Gregor Kerr
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Retrieved on 15th November 2021 from www.wsm.ie
Published in *Red and Black Revolution* No. 11.

usa.anarchistlibraries.net

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changed social set-up. In today's world 'public sector' has come to mean 'government'. It is only if 'public sector' can be made to mean 'people's ownership' in a real sense that the call for public ownership can be a truly radical one. In the absence of revolutionary change, what is important is not who owns the gas or the aeroplanes or whatever. The truly important thing is how the profits made are spent and how the service is operated in the interest of the public. This can be done through state ownership or through levying punitive taxes on the profits of the private companies. At the end of the day, if either was to happen, it would indeed be a significant change.

Throughout the world, public services have been under attack for the past twenty years. Forming a central plank of the capitalist globalisation agenda, 'privatisation' and 'competition' are the seemingly unchallenged dogma of modern capitalism. The levels of privatisation which have taken place worldwide are absolutely mindblowing. During the 1990s alone over $900 billion worth of public assets were transferred into private hands. Globally this agenda is pushed by the World Bank and the World Trade Organisation (WTO). The basic theory by which these bodies operate is that all decisions should be made on the basis of profitability alone.

Economies in the so-called 'developing' world have been carved up under re-structuring deals called Structural Adjustment Programmes which have been like manna from heaven for international business. The World Bank website[1], for example, *"provides information on more than 9,000 privatization transactions in developing countries from 1988 to 2003"*. This information is presented as 'revenue generating opportunities' for international capital. The current phase of the WTO's strategy for the imposition of its privatisation agenda is the General Agreement on Trade in Services – which looks to sell off such basic services as healthcare, education, housing, water supply, waste management etc. This strategy is driven not in the interest of the ordinary people of these countries but by the needs of international capital. As David Hartridge, Director, WTO Services Division put it quite succinctly: *"Without the enormous pressure generated by the American financial services sector, particularly companies like American Express and Citicorp, there would have been no services agreement and therefore perhaps no Uruguay Round and no WTO."*[2]

[1] rru.worldbank.org
[2] quoted on 'globalissues' website, www.globalissues.org

This privatisation agenda has had disastrous consequences for many peoples and communities in the developing world. According to journalist John Pilger[3]

> *"The introduction of school fees where there was previously free education has driven many poor families to withdraw their children from school, while hospital fees have put basic health care beyond the reach of millions.*
>
> *Although they acknowledge the harm which privatisation has brought to poor communities in the Third World, the World Bank and IMF still insist on prescribing it as an economic model. Water privatisation is just one example. The World Bank notes that water in Haiti's capital Port-au-Prince costs up to 10 times as much from the private sector as it does from the public supply, and that poor families in Mauritania now have to spend a fifth of their household income on water.*
>
> *Yet both the World Bank and the IMF continue to force water privatisation on developing countries. During 2000 alone, the IMF made water privatisation or full cost recovery a condition of loan agreements to 12 African countries. The World Bank has promised Ghana an extra $100 million in loans if it privatises its water supply."*

Lisbon agenda

At EU level, the privatisation agenda is being driven by what is called the 'Lisbon agenda'. This refers to an agreement made by EU governments in March 2000 to make the EU *"the most competitive and dynamic knowledge-driven economy by 2010"*. One

[3] see pilger.carlton.com

pipeline where, incidentally, the state-owned Bord Gais Eireann will buy the gas at market rates.

It could certainly be argued that if the gas reserves had remained in 'public' ownership the local community would be in a much stronger position when it came to trying to exert political pressure to ensure that it is both brought ashore safely and put to the benefit of the local people.

Trade union organisation

Probably the biggest argument in favour of 'public' rather than private ownership of services and resources is in relation to employment and conditions of service. Traditionally public sector workers have enjoyed stronger trade union organisation. In recent years this has become even more entrenched. According to official statistics published in September 2005, trade union membership in Ireland rose by around 20% from 1994 to 2004, to stand at 521,400. However, union density as a proportion of all employees fell from 46% to 35%, with private sector union density now standing at a mere 21%. Trade union organisation within the public sector is obviously much easier especially in a climate where more and more private sector employers adopt a strongly anti-union stance.

Public sector workers as a rule tend to have a greater sense of job satisfaction especially in terms of civic pride etc. Workers in education and health, for example, can see a direct benefit to the communities in which they live from the provision of the service in which they work. This same level of direct benefit to the community is not always evident in private sector employments.

To sum up, the arguments against privatisation of public services and assets are strong. Privatisation inevitably operates in the interest of the wealthy and big business. On the other hand, however, the call for 'nationalisation' or for the retention of services etc in public ownership only makes sense in the context of a radically stalinists – that Soviet Europe, where the ownership of all industry was in the hands of the state, was good for the majority of workers.

Alienation

It can actually be argued indeed that state ownership can contribute to a heightened sense of alienation among working class people. In such a scenario we are sold the lie that the resource – be it gas reserves or whatever else – is 'public property'. The reality however is that far from being in the ownership of 'the public', ordinary people have no direct say in the allocation of these resources. Just as working class people are consistently alienated from the product of their labour, this selling of the idea of 'public ownership' over which the public have no real say leads to an increase in apathy and a sense of helplessness among ordinary people. It is much more likely that the political establishment who control the purse strings supposedly 'in the public interest' will actually spend revenues generated from these 'public assets' on measures that will have the long-term effect of re-inforcing rather than alleviating social division. Public policy consistently results in an increase in the gap between the well-off and the poor.

There are of course advantages for working class people in services and resources being in 'public' rather than private hands. In the case of the Corrib gas fields, for example, a 'public' company would be much more susceptible to public political pressure in terms of both safety issues and the distribution of the gas. Because of the nature of the deal done with Shell and Statoil when they were given control of the gas reserves, the community in North-West Mayo are expected to take all the safety and environmental risks associated with bringing the gas ashore. But – because the oil companies' profit margins are the principal motivation involved — there is no intention of connecting the local community to the gas grid. Instead it will be piped directly to the existing Dublin-Galway

of the most influential lobby groups which has pushed this agenda behind the scenes is the European Round Table of Industrialists (ERT). The ERT brings together approximately 45 'European industrial leaders'. According to its website[4] *"ERT members are chief executives and chairmen of major multinational companies of European parentage…Individuals join at the personal invitation of existing members."* Members of the ERT include Ireland's Michael Smurfit and the CEOs of such companies as British Airways, BP, Renault, Fiat, Deutsche Telekom, Diageo, Royal Dutch Shell, Heineken, Nestlé, Bayer, Nokia and many other household names. The ERT see *"the higher cost of doing business in Europe"* as *"a drain on competitiveness."* Current ERT priorities as listed on their website include *"deadlines for full liberalisation of gas and electricity markets and postal services"*. The ERT has a direct line to the heart of EU decision-making, boasting that *"at European level, the ERT has contacts with the Commission, the Council of Ministers and the European parliament…every six months the ERT meets with the government that holds the EU presidency to discuss priorities…At national level, each member has personal contacts with his own national government and parliament, business colleagues and industrial federations, other opinion-formers and the press."*

It is this 'personal contact' which drives EU economic policy and which is fuelling the push towards privatisation. One thing we can be sure of is that when the ERT get together with their political cronies, workers' rights or defence of the welfare state doesn't figure high on their agenda. In fact they tend to see such things as minimum wages, workers' holiday entitlements, minimum safety requirements etc. as barriers to the god of competitiveness, and when they talk about 'liberalisation' what they mean is the removal of any and all barriers to their unfettered right to make unlimited profits.

[4] www.ert.be

'Popular capitalism'

Privatisation can take a number of forms. It can involve the direct selling off of state owned companies to the highest bidder or can be in the form of floatation on the stock markets. The best-known example of the latter in the Republic of Ireland was the government's selling of the national telephone company, Eircom, in 1999. This privatisation was sold to the Irish people as 'popular capitalism' whereby supposedly everybody had the opportunity to become a shareholder. A massive government propaganda campaign persuaded 575,000 people to buy shares in Eircom. According to Paul Sweeney's book *"Selling out? Privatisation in Ireland"*[5] almost a third of those who purchased shares came from the skilled and unskilled working class. However within two years Eircom was fully in the hands of venture capitalists with many ordinary shareholders losing up to 30% of their investment. Privatisation of Eircom was successful for some however – the top 4 managers earned a total of €29million between them in a 30 month period between late 2001 and March 2004 – a staggering average monthly salary of €240,000 each!! Obviously 'popular capitalism' works for some.

The privatisation of the rail and water services in Britain led to similar staggering wage rates for the top managers. In the first seven years after the privatisation of the British water service in 1989, salaries and bonuses paid to the top directors increased by an average of between 50 and 200 per cent per annum. At the same time, the water bills being faced by householders soared – with an average increase of approximately 50% in the first four years. Indeed, water bills in England and Wales are set to rise by a further 13% over the next five years.

It is these consequences of privatisation that is driving the current battle against the introduction of water charges in the North. It is obvious to campaigners that the successful introduction of a

[5] Paul Sweeney is economic adviser to the Irish Congress of Trade Unions

important to point out that the 'nationalise it' or 'take it into public ownership' slogan is far too often spun out by people on the left without their taking into account that there is a massive difference between state control/ownership and workers' control/ownership.

Of course that is not to say that nationalisation is of no consequence. What I am trying to argue is that while we don't see nationalisation as the answer, it would of course be a significant development especially for the workers directly involved. In the Irish Ferries case, for example, presumably if the Irish government was the employer it would not have been as easy for them to pull the legal ruse of paying the workers wages lower than the Irish minimum wage. So while they might well have sought ways to drive down wages, their options would have been more limited.

Similarly many on the left have called for the re-nationalisation of the Corrib gas reserves off the coast of Mayo. While it is an absolute disgrace that the government gave these reserves away to Shell/Statoil for such a poor return[7] and that the billionaire owners of Shell, Statoil and Marathon stand to make a fortune from assets which should be rightfully owned by the Irish people, we all know that even if the revenues from the gas were still in state ownership, spending it on housing the homeless or reducing hospital waiting lists would not top the agenda of the government.

Their being in state ownership would however make more possible the type of political campaign which might force them to spend the moneys in the interests of the working class. A nurses' strike to demand the Irish government invest the proceeds of the Corrib gasfields in healthcare would have a much greater likelihood of success than a similar action directed at the Shell management.

Put simply, state ownership does not equal workers' ownership. No-one would argue that the fact that apartheid South Africa had a very high level of state ownership made it a workers' paradise. Neither would it be claimed – except by some died-in-the-wool

[7] see the Shell to Sea website for details — www.corribsos.com/

of this can be seen in the private company Aircoach which runs a coach service from Dublin city centre to the airport and from Dublin to Cork. Bus drivers for Aircoach work a 12-hour shift, they can only take a toilet break if they are ahead of schedule and they must pay for any damage to the buses they drive. The company refuses to recognise or negotiate with any union.

Privatisation of public services – whether it is through the direct sale of utilities or through indirect methods such as PFI and PPP – involves a massive transfer of wealth from taxpayers to the pockets of private business interests. It negates the concept of there being such a thing as 'public service' and subjects everything to the bottom line of profit. In other words it seeks to maximise the profits of a few at the expense of wages and social obligations. Furthermore, privatisation inevitably leads to an attack on wages and working conditions – conditions which have been fought for through years of trade union agitation are done away with at the scratch of a pen.

'Nationalisation'?

While anarchists oppose the privatisation of state assets and services for the reasons discussed above, we do not call – as some on the left do — for the 'nationalisation' of services as a solution to problems. For example during the recent Irish Ferries dispute, the Socialist Party put forward as one of the ways in which the workers' demands could be met[6] — *"Take Irish Ferries into democratic public ownership in order to safeguard pay and conditions and to safeguard the shipping industry as a vital asset"*

But the taking of Irish ferries into public ownership would in no way 'safeguard pay and conditions'. We'd be expecting the same politicians who are busily implementing the neo-liberal agenda to now take on the role of workers' protectors. While I'm not suggesting for a moment that the Socialist Party are proposing this, it is

[6] www.socialistparty.net/

charge would be the first step towards privatisation. Privatisation of the service is one of the main driving factors behind the attempts to introduce a bin tax in the South as well (and will no doubt lead to attempts to re-introduce domestic water charges in the not-too-distant future). In 37 local authority areas in the South, the bin collection service has already been privatised, in all of these an important precursor to privatisation was the successful implementation of a charge. After all who was going to be interested in running the service unless they were going to be able to make money from it? Once the last vestiges of resistance to the introduction of the bin tax is crushed, the service will be privatised throughout the state and householders' bills can be expected to soar.

Pay and conditions

Another consequence of the privatisation of the bin and water services will be a major attack on the pay and conditions of workers. In the post-privatisation economy workers can look forward to the replacement of their jobs with 'yellow-pack' jobs. In late 2003/ early 2004 workers at the private bin-collection company, Oxigen, which has the contract for collecting the green recycling bins in the Dublin City Council area, were forced to go on strike for 3 months to even win union recognition. Working conditions and rates of pay for Oxigen workers are much worse than for the workers directly employed by Dublin City Council. This is the future which faces all workers in state-run services if the privatisation agenda is successful.

While privatisation is sometimes open and obvious, governments often have to be more circumspect when the service being privatised is in politically sensitive areas such as health and education. This is where scams such as Private Finance Initiative (PFI) and Public Private Partnerships (PPPs) come into play. Private Finance Initiatives are the 'Trojan horse' used by the Blair government in the UK to introduce private capital to the public sector, especially but not exclusively in the National Health Service (NHS). Under PFI, hospitals are built by the private sector and then leased back to the NHS over a period of between 20 and 30 years. The private company is paid an annual sum for provision of the building and services in it, rather like a typical mortgage but with in addition the provision of caretaking, security, maintenance etc. — most likely at wage rates inferior to those of direct employees.

Public Private Partnerships

In Ireland the government has embraced Public Private Partnerships in a number of areas, most notably in the construction of roads and other infrastructural projects. These have inevitably resulted in huge profits for the private companies involved. For example, in 2000 the Department of Education and Science (DES) entered into a PPP agreement for the design and construction of five new secondary schools. Sites for the schools were provided by the State and contracts were awarded to companies to build the schools and to maintain and operate them for 25 years. The DES trumpeted this as the new way forward and claimed an expected saving of 6% compared to the cost of direct state provision. The truth however turned out to be somewhat different. In June 2004 the Comptroller and Auditor General's report found that the projected cost of the provision of these 5 schools was going to be 8 – 13 per cent higher than the traditional methods of funding — a transfer of an extra €30million from the taxpayers' pocket into that of private business‼

Transport infrastructural investment in the Republic of Ireland over the last number of years has been huge. Motorways which are built as PPPs are a licence to print money for the private companies involved. Of the €8billion which will be spent on national

roads up to 2008, €1.2billion will come from the private sector. As the motorways are built, these private companies will recoup their investment through the imposition of tolls. And they will collect massive profits! It is estimated that over the next 30 years €5.5billion will be handed over in tolls by road users. National Toll Roads, the company which collects the tolls on the M50 motorway, turned in a profit of €18million in 2004.

Run down of services

Quite often governments need to be even more duplicitous in order to push their privatisation agenda. Public services are deliberately allowed to run down and become 'inefficient' in the hope that people will then welcome the intervention of private business. In the Republic of Ireland, this is most obvious currently in the area of public transport. Dublin Bus, for example, has been starved of necessary investment for years with the result that the company is now at least 150 buses short of what they need even to provide what is already an insufficient service. In fact Dublin Bus receives the lowest State subsidy of any public transport operator in Western Europe or North America. One result of this lack of investment is obviously a disimprovement in the level of bus service. What better way to prepare public opinion for the introduction of private buses? And this is exactly the government's plan – the privatisation of Dublin Bus by 2008 is stated government policy, starting with the hiving off of 25% of the routes.

When the privatisation is successfully pushed through, 'uneconomic' routes will be gone. People who live in the suburbs can expect to have a bus service at peak times when buses are busy but at off-peak times no private company is going to have half-empty buses on the road.

And just in case it needs to be stated again, privatisation leads to a disimprovement in workers' conditions of service. Evidence