

**We have
the Key**

**CONTRACTING
OUT
PRIVATIZATION
P3s**



**Let's Keep
Our Services
Public!**





Privatization, P3s & Contracting Out what they mean for CUPE members, our families and our communities

The services that CUPE members provide in British Columbia are under attack. Governments say that corporations can do our work for less money. We need to know more about what privatization means if we are going to fight it successfully.

What is privatization?

We used to think that the privatization of our work meant either selling off a service or contracting the work out to a private company. But now there are new kinds of privatization. Public Private Partnerships (P3s) usually involve a long-term contract to operate a facility or service that used to be in the public sector. Sometimes it gets called Alternative Service Delivery (ASD). That's what the BC Liberals called it when they handed over the management of information from Pharmacare and the Medical Services Plan (MSP) to a U.S. company.



What does that mean for CUPE?

The results of privatization range from bad to dreadful. When the province privatized hospital services, thousands of CUPE members in our Health Services Division (the HEU) lost their jobs. They were allowed to apply for their old jobs, but those who were hired saw their pay cut by half. Benefits largely disappeared.

Sometimes the new employer will promise to hire the public employees who lost their jobs with the same level of pay and benefits. If it happens at all, that usually lasts until the end of one contract. Then people get laid off and wages are attacked.

If it's just a few jobs, does it really matter?

In recent years, hundreds of CUPE jobs have been lost one or two at a time. When someone retires or gets promoted or leaves, the employer contracts out the work.

Gradually, the union workforce is undermined. There are fewer members and fewer opportunities for those members. And with fewer and fewer members in the bargaining unit, it gets harder and harder to get a decent contract.

What can we say to claims that privatization saves money?

Put simply, privatization and P3s don't save money. Companies pay more to borrow money than governments and municipalities. And private companies expect to make profits of between 10% and 20%. All of that has to be paid for. Sometimes, it gets paid for by lower wages, sometimes by poor service, and sometimes by shifting the payment to user fees instead of taxes.

No matter how it gets paid for, working people and their communities pay the cost of privatization. And no matter how they try to pass on risk to the private sector, it is the government, not private companies, that is responsible in the end.

Does the public support it?

Actually, when they are asked, frequently the public doesn't support privatization. That's why governments often don't bother to ask their opinion. CUPE has asked. Polling by the union shows that the public wants water, wastewater, recreation, school custodial services and transit all kept public.

In June, 2006, the public opinion research firm Ipsos Reid found that:

- 84 per cent of British Columbians would prefer to see municipal governments, and not private companies, offering parks and recreation services;
- 76 per cent agreed that because they are part of the public health infrastructure, community sewer and water systems should be publicly operated and funded; and
- Only one quarter of respondents said private companies should play a role in funding and operating sewer and water systems, given aging infrastructure and limited public funding.

Other unions have had similar poll results about hospital services and the management of our health information. In theory, people don't mind public private partnerships. But when it comes close to home and affects their families and their communities, they don't like it.

If it's such a bad deal, why do governments do it?

At times, governments just get sucked in. There is a thriving industry of corporate hucksters going from

town to town promising local governments and health authorities that they can get the job done better and for less money.

Some managers and politicians just don't want the work. If they contract out the water or the grounds maintenance, they figure that's just one less responsibility to worry about.

Privatization is also something that can be used as a threat against the union, as in: "If you rock the boat, the work gets contracted out."

But, more and more, privatization is just plain, blind ideology. Some politicians don't believe in the public sector. A former Mayor of Surrey once told a conference that his idea of a perfect city was a bunch of citizen volunteers managing contracted out services. The BC Liberal government feels pretty much the same way.

How can we make a difference?

Fight back. CUPE in BC has a good track record when it comes to stopping privatization. Our work has helped to stop the privatization of water and sewer services in the Lower Mainland, Kamloops, Whistler and Vancouver Island. We helped stop privatization of a recreation centre in Prince George. We brought services back in house like garbage collection in Houston, B.C.

We've had losses too, but....

If we don't fight, we can't win!



Join the fight to keep public services public

- Get the information. Often, planning for privatization goes on months or years before we find out about it. If you work for a municipality or a school board, show your bosses you care by going to the meetings. Have a union member join the society if you work for one. Go to open meetings of colleges and universities.
- Talk to your neighbours about the work you do. Often people don't like unions, but they like public services and the people who provide them.
- Build alliances in your community. Join groups that understand and support public services, like the Council of Canadians.
- Participate in the democratic process, especially in sectors where we elect our bosses. Talk to elected officials and share your views.
- Get the facts. Many organizations have a lot of information on how privatization works and the companies that do the work. Some of the websites where you can get this information include: www.cupe.bc.ca, www.cupe.ca, www.policyalternatives.ca, www.canadians.org, www.corpwatch.org, www.polarisinstitute.org

Good public services are important. They give us healthy communities where our families can live and our children can grow. They are a sacred trust from our parents and we have an obligation to pass them on to future generations.