

## Challenging decades of privatization and de-funding of public services

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The COVID-19 pandemic has highlighted the disastrous consequences of years of weakening public services. This is, of course, particularly visible in the health-care 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:

### Health

Outsourcing, privatization and de-funding 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.<sup>1</sup> In the UK, the National Health

Service call centres (NHS 111)<sup>2</sup> and supply chain - responsible for procuring and delivering personal protective equipment (PPE) to staff - have undergone 'salami-privatisation' since 1977.<sup>3</sup> Its fragmentation<sup>4</sup> 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.<sup>5</sup>

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

1 J. Assa and M.C. Calderon, Privatization and Pandemic: A Cross-Country Analysis of COVID-19 Rates and Health-Care Financing Structures, UNDP/HDRO, 30 May 2020, [https://www.researchgate.net/publication/341766609\\_Privatization\\_and\\_Pandemic\\_A\\_Cross-Country\\_Analysis\\_of\\_COVID-19\\_Rates\\_and\\_Health-Care\\_Financing\\_Structures](https://www.researchgate.net/publication/341766609_Privatization_and_Pandemic_A_Cross-Country_Analysis_of_COVID-19_Rates_and_Health-Care_Financing_Structures)

2 J. Halliday, NHS 111 staff turning up to work with coronavirus symptoms, *The Guardian*, 10 April 2020, <https://www.theguardian.com/world/2020/apr/10/nhs-111-staff-work-coronavirus-symptoms-call-centre>

3 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

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

5 D. Hall, J. Lister, C. Hobbs, P. Robinson, C. Jarvis, Privatised and unprepared. The NHS supply chain", University of Greenwich, *We Own It*, UK, <https://weownit.org.uk/sites/default/files/attachments/Privatised%20and%20Unprepared%20-%20The%20NHS%20Supply%20Chain%20Final.pdf> and E. Shone, More than 850 health and social care workers have died of Covid in England and Wales since the pandemic began, *The Scotsman*, 27 January 2021, <https://www.scotsman.com/health/coronavirus/more-than-850-health-and-social-care-workers-have-died-of-covid-in-england-and-wales-since-the-pandemic-began-3114202>

but had a considerably lower death-to-case-ratio.<sup>6</sup>

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.<sup>7</sup> The extension of user payments to compensate for health systems underfunding has sharpened inequalities.<sup>8</sup> 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.<sup>9</sup> 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,<sup>10</sup> while relocating supply chains for vital medicines, equipment and PPE.<sup>11</sup>

## Care

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,<sup>12</sup> largely run by private companies, some of which actively engage in tax avoidance, such as Revera.<sup>13</sup> In 2020, the Canadian Union of Public Employees (CUPE) launched the nationwide ‘FixLongTermCare’<sup>14</sup> campaign to take profit out of long-term elderly care, demanding the Canadian Government take over and invest in long-term elder care homes and set a national service quality standard and safe, decent working conditions for staff across all Canadian provinces.<sup>15</sup> The campaign contributed to the 2021 decision of the Government of Saskatchewan to invest 80 million Canadian dollars in long-term care starting

6 De Falco, R., «Italy's experience during COVID-19 and the limits of privatisation in healthcare», GI-ESCR, 2 June 2021, <https://www.gi-escr.org/latest-news/5pg0xo95rwwju38y85xg6musfduw2o>

7 Corporate Observatory, “When the Market Becomes Deadly. How pressures towards privatisation of health and long-term care put Europe on a poor footing for a pandemic”, Brussels, January 2021 <https://corporateeurope.org/sites/default/files/2021-01/healthcare-privatisation-final.pdf>

8 “In 2018 out-of-pocket payments were still the dominant source of health financing in almost all lower-middle-income countries and a third of upper-middle-income countries”, p. xiii, WHO, Regional Office for Europe, “Spending on health in Europe: entering a new era”. 2021, <https://apps.who.int/iris/bitstream/handle/10665/340910/9789289055079-eng.pdf>

9 WHO, Regional Office for Europe, “Spending on health in Europe: entering a new era”. 2021, <https://apps.who.int/iris/bitstream/handle/10665/340910/9789289055079-eng.pdf>

10 Vaccine research has been largely funded with public resources. The US federal government paid 9 billion USD to Pfizer, while the EU and its members states funded as much as 97% of the cost of the Oxford/AstraZeneca vaccine research. Yet, over the last months, AstraZeneca, Pfizer and Johnson & Johnson have distributed a combined 26 billion USD in dividends and share buybacks, the equivalent of getting 1.3 billion people vaccinate, that is the entire population of Africa. Pavanelli, R., “Summit sanitario a Roma. Europa e Italia dicono no all'apartheid dei vaccini”, *Avvenire*, 21 May 2021 <https://www.avvenire.it/opinioni/pagine/europa-e-italia-dicano-no-allapartheid-dei-vaccini>

11 People's Vaccine Campaign “Five steps to make a People's vaccine a reality” <https://peoplesvaccine.org/our-demands/> and PSI, “EU's Commitment Urgently Needed on Vaccine Scale Up and TRIPS Waiver”, 14 July 2021 <https://publicservices.international/resources/news/psiaffiliates-statement-eus-commitment-urgently-needed-on-vaccine-scale-up-and-trips-waiver---?id=12031&lang=en>

12 Ireton, J., “Canada's nursing homes have worst record for COVID-19 deaths among wealthy nations: report”, 30 March 2021 <https://www.cbc.ca/news/canada/ottawa/canada-record-covid-19-deaths-wealthy-countries-cih-1.5968749>

13 CICTAR, Tax Dodging by a Canadian Crown Corporation; Revera Living Making a Killing, January 2021 [https://cictar.org/wp-content/uploads/2021/01/Revera\\_Report\\_7-1.pdf](https://cictar.org/wp-content/uploads/2021/01/Revera_Report_7-1.pdf)

14 FixLongTermCare Campaign page, accessed 31 July 2021 <https://fixlongtermcare.ca/send-a-letter/>

15 CUPE, “CUPE launching campaign to make long-term care public”, 25 May 2020, <https://cupe.ca/cupe-launching-campaign-make-long-term-care-public?fbclid=IwAR3qYLzz1sG0QWKF30IMIT-OvrwjzQavm43YAdiwwCzsSUWBiHwMJGrTUzk>

with municipalizing two facilities through substantial public investment;<sup>16</sup> to plan 82 renewal projects; and 13 new public elder care homes in rural and remote areas of the province.<sup>17</sup>

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.<sup>18</sup> The comparative analysis of care service quality and working conditions in nine European countries during the pandemic includes insourcing among its key recommendations.<sup>19</sup> 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.<sup>20</sup>

### 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<sup>21</sup> 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,<sup>22</sup> the 'For a public energy' (*Pour une énergie publique*) campaign<sup>23</sup> 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.<sup>24</sup>

### Transport

Prior to the pandemic, only about half of the world's urban population had convenient access to public transport.<sup>25</sup> Yet, for

16 Public Futures. Global database of de-privatised public services. "Case 1618, Canada, Saskatchewan, Care services", 5 August 2021 <https://publicfutures.org/case/1618>

17 Government of Saskatchewan, "Province Invests More Than \$80 Million In Long-Term Care Facilities", 16 June 2020, <https://www.saskatchewan.ca/government/news-and-media/2020/june/16/long-term-care-investments>

18 Investigate Europe, "Grey gold – The billion Euro business of elder care", July 2021, <https://www.investigate-europe.eu/en/2021/elder-care-for-profit/>

19 Pelling, L., "On the Corona Frontline The Experiences of Care Workers in Nine European Countries – Summary Report" FES, Kommunal, Arenalde, 2021, <http://library.fes.de/pdf-files/bueros/stockholm/17490.pdf>

20 PSI, "Care Manifesto: Rebuilding the social organization of care" June 2021 <https://peopleoverprof.it/resources/campaigns/manifesto-rebuilding-the-social-organization-of-care?id=11655&lang=en&search=%7B%7D#sign-the-manifesto>

21 Cibrario, D., « French unions reclaim energy as a public service», PSI website, 8 April 2021, <https://publicservices.international/resources/news/french-unions-reclaim-brenergy-as-a-public-service?id=11715&lang=en>

22 Tribune collectif, 'EDF : « L'acte final d'un long démantèlement du service public de l'énergie en faveur du privé »', Le Monde, 10 February 2021, [https://www.lemonde.fr/idees/article/2021/02/10/edf-l-acte-final-d-un-long-demantelement-du-service-public-de-l-energie-en-faveur-du-privé\\_6069422\\_3232.html](https://www.lemonde.fr/idees/article/2021/02/10/edf-l-acte-final-d-un-long-demantelement-du-service-public-de-l-energie-en-faveur-du-privé_6069422_3232.html)

23 'Pour une énergie publique'. Campaign website <https://energie-publique.fr/> last accessed: 5 August 2021 and PSI, "French unions reclaim energy as a public service", 8 April 2021, <https://publicservices.international/resources/news/french-unions-reclaim-brenergy-as-a-public-service?id=11715&lang=en>

24 B. Bayart, Emmanuel Macron reporte la grande réorganisation d'EDF, Le Figaro, 28 July 2021, <https://www.lefigaro.fr/societes/emmanuel-macron-reporte-la-grande-reorganisation-d-edf-20210728>

25 UN, Policy Brief: COVID-19 in an Urban World, [https://www.un.org/sites/un2.un.org/files/sg\\_policy\\_brief\\_covid\\_urban\\_world\\_july\\_2020.pdf](https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_urban_world_july_2020.pdf)

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,<sup>26</sup> strengthening public transport is a priority to fight inequality, boost sustainable development, and achieve the ecological transition we urgently need.<sup>27</sup>

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.<sup>28</sup> With ‘The Future is Public Transport’ campaign,<sup>29</sup> 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.<sup>30</sup>

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.

26 P.Alston, B. Khawaja, R. Riddel, Public Transport, Private Profit The Human Cost of Privatizing Buses in the United Kingdom, CHR & GJ, NYU School of Law, 19 July 2021, <https://chrgj.org/wp-content/uploads/2021/07/Report-Public-Transport-Private-Profit.pdf>

27 ITF, Recommendations for Sustainable & Socially Just Local Public Transport Funding, 24 June 2021, <https://www.itfglobal.org/sites/default/files/node/page/files/Recommendations%20Funding%20140621.pdf> and PSI, The Future Is Public Transport!, 30 March 2021, <https://publicservices.international/campaigns/the-future-is-brpublic-transport?id=11697&lang=en>

28 UITP, UIC, ITF, UCLG Joint Statement, Covid-19 pandemic: The continuity of passenger transport services is crucial, 8 April 2020, [https://www.uclg.org/sites/default/files/covid19\\_globalstatement\\_signed\\_8apr2020\\_0.pdf](https://www.uclg.org/sites/default/files/covid19_globalstatement_signed_8apr2020_0.pdf)

29 C40, ITF, UITP, PSI, UCLG, Greenpeace, WIEGO, ITUC, ITDP, The Future Is Public Transport!, 30 March 2021, <https://thefutureispublictransport.org/>

30 C40, The Future of Public Transport Investing in a frontline service for frontline workers, 30 March 2021, [https://c40.my.salesforce.com/sfc/p/36000001Enhz/a/1Q000000MxXz/zl2f32\\_KtaOlhDjNzVqLVasYp6xW2202detdwy\\_qbkE](https://c40.my.salesforce.com/sfc/p/36000001Enhz/a/1Q000000MxXz/zl2f32_KtaOlhDjNzVqLVasYp6xW2202detdwy_qbkE)