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Privatization would be much easier to tackle if it were always immediately apparent. However, because so many people understand the dangers of privatization, it is often disguised with benign sounding words that mask the truth. What could possibly be harmful or dangerous about partnership, cooperation, or alternatives? It is important to learn the tools to look behind the words and see what is truly being proposed.

Privatization is a transfer of public services and money into private hands. It can take many forms. It is based on the idea that anything can be turned into a commodity to be bought or sold. In Canada some of the most common forms of privatization are Public Private Partnerships (P3s), Contracting Out, Competitive Bidding, Individualized Funding/Vouchers and Restructuring/Regionalization. Other terms are also used and sometimes the privatization can be a combination of different methods.

The bottom line though is that the public sector is starved of public funds, the private sector is held up as a possible saviour, and public money is offered for the private sector to take over some or all of what has been in the realm of public control and accountability. This approach offers enough promise that many companies actively lobby governments to provide risk free avenues into privatization and promote the idea, in whatever form, as a public good.

Public Private Partnerships (P3s)

- This sounds so good it's hard to believe it could be bad. A company, or group of companies bid on large government projects to finance, design, build, and operate public facilities and associated services.

- Despite the escalating costs, loss of public control, and poor service delivery associated with almost all of these projects, some governments are now making the availability of public funds contingent on consideration of P3s.
- The desperate need for infrastructure development in Canada makes this a ripe area for privatization in the form of these so-called "partnerships".

Contracting-Out

- This is a practice used by employers to engage outside suppliers to deliver services rather than doing it internally.
- Because the private company generally pays its workers less and has lower staffing levels, there are lower costs for the services. However, there are also concerns with poorer quality, loss of control and accountability, and often, greater risks to workers and public safety.
- Other terms for this form of privatization are "outsourcing" or "sub-contracting".
- Not new but still very popular.

Competitive Bidding

- Governments issue tenders for private companies to bid on the delivery of public services that have traditionally been provided by public sector or non-profit service providers.
- This bottom line approach sees the lowest bids selected most often.

- This leads to the replacement of community-based public services with big-box private services.
- Another term used for this form of privatization is Alternative Service Delivery

Individualized Funding/Vouchers

- Funding is provided directly to individuals to purchase services on the private market.
- This is sold to the public and the people who use the public services as a “person-centred planning approach”. It is portrayed as an empowering model that leads to greater autonomy.
- Experience has shown that vouchers and individualized funding leads to erosion of services in a market-based model with no network to guarantee services.
- This model is particularly used in low-wage sectors such as social services and contributes to a further downward pressure on wages and benefits.

Restructuring/Regionalization

- Governments and public services often use restructuring to hive off certain aspects to be run by a private company.
- Under the guise of local control, proposals for regionalization, amalgamation or “Integrated Service Delivery” create quasi-public sector bodies to oversee requests for bids, replace elected boards with appointed ones and introduce contracting-out and competitive bidding.
- Regionalization is about service consolidation and elimination of services in the name of cost reduction and rationalization of services.

Privatization takes many forms. It's important to look behind the pleasant sounding terms that are used to take our publicly owned, operated and delivered services and hand them over to the private sector for profit. When people know the facts they always support public services and resist privatization, in whatever form.

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