



PRIVATIZATION

**SAME OLD GAME.
BRAND NEW THREATS.**



never
GOOD
always
BAD
now it's
UGLY

PRIVATIZATION IS A SCAM.

Always was. Always will be.

But now it's worse. It's a scam on steroids. Now there is no limit to what they will try to privatize.

New forms of privatization give corporations a way to profit from any public service. Today, no public service is safe from the threat of privatization.

Privatization is about giving public money to corporations to run public services. Corporations running privatized services make a profit by charging more or cutting services. Experience tells us that the public ends up paying more and getting less.

Quality public services provide Canadians who work hard and play by the rules with the opportunity to get ahead in life, and provide their children the opportunity to do even better. The hollowing out of the public sector through privatization takes these opportunities away.

The privatization playbook

CORPORATIONS that profit from privatization, and their political allies, know they can't attack public services directly. Instead they use a carefully calculated strategy of constantly undermining public services in many ways, such as:

- They starve services of funding.
- They starve services through tax cuts that benefit the top 1% and profitable corporations.
- A lack of funding means the quality and accessibility of services deteriorates.

- The public gets frustrated and asks: "Why am I paying taxes for these services?"
- CEOs and their political allies say: "Let the corporate sector deliver these services."

This strategy has been used to sell off public assets like electricity, contract out services like garbage collection, and justify using Public Private Partnerships (P3s) to build hospitals or highways. In every case the public pays the price.

From bad to worse: *New forms of privatization*

NEW FORMS of privatization have one goal: to make a profit for corporations that use public money to deliver public services. The exact same goal all the old forms of privatization have.

The new privatization assaults favour two approaches:

- One approach is to commercialize services that were previously seen as impossible to operate as profit making businesses.

- A second is to remove any competitive advantage the public sector has when decisions are being made about whether to deliver services publicly or privately.

Among the many services threatened by new forms of privatization are social services, justice and corrections, and community colleges.

Privatization's track record: *Higher costs; less service; risk to public safety; secrecy and sleaze*

- Tolls up 176% since Ontario privatized Highway 407.
- Privatized Nova Scotia Power has twice the power outages of publicly owned NB Power and pays its CEO three times more.
- 22 dead after contamination at a meat plant following privatization of federal food inspection.
- For-profit hospital charged Alberta health system 31% more than public hospitals, but still managed to go bankrupt, leaving taxpayers with a \$4 million tab.
- Ontario's privatized air ambulance service costs 55% more to run, transports fewer patients, and is the subject of a coro-

ner's investigation into patient deaths.

- Police investigating corruption in P3 hospital deal in Montreal.
- Golden Ears Bridge P3 in B.C. has a \$73 million accumulated deficit after three years.
- Premier who privatized Manitoba Telephone Service now earns \$147,000/year as board member.
- P3 hospitals in Ontario meant higher costs and fewer patient beds; community groups forced to spend \$100,000 in legal fees to see the contract.
- Cost estimates manipulated to make P3 hospitals appear cheaper in three provinces.

VALUES Privatization undermines our values, public accountability and responsibility to future generations

PUBLIC SERVICES are a practical expression of traditional Canadian values such as equality, empathy, fairness, opportunity, common good and collective responsibility. Privatization violates these values. It puts private wealth ahead of common wealth, special interests ahead of public interest, privilege ahead of democracy. Selfishness and greed are the underlying values of privatization.

The secrecy that goes with privatization means a loss of public accountability. Corporations are only accountable to their wealthy executives and shareholders. When public money is spent on services, the public should be able to find out how they are being run. Instead, contracts relating to privatization are kept secret on the grounds of “commercial confidentiality”.

Our parents and grandparents built public services and infrastructure to allow us to look after each other, ensure everyone’s basic needs are met and have more opportunities than they did. Privatization takes that away from our children and grandchildren.

With P3s and other privatization shell games politicians pretend there’s no debt, but future generations will be paying for infrastructure and services we’re using today. With each privatization scheme we’re putting another brick in the backpack of future generations. All we’ll be leaving them is the damage and debt from privatization shell games.

US FIRST Protecting the public interest

PRIVATIZATION IS ALWAYS A BAD IDEA. What makes it a lot worse is privatization is accompanied by a lack of accountability and transparency. Tough rules are needed to protect the public interest.

To improve accountability and transparency, governments must ensure that when public dollars go to corporations to deliver public services two requirements are met:

- The public interest takes priority over a corporation’s commercial interests.
- The public has access to all essential financial details related to government expenditures for privatization including costs, revenues, service levels and salaries of senior executives.

To fully protect the public interest, governments must introduce legislation that ensures any privatization scheme meets five criteria:

- A public service will not be privatized or contracted to the private sector without public consultation and without demonstrable evidence it will lead to improved services.
- A decision to privatize 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 cost/benefit studies and comprehensive social and economic impact studies are conducted.
- Public sector workers and their representatives, and other interested stakeholders, shall have standing in the review process.
- The reviewing agency or individual will issue a final report and recommendation and will table the reports and all studies to the House of Commons/ Legislature and/or the Public Accounts Committee.
- 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.



Tolls up 176%



Power outages double



**22 die of listeriosis
after eating tainted meat**



**Ontario air ambulance
operating costs rocket up 55%**

Get more information on new privatization threats and what you can do about them

The vital services Canadians rely on every day are best delivered by the public sector. Canadians have witnessed and experienced the damage privatization does.

That's why corporations no longer call it privatization. They invent flowery new names like Social Impact Bonds, Social Financing and Competitive Neutrality to dress up their smash and grab tactics.

You can read more about these new privatization hoaxes in NUPGE's new publication called **New Forms of Privatization**. It has more details on new threats to public services and what you can do to help stop them.

To get a copy or find out how you can get involved go to:

www.nupge.ca

or send an email to

national@nupge.ca



**national
union**

NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES

- B.C. Government and Service Employees' Union
- Health Sciences Association of British Columbia
- Health Sciences Association of Alberta
- Saskatchewan Government and General Employees' Union
- Manitoba Government and General Employees' Union
- Ontario Public Service Employees Union
- Canadian Union of Brewery and General Workers
- New Brunswick Union of Public and Private Employees
- Nova Scotia Government and General Employees Union
- PEI Union of Public Sector Employees
- Newfoundland & Labrador Association of Public and Private Employees

■ 15 AURIGA DRIVE
NEPEAN, ONTARIO
CANADA / K2E 1B7

■ [613] 228-9800
FAX [613] 228-9801

■ www.nupge.ca

■ national@nupge.ca

The National Union of Public and General Employees is an affiliate of the Canadian Labour Congress and a member of the Public Services International.

