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New Forms of Privatization

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1 Overview

The history of privatization has been a constant push to find new ways for the private sector to make money from public services.

At first, privatization focused on selling off assets like utility or transportation systems, or contracting out services like garbage collection. Services that couldn't easily be sold off or contracted out, like social services, developmental services or many administrative services, were thought to be impossible to privatize. Since then, new ways to privatize services have been developed and it has become clear that no service is safe.

With many of the new ways to privatize services, proponents appear to be trying to avoid using the word privatization. They know that for many people privatization is associated with poorer service, reduced access, and/or higher costs.

There has also been a change in why public services are being privatized. In the first waves of privatization, the primary reason was ideological. That's changed as companies and individuals saw how easy it was to profit from privatization at the public's expense. Increasingly, key figures in a push to privatize public services are those who will profit from it, directly or indirectly.

But regardless of what proponents call it, or why they're pushing for it, new privatization methods still means the public lose control over their services and end up paying for corporations to make a profit.

The fact those pushing for privatization are trying to avoid using the term is a powerful reminder that it is possible to successfully organize and fight to keep services public. We just have to keep an eye out for the constant efforts to rebrand privatization.

2 How privatization is being sold

Increasingly, those profiting financially and politically from privatization have come to form a "privatization industry." The privatization industry is aggressively pushing for more public services to be privatized, and there's a lot of money behind it. But the privatization industry recognizes it can't attack public services directly. When the primary goal of a service is meeting a need rather than making money, most people feel that it should be publicly run so maximizing profits doesn't interfere with quality or affordability.

Those lobbying for privatization recognize this, which is why they have pursued a strategy of undermining public services:

THE PRIVATIZATION PLAYBOOK

- They can't attack popular public services directly, so instead starve services of funding
- They starve services through tax cuts that benefit the top 1% and profitable corporations
- Lack of funding means the quality of services deteriorates
- The public get frustrated and ask: "What are we paying taxes for?"
- CEOs and their political friends say: "We should let the private, for-profit sector deliver these services."

Cutting taxes also creates a climate where it is easier to use Public-Private Partnerships (P3s) or other forms of privatization to get new infrastructure built. If people have had to put up with inadequate hospitals, roads or rapid transit for a long time, they are more willing to overlook the increased costs or lack of accountability that come with privatization or using P3s.

In many cases lobbyists and politicians have been quite open about why they're cutting taxes. Grover Norquist is a prominent American lobbyist for tax cuts that disproportionately benefit the wealthy. He described his goal saying, "I don't want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub."

Nor should there be any doubt about who is behind the push for tax cuts and privatization. The American Legislative Exchange Council (ALEC), which produced model legislation used by many of the states privatizing or gutting public services, gets over 95% of its funding from large corporations and the wealthy.[1] Among ALEC's financial backers that benefit or have benefited from privatization are Waste Management and Enron.[2]

While groups in Canada like the Fraser Institute, National Citizens Coalition, Canadian Federation of Independent Business or Canadian Taxpayers Federation refuse to reveal where they get their funding, information from the United States suggests they're getting their funding from the same places as their U.S. counterparts – large corporations and the wealthy. David and Charles Koch, two American billionaires who help fund both ALEC and the Tea Party, gave $373,721 to the Fraser Institute.[3]

For many banks and large accounting firms in the privatization industry, encouraging more privatization by starving public services of funding allows them to profit in two ways. They make money assisting large corporations and the wealthy in the use of tax havens to avoid paying their share. Then they get contracts for the privatization deals that follow.

The effectiveness of reducing tax revenues as a way to get services privatized is demonstrated by the number of elected officials who campaign against privatization when in opposition, and then do an about-face and privatize services when in government. Because of their fear of the political consequences of raising taxes, they are willing to flip-flop on privatization for a short-term fix, even though there are serious long-term consequences for taxpayers and public services. One former government minister in Britain acknowledged that "local authorities and health trusts used PFI (Private Finance Initiative, which includes P3s) because there was no realistic alternative, not because it represented best value for money."[4]

3 Privatization's track record
Service cuts, higher costs, risk to public safety, loss of accountability

While privatization has taken many forms, what almost all of them have in common is that they have resulted in cuts to services, higher costs or both.

There are a number of ways services and assets can be privatized. Selling publicly owned assets like electricity generating facilities or contracting out a service like garbage collection are the two traditional methods. With P3s the government signs an agreement with a private company or consortium to build and maintain a facility that the government will then rent for several decades or lease to own.

More recently a rash of other models for privatizing services have emerged. While these models vary, they all reduce the control the public has over how the services they depend on are run and increase the opportunity for private companies to make money at taxpayers' expense.

Regardless of the way a service is privatized, if privatization has reduced costs, it has usually come through reductions in service levels. These are reductions that it would have been politically difficult for government to make, but with privatization they were able to avoid being held responsible.

Too often reductions in service levels have led to the public being placed at risk. For example, in a number of places there is growing concern about the link between contracting out cleaning services in hospitals and the rise in hospital acquired infections.

On the occasions when service levels have been maintained, we've generally seen higher costs or user fees. Privatization also means people have less voice or control over how a service is run, as well as paying more or coping with cuts.

Privatization takes money out of communities, out of Canada

When corporations delivering a privatized service make money by reducing employee pay or benefits, there is also a cost. The people whose pay and salaries are being cut are spending less in their communities, which affects both local businesses and tax revenue. Because many of the corporations operating privatized services are foreign-owned multinationals, the profit they make goes to shareholders in other countries.

All too often companies running privatized services are using tax havens to avoid paying their share of taxes. Compass Group, which operates privatized services for hospitals, colleges, universities, and prisons across the country, has 180 subsidiaries in tax havens.[5] G4S, which operates privatized airport security services, has 166 subsidiaries in tax havens.[6] Serco, which operates driver testing in Ontario, has 23 subsidiaries.[7] Even though these companies make their profits running privatized services, they're not prepared to pay their share in taxes to help fund them.

Loss of accountability and transparency unavoidable

Privatization means a loss of both accountability and information on how public money is being spent. Details of contracts are usually kept confidential on the grounds that they are a "commercial secret." Without knowing what is in those contracts, the public have no way of knowing whether the private company delivering the service is meeting its obligations.

When people are concerned about a privatized or P3 service, getting answers to questions can be costly and time consuming. To get information about what level of service the William Osler Health Centre in Brampton, Ontario, was required to provide, the Ontario Public Service Employees Union (OPSEU/NUPGE) and the Ontario Health Coalition were forced to go to court to get access to the contract. After several years and $100,000 in legal fees, they were only allowed to look at part of the contract for a brief period. Even though a precedent had been set, the provincial government refused to allow access to the contract for the Royal Ottawa P3 without another long and expensive legal battle.

With secrecy and the loss of accountability come an increased risk of corruption. The McGill University Health Centre P3 privatization scheme in Montreal is a good example. Nine people were charged after a lengthy police investigation involving Interpol. One investigator described the privatization scheme as the "largest corruption fraud in Canadian history."[8]

Privatization has also resulted in valuable public assets being sold off at a fraction of their value. The Potash Corporation in Saskatchewan is a good example. The provincial government sold Potash Corporation for $630 million in 1989. In 2010, there was a $38.6 billion takeover bid for the company.[9]

4 How privatization has worked in practice

a) Higher costs

When the New Brunswick government proposed selling NB Power in 2009, people were concerned. As the only publicly owned electricity provider in the Maritimes, NB Power has lower rates than companies in neighbouring provinces.

New Brunswick residents had seen how the privatization of Nova Scotia Power meant poorer service and higher prices. They wanted to keep control of their energy supplier.

When privatization of Nova Scotia Power was being debated, people were promised that there would be no layoffs. Within three months that promise was broken. There have been three more rounds of layoffs since then.

These layoffs have harmed reliability. A 1998 investigation of a power outage that left 8.2% of customers without power found downsizing had contributed to the problem.[10] But the problems have continued.

In 2014, a sub-tropical storm left almost half of Nova Scotia Power's customers without electricity for up to 8 days.[11] It took even longer to restore service after a sub-tropical storm than it had taken to restore service after more severe storms in 2003 and 2010.[12]

Customer service has also suffered. Nova Scotia Power's website crashed.[13] People calling Nova Scotia Power were disconnected several times, and when they did get through, they were often told there were no problems, even though they were still without power.[14] Most frustrating of all for Nova Scotians, similar problems had occurred during previous major outages.[15]

Rapidly rising electricity prices continue to remind Nova Scotians that Nova Scotia Power's first priority is maximizing profits, not serving the public. But rapidly rising rates weren't enough for Nova Scotia Power. It has also been found to be overcharging customers. In 2012, an audit revealed Nova Scotia Power had overcharged customers by $22 million.[16]

With the increases in rates for customers have come increases for senior executives at Nova Scotia Power and its parent company, Emera. When Nova Scotia Power was privatized, the CEO was paid $157,000.[17] In 2015, the CEO of Emera, the parent company Nova Scotia Power created, made $4.3 million.[18]

Compared to public sector salaries, what Nova Scotia Power and Emera are paying senior executives is exorbitant. This is common for privatized services. For-profit corporations pay their senior executives far more than they would get in the public service and when services are privatized executive pay rises rapidly. For example, Teranet, Ontario's land registry system, was fully privatized in 2003 and in 2005 the top 15 executives made $167.2 million.[19] But, as Enron and many other companies have shown, higher executive pay does not mean better performance.

Had it not been for the work of the Coalition of New Brunswickers - NB Power Not for Sale, NB Power might be in the same position as Nova Scotia Power. The Coalition pushed for details of the deal to be released and got the government to agree to public hearings. It also made sure people knew there were alternatives to selling NB Power. As people learned more about the deal, public pressure grew to the point where the government had no alternative but to drop plans to sell NB Power.

b) Auditors find issues with P3 hospitals in five provinces

In British Columbia, Saskatchewan, Ontario, Quebec, and New Brunswick figures have been manipulated, so using P3s to build new hospitals appeared cheaper. In each province, efforts to prevent the public from seeing full details of P3s have made it difficult to see if the public are getting value for money; but when details have been released, P3s have been shown to be more expensive.

In Ontario and Quebec, reviews of P3 projects by the auditor general in each province found the public option was cheaper than P3s when flaws with the method used to compare the costs were corrected.

Ontario's Auditor General found that using P3s for 74 projects added $8 billion to the cost of new infrastructure.[20] A previous auditor general had come to a similar conclusion when auditing the P3 to build the Brampton Civic Hospital. When the lower cost of borrowing for governments is factored in, it cost $394 million more to build the hospital through a P3 than to build it publicly.[21]

A 2011 report by Quebec's Auditor General on the McGill University Health Centre (MUHC) and Centre hospitalier de l'Université de Montréal (CHUM) in Montreal found errors in the cost comparison between the P3 and public options that were identified in previous reports had still not been corrected. When the Auditor General checked the costs with the errors corrected the P3 option went from being $33.8 million cheaper than the public option to $10.4 million more expensive.[22]

Since then, key players in the MUHC P3 privatization scheme have been charged with fraud. The charges stem from allegations that $22.5 million in bribes were paid to get the P3 privatization scheme contract.[23]

Ironically, the McGill University Health Centre P3 received a Gold Award for Project Financing from the Canadian Council for Public-Private Partnerships in 2010.[24] Fraud charges and the description by Quebec's Auditor General of the assumptions used in the valuation of the project as "inappropriate or unfounded"[25] have not been enough to get the award revoked.

A similar game was played in New Brunswick when the government decided to use P3s for two new schools. While the provincial government claimed P3s would save money, the Auditor General of New Brunswick found that, without the cost of the public option being artificially inflated, using a P3 was actually more expensive.[26]

In British Columbia, a 2009 review of P3 projects by a forensic accountant found that P3s were being made to appear cheaper than they really were by ignoring the fact that it costs governments less than the private sector to borrow money.[27] The 2011 British Columbia Auditor General's report on the Diamond Health Centre P3 found costs increased from $95 million to $123 million. Of the $28 million increase, $17 million occurred when the assumptions on borrowing costs were corrected.[28] Not included in the $123 million cost was the $38 million in rents paid to the for-profit company running the P3 that would have gone to the hospital if the facility was publicly built and operated.[29]

Partnerships British Columbia recommended the P3 option because they claimed it cost $17 million less than a public hospital would. The Auditor General's report did not compare the cost of the public and P3 options, but when the cost of the P3 option is $66 million more than planned, the P3 option no longer appears cheaper.

Now Saskatchewan has started manipulating the figures to justify the use of P3s. Last year, the Provincial Auditor of Saskatchewan reported that efficiencies that could be achieved through either public procurement or P3s were being attributed only to P3s.[30]

c) Privatized highway means toll increases of up to 289%

Ontario drivers are still paying the price of the sale of Highway 407 in 1999. In exchange for a one-time payment of $3.1 billion, the private company that owns Highway 407 has been able to raise tolls by up to 289%. In 2015, Highway 407 earned $840 million before interest, taxes, depreciation and amortization.[31]

d) Risk stays with the public sector

Privatization advocates always claim that with privatization risk is transferred from governments to the private sector. The reality couldn't be more different.

In Calgary, the Alberta government used a private for-profit hospital, the Health Resource Centre, to perform hip and knee operations paid for under Medicare. When the company that owned the Health Resource Centre faced bankruptcy in 2010, it cost Alberta taxpayers roughly $4 million. To add insult to injury, it was already costing the public health care system more to pay for operations done in the private for-profit Health Resource Centre than in a public facility.[32]

Other jurisdictions have had similar experiences. In March 2016, the businesses involved in the McGill University Health Centre P3 sued the hospital and the Quebec government for $330 million over cost overruns.[33] This is exactly the type of risk P3s are *supposed* to transfer to the private sector.

Even though revenue from tolls was supposed to cover the cost of the Golden Ears Bridge P3, because revenues were less than expected, Translink, the municipal agency responsible for transit and major roads in Metro Vancouver, has been having to make up the difference. In 2015, Translink had to cover a $45.3 million deficit.[34] Without the Golden Ears Bridge P3 deficit, Translink would have had a surplus in 2011. After less than 10 years, the accumulated deficit for the Golden Ears Bridge P3 is $244.3 million.[35]

At one point it looked like Translink could be facing even greater costs. A company responsible for funding the Golden Ears Bridge P3 needed a $77 billion bailout from the German government to stay solvent without which there were major questions about how the project would be completed.[36]

e) Privatization works for government supporters

All too often when privatization of a public service is proposed, it emerges that political supporters of the party in power will benefit. In the 2012 British Columbia budget, the Liberal government announced it was privatizing liquor warehousing. Two years earlier, two people who had worked in key roles for the governing Liberal Party in election campaigns registered to lobby for a company keen on taking over liquor warehousing in British Columbia.[37]

When BC Rail was privatized, the same Liberal strategist who lobbied to privatize liquor distribution earned over $300,000 advising BC Rail during the time it was being privatized.[38] Similarly, when Ornge was set up to privatize Ontario's air ambulance service, the law firm where a former Liberal Party president was a partner was paid $9 million in fees.[39]

In Ontario, companies that are benefiting from the privatization of Hydro One, the electricity distribution system, held a $7,500/ticket fundraiser with the Minister of Finance and Minister of Energy in late 2015.[40] Then in early 2016, a $6,000/ticket fundraiser with the Premier and Minister of Energy attracted companies that have benefited from the partial privatization of electricity generation.[41]

These high profile examples are just the tip of the iceberg. From Newfoundland and Labrador to British Columbia, corporations and individuals profiting from privatization are donating generously to parties and candidates they think will privatize more public services.

While political donations may not determine who gets contracts to run privatized services, companies and individuals profiting from privatization know that the more public services that get privatized, the greater the opportunity to make a profit. Similarly, politicians that support privatization know that the more individuals and companies there are running privatized services, the larger the pool of potential donors.

f) Information on privatization hidden from public

Too often important information about privatization plans has been hidden from the public until it was too late. Instead of getting details about how privatization will affect services and costs, the public are expected to settle for a glib sales pitch. Potential problems aren't mentioned and documents that would allow the public to spot problems are kept confidential on the grounds of commercial secrecy.

When the public can't see what the agreements or contracts will be for services where privatization is being considered, they have no way of knowing how services will be affected. Auditors in five provinces found the real cost of privatization was much higher than claimed, but keeping agreements and contracts secret allows privatization proponents to keep claiming privatization saves money. And, if services are privatized and services suffer, secret agreements and contracts mean the public have no way of knowing whether the private sector provider is meeting its obligations.

On other occasions even the fact privatization is being considered is hidden from the public. In the 1995 Manitoba provincial election, the Progressive Conservatives denied they were planning to privatize Manitoba Telephone Service. Once they were re-elected they started work on privatization. Following privatization, the cost of phone service rose by 37%, work was moved out of province and customer service suffered as 1,250 jobs were eliminated.[42]

While the public are still paying the cost of privatization, Gary Filmon, the premier who privatized Manitoba's phone service after promising not to, did very well out of it. Between 2003 and 2015, he was on the board of the privatized company, earning as much as $154,508 in a single year for attending 25 meetings.[43]

That history, and concerns about the way key details of privatization proposals are kept from the public have led the Manitoba government to introduce legislation requiring that the public have access to complete information about P3 proposals as well as the right to be consulted. Unless you have something to hide, there is no reason to oppose giving the public information about services they use and are paying for. It says a lot about the problems with P3s, that P3 supporters are opposing the legislation.

g) Public safety threatened by privatization

The federal government's privatization of food inspection was followed by one of the worst cases of food contamination in recent years. On April 1, 2008, a system was introduced that allows food companies to inspect themselves. Instead of being present in the plant, the role of Canadian Food Inspection Agency inspectors was reduced to reviewing reports from food companies.[44] In the summer of 2008, an outbreak of listeriosis caused by contamination at a meat plant caused or contributed to 22 deaths.

h) Thousands of "isolated incidents"

Whether it's safety problems, poorer service, or higher costs, one thing that doesn't change is the response from the privatization industry when privatization schemes go wrong. Privatization is never the problem. It's just an isolated incident.

The response of the Newfoundland and Labrador government to problems with the privatization of adult basic education is a good example. Three years after adult basic education was privatized, it emerged that costs were

31% higher and the number of students was nearly 30% lower than when the service was publicly delivered through the College of the North Atlantic.[45] Yet, even though this was just the latest problem with privatizing post-secondary education in Newfoundland and Labrador, it had no impact on government plans to privatize more public services.

5 New forms of privatization to be aware of

Like existing methods of privatization, new tools for privatizing services are intended to allow the private sector to make a profit delivering public services. They do this in one of two ways.

One approach is to commercialize services that were previously seen as impossible to operate as profit making businesses, like social services. A second is by removing the competitive advantage the public sector has when decisions are being made about whether to deliver services publicly or privately.

Along with efforts to commercialize public services or artificially inflate the costs of public services has been what amounts to a privatization of decisions about how public services should be run. In addition to giving large corporations and the wealthy even more influence over public policy, privatization of decision making enables them to push for more privatization. Through their influence on public policy, privatization is more likely to be on the agenda and there will be more voices supporting their position in the debates over whether or not to privatize services.

Rhetoric the same for all approaches to privatization

Regardless of the method being used to privatize services, privatization proponents talk endlessly about how competition will produce more efficient services. Unfortunately, that seems to work better in theory than in practise.

Competition in contracting out or for P3s has not produced the service improvements or cost savings we were promised. There is no reason to expect that new methods of privatization will be any different. In fact, privatization means new costs such as: the bidding process; monitoring private sector providers to make sure they actually deliver the services they're being paid for; and legal and accounting issues.

6 How public services are being commercialized

With many of the tools being used to commercialize public services, it is not the tools themselves, but the way they are being used that's the problem. Charities, non-profit organizations and social enterprises make significant contributions to the well-being of our communities. That makes the attempts of privatization proponents to use these groups as tools to privatize services by commercializing them all the more outrageous.

a) Commercialization of public services leaves charities and non-profit agencies subcontracting for private for-profit companies

Charities and non-profits delivering services for governments is not new. In many cases these services were started by charities and non-profits to fill gaps in public services.

What is new is proposals in many jurisdictions to increase the services delivered by charities and non-profits. While these changes are being sold to the public as giving charities and non-profits a bigger role in delivering services, the way it is being done provides an opportunity to profit from the delivery of community services.

In the UK, where charities and non-profits were promised a bigger role in delivering public services, the reverse has happened. Charities and non-profits that used to get government grants to fund the services they provided are forced to compete for funding to deliver services through a competitive tendering process. That process favours large for-profit corporations at the expense of locally-based charities and non-profits.

Instead of playing a bigger role in providing services, charities and non-profits have found themselves reduced to sub-contractors for the for-profit companies that received contracts under the British government's Work Programme. Ninety per cent of contracts went to the private sector.[46] Non-profits and charities were left working as subcontractors under for-profit businesses.

This model meant people volunteering for charities saw their efforts going to boost profits for large corporations. In a significant number of cases, non-profits and charities experienced problems with what their responsibilities were to be or how they were supposed to be paid.[47]

That charities and non-profits would be squeezed out of contracts and forced to deliver services for the private sector is not a surprise. Commercialization of services through a competitive tendering process has a long history of favouring the private sector over charities and non-profits. After Ontario brought in competitive bidding for home care, the percentage of home care nursing delivered by for-profit companies jumped from 18% to 58%.[48] The race to the bottom that comes with competitive bidding was linked to the Victorian Order of Nurses (VON) shutting down operations in 6 provinces in late 2015.[49]

There are a couple of reasons for this. When competition is being used to try and save money, local experience and ability to provide quality services don't get a lot of attention. A study from the voluntary sector in the UK found contracts focused on price rather than social value.[50]

Even when social value is considered, the pressure to reduce costs means contracts are too big for small, community-based organizations to bid on. To try and ensure private sector providers actually deliver services, governments only pay for services that have been delivered, but that means bidding is limited to businesses or groups that can afford to wait for payment.[51]

Concerns have also been expressed that large, private sector companies may be willing to accept lower profits when a service is first privatized because, once they have the contract, it becomes easy to raise their prices in the future.[52] This was confirmed by a study of garbage collection costs in Ontario that showed that, while the cost of privatized garbage collection was lower immediately after privatization, within a few years the public sector option was cheaper.[53]

b) Using charities and non-profits to privatize services undermines their ability to assist the people they're trying to serve

The strength of charities and non-profits is their ability to respond to local needs and their freedom to speak out when not enough is being done to support the people they serve. These roles are threatened by the use of non-profits and charities to privatize services.

In New Zealand, previously independent Non-Governmental Organizations (NGOs) are being told by the government to change how they operate or to merge.[54] Organizations have lost their charitable status for speaking out on behalf of the people they serve.[55]

Charities and non-profits in the UK that were reduced to the role of subcontractors lost their ability to use their local knowledge to provide input into what services were needed.[56] Charities and non-profits also feel restricted in advocating for people they serve.[57]

In Canada, the federal government's attack on advocacy work done by charities in the 2012 budget received a considerable amount of attention.[58] The attempts to restrict advocacy work done by charities have been targeted at environmental groups and other groups that disagree with government policies, while the political work of charities that support the federal government has been ignored.[59]

What has received less attention is that the federal government is interested in commercializing public services by having charities and non-profits take them over using private sector funding.[60] Private sector funding would be investments, where investors expect a profit, as well as donations.[61]

Charities that have spent decades working to help people in need would normally be expected to object to these proposals. But with their advocacy role restricted, they are forced into the difficult choice of accepting the government's proposals, or leaving the people they have served for years with no supports.

c) Using social finance to replace direct public funding commercializes public services, but at a high cost

The idea behind social finance is finding investments that will accomplish social objectives as well as making money. While the chance to make a difference means investors may accept a lower rate of return, making a profit is still an essential part of social finance.

In the same way social finance is investing in ways that accomplish social objectives, social enterprises are businesses that try to meet social objectives. They do this by generating revenue to support the work of charities or non-profit groups. They also try to achieve social objectives by how they operate, which can range from hiring and training practises to where they get the goods they sell.

Through support for social enterprises, as well as charities and non-profits, social finance has done a lot of good. In Canada social finance has helped non-profit groups build social housing and supported social enterprises in areas like economic development by First Nations or employment and training for people having difficulty finding work.

Charities and non-profits have used social enterprises to help fund their work or as a low cost way to expand the work they are doing to help people in need. The Salvation Army and St. Vincent de Paul Society both run thrift stores that are intended to raise money and meet the needs of people on low incomes. Oxfam Canada started Bridgehead to import and sell fair trade products like coffee and handicrafts as a means of creating a market for fair trade goods.

What is new, however, is the suggestion that social finance and social enterprise could be used to fill the gaps caused by cuts to government funding. The 2011 Ontario budget stated that social enterprise, "presents an important opportunity for service delivery partnerships."[62] In British Columbia, the provincial government is using the United Way's Better at Home program to deliver home support services that were once provided publicly.[63] But there is a big difference between social enterprises and social finance that balance making a profit and meeting a specific need, and public services which have to serve the entire population.

Even if there were no other issues, the size of cuts made by governments obsessed with austerity are beyond what can be made up through social finance. The most ambitious social finance scheme to date, Big Society Capital in the UK has £600 million in capital.[64] This is less than half the £1.3 billion the British government cut from seniors care between 2010 and 2011[65]—and seniors care is just one of many public services to suffer significant cuts.

The other problem is that delivering public services through social finance and social enterprise requires commercialization of public services. The model for social finance and social enterprises is based on the services they provide making a profit for investors.

While social enterprises may have better intentions than large for-profit corporations that run privatized services, they will face the same pressure to make a profit for their investors. Because they have to satisfy their investors to keep going, for services run as social enterprises, profit would have to come ahead of service.

Using social finance to fund public services will increase the power of the wealthy, as they will be able to influence decisions about public services by where they choose to invest. With social finance, wealthy investors are also able to profit from providing public services.

It was the wealthy who benefited most from the tax breaks that are responsible for the lack of funding for public services. If social finance is used to fund public services, the wealthy will benefit twice as they go from paying taxes to fund public services to making a profit from investing in them. For this reason, many of those involved in social finance are concerned about this change.

d) Social Impact Bonds are a way to use social finance to commercialize services

A number of governments with a history of cutting or privatizing public services are looking at Social Impact Bonds. The federal government and Saskatchewan government both have Social Impact Bond projects up and running. A procurement process for the first Social Impact Bond in Ontario started in 2014.[66]

The bonds are being considered as a way to provide services in areas like developmental services, homelessness, supports for people with developmental disabilities, mental health, justice and corrections and public health. In the past social services were felt to be difficult to privatize, but Social Impact Bonds provide a way to profit from delivering these services.

Social Impact Bonds are based on a contract between private investors and the government. Private investors fund services that have the potential to save governments money.

Governments repay investors their capital and an agreed-on profit, if agreed-upon social outcomes are met. If the service does not meet the agreed-on social outcomes, investors get nothing back. Examples of social outcomes include: reduced hospital re-admissions among patients with a chronic illness; reduced criminal offences among inner-city youth; increased kindergarten readiness among low-income children; or increased employment rates for people receiving disability support payments.

The model for Social Impact Bonds calls for intermediary groups, whose first responsibility is to investors, to make all decisions about how the service will be delivered.[67] This includes hiring the organizations that deliver the service and setting standards and procedures. Once governments have agreed on a contract with investors, their only role is paying up, if outcomes are met.[68]

Because investors lose their money if a project doesn't succeed, there will be little interest in helping those facing problems so severe that success is uncertain. With investors only getting their money back if social outcomes in the agreements are met, a lot of time and resources will go into negotiating what outcomes are in the agreement and how they will be measured. The first Social Impact Bond project, in Britain, was relatively simple, but a preliminary evaluation found that getting agreement on the social outcome was, "a time-consuming and analytically complex process."[69]

For other planned projects like services to help troubled families, it will be far more difficult to measure outcomes. Do you measure school attendance or whether the parents found employment? If you measure both, what weight is given to each measure? How do you account for other factors, like an increase in unemployment or improvements to local schools?

In addition to the costs associated with reaching agreements and measuring whether outcomes are being met, providing a profit for investors adds to the cost of Social Impact Bonds. The first Canadian government Social Impact Bond is a good example. While the Canadian government will be spending up to $2.75 million,[70] the maximum amount going to service delivery is $1.1 million.[71] 60% of the federal government funding for the project will go towards covering the extra costs that come with Social Impact Bonds.

Proponents of Social Impact Bond projects argue that governments will only have to pay if outcomes are met and the services they provide will allow governments to save money in other areas that can be used to cover the cost. The question this raises is, if governments provided services publicly, they could achieve savings without having to pay for the investors' profits or the administrative costs of Social Impact Bonds.

As with any "pay for success" scheme, it is also likely that regardless of whether a Social Impact Bond project is successful, governments will end up paying. Difficulties measuring the success of the type of services Social Impact Bonds are meant to fund will ensure that, if a project is judged unsuccessful, investors will go to court. And, while the private sector may not be as good as government at providing public services, P3s and other privatization schemes have shown that they are much better than governments when it comes to making sure contracts and agreements provide them with plenty of loopholes.

e) Marketization of public services is backdoor privatization

In the same way Social Impact Bonds represent an attempt to use social finance to commercialize public services, public services are being marketized with the goal of having them generate revenue by selling their expertise to other governments. Social enterprises or mutual joint ventures are being used to marketize public services.

While marketization of public services has been around for a while, recent plans to dramatically expand it threaten much of what people value about public services. Marketization of public services is supposed to lead to public sector providers being required to go through competitive bidding processes, involving either private or public sector competitors, to be able to continue operating.

With marketization of public services, public providers that don't put commercial considerations first risk losing contracts to provide services. Even when services remain "public" the way the public providers are required to act means that there is often little to distinguish them from private sector competitors.

In England, National Health Service (NHS) employees are being encouraged to take over the services they provide by forming public enterprises or mutual joint ventures. When social enterprises in the NHS were created, they were evaluated against other public options.[72]

But as their contracts come up for renewal they will be competing against large, for-profit health care providers. A report by the National Audit Office from June, 2011 suggested social enterprises will have difficulty keeping contracts.[73]

Within three months of the report being issued, the concern that using social enterprises to provide public/public competition was a stepping stone to full privatization was validated. Even though Central Surrey Health was recognized for delivering quality services by the Prime Minister and other members of his cabinet, it lost its first attempt to win a competitively tendered contract to a subsidiary of Virgin, a company better known for cell phones and airlines.[74]

The creation of a mutual joint venture, MyCSP, to administer public service pensions for the UK government was even more obviously a step towards privatization. Traditionally mutuals have been controlled by people who work in them or use their services. While MyCSP is labelled a mutual, staff only control 25%[75] and 95% of its employees would rather have stayed within the civil service.[76] And as the private sector company that owns 35% of MyCSP makes clear it will be run as a business rather than as a service.[77]

f) Ornge set up to marketize a public service

In 2005, the Ontario government created a non-profit corporation to run its air ambulance services. This company was originally called Ontario Air Ambulances Services Co., but changed its name to Ornge (not an acronym).

When Ornge started, it was allowed to create for-profit companies to generate additional revenue.[78] These for-profit subsidiaries were to allow it to start to commercialize air ambulance services by using, "expertise of the publicly funded air ambulance service to earn money on the international front."[79]

This is similar to what is being done by other services privatized through public/public competition. For example, the mutual joint venture created by the British government, MyCSP, is competing for business outside of government, while a Dutch government owned rail company provides rail services in the UK and Germany through its subsidiary Abellio.[80]

In late 2011, it emerged that Ornge was using its for-profit subsidiaries to hide questionable financial transactions. These included increasing the salary of its CEO by more than 450%, paying 40% more than the building was worth for its headquarters, and putting a $6.7 million "marketing fee" from the manufacturer of $144 million worth of helicopters it purchased into accounts that were hidden from public scrutiny or wasteful promotional projects like $150,000 custom made motorcycles.[81]

g) Problems with Ornge are also similar to those at other privatized services

The similarity of what happened at Ornge to what has occurred at other privatized services makes it very clear that the root cause is the attempt to run air ambulance service like a commercial operation, rather than a public service.

Ornge increased the salary of its CEO from $298,000 a year to $1.4 million a year after it was privatized.[82] The parent company of privatized Nova Scotia Power pays its CEO $4.3 million, or almost 9 times what the CEO of publicly owned Hydro Quebec receives—even though Hydro Quebec serves 10 times the number of people.[83] When Hydro One was privatized, the CEO got a pay increase of as much as 500 percent.[84] And for most privatized services there is no requirement that they disclose how much they pay their top executives.

Costs for Ornge increased by 30% over 4 years, while the number of patients transported dropped by 7%.[85] Privatized Nova Scotia Power has raised rates 6 times in the last 10 years, after cutting maintenance and customer service.

At Ornge, the girlfriend of the CEO and the daughter of the board chair got well-paying jobs. In British Columbia, the government decided to privatize liquor distribution after one of the premier's key strategists lobbied the government on behalf of a company that hopes to profit from privatization.

7 Removing the public sector's competitive advantage—how rules are changed to artificially favour privatization

Time after time, unbiased comparisons of privatization and keeping services public find the public option provides better value. It's not hard to see why. When services are public there are a number of costs we don't have to pay for ranging from the profit for private operations to the higher borrowing costs of the private sector.

The response from privatization proponents has been to look for ways to remove the competitive advantages public services have, including artificially inflating the costs of keeping services public and subsidizing privatization.

a) Competitive neutrality latest way to use international trade agreements to push privatization

Far from being neutral, competitive neutrality has been a tool to make privatization of public services appear more attractive. The process of competitive neutrality is intended to eliminate the competitive advantage of the public sector. It's a great process for those hoping to profit from privatization, but bad news for taxpayers who see the cost of services artificially inflated to justify privatization.

Currently, the Organization for Economic Co-operation and Development (OECD) is examining guidelines for member states on competitive neutrality. Provisions on competitive neutrality are being discussed for a number of trade agreements involving Canada. Depending on what services are included in competitive neutrality provisions, it may become far easier to privatize public services.

In Australia and New Zealand competitive neutrality was used to artificially inflate the costs of public services when keeping services public was being compared to privatization. For example, even though the public sector can borrow at a lower rate of interest, any cost comparison had to assume that the public sector would have the same interest costs as the private sector.[86]

Government services covered by competitive neutrality were to be run as though they were private companies. This meant that, when decisions were made about how to provide services, maximizing profit had to come before serving the public. Using the profitable parts of a service to subsidize other services was not permitted. Instead the government was expected to allocate additional funds when subsidies were needed.[87]

Private companies wanting to take over public services can give themselves an unfair advantage by using tax havens or making an artificially low bid then charging more once they are established. Competitive neutrality does not deal with these issues.[88]

A for-profit medical services provider in Western Australia used the competitive neutrality policy to complain about unfair competition from a public hospital.[89] In Australia and New Zealand, competitive neutrality has also been used to undermine public provision of services like skills training, swimming lessons, waste collection, child care, broadcasting and social housing.[90]

Not even health care is safe. Large corporations profiting from private health care are hoping to use competitive neutrality provisions in trade agreements to give themselves an unfair advantage. In a 2013 brief to the US Trade Representative Office, one group of private health care providers in the US made it clear they see competitive neutrality as a way to undermine public hospitals, care facilities, and health insurance.[91]

Competitive neutrality will make it easier for companies to make money from public services. It artificially increases the costs of publicly provided services to make privatization look more attractive. It is the public who will pay the price for competitive neutrality. When governments can't use their ability to borrow money at a lower rate of interest or revenues from profitable operations to lower the cost of public services, it is the public who pay – either through service cuts or paying the higher costs of private sector providers.

b) Federal government using financial pressure to get provinces, territories, First Nations and municipalities to use P3s

Like competitive neutrality, only providing infrastructure funding to provinces, territories, First Nations and municipalities if they use P3s is intended to artificially inflate the cost of public services. This approach is being used by the federal government with the requirement that only P3 projects are eligible for funding from Public-Private Partnerships Canada (PPP Canada), a federal crown corporation set up to promote use of P3s.

For some time the federal government and governments in British Columbia, Ontario and Quebec have been encouraging municipalities to consider the use of P3s when getting federal or provincial help.[77 78] With the creation of PPP Canada in 2009 the federal government took things one step further.

PPP Canada's guidelines state that to be eligible for funding projects must have "meaningful private sector involvement."[92] For eligible projects, federal funding will cover up to 25% of costs.[93]

When the municipal sector alone is facing a $123 billion infrastructure deficit,[94] making federal funding conditional on using P3s has considerable impact. In Saint John, New Brunswick a 2012 poll found that 62% of voters oppose using a P3 to deliver drinking water, while only 27% support the idea.[95] But with upgrades to the water system costing $172 million, and a lack of funding from other levels of government, Saint John City Council is looking at the P3 option.[96]

But for the public who are paying the entire cost, regardless of which level of government funds the project, the fact the P3 option requires a 25% subsidy from the federal government to be competitive is worrying.

What the federal government is doing is similar to the approach taken by the World Bank in the early 1990s when aid for developing countries was conditional on partnering with the private sector. While a World Bank report on privatization from 2010 acknowledged there were "problem cases,"[97] privatization of water in Gabon in 1997 was singled out as one of their "successes."[98]

After eight years of so-called privatization success in Gabon, in 2005, water shortages contributed to a typhoid outbreak. Fifteen years later, some parts of the capital, Libreville, still have no water and others have it cut off for up to eight hours a day.

Gabon stands out because the World Bank described drinking water privatization there as a success. In Manila, the government had to bail out a private operator that failed. Increased prices and lack of investment in the system remain problems.[99] In Brussels, a P3 operator deliberately discharged untreated sewage for 10 days during a contract dispute.[100]

When the World Bank views water shortages and a resulting typhoid outbreak as a success, we can only imagine what the failures are like.

c) Stealth privatization intended to get around public fears

In a debate about privatization, one of the biggest obstacles for privatization proponents is the concern people have about for-profit companies running public services. To avoid having to respond to public fears about privatization, with many new ways to turn services over to the private sector, efforts are made to obscure the true intent of the policy.

Policies are portrayed as increasing community control, improving efficiency or expanding a service. It's only when people read the fine print that it becomes clear that services are being privatized.

i) Asset recycling creates artificial link between privatization and new infrastructure

Asset recycling is a new term for one of the oldest forms of privatization – selling off electricity service, roads, or other infrastructure. What is new about it is the attempt to reduce opposition to privatizing essential services by linking the sale to the ability of governments to fund new infrastructure projects.

In Canada, the privatization of Ontario's electricity distribution system, Hydro One, is the best known example of asset recycling. The sale of Hydro One is also a good example of the gap between the claims about asset recycling and what actually happens.

In an attempt to reduce public opposition to privatizing electricity service, the Ontario government has claimed funds from the sale will go to fund desperately needed new transportation infrastructure. The problem is that, as the provincial Financial Accountability Officer found, the government is actually going to lose money on the sale. Over the long-term what the province will lose in revenues after privatization will be greater than what it will get through the sale.[101]

If asset recycling was really about funding new infrastructure, the Ontario Financial Accountability Officer report would have stopped the Hydro One sale dead in its tracks. The fact the Ontario government are continuing to sell parts of Hydro One makes it clear that asset recycling is just a cynical attempt to reduce opposition to unpopular privatization schemes.

ii) British government uses promise of more power for communities to hide privatization

In 2010, as part of its "Big Society" policy to transfer more power to communities, the British government introduced the "community right to challenge" and "community right to bid." And in the same way "Big Society" was an attempt to mask the government's austerity agenda, right to challenge and right to bid attempt to mask privatization.

The community right to challenge is billed as a way to allow community groups, charities and non-profits to take over running municipal services such as recycling or mental health day programs. The community right to bid is supposed to do the same for facilities like community centres or libraries. In practise it is expected these measures will force municipal governments to privatize services and facilities.

As with using non-profits to privatize services, the government is trying to hide its intent. The right to challenge and the right to buy are being portrayed as a way for charities, non-profits or community groups to take over local services or facilities. What the government doesn't emphasize is that, if a community group attempts to take over a local service or facility, it will trigger a competitive procurement process where large private companies will also be allowed to bid.

iii) Voucher system is backdoor privatization of post-secondary education

In 2009, the State of Victoria in Australia changed the way vocational training was funded. Before 2009, subsidized vocational training places were allocated to educational institutions and most of the funding went to Technical and Further Education Institutes (TAFEs), the Australian equivalent of community colleges.

The introduction of the Victorian Training Guarantee in 2009 was billed as a way to increase the number of people getting help with the cost of vocational training. However, instead of increasing the number of subsidized places at TAFEs, a voucher system was created. Subsidies were paid to both private and public educational institutions based on how many eligible students were enrolled.

As is usually the case when the private sector is allowed to "compete" to provide public services, private providers offered courses where they were able to make a profit, leaving the TAFEs to meet community needs.[102] Standards at private institutions also tended to be lower. For example, in 2015, 832 students were told the qualifications they received from a private college were invalid because regulators found courses were substandard.[103] There have also been allegations of private schools misusing public funds, including paying people to sign up for courses so the schools could receive subsidies.[104]

Unfortunately, in spite of numerous scandals involving private colleges, further privatization is planned. The Australian government is proposing taking over vocational education from individual states and cutting back the funding for TAFEs.[105]

iv) Chicago Infrastructure Trust means public will have even less opportunity to evaluate P3 proposals

With the creation of the Chicago Infrastructure Trust, the power to approve P3 type projects in areas like transit, non-profit housing and schools will rest with an unelected five person board. Once the board is approved, city council will have no direct control over whether to proceed with P3 projects in those areas.[106]

This takes problems with lack of accountability for P3 projects to a completely new level. The public have always had problems getting information about P3 contracts or service levels, but at least elected officials could be held responsible for the decision to use P3s. With the Infrastructure Trust model, even that level of accountability is gone. If there are problems with P3s, elected officials will be able to blame infrastructure trusts.

8 Efforts to attract charitable donations amount to privatizing decision making on how public services should be run

Charitable donations to hospitals, colleges and universities are less than 2% of what these institutions receive in public funding. Yet as institutions try to attract more charitable donations, they are showing an increasing willingness to give large donors a role in decision making. For all intents and purposes this is privatization of decision making at publicly funded institutions.

The impact of the privatization of decision making in public services is being felt in debates about public services, including whether or not services should be privatized. When decision making is privatized, large corporations and the wealthy are using the influence it gives them to justify privatization elsewhere.

Public institutions like colleges, universities, and hospitals are trying to raise funds from charitable donations to offset reduced public funding due to tax cuts. At the same time, there is a growing trend for the wealthy and large corporations to want more than a tax receipt and public recognition when they give to charity. They want a voice in how public or community level services will be run.

The problem is that how the wealthy or large corporations want public services to be provided may not be what's best for society. Even when *philanthrocapitalists* are well intentioned, a recent examination of their activities found that when they direct funding to market-based solutions, they are ignoring the root causes of the very problems they are attempting to fix.[107] It can also be diverting resources away from services that may be more effective, but don't have wealthy backers.

What's even more dangerous is when the wealthy and large corporations are using charitable donations to impose their political agenda.

In 2012, Carleton University accepted a donation of $15 million to finance a political management program from Calgary petroleum executive Clayton Riddell. A condition of the donation is that, through a steering committee, he has decision making power for the program, including hiring faculty and the curriculum. The university announced it would review the agreement, but that only happened after details became public.[108]

Mining executive Peter Munk's contribution to the Peter Munk School of Global Affairs at the University of Toronto was only 20% of the cost, once government funding and tax breaks are factored in, but his contribution allows him to have the school's director report annually to a board he selects.[109] He also made his contribution conditional on the school hosting a right-wing think tank, the Canadian International Council.[110]

When the wealthy and large corporations can use charitable donations to influence decision making at public institutions, it affects whether the public hear both sides of an issue. Corporations have a long history of funding studies by academics that support their position on issues. Now, by using charitable donations to influence decision making, they will be able to silence other points of view.

Academics whose research has shown the problems with privatization will have trouble getting hired if large corporations and wealthy individuals who support privatization have a role in hiring colleges and universities. Others hoping for an academic career will be effectively silenced as they avoid doing research that is likely to produce results that wealthy donors dislike.

9 Many forms of privatization provide the illusion of money for nothing

Even though they often increased costs, P3s spread rapidly because in many instances they enabled governments to borrow money without it showing up on their books as debt. Instead, payments for P3 projects come from operating spending over several decades.

As the number of P3 projects has grown, the cost of P3s becomes a significant drain on operating expenditures. In Britain, which was one of the first places to use P3s for large numbers of capital projects, the full cost of P3s is expected to be £301 billion with an annual cost of £10 billion a year.[111] The cost of P3 projects means many hospitals are facing financial difficulties.[112]

Accounting rules for P3s are starting to change so that they are recognized as being no different than any other type of government borrowing. But as this is happening, Social Impact Bonds and other forms of social finance offer a chance to repeat the shell game.

Like P3s, using social finance would allow governments to get the service now and pay for it later. There would also be the same additional costs as P3s, such as profit for the private sector operator and higher borrowing costs. But the ability to borrow money without it showing up as debt has a very strong appeal for politicians trapped between their refusal to raise taxes on large corporations and the wealthy, and the public's expectation that public services people rely on will be there when they need them.

10 Privatization needs secrecy to survive

The privatization industry knows that support for privatization drops when people see the full details of privatization schemes. That's why secrecy is an essential part of privatization. The public are not allowed to see the details of privatization schemes. When contracts or other papers are released, key details are blacked out.

People hit a wall when they try to find out what privatized services are costing them or what level of service they should be receiving. With privatization, "commercial confidentiality" trumps transparency and accountability—even though the public are footing the bill.

Not surprisingly, people don't like it. Secrecy is privatization's Achilles heel. People from across the political spectrum feel strongly that when the public are paying, they should be able to see all information about how services are run.

11 Giving the public all the facts and a chance to challenge false assumptions, first step to stopping privatization

Privatization proponents base their arguments on the claim that privatizing services will save money without affecting service levels. To win the fight on privatization that claim must be exposed as a lie.

That means making sure people have complete information about privatization proposals, the costs and the impact on people who rely on public services. There also needs to be an opportunity for both the public and people delivering the service to provide input on what privatization will mean and to challenge inaccurate or misleading claims.

To ensure transparency and that the wishes of the public are not ignored, governments considering privatization need to follow a process like NUPGE's Five-Step Public Services Protection Plan:

1. A public service will not be privatized or contracted to the private sector without public consultation and without demonstrable evidence that privatization will lead to improved services.
2. A decision to privatize or contract out a service will not be made without a full and open review by an independent and mutually agreed upon Review Agency or individual, who will ensure full cost/benefit analyses and comprehensive social and economic impact studies are conducted.
3. Public sector workers and their representatives and other interested parties shall have standing in the review process.
4. The reviewing agency or individual will issue a final report and recommendation and will table the report and all studies or analyses to the House of Commons/legislature and/or the Public Accounts Committee.
5. In the event that a specific privatization is recommended and found to be in the best interest of citizens, employees will have the ability to move to the new employer with all existing rights, benefits and entitlements.

12 Public services are an expression of society's core values

Even without the problems of cost, poorer service and reduced accessibility, we still have to consider how privatization affects our core values that bind society together.

The basis for our society is the values of equality, empathy and responsibility. These are the values we pass onto our children when we teach them to share. They're the values we express when we help people having problems.

Our belief in equality means ensuring the basic needs of everyone in society are met. Our empathy allows us to identify with others when they are going through tough times. And responsibility means that we know we have a duty to look after others, through our personal actions and through paying taxes.

As a community we show our belief in equality, empathy and responsibility through public services. They represent our coming together to meet our needs. When we use public services, we're using something that belongs to all of us.

That isn't the case with privatized services. When services are privatized the focus becomes profits rather than meeting common needs. Even worse, when services like health or social services are privatized, we are saying it is acceptable to profit from the misfortunes of others.

In our personal lives we value the generosity, compassion, and optimism public services represent. People see the increase in inequality and the social problems that come with privatization and increasingly recognize that the impact of public services goes far beyond the services themselves. It is a key ingredient in the glue that holds society together.

13 In spite of all the resources privatization proponents have, fighting back works

With the amount of money companies profiting from privatization and their allies are putting into campaigns to privatize public services, it's not surprising they have some successes. The surprise is how often they're beaten. What it reflects is the belief people have that services everyone relies on are best delivered by the public sector.

But privatization proponents are trying to undermine this belief. They will use every opportunity to discredit the public sector. One of the biggest ironies of the Ornge scandal in Ontario is that, even though Ornge was privatized, pro-privatization ideologues are still trying to blame the public sector.

Fortunately, there is a lot public employees and supporters can do to fight back.

Your family, friends, neighbours, and community know the difference you make

People appreciate the high quality services they receive, but don't think much about them unless there are problems. Reminding people of how much they value the services they use is important, whether it is done through letters to the editor, blogs, social media, speaking to community groups or information booths at events.

What drives home the value of public services is positive stories from people who rely on them. People's accounts of the care or support they received help ensure the public realize that the quality provided by delivering services publicly makes a difference.

Talking frankly among ourselves about the services we deliver as public employees also makes a difference. It reminds us of the difference our work makes and lets us know where improvements can be made. And when public employees are seen to be pushing for improvements in how services are delivered, it reminds people of the difference dedicated professionals make.

When unions provide information on how to get the most from public services, it is incredibly popular. It allows the public to benefit from the expertise we have from delivering services and reminds them of why that expertise is important.

Work to implement NUPGE's Twin-Track Strategy to Fight Privatization to show what's wrong with privatization

The more people hear about privatization, the less they like it. NUPGE's Twin-Track Strategy to Fight Privatization is intended to ensure people get all the facts about privatization. The strategy is based on NUPGE's Five-Point Public Services Protection Plan.

At the bargaining table, we're demanding language to protect public services, our members, and the public interest. Through community campaigns, we're pushing for legislation to protect public services by requiring governments provide all the details about proposed privatization schemes and provide meaningful opportunities for public input.

Remember, you make a difference

There are many more people delivering and benefiting from quality public services than there are people profiting from privatizing them. That gives us a huge advantage if we are willing to work to stop privatization.

Get involved

There are lots of campaigns to protect and expand public services and lots of ways to get involved.

Visiting these websites will give you information about how you can make a difference. And of course, the first step is spreading the word to others.

All Together Now! – alltogethernow.nupge.ca

Public Services Foundation of Canada – publicservicesfoundation.ca

Canadians for Tax Fairness – taxfairness.ca

Robin Hood Tax Canada – robinhoodtax.ca

Canadians for a Modern Industrial Strategy – industrialstrategy.ca

TEAR THIS OUT
PUT IT UP IN YOUR WORKPLACE OR COMMUNITY

IF PRIVATIZATION IS SO GOOD,
WHY HIDE IT?

When you're signing a contract for repairs to your home, you read it. You want to make sure the price and the work being done matches what you've been told.

If anyone asked you to sign a contract, but wouldn't let you read it first, you'd assume they were pulling a fast one. But that's what we're being asked to accept with privatization. Contracts and agreements are kept secret on the grounds of "commercial confidentiality."

Seeing the contracts and agreements is the only way people can be certain of what privatization will actually mean, including

- whether costs are far higher than what's being claimed, as has happened in provinces where auditors have been able to review confidential information;
- whether claims that privatization won't harm public services are true (and time after time they've been false).

When a service is privatized, the public are still paying for it. That gives us the right to demand the truth about how much privatization will cost and what it will do to services.

Let's make this an issue in the legislature and at the bargaining table. For more information:
NUPGE – nupge.ca
All Together Now! – alltogethernow.nupge.ca
Public Services Foundation of Canada – publicservicesfoundation.ca

TEAR THIS OUT
PUT IT UP IN YOUR WORKPLACE OR COMMUNITY

THE PRIVATIZATION PLAYBOOK

Privatization means poorer service and higher costs for the public. It means job losses and lower wages for public employees. But still governments set up public services for privatization by cutting taxes for large corporations and the rich.

- They can't attack popular public services directly, so instead starve services of funding
- They starve services through tax cuts that benefit the top 1% and profitable corporations
- Lack of funding means the quality of services deteriorates
- The public get frustrated and ask: "What are we paying taxes for?"
- CEOs and their political friends say: "We should let the private, for-profit sector deliver these services."

People have a right to know the real cost of tax cuts for large corporations and the wealthy.

Let's make this an issue in the legislature and at the bargaining table. For more information:

NUPGE – nupge.ca

All Together Now! – alltogethernow.nupge.ca

Public Services Foundation of Canada – publicservicesfoundation.ca

TEAR THIS OUT
PUT IT UP IN YOUR WORKPLACE OR COMMUNITY

FIVE-POINT PLAN TO END PRIVATIZATION SCAMS

Instead of giving people all the facts and listening to what they have to say, governments trying to privatize services resort to high-powered sales pitches and scare tactics. It's what we'd expect from door-to-door scam artists.

To end privatization scams, governments considering privatization need to follow a five-step process:

1. A public service will not be privatized or contracted to the private sector without public consultation and without demonstrable evidence that privatization will lead to improved services.
2. A decision to privatize or contract out a service will not be made without a full and open review by an independent and mutually agreed upon Review Agency or individual, who will ensure full cost/benefit analyses and comprehensive social and economic impact studies are conducted.
3. Public sector workers and their representatives and other interested parties shall have standing in the review process.
4. The reviewing agency or individual will issue a final report and recommendation and will table the report and all studies or analyses to the House of Commons/legislature and/or the Public Accounts Committee.
5. In the event that a specific privatization is recommended and found to be in the best interest of citizens, employees will have the ability to move to the new employer with all existing rights, benefits and entitlements.

Ensuring the process for discussing privatizing proposals is open and accountable is the first step towards stopping them.

Let's make this an issue in the legislature and at the bargaining table. For more information:

NUPGE – nupge.ca

All Together Now! – alltogethernow.nupge.ca

Public Services Foundation of Canada – publicservicesfoundation.ca

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