



# PRIVATIZATION WATCH

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PSI Privatization Update: 26 April & 24 May 2017

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On Tuesday 20 June, Public Services International (PSI) and EURODAD organized a joint workshop entitled "[NGO's and trade unions workshop on public-private partnerships \(PPPs\): towards a global campaign on PPPs](#)", where PSI presented its PEOPLE OVER PROFIT platform, which will be launched in the coming months.



This article describes some of the ways that the [economic forces driving integration and globalization create exclusion and environmental degradation](#). Then, it focuses on one instrument which is being standardized – the PPP contract. Biased contracts can result in gains for the private sector but in social and economic losses for the public by creating exclusion and jeopardizing state sovereignty, including the state’s “right to regulate” in the public interest, for instance, to protect human rights or curb global warming.

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Find out more about the [“cascade approach”](#) of the World Bank which “would only resort to public finance if all attempts to employ commercial financing have failed without determining whether such financing would adequately serve the public interest, including sustainable development goals, including social, environmental and human rights goals. Moreover, if commercial financing would undermine sustainable development, the cascade approach contains no steps to prevent that.”

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PSI’s Research Unit (PSIRU) has produced a new brief on [“categorical errors on water renationalisation”](#) which discusses some of the categorical errors mainstream economists make in predicting the outcome of water renationalisation. It argues that these errors are due to the misrepresentation of the ethos and motivation of the public and private sectors. Chris Piles and Gill Plimmer’s article ([“Nationalisation returns to centre of political debate”](#), *Financial Times*, 17 May) offers a vivid illustration of the categorical errors mainstream economists make in comparing the merits of public and private water utilities.

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## Africa & Arab Countries

Despite [widespread criticism of the shortcomings of 'public private partnerships,'](#) especially [their financing methods,](#) an Africa Finance Corporation (AFC) “summit” in Abuja [doubles down on its advocacy of them.](#) Among the meeting’s [“strategic partners”](#) is the [African Private Equity and Venture Capital Association.](#)

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A health industry lawyer, [Robert Breeden,](#) points to the key role of the World Bank’s International Finance Corporation in driving [growth of the private healthcare sector in Africa.](#) He recommends the services of his firm: “Gowling WLG has a team of PPP experts with years of experience spanning a large array of sectors, including healthcare. Its team of healthcare PPP lawyers is currently looking at various projects in the healthcare sector, including full-blown PPPs for hospital expansions and service provision. The firm also has excellent working relationships with the governments of several East African and sub-Saharan countries, which helps to streamline work done and ensure an efficient procurement and negotiation process.”

Regarding the World Bank, he writes, “The IFC and its partners are currently the largest investors in private healthcare in Africa, and recently implemented a strategy to invest US\$1 billion to assist economic development by encouraging growth of productive private enterprises in underdeveloped areas. (...) As well as social enterprises and NGOs, some private sector investors have seen the potential and invested in the African Healthcare sector. In 2015, a Malaysian private hospital chain owned by the US investment firm Columbia Pacific Management announced its intention to set up in Nairobi, while the largest investment in East African retail pharmacy in 2016 was the acquisition of Goodlife Pharmacy by a UK private equity firm, Leapfrog. Thinking of investing? Think PPP.”

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Caerus Capital LLC, a Washington, DC-based investment consulting and advisory firm, has published [a massive 280-page report](#) advocating the privatization or partial privatization (through “public private partnerships”) of Africa’s schools to “complement the public sector.”

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**Algeria:** [Over 500 trade unionists from the Rouiba industrial zone](#) march to protest the effect of unpaid salaries, the impact of the austerity-created economic crisis on their publicly-owned companies, and the impact of a draconian new labor law. **Mokdad Messaoudi, the general secretary of the local union (UGTA), which represents 86 trade union sections,** said “the Hydro Technique public company has not paid its 2,000 employees for two months. (...) This company cannot complete its projects or even meet its costs vis-a vis the tax authorities. (...) **Not only we do not pay them, but they are accused of not getting good results. All this is done in order to justify privatization in the future.**”

**Egypt:** **A new investment law intended to promote public land privatization runs into difficulties.** “The new investment law states that each ministry will appoint a representative at the investor services centre to authorize the privatization of state-owned land. However, the law does not resolve a long-standing issue: various state bodies often claim the right to the same piece of land. As a result, investments would risk being caught up in disputes between various ministries and authorities.” In addition, **tax incentives included in the new law could hurt state revenues.** [*Economist Intelligence Unit, 15 May 2017*]

**Ghana:** As terms of the Electricity Company of Ghana’s partial privatization [remain murky,](#) **Michael Nyantakyi, General Secretary of Public Utilities Workers Union,** says [the government should be blamed for ECG’s poor management.](#) “Government is supposed to provide subsidies but these subsidies are not coming and months and months, the services are being rendered. You cannot deny these inefficiencies but you cannot blame it on only ECG workers.”

**Kenya:** [The World Bank is aggressively pushing the infrastructure “public private partnership” model](#) despite widespread criticism, **arguing that it is an answer to rising government debt. But “President Uhuru Kenyatta on April 10 defended rising debt, arguing the bulk of it was going into infrastructural development to support economic growth.** ‘The money is not going towards payment of salaries or consumption but to projects that will spur economic growth and create employment,’ he said when he launched government’s delivery portal. ‘You can’t grow an economy or a country unless you have access to resources.’”

**Kenya:** In its new report on school privatization, EI reports that [“half the population of Kenya would have to spend 61 per cent of their income to send their three children to \[Bridge International Academies\] schools.”](#) Even sending just one child to Bridge for the poorest half of Kenyans **would require 20 per cent of their income.**”

**Mauritius:** Members of the Debout Citoyen platform [demonstrated before parliament](#) to protest the raising of the pension age to 65, which they believe was promoted by the World Bank, **and the privatization of the Central Water Authority.**

**Namibia:** Public Enterprises Minister Leon Jooste [denies he has a hidden agenda in exploring the use of ‘public-private partnerships’ for public enterprises.](#) “Jooste has proposed, amongst others, that government close down the Roads Contractor Company (RCC), which until this week could not pay the salaries of its staff, and **restructure TransNamib to allow private investors to partner with government in running it.** He was also unequivocal that he ‘has never made a recommendation to Cabinet (or any Cabinet committee) that any SOE should be privatized.’”

**Nigeria:** **Almost four years after electricity distribution companies were privatized,** the sector [is still plagued by conflict between private local distributors and the federal government,](#) which is demanding the power distribution companies (DisCos) escrow their accounts. **“The Senior Staff Association of Electricity and Allied Companies (SSAEAC) also backs the Federal Government’s plan to escrow the accounts of power distribution companies, saying it’s a right step in the right direction.** The union also went hard on power distribution companies’ claim that escrowing their account would amount to nationalization, saying that such a position is propaganda and blackmail as the performance and sincerity of the companies in declaring collection would have made it unnecessary. (...) These positions were conveyed in a letter addressed by **the General-Secretary of the union, Comrade Umar Abubakar Dubagari, and addressed to President Muhammadu Buhari.**”

**Nigeria** The new Director-General of the Bureau of Public Enterprises (BPE), Mr. Alex Okoh, [promises](#) that he will “ensure that **all the business enterprises privatized by the federal government live up to the agreements they signed with the government** upon their takeover. He said in a statement from the Head of Public Communication of the BPE, Mr. Alex Eron Okoh, yesterday in Abuja, that he would also ensure that the privatized enterprises **deliver to Nigerians the various services expected from them.**”

**Nigeria:** The private finance sector [continues to push hard for the adoption of ‘public private partnerships.’](#) The Financial Derivatives Company Limited says “PPP’s would be essential in areas such as the railway projects, privatization of government owned refineries, airport concessions, among others.” [This despite sharp critiques by experts of the emphasis on PPPs by the government, especially in the water sector.](#) “For more than a decade, the Government has adopted a hardline policy according to which the solution would seem to only attract private capital, notably via public-private partnerships (PPP’s). Numerous civil society groups have urged the Government to guarantee their right to participate in these processes,” said **the UN Special Rapporteur on the human rights to water and sanitation, Léo Heller.**

**South Africa:** **“Public private partnerships” in the education sector get mixed reviews** in [an open dialogue on the state of South African schooling.](#) “We live in a time where public-private partnerships are becoming fashionable again in spite of all of the evidence indicated that **they have not been particularly successful in fulfilling their own promises,**” said UCT senior lecturer Heather Jacklin. “Jacklin also said that school reform could not entirely be conducted on a site-by-site basis as the collaboration school project aims to do.”

**South Africa:** **The South African Municipal Workers Union (SAMWU) Mangaung engages in a full blown strike.** Among their demands: **to “deal away with outsourcing and privatization of municipal services in all departments,** e.g. Finance (Metering Section), Water & Sanitation Section (Plumbing/ maintenance), Centlec (utilization of Ikageng Private Electrical Company to maintain streetlight and installation of electricity pre-paid meters), Solid Waste Division (utilization of private companies for refuse removal), Fleet Management Division (unrepaired compaction vehicle due to utilization of private companies).” The workers have also protested “victimization of Centlec employees and silencing of the union by charging shop stewards.”

**South Africa:** The South African Municipal Workers' Union (SAMWU) Greater Johannesburg has submitted a [Memorandum of Demands to the city government](#), including a demand for the “**absorption of all contract workers**.”

**South Africa:** Deputy President Cyril Ramaphosa commends the South African Democratic Teachers Union (SADTU) for [continuing to “oppose the privatization of education](#) ensuring that the right to education is enjoyed by many, not a privileged few.”

**Saudi Arabia:** The Saudi government is [seeking out U.S. companies](#) to invest on an “unprecedented” scale in its **healthcare sector**. “H.E. Dr. Tawfig AlRabiah, Saudi Minister of Health, said: ‘Saudi Vision 2030 has given us a driving force to move forward with solid steps regarding the reforms needed to uplift the level of healthcare in the Kingdom. **Key to these reforms are public private partnerships** and global best practices. We are reaching out to foreign investors in this vital sector, and want to spearhead this initiative by coming into contact with as many key players as possible from the United States.’” The Saudi health ministry is currently **seeking privatization advisers** for its [“plans to develop close to 3000 healthcare facilities on public-private partnership basis.”](#) Finance Minister Mohammed Al Jadaan has said that “there is another pocket of projects that are going to be targeted to the private sector through [either PPP \(public-private partnership\) programmes or total privatization](#). These will include sports, such as stadiums and other sport facilities, some of the education sector projects such as schools, **mainly state schools**. There are discussions about including another 14 sectors, including **health, electricity, water desalination**.” Saudi Arabia's privatization drive is likely to result in around 100 new stock market listings in sectors including mining, **healthcare** and retail, [according to a top HSBC banker](#).

**Tunisia:** Sharan Burrow of the International Trade Union Confederation (ITUC) says that the IMF lending freeze, [now eased](#), was [“pushing Tunisia to the brink.”](#) Prior to the easing, Jihen Chandoul of NGO Tunisian Observatory of the Economy (OTE) said **“this is blackmail by the IMF, pushing the government to privatize public banks and enterprises and implement reforms that will deepen inequalities**. These reforms are in complete conflict with the objectives of the revolution. IMF agreements and all reforms packages linked to them should be subject to the democratic process of voting at the Tunisian parliament. The government should resist IMF pressure and begin negotiations for an exit from the IMF loan.” But after a visit to Tunisia, the IMF called for [“implementing the civil service reform strategy that puts the wage bill on a sustainable trajectory.”](#)

**Uganda:** Efforts to partially privatize the national pension scheme [have been met with skepticism and calls for reform to improve its operation](#). President Museveni is not supporting the bill. “In 2015, at one of the NSSF celebrations, the President said: ‘Some people have been coming to me with this idea that the sector will be more efficient when private players are allowed in, but I just kept quiet. I have never opposed or supported the proposed reforms.’ He continued: **‘Unless these people who are pushing for liberalization are saying that NSSF is being mismanaged, they will really have to convince me more.**’ At the same function, he observed: ‘Having one player has one good advantage that we have money available for any useful capital development projects. (...) From the **ULS, the Workers' Unions, the Workers' MPs and the NSSF, the message has been one: Amend the NSSF Act but do not repeal it.**”

## Asia Pacific

**Australia:** PSA General Secretary Stewart Little has denounced the New South Wales government's decision [to hand public disability services “to non-Government operators who will be focused on profits.”](#) The decision “comes as a new report from the Federal Health Department reveals it under estimated by 30,000 the number of people expected to access the [National Disability Insurance Scheme]—leading to a cost blow out of \$1 billion. (...) Tens of thousands stand to fall through the cracks destined to land in the state's hospitals, mental health facilities and even the criminal justice system—areas lacking expertise in specialist disability care.”

**Australia:** The Public Service Association (PSA) says “the Turnbull Government's changes to 457 Visas [must stop the NSW Government contracting out vital public services then replacing full time local jobs with ‘temporary’ overseas workers.](#)” PSA General Secretary Stewart Little says “skilled experienced local workers in full time employment **are being thrown on the jobs scrapheap by the NSW government through its mass privatization program** and replaced by foreign workers on

'temporary' visas. Is the revamped system going to stop the NSW government from bringing in more workers on low pay as it did following the privatization of ServiceFirst?"

**Australia:** [Hundreds of public servants face the sack as Immigration outsources visa centers](#). "**The Community and Public Sector Union's National President Rupert Evans** said the decision was 'devastating' for the affected workers. 'This is devastating news for more than 250 people who are committed to providing an essential public service. They're concerned not just at losing their jobs, but the **serious security and other risks posed by farming their work out for the private sector to chase a profit**. These call centre staff deal with a wide range of often complex inquiries and have access to extremely sensitive information. Given those training and security issues **they can't see how a private operator will result in any outcome other than the department paying a higher price for an inferior service.**"

**Australia:** [Sydney bus drivers defied court orders to strike over privatization](#), which **Rail Tram and Bus Union Division Secretary Chris Preston** told the Sydney Morning Herald was a "[betrayal](#)." In an [RBTU media release](#), Preston said the government's decision to privatize bus services would slash routes, close bus stops and cost the jobs of 1,200 public transport workers: "**Private bus operators put profits before the public**. To make money they'll slash services and cut back on maintenance. We've seen it happen before. Less popular, less profitable bus routes get the chop and commuters are left stranded.' Mr. Preston said absolutely no consultation has been undertaken with the Inner West community, commuters or bus drivers about the decision to privatize bus services. (...) '**There should be no doubt that the government now intends to privatize all public transport across NSW**. Every Sydney commuter needs to be asking "is my bus next on the chopping block?" The Guardian reports that "[the Greens have come out in support of the strike](#), with Mehreen Faruqi saying in a statement the privatization of bus services "**will be a disaster for workers, drivers and the public**." Premier Gladys Berejiklian has not ruled out [also privatizing public bus services in in the eastern suburbs and north shore](#).

**Australia:** New South Wales Opposition Health spokesperson Walt Secord claimed a report into the South East Regional Hospital included the revelation of [a "secret" plan to privatize the facility](#). The report says the Southern NSW Local Health District "is exploring options such as the expansion of outpatient services at SERH and **possibly attracting a private hospital operator to open private beds within SERH.**"

**Australia:** [Opposition grows to building and operating the new Lower Hunter hospital at Metford as a "public private partnership](#)." In a statement, Greens health spokeswoman Dawn Walker said Lower Hunter residents **would be next to feel the impact of 'the government's addiction to privatization**.' She labelled private involvement in the new hospital 'short sighted. Privately-run hospitals expect a return on investment and their profit motive **invariably puts pressure on cutting costs, such as through shortening stays of very ill or long term patients**,' Ms. Walker said."

**Australia:** Automated drug testing proposal has [the potential to damage the "public good" reputation](#) of the Commonwealth Scientific and Industrial Research Organisation (CSIRO), critics say. **Nadine Flood, secretary of the Community and Public Sector Union**, warns that the government's effort to introduce algorithm screening to drug test welfare recipients will run into the same problems as its [Centrelink debt recovery scandal](#). "What this system has done is create a climate where people have been frightened, indeed people have been bullied, into complying," said Flood. "The impact of this robo-debt system has been to cause extensive distress and suffering right across the community, with thousands of people affected."

**Australia:** **A public services win for the Community and Public Sector Union and everyone**. "After a long campaign, CPSU members celebrate Govt's #Budget2017 [back-down on Australian Hearing sell-off. Good for staff & clients](#)."

**Australia:** As the Western Australian government moves to slash pay rises for some and freeze increases, **Community and Public Sector Union WA secretary Toni Walkington** says [the wages policy has to include clauses on job security and the privatization of government services](#), otherwise union members would find it hard to accept.

**India:** Writing in the *Economic and Political Weekly*, **Bijoya Roy, a public health researcher with the Centre for Women's Developing Studies in New Delhi**, analyzes some of the complex issues involved in [pursuing public health goals while promoting private care in the health sector](#). "Overall the NHP 2017 falls in line with the growing emphasis to provide universal access to primary healthcare, functioning as a 'gatekeeping mechanism' and opening up secondary and tertiary levels of

care to market-based reform. It, however, **fails to address the existing crisis within the public sector and strengthening of public sector continues to remain a misnomer.**”

**India:** [After a long struggle, sanitation workers in the city of Vijayawada are finally getting paid by contractors.](#) ““The **municipal contractors didn’t even show mercy to us**, despite our several appeals. Soon after receiving the wages I should repay some amount to a private lender,’ says G. Narasamma, a sanitation worker. ‘Due to non-payment of wages since last October, I faced many problems and failed to feed my child twice a day. I didn’t even take a single day off though I am not well. At least now, the municipal contractors should recognize our hardships and provide wage arrears at the earliest,’ said V. Adi Lakshmi.” **Municipal Corporation Employees Union State secretary M. David** “said that [the] indifferent attitude of the VMC towards municipal contractors is the main reason for the delay in providing wages for the sanitation workers.”

**India:** Drivers and handymen of the National Health Mission’s Mobile Medical Unit [have staged a demonstration](#) against **plans to privatize medical services** in Assam. **Babul Talukdar, general secretary of the All Assam NHM MMU Driver Handymen Association** says “by introducing the public-private-partnership mode in the NHM, the state government has handed over our jobs to Hindustan Latex, which is not acceptable to us, as it brings uncertainty to the future of 250 drivers and handymen working in 50 Mobile Medical Units (MMU) of the state.”

**India:** As government jobs shrink under the pressure of privatization, [demands grow for job reservation in the private sector for discriminated-against groups.](#) Rajya Sabha member D. Raja “is among several Dalit and OBC lawmakers who have been asking the government to take legislative action for reservation in the private sector. He had raised a similar question last year too in the Upper House. ‘**Jobs in the government sector are shrinking. The Niti Aayog is advising the government to privatize more and more public sector undertakings**, including the profit-making ones. **That is why there is a need for reservation in the private sector,**’ Raja said.”

**India:** Maharashtra Medical Education minister Girish Mahajan (BJP) pushes “public private partnerships” in the [province’s teaching hospitals.](#)

**India:** The government [seems increasingly enamored by ‘public-private partnerships,’](#) but Vedamoorthy Namasivayam, a former Deloitte expert, warns that “**the privatization of essential services seems to result in a certain public disquietude, not entirely unfounded** in the light of shoddy PPP models incapable of balancing public needs with those of demand-driven private investors. (...) At the end of the day, PPPs are a fine balancing act, which keep in mind the interests of consumers, the state and private players. Private investment shouldn’t be used as a financial crutch and the **government shouldn’t have to cow down to private diktats either.**”

**Japan:** Japan Post is to book [its first net loss since privatization in 2007.](#)

**Japan:** The **Regulatory Reform Promotion Council** issues a report [recommending “the privatization of some labour standards enforcement.”](#) But the Ministry of Health, Labor and Welfare “**has opposed privatizing this work, as private operators lack the authority to forcibly enter businesses that refuse voluntary surveys.** Such private workers probably would handle tasks that do not involve entering premises, such as distributing and collecting surveys.”

**Japan/Myanmar:** As a result of the still ongoing transition in Myanmar, the Government of National League for Democracy (NLD) is planning to liberalize services and privatize state-owned enterprises and public transport. The [ALL-Japan Prefectural and Municipal Workers Union \(JICHIRO\)](#), affiliated to PSI, has been supporting the democratic transition process in Myanmar by carrying out capacity building activities and **sharing experience and impact analysis of the privatization of municipal public services in Japan** with Burmese trade unions especially in the public service sector.

**New Zealand:** The **Quality Public Education Coalition (QPEC)** holds a forum on “the business of education” or “[how business exploits education then pretends to be part of the solution.](#)” Darren Powell of the Faculty of Education and Social Work at the University of Auckland conducts a seminar on “Education for \$ale,” which focused on “a particular type of GERM ‘invading’ schools all over Aotearoa New Zealand: outsourcing. In contemporary times, teachers and principals are encouraged to choose from an ever-increasing range of programmes provided by corporations (e.g. McDonald’s) and

industry groups (e.g. Seafood New Zealand), as well as charities and other 'not-for-profit' organizations, such as 'pokie' trusts. However, **unlike more obvious forms of GERM, such as charter schools, outsourcing teaching and curriculum acts as a form of 'hidden privatization' that carries with it a number of hidden dangers.**"

**New Zealand:** In an editorial, *The Bay of Plenty Times* calls attention to the fact that **"good public services matter."** They write, "consider the efforts that are constantly made to replace or cut back on a wide range of public services. **One constantly touted option is privatization, but that always carries with it a number of risks and downsides**—that the drive for private profit will outweigh the delivery of a proper level of performance (think Serco and prison management), that there will be no accountability for failure (think Novopay and the disastrous handling of teacher's pay), that jobs will be lost and pay rates slashed (think the problems faced by care workers in earning a decent living). (...) The government may seek an electoral gain in the short term, but we are weaker and less well served as a society if our government does not have the courage to tell us the truth—that **good public services matter and have to be paid for, and that means by us.**" [*Bay of Plenty Times*, 4 April 2017]

**New Zealand:** Barry Coates, a former MP and director of Oxfam New Zealand from 2003-14 warns against a Free Trade Agreement that New Zealand and Australia signed with 12 other Pacific Island countries, [which the government "desperately" chased after the collapse of the Trans-Pacific Partnership Agreement](#) (TPPA). "A major impact will be the loss of tariff revenue from reducing their tariff rates. This will **reduce funding for social priorities like health care and education**, a point made by the IMF. As the **Pacific Network on Globalisation** commented, 'Cutting border tariffs in small Pacific nations deprives those governments of crucial revenue they could use for schools and hospitals, **and trade deals like this one often encourage governments to privatize and outsource public services.**'"

**Sri Lanka:** Finance minister Ravi Karunanayake says ["we are looking to privatize all our non-strategic assets"](#) in the years ahead."

**Sri Lanka:** The government announces its intention [to sell off several "non-strategic" assets, including Lanka Hospital.](#) ["To meet the IMF's conditions, the government is to privatize more state-owned enterprises,](#) including land and buildings. It is already finalizing the sale of Hambantota Port and Sri Lanka Air Lines. Government-owned luxury hotels, such as the Hilton, Hyatt, Waters Edge and Grand Oriental, as well as Lanka Hospital and Mattala Air Port, are also being lined up."

**Thailand:** [Private investors have been invited in to check out 29 Thai airports.](#) "PPPs and private operation schemes are among the frameworks being considered by the Thai government as it strives to plug private money into the sector."

## Inter-America

**Bermuda:** The **Bermuda Public Services Union, headed by Jason Hayward, who is also head of the Bermuda Trade Union Congress,** [celebrates its 65<sup>th</sup> anniversary.](#) The BPSU is fighting against corporate-backed efforts to restructure the civil service ["to incentivize entrepreneurs so privatization comes into play,"](#) and was part of a campaign that fought against a 30-year "public private partnership" concession for airport redevelopment with Aecon, a Canadian company. In December, protesters were pepper-sprayed by police, and two BTUC affiliate union presidents are being tried in the Magistrates and Supreme Court of Bermuda on two criminal offences. On May 2, ["hundreds of people marched through Hamilton"](#) after leading figures appeared in Supreme Court in connection with the December 2 demonstrations. About 300 marchers rallied outside the Dame Lois Browne-Evans building, where **Bermuda Industrial Union president Chris Furbert and the Reverend Nicholas Tweed of the People's Campaign** were among the ten defendants facing charges earlier in the day. **Bermuda Trade Union Congress leader Jason Hayward** had started the rally by telling the crowd the authorities were refusing to release the defendants, leading to chants of 'Let them out' outside the court building." The opposition PLP [praised the campaign to fight the PPP deal,](#) saying "the People's Campaign's **opposition to the airport privatization deal is understandable given the 16 per cent return the Canadian company Aecon will earn,** which is underwritten by Bermudian taxpayers. The OBA's plan will see airport fees increase by 136 per cent, and will see all of our airport revenue go to a Canadian company while Bermudians taxpayers retain significant expenses. This substantial loss of revenue **will mean less money for Bermudians priorities, such as upgrading our public schools.**"

**Brazil:** Fitch Ratings says the political crisis in Brazil over a corruption scandal involving President Temer [is adding uncertainty to the prospect for federal aid to the states](#) (especially debt relief) and **may affect the government's privatization agenda.**

**Brazil:** [The water and sewage sector is facing privatization](#), especially after the Rio de Janeiro's Legislative Assembly passed a bill authorizing the water and sewage company of that state. "Some topics in the Bill are considered controversial: (i) the absence of indication of Cedae's sale value; (ii) the lack of parameters for the future parties interested in acquiring the shares; (iii) absence of evidence that the Plan of Financial Recovery of the state is feasible; (iv) **potential impacts on services delivered to population arising from the privatization** (i.e., tariff increase, water supply shortage and the end of the cross-subsidies). Besides that, considering that **Cedae serves 64 of the 92 municipalities within the State** of Rio de Janeiro, the privatization proceeding will have to reconcile the interests of such municipalities. Both Cedae's servers and **the municipalities argue that the privatization process must be widely discussed with the affected community and take into account the users' interests.** Otherwise, Cedae might face the disruption of many partnerships, including with the municipalities." Sumitomo, the big Japanese company, and Brookfield Asset Management of Canada, is investing in the Brazilian engineering conglomerate Odebrecht.

**Brazil: Lottery privatization threatens 200,000 jobs.** "The lotteries, presently a monopoly of the state run bank CEF, were split into Lotex (scratch lottery) and SportBeting (sports gambling). The development bank BNDES is modelling the privatization. CEF has some 13,000 franchised lottery stores concerned with the move, as they employ 200,000 people and the winner of the concessions would certainly explore electronic gambling channels." [O Estado de São Paulo, 16 April 2017]

**Canada:** [White Rock \(BC\) residents gather to protest plans to privatize waste collection](#). "The forum was **hosted by CUPE 402-01, the union that represents White Rock municipal workers**, and included a panel of speakers followed by a question and answer session.

'It was great to see so many residents come out and engage in a discussion about a very important community service,' says **CUPE 402-01 President Mike Guraliuk**. 'Solid waste services are important to our community and the quality of solid waste services not only impacts residents but also impacts visitors' first impressions of White Rock and the ability for us to meet waste diversion rates and improve environmental standards.'

**Canada:** The Canadian Union of Public Employees (CUPE) urges Canadians to "[protect the public services we depend on](#)." CUPE says, "Faced with funding shortfalls and urgent needs to upgrade and expand infrastructure, **some municipalities have considered privatization as a quick fix.** However, whether through infrastructure public-private partnerships (P3s), contracted-out services, or private finance, **privatization ends up costing much more.** At the same time, corporate profits are put ahead of the public interest. Quality suffers, local control is weakened and over time, inequality increases in our communities."

**Canada:** On [National Nursing Week and Personal Support Worker Day](#), CUPE reminds us that "**CUPE nurses and health care workers are also fighting against privatization and austerity**, and for quality public services in our communities. CUPE nurses and health care workers continue to be on the frontlines, fighting for quality public health care and working hard to advance health care workers' issues."

**Canada:** Opposition grows against the Liberal Party's proposal for an infrastructure bank, which experts say will generate **service cuts and privatization of infrastructure**. "A lucrative equity trading game is afoot and the Canada Infrastructure Bank, with its stated aim of expanding opportunities for private equity taking, will certainly encourage the expansion of this share-swapping market, [putting Canadians at further risk of service cuts, inflated fees, reduced ownership transparency, and diminished public control over things that should be in public hands.](#)"

**Jamaica:** The Airports Authority of Jamaica is inviting Expressions of Interest from bidders [to study privatization of Norman Manley International Airport](#) (EOIs are due June 13). AAJ has received a loan from the European Investment Bank for the project, and "is the beneficiary of a subsidy which is being utilized to provide technical assistance and studies related to **the planned privatization of the airport.**"

**Mexico:** Twenty NGOs expressed their support for [Chiapas nurses who went on a hunger strike to protest the crisis in the health sector](#). “Meanwhile, members of the National Assembly of Social Organizations-Magisterial and Popular Movement, where teachers of the National Coordinator of Education Workers (CNTE) participate, marched through various streets, just outside the Women’s Hospital Dr. Rafael Pascacio Gamboa where there [was] camp of doctors, nurses and other workers who have held a protest for four months and where eight days ago the nurses started a hunger strike. **At the magisterial meeting, speakers expressed their support for the struggle of unionized workers in the health sector.** As with education, they stressed, the federal government is hanging the national public health system **to gradually lead to privatization and thereby favoring large national and international business interests.**” The hunger strike was ended [after the nurses reached agreement with the state government](#). “The agreements between the nurses and the government call for the immediate reinstatement of their dismissed colleagues and the permanent stocking of medications and medical supplies at the Rafael Pascacio Gamboa hospital.”

**Mexico:** The trade union movement “will never allow the rumored privatization of public health services, said **Sen. Joel Ayala Almeida (PRI)**.” Also, **the leader of FSTSE, Ayala Almeida**, told reporters in the Senate that workers’ organizations have confirmed the validity of the public health institutions such as the IMSS and ISSSTE.”

**Mexico:** [Protests by public health service workers have become a daily event](#), writes Asa Cristina Laurell in *La Jornada*. “While authorities say they are improving services, those directly involved, workers and users, live a different reality.” The lack of personnel and irregular contracts are pressing problems, especially in the Ministry of Health (SSA) and state sector systems (SES). The Popular Insurance (SP) system is just aggravating the situation and causing competition between private and public providers and “**a growing privatization process.**”

**Mexico:** Retired teachers of the **National Coalition of Pensioners** marched to the headquarters of the Institute for Social Security and Services for State Workers (ISSSTE) [to demand payment of their pensions and benefits](#) and **to demonstrate against the privatization of medical services.**

**Mexico:** [Oaxaca teachers march against repression and persecution](#), saying that **over 37 years of struggle they have been “imprisoned, butchered, missing and abused” for opposing the privatization of education.**

**Panama:** The Frente Nacional por la Defensa de Los Derechos Economicos y Sociales Panamá (**Frenadeso**) warns that [privatization is threatening the social security and health systems](#), promoted by pro-privatization groups and backed up by “the opinions of the IMF.”

**Panama:** **Aniano Pinzón, the Secretary General of the General Union of Workers of Panama (UGTP)**, reports that there is [a well-orchestrated effort by the government to weaken the IDAAN, Panama’s aqueduct and sewer public utility, to justify its privatization plan](#). Pinzón says the UGTP and the unions support the struggle of the IDAAN workers fighting privatization, noting that **if necessary the workers will mobilize a national movement to prevent this entity from being privatized.**

**Peru:** Juan Mendoza says [many “public private partnerships” have been “a scam to Peru.](#)” He asks, “**why is PPP needed if the state finances the work?**”

**St. Lucia:** [Prime Minister Allen Chastanet floats the idea of privatizing the Saint Lucia Postal Service](#). “This is not a decision we will take lightly,” he said, “but one which we must consider given the requirements of the times and our dire fiscal situation. Privatization will accomplish two things—it will force the organization to review its operations and become more efficient, and **the value of the services will face market forces and be priced accordingly.**”

**United States:** Financially challenged Puerto Rico, straining under a huge weight of debt, [is being forced to privatize the operation of public services](#). “Most public-private partnerships on the U.S. mainland involve transportation projects, but **officials said the scope would be much wider in Puerto Rico and that the projects would not require legislative approval.** The government hopes to privatize services including the operation and maintenance of several highways and the ferry service from Puerto Rico to the popular islands of Culebra and Vieques. Other projects **would target waste management, student housing, parking and recreation facilities, information technology, renewable energy and natural gas projects.**” Puerto Rico “borrowed \$4.3 billion in principal and has to pay it back with **785 percent interest.**”

Moreover, because of the way these deals are structured, most of the \$33.5 billion is interest that hasn't even accrued yet. It is future interest. In other words, this is not money that anyone actually lent to Puerto Rico. [It is pure investor profit.](#)"

**United States:** Jeremy Mohler and Donald Cohen of *In the Public Interest* detail [the coming privatization assault under Trump](#). "The entire range of public assets and services are potential targets. Since Election Day, Republican leaders have mentioned **selling off public lands and privatizing the nation's air traffic control system, nuclear waste storage, the Corporation for Public Broadcasting, and the Department of Veterans Affairs**. The GOP-controlled Congress will surely redouble efforts to turn Social Security and Medicare benefits into individual vouchers. For conservatives, having Trump at the helm is a trifecta of opportunity. First, there's a lot of money to be made—about \$7 trillion spent each year by federal, state, and local governments. Second, **there's a chance to severely weaken public-sector unions, a powerful pro-government force and a formidable political opponent in elections**. Third, free-market ideologues see an opening **to fundamentally redefine the role of government**. In a democratic society, citizens have rights and responsibilities to each other. In a market society, people are individual consumers of a limited set of public services."

**United States:** Trump submits the most extreme right wing budget in decades, lining up [savage job cuts](#), a [national public asset selloff](#), and a **massive privatization agenda** for [infrastructure](#), [education](#), [immigration detention \(a 66% increase](#), including for private detention and deportation contractors), and [health services](#). **AFSCME President Lee Saunders** said "President Trump's budget is a moral and economic disaster. The cuts proposed in this plan will not only hurt children and the elderly, but also diminish the quality of life for millions of families nationwide, all to give massive tax breaks to corporations and the wealthy. (...) It **eliminates or slashes funding for dozens and dozens of programs and services**, including infrastructure, transportation, **health care, education, and even Social Security**. It even punishes those who want to give back to their communities by **eliminating a student loan forgiveness program that thousands of public service workers have already planned their household budgets around**, and that encourages more young people to pursue careers in public service."

**United States:** President Donald Trump's plan to invest \$1 trillion in U.S. infrastructure with the help of [public-private partnerships has met with opposition in Texas](#). The Texas House voted on May 5 to reject a bill that would have allowed the partnerships, known as P3s, to participate in 18 highway projects costing as much as \$30 billion. The defeat leaves the second most-populous U.S. state unable to tap into the partnerships to finance the infrastructure improvements, even as Trump is proposing to expand their use.

**United States:** Charter school interests [funded by pro-privatization billionaires](#) have taken over the Los Angeles school board. "The corporate big-wigs are part of an effort that they and the media misleadingly call 'school reform.' **What they're really after is not 'reform' (improving our schools for the sake of students) but 'privatization' (business control of public education)**. They think public schools should be run like corporations, with teachers as compliant workers, students as products, and the **school budget as a source of profitable contracts and subsidies for textbook companies, consultants, and others engaged in the big business of education.**"

**United States:** [Eye on Privatization](#) releases "[The Privatization Playbook](#)," a short video on **how private interests impact vital public services**, and how the public can fight back.

**United States:** Despite massive public opposition, the Mesa City Council in Arizona voted in favor of [privatizing the city's jail operations and shipping out low-level offenders to a for-profit prison](#). "The city will enter into a contract with CoreCivic, formerly known as Corrections Corporation of America, which rebranded itself last fall **amid numerous allegations of sexual abuse and violence inside its prisons and jails.**"

**Uruguay:** A new study from the University of Barcelona warns that [a "political climate" has been created that favors the privatization of education in Uruguay](#).

## Europe

**Belgium:** A law has been passed **to loosen up regulations on the police using private security**. "Under the new law, private agents may for example perform actions of 'sweeping' preventive of buildings and land in search of spy equipment,

weapons, drugs or explosives but cannot find after evidence of possible crimes, or take part in people searches. The police may also utilize the security companies for technical support, such as drones, vehicles or sniffer dogs but only the police can decide on a response.” [Agence Belga, 17 May 2017]

**Cyprus:** Recent research by the Department of Labour Relations (DLR) has shown that there was [a spike in strikes](#) during the financial crisis, especially in 2012. “**Deputy secretary general of PEO trade union, Sotiroula Charalambous**, told the Cyprus Mail on Wednesday that there were two main reasons for the increase in strikes. Firstly, many employers breached collective bargaining agreements, which forced workers towards industrial action. Secondly, **the strikes have increased due to the worker unions’ struggles against the privatization of public services**,” Charalambous added.”

**Cyprus:** [The European Commission is demanding that Cyprus address “inefficiencies” in its public sector](#). “The country specific recommendations also include references to **the necessity of resuming the privatization programme**, which provided for the sale of state-telecom Cyta and the government, **abandoned in face of strong political and union opposition early last year**. With respect to the Electricity Authority of Cyprus, **which the government removed from its privatization list a year earlier**, Cyprus should split it in two by the end of 2017.”

**France:** A new report says that [a key condition for creating an effective “smart city”](#)— digitization of **local public services**— is to enshrine the principle of “sovereignty” based on “citizen empowerment” to **“prevent the privatization of the city.”**

**France:** [The granting of a private concession to Véolia for a beach in La Baule, in Loire-Atlantique, has set off controversy](#). **Local traders protested this “privatization” of a stretch of beach, and Véolia announced a 57% rent increase**. The impasse led to a [compromise](#) by the mayor, the traders, and Véolia, and now the city proposes “to entrust the management of the beach to Véolia in a different form: through a local mixed economy company (SEML)” with both private and public participation. “In France there are 1,500 beaches in concession, including about 400 on the French Riviera, according to Protourisme, a tourism consulting firm. These beaches generate more than a billion euros in sales (including 600 and 800 million euros in restoration) and total between 8,000 and 10 000 employees.”

**France:** As parliamentary elections approach, concerns are voiced over the possible reduction of staff in the public health services and [the privatization and financialization of the health and social protection systems](#).

**Ireland:** **Paul Sweeney, chair of Tasc Economists' Network and former chief economist with the Irish Congress of Trade Unions**, says we should take back all public assets we gave away for free and that governments need to terminate all free privatizations of hospitals and state-funded schools. [“Governments need to take a wider public interest viewpoint and terminate all free privatizations of hospitals and State-funded schools](#), seek the ownership of all such free privatizations in the past and ensure these are listed on the State’s balance sheet as assets.”

**Ireland:** A call has been made for a constitutional referendum to block future privatization of water services. **Independent Councillor Declan Bree** said, “while the government has been stopped from imposing water charges, we cannot be complacent. The establishment parties have voted to retain Irish Water and to continue installing meters in new houses. **This clearly leaves the door open for any future government to introduce charges and privatize our water resources**. In this context there is now a need for an early referendum to insert into the Constitution an amendment which would rule out any future privatization of water, or water services.” [Sligo Champion, 25 April 2017]

**Ireland:** [Outsourcing has become an issue in public sector pay negotiations](#). “**Civil Public and Services Union general secretary Eoin Ronayne** told his members in a posting on its website that the wish list tabled by the Department of Public Expenditure and Reform contains items rejected by the unions during the Haddington Road and Lansdowne Road Agreement talks. (...) In discussions regarding outsourcing yesterday, sources said **the Government appears to be seeking to weaken the controls which exist on how services can be given over to the private sector**. At present, a business case must be presented as to why the service should be outsourced, and that business case is not allowed to include labour costs. It is feared that if labour costs were to be included, the private sector **could offer the service at the lowest possible wage and most basic conditions** — it would leave little chance that the public service could compete.”

**Italy:** The Bank of Italy is pressuring the government [to spell out its privatization plans](#) to reduce the debt. “Resistance to selling state assets has grown among the ruling parties ahead of national elections due in early 2018. **Luigi Federico Signorini**, a member of the Bank of Italy’s executive board, **told a parliamentary panel the government’s plan did not give much detail on what is to be privatized.**”

**Serbia:** [Privatization has helped to drive protests](#) demanding “the protection and improvement of the status of all workers, **prevention of further privatization**, abolition of reductions in salaries and pensions, protection of living standards, the revision of the standby agreement with the IMF and **fully publicly funded and accessible education and health.**”

**Spain:** In a detailed [Manual for Combatting Health Privatization](#), **Juan Antonio Gil de los Santos (a Podemos health spokesperson and Andalucía deputy) and Dr. Gustavo Laguardia** offers some suggestions for “**actions to reverse and combat the privatization of the public health system.**” These include **transparency**; producing an accurate audit of human capital, services and infrastructure so they can be adjusted accordingly; a clear idea of whether we are talking about preventive, curative or rehabilitative services; the appropriate supervision and professionalization of managers; “**valuing and recognition of our health professionals**”; and “stop playing a passive and subordinate role in the drug market. It represents more than one third of total health spending.”

**Spain:** Demonstrators calling themselves the “White Tide of Cadiz” pour out from the Puerta del Mar Hospital to [protest against the outsourcing of health services](#), which they say is “**nothing else but the privatization of the health system.**”

**Spain:** Two hundred prison officers demonstrate against privatization outside the headquarters of government delegation. In a manifesto, the unions—CCOO, CSIF, UGT and APFP—demanded decent conditions for prison staff, decent wages for civil servants, and “**an immediate halt to the privatization process.**” [La Verdad Online, 24 May 2017]

**Spain:** [All of the juvenile facilities in Valencia will be in the public sector by 2020.](#) “The privatization of the system is over,” says Mónica Oltra, the vice president of the Generalitat and Regional Minister for Equality and Inclusive Policies. “**A private system does not subordinate the rights of children to any legitimate interest.**”

**Spain:** **Mariano Sanchez Bayle, president of the Association for the Defense of Public Health in Madrid** has asked for [an increase in the number of beds between 7,100 and 8,100.](#) “**We must end the privatization process and intentional deterioration of Madrid Public Health,**” he said, “and assume more public hospital beds are needed, and adequately equip the region beds [for the] medium and long stay[s] that are necessary.”

**United Kingdom:** Trade unions have reacted with anger after [Antrim and Newtownabbey Borough Council proposed outsourcing of waste collection to a private, for-profit company.](#) “The plan would also involve a voluntary severance scheme for council staff. The local authority has already approved the proposals in closed session, from which the press was barred.” **The GMB** “slammed what it described as a ‘**secret**’ deal to privatize bin collections, saying that none of the affected staff nor the trade unions representing them had been consulted about the proposals in advance. **GMB regional organiser Alan Perry** said the move would mean ‘cash will come before collections’ and **could lead to all waste collection in the borough being outsourced.** He said: ‘When public sector contracts are awarded to private companies, irrespective of how experienced the company believe themselves to be, **profit becomes the main driver for that contract.** Money must be made and the service delivery becomes secondary to that. It also means that councils and the public lose control over waste streams and the service becomes disjointed. Our most immediate concern is for our members’ job security.’ **Unite regional officer Michael Keenan** also indicated his union’s ‘outright opposition’ to the proposals. ‘Management believe they can obtain sufficient voluntary redundancies to bring forward their plans to avoid TUPE (Transfer of Undertakings Protection of Employment) obligations,’ he said. ‘This will mean that new workers doing this work will be paid less than those currently employed by the council directly. Council staff members also fear that this approach **may be repeated in relation to the outsourcing of leisure services and avoidance of TUPE protections for those workers.**’”

**United Kingdom:** [The shortage of GP doctors is being spurred by the government’s “stealth privatization” of the NHS,](#) says **GP Mick Hall.** “This mean the patients rarely see the same doctor twice. Not only this, an agency GP earns far more than a salaried GP and then a sizable sum is added for the agency’s fee. Is it any wonder the NHS is hemorrhaging money when it funds exalted payments to agencies?”

**United Kingdom:** As the British elections approach, Labour Party leader Jeremy Corbyn [talks about the need to protect public services from privatization](#). “Convincing the long-term unemployed that the reason there is no work for them is not because of migrants, it’s because of an economic programme of deindustrialization and insecurity... [and that] **our public services are being run down because of austerity and often very predatory privatization.**”

**United Kingdom:** As national elections approach, [the Labour Party Manifesto takes aim at privatization](#), saying “**many basic goods and services have been taken out of democratic control through privatization.**” The party pledges to bring private rail companies back into public ownership as their franchises expire; transition to a publicly owned, decentralised energy system; replace “our dysfunctional water system with a network of regional publicly-owned water companies”; and reverse the privatization of Royal Mail at the earliest opportunity.

**United Kingdom:** Nils Pratley ([Labour's water renationalisation plan is a damp squib](#), The Guardian, 17 May) argues that there is no need to renationalize water in England and Wales because regulation is enough to tame the monopolistic behaviour of the private operators. This argument is not convincing when you look at the experience with water privatization since 1989. A new PSIRU Brief, by Emanuele Lobina, shows that [water privatization in England and Wales has led to a concerning increase in water poverty](#), and that economic regulator Ofwat is part of the problem. It argues that renationalization is needed to tackle water poverty.

*[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.*