

PRIVATIZATION RED FLAGS

There are often several warning signs that indicate a government may be planning to shift a service from public to private ownership or delivery. Be on the lookout for the following red flags.

1. UNDERFUNDING

When public services don't receive the level of funding they need, it's easier for the government to point to privatization as a possible solution. People become dissatisfied with the quality of service they're receiving and start looking for alternatives. Private companies will step in and claim they can provide better or more cost-effective services, but they don't point out the downsides of moving to a private, for-profit model of service delivery.

2. CONSERVATIVE FISCAL POLICY

Watch out for governments looking to decrease spending and cut taxes. In these cases, privatizing or contracting out services is sometimes proposed as a quick way to balance the budget. In reality, privatization often comes with hidden or indirect costs that don't actually end up saving money.

3. PRIVATIZATION BY STEALTH

Privatization comes in many different forms. Keep an eye out for the different ways services may be privatized, including public-private partnerships (P3s), contracting out, applying user fees or privatizing small portions of a service over time.

4. CONSULTANTS

Large consulting firms work closely with private corporations and often stand to profit from privatization. If a government or employer is working closely with corporate consultants, it could be a sign that public services are at risk.

5. REPORTS & REVIEWS

Governments will sometimes conduct or commission reports or reviews that can be used to promote privatization. Be wary of publications that claim to be interested in increasing efficiency or reducing costs.

6. RESTRUCTURING

Restructuring can be a way for governments to slowly introduce privatization to a workplace. Watch out for job cuts or positions going unfilled, which may indicate that private contractors may be hired to complete work that was previously done by public sector workers.

REPORT PRIVATIZATION RUMOURS



If you suspect your workplace may be at risk of being privatized, you can fill out a reporting form on the Anti-Privatization Committee webpage.

