



PRIVATIZATION WATCH

Produced by Public Services International
The global union federation for the public sector

PSI Privatization Update: 21 April 2016

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Stand with the Pearson 100 and let your voice be heard.



**PRIVATE SCHOOLS IN
DEVELOPING COUNTRIES**

PEARSON IS SPENDING MILLIONS ON PRIVATIZED
SCHOOLS IN THE GLOBAL SOUTH SO THEY CAN ENGINEER
NEW MARKETS FOR THEIR PRODUCTS.

IN DOING SO THEY'RE JEOPARDIZING THE RIGHT OF A
FREE PUBLIC EDUCATION FOR THE WORLD'S POOREST
COMMUNITIES.

Sign the petition at tellpearson.org #TellPearson

Public employee and education unions have mobilized in a [global capital campaign](#) in support of shareholders resolution at the Pearson PLC Annual General Meeting.

PSI affiliates, AFT, AFSCME and UNISON are among the dozen plus unions, a number of public employee pension funds and one hundred concerned shareholders – the “Pearson 100” – which have joined together to [TELL PEARSON](#) to end its support for segregated privatized schools in the developing world and its market incentivized high-stakes testing fixation.

Pearson's strategy isn't working for public education...or its own investors. Pearson puts gag clauses in teacher contracts and has been caught monitoring kids' social media to stop testing leaks. In Africa and Asia, Pearson is plowing millions into private schools to create new markets for its products.

Parents and students have had enough – they're “opting out” from Pearson tests and letting governments know that Pearson isn't welcome.

The “Pearson 100” shareholder resolution will be debated on the floor of the Pearson AGM and the petition signed by thousands will be delivered at the London meeting on April 29.

Civil society activists are increasing pressure against privatization. “In the USA, [Corporate Accountability International worked with Congresswoman Gwen Moore](#), senior democrat on the Monetary Policy and Trade Subcommittee of the House Financial Services Committee, which is tasked with oversight of the World Bank Group (WBG). In this capacity, Ms. Moore wrote to World Bank President Jim Yong Kim to critique the WBG and its private sector lending arm, the International Finance Corporation (IFC) over its policies and lending practices that favour water privatization.”

PSI Secretary General Rosa Pavanelli welcomes U.S. Rep. Gwen Moore’s initiative to pressure the World Bank over its support for water privatization in Africa and elsewhere. “For too long, [the Bank has imposed the privatization dogma](#) on many countries,” the secretary general said, “without seriously assessing the impacts on public health, and on social and economic development. PSI will share this with our affiliates and encourage them to support similar initiatives such that Ms. Moore’s voice is not the only one.”

Letter to UN Secretary General Ban Ki-Moon cautions against more pressure for PPPs in Water from High Level Panel. On the eve of Earth Day, Global Water Justice and a number of unions (including Public Services International, Food and Water Watch, and the Coalición de Organizaciones Mexicanas por el Derecho al Agua), water justice, and social justice organisations from around the world [sent a letter to U.N. Secretary General Ban Ki-moon](#) saying they are “are particularly concerned about the strong emphasis on private sector participation and private financing **given the overwhelming evidence that privatization has resulted in the inability of governments to ensure the human right to safe drinking water and sanitation for all.** In spite of the World Bank [continuing to aggressively promote private sector participation in the sector](#), a 2006 World Bank report concluded: “PPI [private participation in infrastructure] is inherently limited in scope for financing urban infrastructure for the wide array of non-commercial infrastructure services cities need. Local governments need good sources of public finance to fund those services.” So far, the panel is comprised of the nine heads of state of Mexico, Mauritius, Jordan, Senegal, Netherlands, Hungary, Bangladesh, South Africa, and Australia.

Writing in South Africa’s *Business Day*, journalist and author George Monbiot says “**the privatization or marketisation of public services**—such as energy, water, trains, health, education, roads and prisons has enabled corporations [to set up tollbooths in front of essential assets and charge rent](#), either to citizens or to government, for their use. Rent is another term for unearned income.”

In an open letter on the lives of street children, a group of academics [responding to the U.N. Committee on the Rights of the Child](#)’s call for input, says “**urbanisation, with planning that focuses on commercial benefits and privatization of public spaces**, frequently reduces children’s access to outdoor spaces, with many children having only crowded, dangerous streets as social spaces where they can meet and play.”

Africa & Arab Countries

Ghana: patients, staff and the Ghana Association of Biomedical Laboratory Scientists (GABMLS) **succeed in blocking the privatization of the Tamale Teaching Hospital's laboratory**. "GABMLS President Thomas Kwabena Gyampomah stated that the decision [would increase the plight of poor patients](#) who cannot afford to pay out of pocket for laboratory services when it is privatized. The cost of accessing healthcare in public facility cannot be affordable if a critical service as laboratory diagnostics is privatized, he said."

Liberia: Teachers threaten to strike over **the proposed privatization of the country's primary schools to an American for-profit company, Bridge International**. Agence France Presse reports "the so-called public-private partnership (PPP) is being rolled out across 120 schools as part of a pilot project, [with what is believed to be the aim of incorporating all primary schools](#). 'We have decided to go on strike nationwide very soon if the government of Liberia does not listen,' NTAL head Mary Mulbah told AFP. 'This new system called PPP is not the solution to an improved education system in Liberia,' she said. 'All the education system needs, is proper funding from government, and a strong monitoring mechanism.'"

Bridge International's investors include Bill Gates, the Omidyar Network, Pershing Square Foundation, and Mark Zuckerberg. [Hedge fund and private equity investors](#) have come under heavy criticism in the U.S. for promoting the privatization of education and thereby **undermining the public school system**.

[Initial funding for the pilot project is coming from UNESCO with support from the Chinese government](#). But Kishore Singh, the UN's Special Rapporteur on the right to education, recently described the plan as "unprecedented at the scale currently being proposed and violates Liberia's legal and moral obligations."

Nigeria: Members of the [Nigerian Union of Allied Health Professionals](#) (NUAHP) at the University of Ilorin Teaching Hospital have engaged in [a 3-day sit-down strike](#) to protest **plans to privatize and commercialise the diagnostic section of the hospital**. The union's chairman, Olatunde Oluwawumi, says "we wonder, we brainstorm on what benefits this ill-advised move of the management of UILTH will bring to the innocent people of Kwara State and environs. The truth is management has been deliberately killing the radiology department, especially the unit belonging to the images scientists, for private to thrive because of their own selfish reasons by their refusal to respond to several memos written to the management."

Nigeria: PSI and affiliate AUPCTRE and Environmental Rights Action/Friends of the Earth urges Lagos State Governor Akinwunmi Ambode to halt the granting of **a private concession in the water sector**. "As we have said time and again, the failure of the Lagos State government to open up on the controversial water PPP [gives room for us to suspect that something is in the offing and the people are deliberately being kept in the dark](#)," said ERA/FoEN's Akinbode Oluwafemi. "Worse is the fact that the Lagos State government is toying with a failed model of PPP that the World Bank private arm—International Finance Corporation (IFC)—advised it to embark upon even with documented failures in Manila and Nagpur, in the Philippines and India respectively." U.S. Congress Rep. Gwen Moore (D-Wisconsin) has also expressed [concern about the World Bank's role in water privatization around the continent](#) (see above).

Asia Pacific

Australia: Prime Minister Turnbull **seeks to paint a conciliatory picture to staff in the Australian Public Service**. But "the absence of any reference to bargaining or industrial relations [will necessarily be interpreted by the Labor Opposition and the Community and Public Sector Union as a deliberate avoidance and wilful ignorance by Turnbull of a hardline workplace policy](#) that sought to make the public service the exemplar for a broader industrial relations push to chase unions out of private sector workplaces"

Australia: [Job cuts at Western Australia's electricity utility could mean more bush fires](#). Representatives from the Australian Services Union and the Electrical Trades Union met in Perth to discuss the situation. "ETU WA branch secretary Les McLaughlan warned WA was at risk of making the same mistakes as Victoria before the Black Saturday bushfires. "The royal commission into Victoria's Black Saturday bushfires, which left 173 people dead, **found that faulty privatized power lines were responsible for causing five of the most devastating blazes,**" Mr McLaughlan said."

Australia: [Anti-union privatization advocate](#) Vince Graham [urges more outsourcing of public sector jobs](#). "He also called for **guards to be removed from most NSW trains, station staff to be reduced and train maintenance outsourced.**"

China: For-profit hospital operators "**are desperate to capitalise on** the growing demand for healthcare from China's booming middle class and [the Chinese government's aggressive push to privatize and westernise its health system](#)."

Japan: As the country faces demographic challenges, some are looking toward [robotics and IT](#) as a way of "boosting productivity by **allowing private management of public facilities**" as "an important part of the new strategy."

New Zealand: New Zealand First says [staff shortages are pushing the prison system toward collapse](#). Corrections Spokesperson and former Senior Corrections Officer Mahesh Bindra says, "all the government can come up with is re-opening the dilapidated Waikeria Prison, and at the same time pushing for a brand new prison. **It seems to me that this is just code for privatization**—they won't be able to staff these sites with a depleted workforce and their target of reducing re-offending by 25 per cent by 2017 has clearly gone by the wayside. To bring their target back on track and keep our communities safe, the government need to fully resource Corrections, retrain and modernise, not privatize."

New Zealand: [Tertiary Education Union national president Sandra Grey says](#) Victoria University's **plan to privatize its foundation studies programme** is bizarre. "Grey says the plan, which will see an entire programme closed and outsourced, assumes without evidence that an as-yet-unnamed private provider will bring in another 150 international students. 'Why would an independent company have more success recruiting students than an internationally regarded university?'"

Philippines: **A 1997 World Bank deal that privatized Manila's water system has caused rates to shoot up for poor consumers**. "In a bustling, densely populated corner of Manila, fruit vendor Coring Gutierrez reads \$35 due from her latest water bill, [more than triple what her family of six paid 15 years ago](#)."

Inter-America

Brazil: **Rio de Janeiro considers privatizing the state water utility**. "The idea is backed by Jorge Picciani, president of the state legislature, and interim governor [Francisco Dornelles, an advocate of privatization and public-private partnerships](#), according to water and sanitation portal *Saneamento Basico*."

Colombia: **The government is seeking foreign private companies to run prisons**. "According to *Caracol Noticias*, Medina [did not discard the possibility that the governments of the United States, China and Spain could be involved in the execution of the projects](#). The prisons are tentatively planned for construction in the departments of Cauca, Antioquia, Santander, and Putumayo and will each hold 3,500 inmates." Union workers

from the prison authority INPEC have given the Medellin government until April 29th to meet them to address the overcrowding emergency.

Mexico: Senate committee members [oppose water privatization](#).

United States: A former Kansas **public school custodian stands up against privatization**, [spelling out his experience when a private, for-profit company took over in his workplace](#). “The company first completely removed all of our equipment and supplies and replaced them with its own. The equipment and supplies were proprietary, and the company retained ownership and control. Then it placed the original district managers into line jobs and moved the original building supervisors from the district employment to working for the company, ending their memberships in the Kansas Public Employees Retirement System. After that, things got very nasty. **Personnel were being terminated right and left, for minor violations, frightening long-term, loyal personnel**. The contractor had actually depleted us to skeletal staffing at the buildings, and was picking up dregs off of the street to work in open jobs. Turnover was rampant. Principals did **lose control of the custodial staff in their buildings**, and district maintenance work orders were slowed to a crawl.”

United States: **Louisiana is still recovering from the financial shock of having its public hospital system privatized**. “Costs for the hospitals, their clinics and the safety net services have grown despite [Governor] Jindal’s claims the contracts would save Louisiana money. Hospital operators are threatening to walk away because of state budget cuts. And the medical schools are grappling with the spill-out effects on their budgets and the widespread implications on graduate medical education. Lawmakers and Jindal’s successor, Democratic Gov. John Bel Edwards, say the deals were rushed into place too quickly, with billions of dollars on the line, [along with the patient care of hundreds of thousands of poor and uninsured residents](#). The Edwards administration wants to renegotiate the agreements.”

United States: Criticism mounts against an opaque **trash pickup privatization deal and sloppily drafted contract** signed by Fall River’s mayor. “City Councilor Raymond Mitchell said he feels that [it was ‘irresponsible’ of Correia to sign a memorandum of understanding regarding the \\$1.1 million sale of the trash fleet](#) to EZ Disposal, which Correia said was assessed at \$1.2 million, when it is the City Council’s responsibility to approve the sale of city property by ordinance. (...) He as well criticized the memorandum’s lack of specific increases in payments to the private trash hauler, or any clause that allows the city out of the contract if the city is dissatisfied with the trash-hauling service. ‘What protections does the city have?’ Mitchell said. ‘I read this MOU and there are no safeguards for the city.’”

United States: The *Washington Monthly* publishes a detailed investigative report on the **right wing effort to privatize the Veterans Administration**. The effort has been conducted by Concerned Veterans for America, [which has received support from the Koch brothers, conservative billionaire oil magnates](#). “So far, the VA issue has played out on the margins of the presidential race. But given the stakes and the ideological valence of the subject, that could change, especially once the commission’s recommendations are made public [in June]. In the end, it may be the voters who—knowingly or not—decide the future of the VA, and of the quality of the health care afforded millions of veterans.”

United States: An intense battle is taking place in Gary, Indiana over **whether a private, for-profit prison company—the GEO Group—should be permitted to build and run a federal prison** to house detained immigrants. “The opponents may have the upper hand based on council action Tuesday. The council ultimately declined to refer a variance request for land at the airport to be used for the detention center to committee for a second reading. Instead, [the request is expected to come back before the council on May 4](#) when it will reportedly need to have 6 of the 9 council members vote in favor of the variance if it is to be approved.”

Europe

Continent: [The European Federation of Public Service Unions is vindicated by French tax authorities for showing the red card to McDonald's on tax avoidance](#). Tax officials in France are said to have demanded €300 million from McDonald's in unpaid taxes and penalties. Nadja Salson, a policy officer for EFPSU, says “The net is closing in on McDonald's.’ Although the group employs similar arrangements in the UK, she said that she was unaware of any moves to investigate it by the Treasury. **Her organisation was among a coalition of unions that published a report, *Unhappy Meal*, last year claiming that McDonald's had avoided taxes worth more than euros 1 billion in Europe between 2009 and 2013.** The report said that the chain owed Britain unpaid tax of pounds 75.7 million, Italy euros 74.7 million and Spain euros 68.5 million. It put the figure in France at between euros 386.2 million and euros 713.6 million.”

United Kingdom: A [new report](#) by [Public Services International Research Unit \(PSIRU\)](#) and the UK NGO [We Own It](#), calls for a return to public ownership and management of key elements of the British energy system. The [report](#) builds on years of research that demonstrate the excess costs of privatization, the negative impact on energy workers and on UK households, and the distortions of UK energy policy.

United Kingdom: The Conservative government's plan **to forcibly convert local public schools into private academies** is running into stiff political, fiscal, and administrative headwinds. The National Audit Office reported that for the second year running the Department of Education—which is supposed to oversee the academies system—suffers from [dubious accounting practices](#). The auditor found its books contained “a level of misstatement and uncertainty, which [he] considered was material and pervasive.” He attributed the problem to the impact of the rapid expansion of academies. The *Guardian* expects the government [to eventually abandon its privatization scheme](#) under pressure from both Labour and Tory MPs.

United Kingdom: Health campaigners **urge Homerton Hospital not to privatize its pathology laboratory**. “Petitioners are concerned the service could be transferred to a ‘factory lab’ miles across London or even in Essex. ‘This would lead to a deterioration of samples, poorer results and a less responsive service for patients,’ the petition states. ‘At the moment, the path lab can respond quickly to changing local needs and new medical research. [If it was privatized or outsourced, any changes would mean renegotiating contracts with another provider.](#)”

United Kingdom: National Health Service officials [are to review plans to privatize cancer care in Staffordshire](#). The plans, which were supposed to be implemented this year, have been delayed. “Now protesters have welcomed the new hold-ups and **hope it will lead to the 'privatization' being ditched completely.**”

United Kingdom: Salford Royal Hospital Trust **is planning to privatize its patient catering and bring in ready meals**, rather than serve food freshly cooked in its kitchen. [UNISON, which has launched a campaign to get the decision reversed](#), says “good nutrition is vital for recovery—with a fully working kitchen onsite the Royal can respond to its patients’ needs. But once the kitchen is closed down it could be gone for good.”

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.