Remunicipalisation
and the COVID-19 Pandemic

Brief #5

PSI Local & Regional Government Workers’ Network Series
Written by Daria Cibrario (PSI) August 2021. Originally published in the Spotlight on Sustainable Development Report 2021: Time to overcome contradictions and hypocrisy in the COVID-19 crisis in two parts under the following titles: (1) “Challenging decades of privatization and de-funding of public services” pp. 30-33; and (2) “Now is the time to reclaim public services”, pp.85-88 on 17 September 2021.

With COVID-19, the damage done by decades of underfunding, cutting, and privatizing vital public services' materialized into the unsustainable images of saturated intensive care and emergency units; health and support staff overworked to exhaustion, lacking personal protective equipment (PPE) and other essential supplies; and countless coffins driven by army trucks to freshly dug graves.

The pandemic revealed the lack of preparedness and the injustice intrinsic to privatized, outsourced, commodified public services: access is overwhelmingly narrowed to those who can afford to pay, leaving most of the world’s population vulnerable – affected by mass job losses from national lockdowns.

Suddenly, the societal and economic value of public health and care services, water, sanitation, refuse collection, electricity, transport, housing as well as social safety nets has become self-evident; just as has the interdependency and complementarity among different public services in a globally contaminated world.

The appalling conditions endured by many frontline workers – overwhelmingly women, racialized, migrant, low-skilled, outsourced in precarious contracts – have spurred widespread cries of outrage and calls for decent working conditions.
unions have demanded governments and employers put a halt to rhetorical ‘hero’ hailing, and to swiftly enact concrete measures to protect frontline workers; enable them to serve communities under decent working conditions; and remunerate them fairly. Yet many frontline service workers and their unions have had to fight for even the most basic occupational health and safety protection and priority vaccine access, such as municipal education, waste and funeral service workers of São Paulo who went on ‘strikes for life’; or education support, social services, and municipal police in Italy. Waste and funeral workers have been largely invisible and forgotten by society and policy-makers, workers who have the ungrateful - yet essential - task of safely disposing of contaminated medical waste and human remains.

The pandemic has particularly exposed the injustice caused by the lack of investment in local public services, epitomized by the ‘service desertification’ affecting many territories - notably rural ones - ensured by budget cuts and ‘digital-only’ delivery choices, whereas in the global South public infrastructure and services remain insufficient and/or inaccessible. In South Africa, public healthcare services are concentrated in urban areas, whereas most women live in the countryside and cannot access or afford public transport when they need obstetric care. In Sri Lanka, where health outcomes are comparable to some European countries, the majority of people live within 5 kms of a local health centre. Territorial inequality in public service access was a key spark igniting the 2018 yellow vests protests in France.

Matched with the imposition by authorities of physical distancing to curb contaminations, this situation has popularized the concept of the ‘15-minute city’, preaching a (re)localization of vital public services - such as hospitals, schools, childcare facilities, parks, post offices and cultural venues – within everyone’s walking reach, also to bolster quality of living and local economies.

COVID-19 also elevated the often-overlooked role of local and regional governments as the key institutional frontline emergency first-responders and helped acknowledge the expertise and professionalism of their staff as they serve people and communities – often with very limited means - putting their own health and that of their families at stake. In their joint statement over the COVID-19 crisis, global public services workers union Public Services International (PSI) and worldwide local and regional government peak association United Cities and Local Government (UCLG) called on national authorities, global policy-makers and financial institutions to “invest on a priority basis in ever stronger, quality public services with universal access to ensure a swift recovery and avoid a post COVID-19 social and environmental catastrophe” and “ensure adequate service staffing levels, training and decent working conditions to guarantee continued public service delivery”.

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It has taken this global pandemic to make previously unlikely convergences possible among social justice movements, institutions, and political actors. There is a window of opportunity for a systemic shift towards state leadership in economic policy and significant public service and infrastructure investment. Without the urgency caused by the triple climate-pandemic-socio-economic crises, ‘Green New Deal’\(^1\) plans would have had little chance to pick up, and the few examples of social and environmental conditionalities attached to State aid for private companies would have likely remained wishful thinking.\(^5\) The Biden Administration’s initial US$ 2 trillion ‘American Jobs Plan’ and its backing of the Indian, South African and other developing countries’ position to waive COVID-19 vaccine patents would have been unimaginable.\(^6\)

The collective epiphany and momentum for progressive policy change have also emboldened societal demands to take back control of our public services through (re)municipalization and other forms of de-privatization.\(^7\) The COVID-19 pandemic has highlighted the disastrous consequences of years of weakening public services. This is, of course, particularly visible in the healthcare sector. But also in other areas, such as energy and transport, the negative consequences of austerity and privatization have become increasingly obvious and have led to counter-movements. Here are a few snapshots from different countries.

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**It is time to reclaim our public services**

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Fagforbundet local shop stewards approach Vereino workers to organise them into the union ahead of the imminent Oslo waste remunicipalisation. Photo credit: Fagforbundet
Health

Outsourcing, privatization and defunding of public health systems have hampered pandemic response preparedness and undermined universal access to quality services, causing unnecessary deaths, including in countries traditionally boasting strong public health systems. In the UK, the National Health Service call centres (NHS 111) and supply chain - responsible for procuring and delivering personal protective equipment (PPE) to staff - have undergone ‘salami-privatisation’ since 1977. Its fragmentation has hampered agile procurement responses and adaptability to evolving NHS needs; caused lack of oversight and control by the public – including on PPE pricing, quality and tracing; and ultimately translated into delays in PPE provision to the NHS staff, severely hit by deaths and contaminations.

In Italy, where regions have legislative autonomy over health management within the national health system (‘Servizio Sanitario Nazionale’ - SSN), Lombardy – one of Italy’s wealthiest regions which has among the most privatized health systems in Europe - recorded a 5.7 percent COVID-19-related fatality rate compared to the Italian national 2.4 percent national average. Adjacent region Veneto, instead, which prioritized public governance, intergovernmental coordination and institutional health provider cooperation – registered its first COVID-19 cases at the same time as Lombardy but had a considerably lower death-to-case-ratio.

The market-oriented approach to healthcare of the EU Commission, its push for health services liberalization, and its permeability to private health lobbies is called into question for the poor health service outcomes seen in continental Europe through COVID-19. The extension of user payments to compensate for health systems underfunding has sharpened inequalities. The WHO Regional Office for Europe now urges governments to make substantial public investment in their health systems; carefully re-design coverage to provide universal access; get fairer tax systems; and keep up international health solidarity, regardless of the growing public deficits. The call to reclaim health as a global public good has also translated into a worldwide movement demanding to lift COVID-19 vaccine copyrights under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and put an end to the private control of life-saving drugs largely developed with public funding, while relocating supply chains for vital medicines, equipment and PPE.
Canada recorded the worst score of COVID-19 deaths in elderly care services worldwide: four out of five deaths have either been residents or staff of a long-term care home, largely run by private companies, some of which actively engage in tax avoidance, such as Revera. In 2020, the Canadian Union of Public Employees (CUPE) launched the nationwide ‘FixLongTermCare’ campaign to take profit out of long-term elderly care, demanding the Canadian Government take over and invest in long-term elderly care homes and set a national service quality standard and safe, decent working conditions for staff across all Canadian provinces. The campaign contributed to the 2021 decision of the Government of Saskatchewan to invest 80 million Canadian dollars in long-term care starting with municipalizing two facilities through substantial public investment; to plan 82 renewal projects; and 13 new public elder care homes in rural and remote areas of the province.

In Europe, new research points to multinational corporations’ views of elderly care in ageing Europe as an enormously lucrative market, and the entry of private equity funds is taking it into the next league of profiteering, up from a privatized to a financialized service. The comparative analysis of care service quality and working conditions in nine European countries during the pandemic includes insourcing among its key recommendations. The centrality of care to our societies and economies and the intrinsic gender, social and racial injustice around which this vital service is currently structured in many societies, has prompted PSI to launch an international campaign to ‘Rebuild the social organization of care’ articulated around five key asks, among which ‘Reclaiming’ care services into public hands is a critical component.

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Energy

Demands to reclaim services in the common interest have extended to sectors that seemed lost to privatization, such as energy. A public-goods approach to energy is a pre-requisite to implement the pro-climate policies that a marketized, for-profit energy service just cannot provide.

In France, the government’s project to unbundle and further privatize the historic 75-old, national vertically integrated energy utility triggered by the EU Commission has prompted a collective reaction against the plan and to reclaim and preserve energy as a strategic public service for present and future generations. Led by a coalition of French energy unions, former senior management, national and local elected representatives, and experts, the ‘For a public energy’ (Pour une énergie publique) campaign aims to ensure equal energy access to users and territories; fight energy-poverty (user costs doubled since partial privatization in 2004); and tackle the climate crisis through a public pathway to economy-wide decarbonization. In July 2021, the French government announced that the unbundling plan has been placed on hold, and it will not be implemented under the current presidential term.

Transport

Prior to the pandemic, only about half of the world’s urban population had convenient access to public transport. Yet, for millions of people worldwide, public transport is the only option to reach public services, including hospitals, schools, kindergartens, care, registry, libraries. Well-developed public passenger and freight transport infrastructure are also a precondition to ensure rural-urban interlinkages, and the backbone of any decarbonization policy. Against the backdrop of the failure of private transport services to deliver equitable, green access to transport services, strengthening public transport is a priority to fight inequality, boost sustainable development, and achieve the ecological transition we urgently need.

COVID-19 containment measures and mobility restrictions have severely curbed urban and long-haul public transport use, triggering a shift to private transport, which has caused significant revenue losses to public transport systems and jeopardized dependent livelihoods. Mayors, transport authorities, global transport and public service unions have joined forces to ensure public transport service continuation, making it safe for passenger and workers. With “The Future is Public Transport” campaign, they jointly ask central governments and international financial institutions to support public transport with ambitious public investment to ensure fast recovery, and fast forward decarbonization, tapping into the potential to create 4.6 million jobs by 2030 and halve urban transport emissions by 2030.
While positive signals are emerging carrying the seed for a much-needed systemic shift, the old pro-austerity reflexes and privatization forces loom to snatch up new grabs of lucrative vital public services and common goods.

In Brazil, in the current political environment the crisis is instrumentalized to fast forward privatizations of profitable State-owned enterprises that have been historical public service strongholds for users and communities for decades, such as Cedae (water), Petrobras (energy), Correios (postal services), and Ceasaminas Mina Gerais (food supply).

In the UK, while praising the NHS for saving his life from COVID-19, Prime Minister Boris Johnson is pushing a new Health and Care Bill that would reshape the NHS into an ‘Integrated Care System’ on the model of American private care companies, featuring a mixed decision-making board where public institutions such as local councils would share power with for-profit companies like Centene - involved in procurement scandals. In Belgium, the Antwerp city council is privatizing the local care and social services at a time when more – not less - staff and infrastructures are needed.

Yet, Public Futures - the only available global de-privatization database – continues to record a regular stream of remunicipalizations, up to over 1,500 as of August 2021.

Far from over: remunicipalization vs. privatization battlefields through COVID-19 times
Conclusion: reclaiming a different future

There are no individual solutions to collective problems. Public services are about cooperation as opposed to competition; pooling resources together to everyone’s benefit; and building solidarity within communities, societies and economies so that we can be stronger and more resilient together. The pandemic has shown that running public services commercially, with a consumer-based approach, is not only unfair and unviable, but it is also suicidal as it undermines our ability to effectively respond to global crises. At a time of concomitant crises, we need more – not less - universal quality public services operated in the common interest, not for profit.

Unless we collectively move from operating public services under an extractivist paradigm to a common-good and solidarity-based approach there can be no resilience, no functioning economies and societies, no long-term perspective and no planet for us. This is the time to bring our public services back in-house and build economies, societies and institutions that work for all. Reclaiming and investing in our public services, even expanding beyond the scope of their traditional boundaries, is a key avenue to envision and build a new future where everyone can have a place. But the window of opportunity opened by COVID-19 is short-lived. We must seize it. There is no time to lose.


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20. J. Niechcial, The NHS is being systematically dismantled by privatisation, We Own It, UK, 4 June 2020, The NHS is being systematically dismantled by privatisation | We Own It

21. Services are shared among 11 different private companies, stratified across four layers of profit-making. Ibid.

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