

Comments by Major Group Workers and Trade Unions  
2 May 2006  
Thematic Discussion : Improving Access  
Conference Room 4

Chair, yesterday you heard from the workers about some of our initiatives and proposals based on workplace actions. Even as we make a number of positive proposals, I think we need to indicate some of the concerns that workers have concerning the obstacles and barriers to increasing access.

One of the major barriers is the misguided policies of privatisation and deregulation. This especially concerns the privatisation of formal energy systems. The failure of the privatisation model is due to a number of reasons, notably the specific characteristics of the electricity sector.

We suggest that CSD review some of the following assumptions :

Reducing government debt through privatisation : this is a 'shell game' to hide government obligations through a number of connivances, including power purchase agreements (PPAs). We are witnessing the negative effects of this misguided motive, especially when the private partners prove unreliable.

Shrinking government : The attempt to shrink government in size and in its obligation to citizens is proving incapable of reducing poverty.

Reducing corruption : The assumption that privatisation will reduce corruption is also misguided, as the privatisation process itself is the time when corruption is at its highest.

Greater efficiency of the private sector : The widely held assumption that private actors are inherently more efficient than the public sector has been studied systematically and proven to be false. I suggest that the CSD review some of the conclusions from the World Bank and the IMF and other sources. We need to focus more on improving public actors, not just opening markets for corporations.

Competition leads to more efficiency and access : Market theories hold that competition is a good in itself. However, in the electricity sector, competition does not really exist, as corporations demand a range of government guarantees and government assumption of risk. A number of structural issues mean that we can, at best, replace a public monopoly with a private monopoly or oligopoly. And there are very serious questions about whether these corporations can meet the needs of the poor.

The priority given to profit maximisation often runs counter to social and environmental priorities. Despite voluntary mechanisms, it is proving very difficult for corporate actors to integrate and accommodate these two fundamental pillars of sustainable development.

We also ask that CSD take note of the historical policies of the G8 and other wealthy countries that were used to extend electricity services to all citizens. This was done through a conscious nationalisation of electricity systems to give them social mandates.

We are also concerned that profit maximisation puts workers at risk, when short-term pressures lead employers to reduce expenditure on workers, either by cutting employment levels or by reducing spending on training or health and safety.

Chair, we also ask CSD to consider the vast untapped potential of workers and their trade unions in reaching sustainable development goals. In order to improve services, we must involve workers. In order to change consumption patterns, we must involve workers and their unions in the millions of workplaces.