

# Labor Extension Bulletin

A Publication of the University of Massachusetts Labor Extension Program  
**UMASS AMHERST** ■ **UMASS BOSTON** ■ **UMASS DARTMOUTH** ■ **UMASS LOWELL**

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## The Truth about Privatization

Since the 1980s, state and local governments have been actively engaged in sending public services to the private sector. Proponents of this privatization process argue that the introduction of competitive market pressures to the public sphere will drive prices down, leading to the more efficient provision of public services. While at first glance there may be a certain logic to this theory, thirty years of privatization has proven the reality to be quite different.

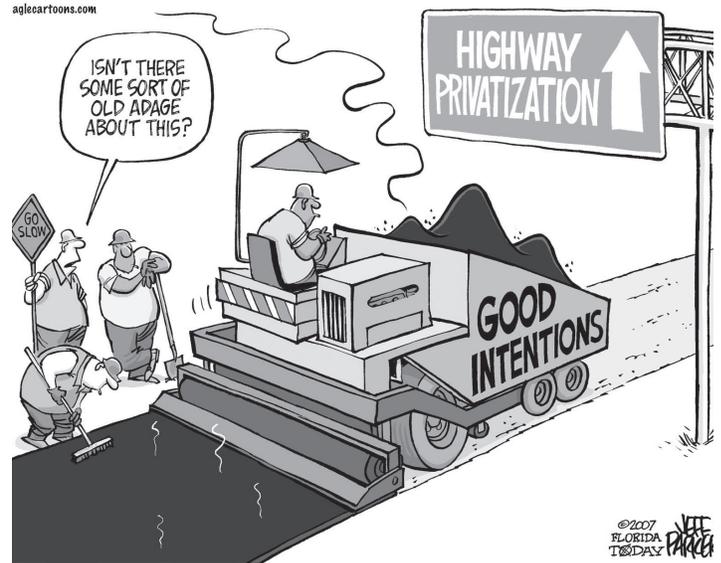
Over the last several decades, nearly every public service and public asset has been considered as a possible candidate for privatization. From hospitals, to social services, and from prisons to utilities, public officials have sought short-term budget relief by turning over operations to for-profit companies at an alarming pace and often with disastrous consequences.

Stories of the high costs of privatization come from all sectors. For example, in 2008 when city officials in Chicago signed a 75-year lease for the city's parking meters, rates skyrocketed and the city found itself paying hefty fines when it needed to close the streets for a festival or road renovation. Similarly, around the nation, the privatization of prison services has been acknowledged as a widespread failure, not only leading to increased costs, but also creating perverse incentives to keep rates of imprisonment high.<sup>1</sup> This trend can also be seen in places where municipalities have privatized utilities like water and the result has been significantly higher household costs.<sup>2</sup>

So why then does privatization so consistently fail to live up to its promise? First, governments often fail to accurately determine the full costs of privatization. This includes not calculating the costs associated with contract administration and monitoring, conducting inaccurate cost-benefit analyses and being frequently subjected to cost overruns and change charges.<sup>3</sup>

Second, the privatization of public services generally involves the creation of a long-term relationship with an outside service provider. The vast majority of these contracts are multi-year, with many lasting for multiple decades. This means that if the services are substandard, there is little competitive access for other providers. The result is that service quality and cost saving are in fact removed from a competitive marketplace.

Finally, it is important to keep in mind that privatization is promoted primarily by a powerful antiunion coalition. One of their primary con-



cerns is not just shrinking the size and responsibilities of government, but of undermining public sector unions – the most powerful corner of the US labor movement.

In the wake of several decades of costly privatization efforts however, we are beginning to see some examples of this trend moving in the opposite direction. One promising way in which this occurs is through a process of remunicipalization. Remunicipalization is the transfer of privatized public services from private companies back to municipal (or state or national) authorities, and it is happening all over the world.

The majority of the remunicipalization efforts that have occurred thus far have focused on water services. From Bolivia, to India, to the US, grassroots movements have been successfully protesting and pushing private water companies out of cities. Municipal governments have become allies in these efforts based on their first-hand experience of the consequences of introducing a profit motive into water production: promised improvements never materialize, services are cut off to the poor, and private owners resist system-wide planning efforts. Fundamentally, the public interest in having clean, safe water for the long-term appears to be at odds with the profit-making interests of private companies. Fortunately, studies of the remunicipalization of water systems have found that those negative consequences of privatization can be reversed: remunicipalized systems provide more equitable, transparent, efficient, and less expensive services than the private sector did.<sup>4</sup>

*Continued on back page.*

<sup>1</sup> In the Public Interest. Criminal: *How Lockup Quotas and Low-Crime Taxes Guarantee Profits for Private Prison Companies*. Washington, DC: Author 2013. <http://www.inthepublicinterest.org/wp-content/uploads/Criminal-Lockup-Quota-Report.pdf>

<sup>2</sup> Food and Water Watch. *Questions & Answers: A Cost Comparison of Public and Private Water Utility Operation*. Washington DC: Author 2009. [http://www.foodandwaterwatch.org/sites/default/files/qa\\_public\\_private\\_water\\_fs\\_june\\_2009.pdf](http://www.foodandwaterwatch.org/sites/default/files/qa_public_private_water_fs_june_2009.pdf)

<sup>3</sup> In the Public Interest. *Background Brief: The High Costs of Privatization*. Washington, DC: Author 2011. <http://www.inthepublicinterest.org/wp-content/uploads/High-Costs-of-Privatization.pdf>

<sup>4</sup> David A. McDonald, "Chapter 1: Remunicipalisation works!" from *Remunicipalisation: Putting Water Back into Public Hands*, 2012.

# Around THE STATE

## **Gender Equity & Sustainable Development” with feminist economist Diane Elson**

**Tuesday, March 8th, 2016, 4:00pm-6:00pm**

*Location:* UMass Boston Campus Center, Alumni Room

*Cost:* Free

*Contact:* anneta.argyres@umb.edu or 617-287-7229

Diane Elson is a professor of Sociology at the University of Essex, UK, as well as a member of the UN Committee for Development Policy. She is coming to UMassBoston to speak about gender equality and economic policy as explored in her new book, Rethinking Economic Policy for Social Justice.

## **Advanced Workshop on Union Right to Information**

**Wednesday, March 16th, 2016, 6:00pm – 9:00pm**

*Cost:* \$20

*Location:* Cumnock, Hall, North campus, UMass Lowell

*Contact:* Susan\_Damore@uml.edu; or 978-934-3256

Conducted by Robert M. Schwartz, retired union attorney, author of The Legal Rights of Union Stewards, this workshop will discuss thorny questions such as how to overcome employer confidentiality claims, when is the union entitled to subcontracting cost data, what can we ask for when employer asserts an “inability to pay”, what information can union request for midterm bargaining? Bring your toughest questions!

## **Northeastern MA LaborCAN! Educational Conference**

**Saturday, March 19th, 2016, 9:00am- 1:30pm**

*Cost:* Free

*Location:* Torigian Community Life Center, 79 Central Street, Peabody

*Contact:* Katie Hayden at khayden@massafclcio.org or 781.324.8230

or register online at [www.massafclcio.org/LaborEdConference](http://www.massafclcio.org/LaborEdConference)

The annual North Shore Labor Council Educational conference will be combined with the Mass AFLCIO LaborCAN event. Learn about the rightwing attack on unions, plan meetings with your State Legislators. Join union members & labor activists from all over the North Shore & Merrimack Valley

## **“A Day’s Work” – A documentary on the safety of workers in the temporary staffing industry**

**Wednesday, March 30th, 2016, 6:00pm – 8:30pm**

*Cost:* Free

*Location:* Lowell National Historical Park, 246 Market Street, Lowell, MA

*Contact:* Susan\_Damore@uml.edu; or 978-934-3256

“A Day’s Work” is a documentary film that examines the landmark workplace death of 21-year old Lawrence DaQuan “Day” Davis, an employee of a temporary staffing agency, through the eyes of his family and the analysis of experts.

## **“We the People: The Market Basket Effect”– Film Screening and Discussion**

**Monday, April 4th, 2016, 2:00pm-5:00pm**

*Cost:* Free

*Location:* UMass Boston, Ryan Lounge (3rd floor, McCormack Hall)

*Contact:* Anneta Argyres @ 617-287-7229 or anneta.argyres@umb.edu

Come watch this documentary about the story behind the recent Market Basket actions, and stay for a panel discussion with the director and local worker and labor advocates about what it all means for worker power.

## **Pioneer Valley Labor Film Festival**

**Tuesday, April 5, April 12, April 19 and April 26, 2016, 6:30pm**

*Location:* UMass Amherst Integrative Learning Center (ILC) Room S231

*Cost:* Free

*Contact:* Pat Greenfield at 301-503-7639 or patriciagreenfield@comcast.net

The UMass Labor Center is hosting an exciting series of films on labor issues. The series explores historical and contemporary labor issues and struggles, challenges and victories as seen through the lens of a range of documentary and feature films.

## **Thirty Years of Women in Action: Fighting for Social, Economic and Racial Justice**

### **The 30th Annual WILD Summer Institute**

**Friday - Sunday, June 24-26th, 2016**

*Cost:* To be announced

*Location:* Bridgewater State University

*Contact:* Kathy Casavant, 617-825-0520, [kathy@wildlabor.org](mailto:kathy@wildlabor.org)

WILD is an inspirational educational program that provides women with the leadership vision, confidence and skills to become more effective leaders and organizers in the Massachusetts labor movement. The program begins with dinner on Friday, June 24th, and continues through the weekend with workshops on leadership development and a variety of skill building workshops. There is also ample time to net- work with other labor sisters and have a lot of fun. The Institute ends at 3:00 p.m. on Sunday, June 26nd.

## **The Resource Corner: Tools To Fight Privatization**

**In the Public Interest**– a research and policy center that researches the impacts of privatization on the common good and identify best practices and policies, including a comprehensive “Privatization Resources Guide”. <http://www.inthepublicinterest.org/>

**“Outsourcing America Exposed (OAE)”** is a project of the *Center for Media and Democracy*, a national media group that investigates corruption and the undue influence of corporations on media and democracy. “OAE” provides tools to identify privatizers and profiteers and how taxpayers can take back control of public assets and public services, including recent report: “Pay to Prey Governors Facilitate the Predatory Outsourcing of America’s Public Service” [http://www.sourcewatch.org/index.php/Portal:Outsourcing\\_America\\_Exposed](http://www.sourcewatch.org/index.php/Portal:Outsourcing_America_Exposed)

**Municipal Services Project** is a global research network that explores alternatives to the privatization and commercialization of service provision, including a section on remunicipalization. <http://www.municipalservicesproject.org/>

### **Some Union websites:**

**AFSCME**– resources and tools to help fight back against efforts to privatize public services, including “How to Prevent Privatization: An Activist’s Guide.” <http://www.afscme.org/issues/privatization>

**Teamsters**– why privatization doesn’t save money and how the union can fight back. <https://teamster.org/divisions/public-services/privatization>

UE provides tools such as “Five Myths About Privatization” and how to fight back. [http://www.ueunion.org/stwd\\_prv.html](http://www.ueunion.org/stwd_prv.html)

# Program Notes

## ■ UMASS AMHERST

The UMass Amherst Labor Center M.S. in Labor Studies is undergoing some exciting changes as we work to integrate our existing residential and limited-residency degree programs. We are also going to be hiring a new staff person to assist us with communications and program recruitment for our revised M.S. degree. In addition to the work developing our credit programs, the Labor Center has been continuing its work around the food system in Massachusetts. On October 22 the Labor Center co-sponsored a successful conference that brought out over 100 attendees working and was held in conjunction with the one-year anniversary of the Pioneer Valley Workers Center. Finally, this Spring the Labor Center is pleased to be hosting the inaugural Pioneer Valley Labor Film Festival, which will be held on Tuesday nights in April. The movies are free, open to the public and will include a number of special guests. More details are available on our website.

## ■ UMASS BOSTON

2016 marks a new beginning for the Labor Resource Center! Under the guidance of Interim Director Arthur MacEwan, we are re-opening our BA program with new courses being offered this semester (see our Academic Offerings listing) filled with both young and more seasoned students. In February we'll bring the three finalists for the new Director of Labor Studies Program and Labor Resource Center faculty position to campus. Hopefully, we'll be introducing our new permanent Director in our next newsletter! If you missed the airing of "The Mine Wars," a PBS documentary based on our founder Jim Green's book, "The Devil is Here in These Hills," you can still watch it on-line ([pbs.org/wgbh/americanexperience/films/theminewars](http://pbs.org/wgbh/americanexperience/films/theminewars)). Finally, keep your eyes peeled for emails about upcoming LRC events this spring including a movie and discussion about the Market Basket "strike" and a presentation about economic and racial justice.

## ■ UMASS DARTMOUTH

The UMass Dartmouth Labor Education Center is continuing our transition to a new office in downtown New Bedford, and to a new Director. Kim Wilson is excited to be in this new role and we are in the process of hiring a new labor educator. Our space is now at 257 Union St. in New Bedford, where we have two offices and a labor library and resource room. Please drop by and enjoy some conversation and a warm beverage. We are very excited to continue more direct work with students while offering ongoing non-credit classes and in working to build labor and community coalitions in SE Mass. For Fall semester, we were a site for four students to earn credit by building the Center and the local labor movement. Offering internships is part of our revitalized ongoing work with students.

## ■ UMASS LOWELL

This has been a busy fall for the program at the University... getting settled into the sociology department and our new offices, expanding the Labor Education Program advisory board to include more of our University partners, and meeting with the new UMass president with other labor program in the state. Much of our time has been spent developing some new service learning projects for the "Introduction to Labor Studies" class which Susan Winning will co-teach in the spring semester (See Academic Offerings box). Our work in the North shore included helping to organize the successful annual women's breakfast and leading a strategic planning session and an educational program for the New Lynn Coalition. We have begun to meet with the North Shore group of MEJA (the Massachusetts Education Justice Alliance) to plan some educational discussions with parents, teachers and education advocates about how to improve public education and the downside of expanding charter schools, and will begin similar work in the Merrimack Valley in the new year.



## Academic Offerings

### UMass Amherst

UMass Amherst offers a unique multi-disciplinary program leading toward an MS degree in labor studies. We offer a two-year residential master's program as well as a limited-residency format for trade union officers, staff, and activists. To learn more about our program, please visit our website at: <http://www.umass.edu/lrrc/>.

### UMass Boston

Attention Unions: Need an intern? Our students do field placements where they work with a union for 10 hour per week. If you are interested in hosting (and supervising) an intern, please contact Anneta ([anneta.argyres@umb.edu](mailto:anneta.argyres@umb.edu)).

It's not too early to be thinking about FALL SEMESTER 2016:

- Freshman Seminar: Work and Society (Tues/Thurs 8 am)
- Intermediate Seminar: Global Aspects of Labor & Human Rights (Tues/Thurs 11 am)
- Intermediate Seminar: Dangerous Radicals (Tues/Thurs 4 pm)
- Labor & Working Class History in America (Monday 5:30 pm)
- Workers Right & Human Rights (Wednesday 5:30 pm)

If you are interested in taking any of these courses or in enrolling in either our BA or Certificate program, contact Wally (617-287-7267 or [wally.soper@umb.edu](mailto:wally.soper@umb.edu)), and stay tuned for announcements about our Spring Information Sessions.

### UMass Dartmouth

At UMass Dartmouth, we are reaching deeper to work with students though creating credit internships and offering career opportunities for students in the labor movement. We are also continuing to participate in classes as guest speakers and we will be working to create service learning projects connecting students to organized labor and low income workers. To participate, call Kim at 508-910-7106.

### UMass Lowell

The core course of the Labor Studies interdisciplinary minor, "Introduction to Labor Studies" will be offered spring semester. The course provides service learning projects, including a new collective bargaining project with the SEIU 509 family childcare.

Labor Books and DVD resources: we continue to build our library for use in classes at the University.



**UMass Amherst**

**Labor Extension Program**

Labor Center, Thompson Hall

200 Hicks Way

Amherst, MA 01003-9277

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## In the Past 6 months...

The UMass Labor Extension Program has provided trainings on these topics...

- **Becoming a Union-Building Steward**  
Various unions Merrimack Valley area
- **Engaging Our Members to Build a Stronger Union**  
Salem Teachers Union
- **Public Speaking for Social Change**  
UMass Boston Union Administration  
Intensive class  
Women's Institute for Leadership  
Development (WILD)
- **Strategic planning**  
New Lynn Coalition
- **Treasurers and Offices Training**  
UMass Boston Union Administration  
Intensive class
- **Union Finances and Elections, UMass Boston**  
Youth Leaders in US Labor History, Boston  
Public Schools  
Workers Rights for Young Workers, Boston  
Public Schools
- **Internal Organizing, MTA**  
Collective Responses to Stress at Work, HCA
- **Stewards Training**  
United Steelworkers
- **Family Medical Leave Act Training**  
United Steel Workers

## To Contact the UMass Labor Extension Program:

### ■ UMass Amherst Labor Extension Program

Labor Center, Thompson Hall, 200 Hicks Way

Amherst, MA 01003-9277

[www.umass.edu/lrrc](http://www.umass.edu/lrrc)

**Clare Hammonds: 413-545-6166 Fax: 413-545-0110**

**email: [chammonds@soc.umass.edu](mailto:chammonds@soc.umass.edu)**

### ■ UMass Dartmouth Labor Extension Program

Arnold M. Dubin Labor Education Center, 257 Union Street

New Bedford, MA 02740

[www.umassd.edu/labored](http://www.umassd.edu/labored)

**Kimberly Wilson: 508-910-7106 Fax: 508-910-7120**

**email: [kwilson@umassd.edu](mailto:kwilson@umassd.edu)**

### ■ UMass Boston Labor Extension Program

CPCS Labor Resource Center, 100 Morrissey Blvd.

Boston, MA 02125-3393

[www.umb.edu/lrc](http://www.umb.edu/lrc)

**Annetta Argyres: 617-287-7229**

**email: [anneta.argyres@umb.edu](mailto:anneta.argyres@umb.edu)**

### ■ UMass Lowell Labor Extension Program

Department of Sociology, Dugan Hall 205Q, 883 Broadway

Lowell, MA 01854

[www.uml.edu/LaborEducation](http://www.uml.edu/LaborEducation)

**Susan Winning: 978-934-3127**

**Fax: 978-934-4033**

**email: [susan\\_winning@uml.edu](mailto:susan_winning@uml.edu)**

Contact the UMass Labor Extension Program at <http://umasslep.org>

## The Truth about Privatization *(continued from page 1)*

Remunicipalisation is not just for water, though. Public services as diverse as energy supply, waste and waste water disposal, public transit, green space maintenance, rescue services and street lighting have all be remunicipalized in Germany alone.<sup>5</sup>

Efforts to bring such services back under public control have not been easy. Private companies fight hard to renew their contracts, often threatening to significantly overcharge municipalities to repurchase the necessary infrastructure, or even threatening to sue the community. Some companies seek to quietly extend their contracts as soon as they get wind of any growing public interest to remunicipalize. Despite these challenges, remunicipalization is taking place on every continent across the world. The prevalence of remunicipalization debunks the myth that privatization is irreversible and shows us that we can reclaim our public resources and public services.

<sup>5</sup> Susanne Halmer and Barbara Hauenschild, "Remunicipalisation of public services in the EU," 2014.