company to deliver mental health outcomes is mad. **Mental Health Foundation Chief Executive Shaun Robinson** worries providers could target easy cases simply to meet targets and make a profit."

New Zealand: The recently elected [president of the New Zealand Educational Institute \(NZEI Te Riu Roa\), Lynda Stuart](#), is **taking aim at schools privatization.** "I'd like to see a reversal of the **failed education policies that have had a focus towards privatization and standardisation.** Policies such as national standards and charter schools have no place in a country which values diversity and the personalisation of a child's learning journey. (...) Other challenges include **political ideology driving the education system and the move towards privatization and standardisation.** This reinforces a one-size-fits-all approach that doesn't acknowledge the diversity of our children's strengths and talents."

New Zealand: Marama Davidson, MP, writes about "[Niki's Eviction: The Privatization of State Homes.](#)" Niki, a state house tenant, "has paid her rent on time every week for 21 years. She has cared for her humble home lovingly while the state landlord has let too many homes crumble and rot. She has been issued with a 90-day eviction notice as part of the Tamaki Redevelopment Company (TRC) project, **which is in effect selling off huge parcels of Crown land to developers after the state houses on them have been removed and demolished.**" Activist **John Minto** has called this "[the largest privatization of state assets ever undertaken in New Zealand](#)" and says it's **an act of "social vandalism."**

Sri Lanka: C. R. de Silva, who was “responsible at World Bank headquarters for program development in, and loan negotiations with, several miracle economies of East Asia Region for some 20 years” [analyzes Sri Lanka’s fealty to IMF development strategies](#) and compares its performance to those of East Asian countries which “determined that **the IMF’s prescription based on economic liberalization, privatization, open markets, fiscal discipline, price stability**, founded on the utmost confidence in unregulated markets, to lead a poor country’s development effort, to the near exclusion of a dominant government role, **was destined to fail** in a reasonably short time frame.” He concludes that “**the carrying out of IMF’s policy advice on enhanced indirect taxation and privatization/PPP have already led to social tensions and may lead progressively to civil strife in due course**, as recent events down south forecast.”

Sri Lanka: [Workers](#) are protesting plans to privatize government estates.

Thailand: The Bangkok Post reports that the government will borrow heavily to support new infrastructure projects. **Finance Minister Apisak Tantivorawong** says “for the rest of the funding, [20% will come from the public-private partnership \(PPP\) scheme](#), 10% from the government’s budget expenditure, 2% from the Thailand Future Fund (TFF) initial public offering and the remainder from state enterprise income.”

Vietnam: Ho Chi Minh City hospitals [are raising the quality of their treatment](#), but “private hospitals, especially those in the plastic surgery and cosmetics field, are in need of improvement.”

Vietnam: [Japanese consultants advise Vietnam to use a ‘public-private partnership’ model to develop Liên Chiểu Port in Da Nang](#). “The pre-feasibility report for the expansion was prepared by the **Japan Port Consultants (JPC) company and the Overseas Coastal Area Development Institute of Japan (OCDI)**. The port project is linked with other projects including the Đà Nẵng-Quảng Ngãi Expressway, expansion of the Hải Vân Tunnel and a new railway station.”

Vietnam: As thousands of Hanoians face **a lack of clean water**, authorities say they “will [create favourable conditions in terms of land and procedures for investors](#).”

Vietnam: Prime Minister Nguyễn Xuân Phúc tells Jin Liqun, the **president of the Asian Infrastructure Investment Bank (AIIB)**, that the country will [strongly support the activities of the bank](#). AIIB is expected to offer loans to Ho Chi Minh City for infrastructure development. The president of AIIB “said loans would be offered for development projects at preferential rates equal to or better than other international financial organisations. He said that AIIB wanted to help to resolve the city’s problems, **including traffic congestion, waste treatment and urban transport infrastructure**. The bank will also [provide preferential loans to support the city’s private businesses operating in infrastructure development](#), according to Jin.”

Oceania: As part of its recently-launched [Global Campaign for the Human Right to Health](#), Public Services International [initiates a Human Right to Health campaign in the Oceania sub-region](#). “On Wednesday 15 February one of the busiest roads in Auckland, New Zealand saw **a united union movement** launch the PSI Human Right to Health campaign in the Oceania sub-region. Two hundred life-size cutouts represented **20,000 missing healthcare workers within New Zealand alone**. According to the **New Zealand unions** the 20,000 missing healthcare workers are a result of an estimated NZ\$1.85 billion-dollar hole in the national health budget. The burden of this under-spending is not just borne by the existing healthcare workers who have to work harder to fill the gaps, but by the communities. (...) In Australia **healthcare workers are fighting against the privatization of public**

hospitals and disability services which will see the loss of enforceable minimum staffing (nurse to patient ratios) and the fragmentation of specialist services.” The Tonga Nurses Association talked of the impact that a shortage of doctors was having on nurses who are increasingly being asked to fill the gaps. While in Fiji, lower pay and outdated pay scales mean that Fiji nurses are looking to work overseas, making retention of the workforce difficult.

Inter-America

Brazil: [Rio de Janeiro lawmakers vote to privatize the state's water facilities, setting off sustained protests "and a permanent mobilization" by unions representing Cedae.](#) “However, the **president of the Sintsama union in Rio, Humberto Lemos**, told Globo news website that services would continue uninterrupted in a week when an estimated million tourists come to Rio for the carnival, which begins Friday. ‘We will have 30 percent working. Under the law, this is an essential service. That's so there won't be a shortage of water for the population, which can't be penalized,’ he said.”

Brazil: The federal government says that states can take up to three years to repay loans owed to the federal government and private banks as long as they commit to **drastic spending curbs**. In return, they have to agree “to freeze wage hikes for employees and stop new hiring, [while getting them to privatize their banks, electrical utilities and water companies.](#)”

Brazil: [The Mayor of São Paulo, João Doria, will release an ambitious privatization package](#) this month, reports Folha de S. Paulo. It will include the Anhembi complex, the Interlagos racetrack, private ticket management, the Pacaembu stadium, bus terminals, funeral services, markets, parks and bicycle paths. But even the conservative paper notes **the absence of “clear rules for the new way of administering municipal services: good projects, well-rounded auctions, unambiguous contracts,”** and states **“poor planning and regulation account for most of the ills sometimes related to privatization.”** Doria promises that by April the entire package will be in the Council. He just toured the Middle East, where he went to tout the municipality's privatization program to sovereign wealth funds. [“McKinsey is helping us prepare all programs,”](#) he told Valor.

Brazil: **Wellington Moreira Franco, the minister in charge of a major infrastructure and privatization program**, may be investigated [for possible corruption](#). Brazil's top prosecutor will reportedly seek authorization from the Supreme Court to proceed. Brazil's President Michel Temer has launched an infrastructure concessions program to raise 45 billion reais (\$14.43 billion) in investment for building and operating roads, port terminals, railways and power transmission lines. “Wellington Moreira Franco, the minister in charge of the PPI, said the government [would offer 35 concessions](#) in energy transmission.”

Canada: Saskatchewan public service workers [rally against possible budget cuts](#). “There's a lot of news coming out of the provincial government about **cuts to public services and potential privatization**. As the organizers of the rally, we're really concerned what this will mean for Saskatchewan and the public services we all depend on,” said **Canadian Union of Public Employees (CUPE) communication representative, Trina Donaldson**. Speakers included workers and representatives from the **Saskatchewan Federation of Labour, Saskatchewan Government and General Employees' Union (SGEU), Canadian Office and Professional Employees (COPE) 397, Unifor, Service Employees International Union (SEIU)-West and CUPE.**

Canada: The Canadian Union of Public Employees (CUPE) launches a campaign [to oppose the stealth privatization of part of SAQ, the state liquor distributor](#). “Union members are preparing to launch an offensive against **privatization in the colors of the Inspire loyalty program**. (...) According to the **Québec director of the Canadian Union of Public Employees (CUPE), Marc Ranger**, “the abolition of 190 positions at the beginning of the year and the reversal of the day before yesterday on the **withdrawal of the Quebec flag in front of the branches illustrate how the threat of privatization weighs heavily on the company**. ‘One feels that there is a political command.’”

Canada: Complaints about cleanliness in New Brunswick hospitals [are due to staff shortages and “a lack of backfill for absent workers](#),” says the Canadian Union of Public Employees (CUPE). “**Norma Robinson, president of the New Brunswick Council of Hospital Unions, CUPE Local 1252**, contends the problem **will only get worse if the provincial government proceeds with plans to privatize the management of cleaning and food services**.”

Mexico: [Farmers in Puebla are rejecting plans to privatize water in the state](#), saying it threatens food production. “Mounted on their tractors, peasants from about a dozen communities in the state of Puebla arrived in the state capital **to demand that the reform be repealed**. (...) Most of them women and the elderly, the peasants walked from Parque Paseo Bravo to the State Congress, where a fence of riot police awaited them, although the mobilization of citizens [was] peaceful.”

Mexico: The PRI-controlled city council in Guadalupe (Zacatecas) [is moving to privatize the city lighting system](#). But the opposition says it will damage Zacateca’s finances. “The **alleged ‘public-private partnership’** proposed by Mayor Enrique Flores Mendoza in his request to the state’s legislature is also a very onerous proposal for municipal coffers, [Morena] Deputy Omar Carrera said. With its own resources to change and maintain the [15,800 lights], the public investment would be approximately 158 million pesos, in ten years.”

Panama: The Panama Canal Authority (ACP) has denied allegations of [attempts to privatize tugboat services](#), published by unions of pilots, tug captains, deck officers and engineers of the waterway. But **Captain Cristóbal Falques, general secretary of The Union of Captains and Officers of Cover (UCOC)**, says that the Channel Authority, in a blatant way, is lying [and trying to divert attention on the issue of privatization](#). The unions say “Quijano and Roy’s master plan is being implemented with such impudence that [private companies that would benefit from this privatization already have tugs in Panamanian waters, all awaiting modification of the navigation regulations](#). This seems to be only the beginning of a well-orchestrated plan whose purpose is for the Panama Canal to produce millionaire businesses for a few, even to the detriment of its efficiency and ability to generate wealth for the nation.”

Peru/Latin America: The Odebrecht corruption scandal is causing governments and public interest groups in Peru and across the continent [to take a hard look at how ‘public private partnerships’ are established and vetted](#), The Economist reports. “Corruption in public contracting is common globally, says **José Ugaz, a Peruvian lawyer who heads Transparency International**, a Berlin-based watchdog. But, he adds, there were some unique features in the Odebrecht scandal. The Brazilian company **targeted the decision-makers**, preparing the ground by paying for the services of Brazilian political gurus in election campaigns and making **political donations as well as outright bribes**. Their main method was to win contracts by **making low bids and then corruptly secure big increases in costs through addenda**—in some cases when the ink on the contract was barely dry. **This applied especially to contracts involving public-private partnerships (PPPs), which have become fashionable in the region and are typically used for big, complex projects, from highways to**

hydroelectric schemes. José Luis Guasch, formerly at the World Bank, has found that **78% of all transport PPPs in Latin America have been renegotiated**, with an average of four addenda per contract and a cost increase of \$30m per addendum. Thus, the cost of a road linking Brazil and Peru rose from \$800m to \$2.3bn through 22 addenda. Such contract changes can be ‘fertile ground for corruption,’ Mr Guasch says. Governments have moved to tighten contracting rules. **Chile, Colombia and Peru have all approved laws on PPPs that make it harder for contractors to renegotiate. More is needed. All contracts and requests for changes should be published online,** urges Eduardo Engel, who headed an anti-corruption commission in Chile. And tender committees should draw members from outside infrastructure ministries.”

United States: With Trump having imposed [a federal hiring freeze](#), massive budget cuts on the way to fund his \$54 billion military spending spree, and job cuts looming at the Environmental Protection Agency and Housing and Urban Development department, **a debate is raging over whether Trump is “reducing the size of government” or dismantling it.** Steve Bannon, Trump’s extreme rightist strategy adviser, has called for the dismantling of the “administrative state.” **More privatization is on the way for immigration detention, prisons, schools, the healthcare system and more.** Donald Cohen of In the Public Interest, Max Stier of Partnership for Public Service, and others discussed the issues in [a recent roundtable on National Public Radio](#).

Dave Johnson, a contributing blogger for the Campaign for America's Future, [analyzes Trump’s plan to privatize key public services](#). “Trump’s ‘hiring freeze,’ for example, is really **a strategy toward privatization.** Lauren McCauley explains at Common Dreams, in [In Step Towards Privatization, Trump Enacts Federal Hiring Freeze](#), ... [A]s **AFGE National President J. David Cox Sr.** pointed out, the freeze will ‘actually increase taxpayer costs by forcing agencies to hire more expensive contractors to do work that civilian government employees are already doing for far less.’ In effect, it’s a step towards privatizing the federal government. **‘Numerous studies have shown that contractors are two to three times more costly than each federal employee they replace,’** Cox said. “President Trump’s federal hiring freeze will result in more government waste **as agencies are forced to hire high-priced contractors to do the work that federal employees can and should be doing.**”

United States: Donald Trump’s Deep South Attorney General, Jeff Sessions, revokes the Obama administration’s policy of phasing out for-profit prisons, just as Trump introduces draconian detention and deportation policies. “Today’s announcement is [yet another edict from this administration that undermines civil rights for incarcerated people and criminal justice reform efforts,](#)” said Bob Libal, executive director of Grassroots Leadership. “This administration appears to be more interested in lining the coffers of its friends at private prison corporations than promoting common sense policies that would reduce the incarcerated population and close troubled prisons.” In October, the for-profit prison company GEO Group [hired three former Jeff Sessions aides to lobby for it](#).

United States: The American Federation of State, County and Municipal Employees Council 31, the union representing the largest number of Illinois state employees, announces that 81 percent of its members [voted to authorize a strike—the first statewide strike ever](#). AFSCME 31 represents the 38,000 workers who help the disabled, work in state parks, care for veterans, and perform numerous public services. For details on the negotiations, and [AFSCME’s fact sheet on the Rauner administration’s “half-truths” on privatization](#), see its [State Contract Information Center](#).

United States: A bill has been introduced in the New Mexico legislature [that would massively privatize the state’s public services and infrastructure](#), and is being fought by public interest groups. **Eleanor Bravo, the Southwest organizer for Food & Water Watch** and a longtime resident of New

Mexico, writes: “HB 275 is a bad deal for New Mexico. State leaders give away huge tax breaks to corporations in the state. Then, because the government can no longer afford to keep up with aging infrastructure, it would let private corporations make money off that much-needed infrastructure. In addition to the broad definition of “public projects” that are subject to privatization, **HB 275 specifically lists dams, reservoirs, sewerage or water treatment facilities, water pipelines, habitat or environmental restoration, cleanup or reuse, hazardous fuels reduction, power plants, solid waste, recycling, and other basic, essential environmental facilities and services.**”

United States: [After two suicides in 60 days](#), “Howard Talenfeld, a lawyer representing Naika Venant's biological family, says **it’s just the latest evidence that the state’s move to privatize foster care isn’t working.** ‘It’s the Department of Children and Families that gives the job to a contractor like Our Kids, **and they contract out with case management agencies,**’ he says. ‘We’re seeing kids that just aren’t in the right kinds of placements, **don’t receive the right kinds of services.** In her case, she wasn’t supposed to be anywhere near the internet.’”

United States: [The Massachusetts Bay Transportation Authority is forging ahead with its plans to privatize key elements of the system.](#) “Because the bus maintenance workers are represented by **Machinists Union District 15** rather than the **Carmen’s union**, they are not covered by the December agreement and **therefore vulnerable to attack.** Management is also discussing plans to create ‘new’ bus routes which would be contracted out to for-profit vendors with the excuse that they didn’t exist at the time of the agreement. Opportunities for MBTA workers to make overtime are being slashed, with the FMCB considering the use of private bus companies, such as Peter Pan, to provide shuttle service when subway lines are closed for repairs.”

Europe

The European Public Services Union (EPSU) will be involved in activities in relation to the [2nd European Action Day](#) **against the impacts of privatization, marketisation and commercialisation of health and social care on the workforce in the sector, on the patients/users/citizens and on our societies**, coinciding with **World Health Day (7 April)**.

France: Presidential candidate François Fillon, gravely wounded politically by a corruption scandal, **backs off from his aggressive stance on public services privatization.** Fillon “unveiled watered-down public healthcare reforms [after earlier plans to part-privatize the system saw him nosedive in the polls.](#)”

France: The mayor of Beaumont-sur-Oise is denying [he plans to sell off the retirement home.](#) “The association **Touche Pas à Ma Ville has launched a petition** in recent days to ‘prevent this abandonment of our heritage, **to avoid the privatization of our residence for the elderly, to protect our elders.**”

Ireland: [A referendum to ensure water is never privatized has received cross-party support in a committee.](#) “**Independents 4 Change TD Joan Collins** welcomed the news, saying **concerns about future privatization were a key factor in the Right2Water campaign.** She claimed a bill she brought forward last year, the 35th Amendment of the Constitution (Water in Public Ownership) Bill No 2 was the best way to achieve this objective. Ms. Collins said she would consider any changes to the wording ‘which would help to clarify what is and is not part of the public water system provided

such amendments would not dilute the objective of preventing any future attempt at privatization.’ She called on the Government not to oppose the bill and **urged all parties to continue their support when it returns to the Dail.**” Sinn Fein TD Jonathan O’Brien **has called on water protesters to mobilize for a demonstration on April 8.**

Ireland: [€40 million spent on agency staff in University Hospital Limerick provokes outrage](#). Maurice Quinlivan TD says “this is a damning indictment of the Government’s shambolic health policy and its indifference to universal public health provision. The reliance on agency staff has increased due to the mismanagement of hospitals across the country by the HSE and the Government, and the failure to attract Irish graduates to the health system here, who are being lost to well-run health systems abroad. It also illustrates the ongoing privatization of the health service and **the erosion of working conditions for medical professionals committed to working in the public sector.** The enormity of this spend on agency staff at University Hospital Limerick can be contrasted with **the pitiful investment in alleviating chronic overcrowding** in our hospitals.”

Italy: PD Senators meet with the government to discuss planned privatizations, [starting with that of postal services operator Poste Italiane](#). The meeting promoted by group leader Luigi Zanda is expected to be attended by undersecretary for industry Antonello Giacomelli and by finance deputy minister Enrico Morando.

Italy: Prime Minister Paolo Gentiloni declines to comment a report about the possible [sale of a 15 percent stake in state holding company Cassa Depositi e Prestiti](#) (CDP) to help pay down the country’s debt.

Romania: The Economist Intelligence Unit projects that **progress in privatization will be slow this year and in 2018.** “2019-21: The postal operator, Posta Romana, is gradually privatized by public offerings, but **little progress is made in privatizing the energy and transport sectors.** Implementation of EU competition policy is slow.” [EIU ViewsWire, 10 March 2017]

Spain: Barcelona and Madrid are reorganizing public services **by building upon a strong remunicipalization movement.** [David Hall of PSIRU offers a summary of the December conference.](#) “A number of common features emerged during the day’s discussion. The first was that the new groups are approaching the question of remunicipalization systematically, based on explicit criteria. Secondly, **public service workers are at the centre of the new policies**—even though the parties and groups have no formal connection to the established trade unions. Thirdly, the process is being conducted with a high level of professionalism—legal, financial, and technical. (...) **The direct employment of public service workers is inevitably central,** for a number of reasons. The central reason for remunicipalization is **to re-establish the capacity of a city council to carry out those services,** which requires direct employment of the workers with the necessary professional and practical skills. This enables the city council to work with a group of people dedicated to public services, and so manage, develop, and change these services in the public interest. **Ending the privatized contracts means that those employed by private companies need to be transferred to employment by the municipality.**” See also the detailed presentation on “[Strategic Approaches to Remunicipalization in Barcelona.](#)”

United Kingdom: A new report released by the [UK-based Jubilee Debt Campaign](#) provides a scathing critique of the failure of PPPs across a range of sectors and serves as a warning against the use and abuse of PPPs the world over.

United Kingdom: [Thousands marched through central London on March 4 in one of the largest rallies to support the NHS in history.](#) **“Privatization does not work for life.** It is not going to care for the vulnerable but it might care for people who can afford special **treatment. It is not for the majority,**” said Dr. David Wrigley, a GP from Carnforth, Lancashire, and deputy chair of the BMA council, [who] was among the front-line staff marching under the slogan **'Our NHS, No Cuts, No Closures, No Privatization.'** He said: “Today's march is a cry for help for anyone who uses the NHS because it is in such a desperate situation. We need to highlight it.”

A Gloucester resident who was unable to attend the march weighs in **to oppose privatization of the NHS:** “An ageing population has led to increased demand on our health service and on care for the elderly outside hospitals. **Privatization and contracting out of services are not the answer.** They just lead to increased bureaucracy and profits being taken from the system. We must have a properly funded public health service that is accessible and free to all. We need an NHS system that offers comprehensive, universal care on the basis of need, not ability to pay, but **it appears that the Government is making political choices to underfund the NHS, to close and privatize services and to reduce our access to healthcare.**” [Letter, Gloucester Citizen, 11 March 2017]

United Kingdom: [Private ambulances have been used to respond to nearly 100,000 emergencies—not always with paramedics.](#) **“UNISON, who represent ambulance workers,** added: **“Ambulance staff are under relentless pressure. The Government is not providing sufficient resources to meet the needs of the public.** Some experienced staff are leaving, and aren't being replaced quickly enough because of the cash squeeze. Too few staff means overstretched crews, and patients waiting for longer. **More private ambulances are not the answer. They are less cost-effective than NHS ambulances and they are taking money out of the NHS by creaming off a profit.** We want to see investment in the Ambulance Service to ensure that all emergency, intermediate and urgent care response can be done by properly-trained NHS staff. Sometimes a patient's needs can change or can be different from what was reported. **Instead of fragmenting the service through privatization,** it would be far better to have a single, fully-integrated service to respond flexibly to patient need.”

United Kingdom: Staff shortages and outsourcing are contributing to [a crisis in mental healthcare in prisons.](#) “Another cited factor was **the ‘churn’ of private healthcare providers following the decision to contract services in prisons to external providers.** One psychiatrist, who works in a prison housing more than 300 women, said **healthcare provisions had been ‘impacted significantly’ by moving from the NHS to a private provider.** They said that there had been “several self-inflicted deaths” of prisoners identified as high risk.”

United Kingdom: A British parliamentary committee has held hearings on the government's use of private contractors by the Department for International Development (DFID). [Latest written and oral evidence.](#)

United Kingdom: [Staffers charge that the National Gallery's private, for-profit contractor is not honoring an agreement to pay a living wage.](#) **“Members of the Public and Commercial Services union working in the London gallery's visitor services staged a series of strikes in protest at the privatization of their jobs.** The union claimed that more than a year after taking over the contract, private firm Securitas has ‘renege’d on a pledge over the London living wage and is creating a two-tier workforce by ‘driving down’ pay and conditions. **PCS general secretary Mark Serwotka said: ‘The only thing Securitas is living up to is our prediction about what this sell-off would mean.** It is outrageous that more than a year on, the company is refusing to honour its commitment on the living wage, and **is creating a two-tier workforce and driving down pay and conditions.**”

[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.