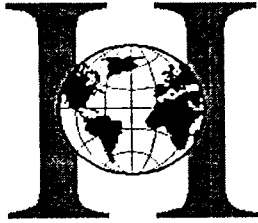


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# Halifax INITIATIVE d'Halifax

Private Interests vs. Public Goods  
Cross-Canada tour on privatization  
October 15-30, 2003

## Tour Summary

The following summary is a short report on the events of each city. In summary:

- 2269 people reached directly through presentations at Forums/Conferences (1069 west, 1200 east)
- 320 students reached directly through classroom talks
- Radio interviews: CBCNorth – Whitehorse (2 interviews), CBC Edmonton, CKRM620 Regina, CKCU-Ottawa, CKUT-Montreal, CHMR-St.John's, CBC-St. John's, Radio-Canada International, CFQM-Moncton, CBC National – audience size variable
- Newspaper interviews/articles: Yukon News, See Magazine (Edmonton), Telegram-St. John's, The Muse-St. John's, The Muscadet-Moncton, L'Etoile-Moncton, L'Acadie Nouvelle-Moncton, Telegraph Journal-Moncton – reach varies
- One television interview on the Canadian Parliamentary Affairs Channel (CPAC) on "Talk Politics" with Ken Rockburn.
- Ten MPs/MP offices present at lunch on Parliament Hill and one at Whitehorse Public Forum

## Western Leg

### WHITEHORSE

1. **Media interviews** – CBC Whitehorse, CBC Edmonton (Wild Rose Forum), See Magazine (Edmonton)
2. **Presentation to Vanier Catholic Secondary School** – Virginia, Rudolf and Robin presented and fielded questions.  
*Attendance: 80*
3. **Public Forum** – Robin moderated presentation by Virginia, Rudolf and local economist Luigi Zanasi – 2.5 hours total  
*Attendance: 75 people* including Yukon Member of Parliament Larry Bagnell and territorial NDP leader Todd Hardy. This is a large turnout in a community of 20,000 – many audience members commented on turnout.

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## **EDMONTON**

1. **Public Forum at U of Alberta** – 30 min presentations plus Q&A,  
*Attendance – 35 people* – an excellent turnout considering flight delay in Vancouver meant tour arrived 1 hour late.
2. **“Civil Society Issues in South Africa”** – University of Alberta International Centre - 1 hour talk – Virginia only  
*Attendance – 25*
3. **Public Workshop – “Privatization – Cautionary Tales from the Global South”** – Alberta Social Forum – U of Alberta – 30 minute talk plus Q&A  
*Attendance – 40*

## **CALGARY- Rudolf Amenga-Etego only**

1. **Media interview** – Calgary Herald
2. **Public Forum – “Saving the Poor or Modern Day Robber Barons?”** – University of Calgary Dept of Economics – Rudolf as keynote speaker – 1 hour followed by panel discussion (2 hours) and networking.  
*Attendance – 100*

## **REGINA**

1. **Coffee House** – 15 minute presentation between entertainment by local drum group  
*Attendance – 10 (Saturday night)*
2. **Foundation of Human Rights Class presentation** – 15 minute presentation with emphasis on link between privatization and human rights.  
*Attendance – 30*
3. **SCIC Development Issues luncheon** - 15 minute presentation with Q&A  
*Attendance – 35*
4. **Press Conference** – cancelled due to non-attendance. Both guests did interview with CKRM 620 radio -- local radio with a large rural audience.
5. **Public Forum** – COC event – 20 minutes plus Q&A  
*Attendance – 15*

## **WINNIPEG**

1. **Meeting with City Councilors**– 1 hour discussion with Jenny Gerbasi and Harvey Smith (progressive councilors), emphasis on Bank Bonds campaign
2. **Presentation to Students** – U of Winnipeg – informal discussion due to low turnout. *Attendance – 4 (lunch hour)*
3. **Winnipeg Labour Council monthly meeting** – 15 minute presentations plus Q&A – strong interest in Bank Bonds campaign as solidarity strategy.  
*Attendance – 50*
4. **CUPE Privatization Committee meeting** - 15 minute presentations plus Q&A – strong interest in Bank Bonds campaign as solidarity strategy.  
*Attendance – 15*
5. **Public Forum** – 2 hours – Robin moderated 20 minute presentations by Rudolf and Virginia followed by Q&A

**VANCOUVER**

1. **BC Water and Waste Water P3 Workshop** – Rudolf and Virginia attended the full day and spoke informally with many participants including private sector developers, lawyers and CD Howe Institute staff. An opportunity to become immersed in BC water privatization debate.  
*Attendance – 150*
2. **Wine and Cheese with Local activists** – hosted by BC Federation of Labour– short presentations and informal discussions  
*Attendance – 15*
3. **Media** – province-wide call in show appearance cancelled at last minute due to BC flash flooding story. Due to the potential significance of this media opportunity, no others were planned. Audience in millions.
4. **Meeting with Mayor Derek Corrigan, Burnaby** – dialogue with Mayor, his staff and another councilor on privatization in north and south.
5. **Council of Canadians AGM** – Virginia did keynote on opening night. Both did workshop on the following day.  
*Attendance – 500 opening plenary, workshop 20*
6. **BC Government Employees Union (BCGEU) AGM and Policy Convention** - Youth workshop – presentation and discussion with youth members of BCGEU  
*Attendance – 30*
7. **BC Government Employees Union AGM and Policy Convention** – 20 minute speech by each guest on privatization and labour solidarity to convention plenary.  
*Attendance – 400*

<b>Eastern Leg</b>
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**MONTREAL**

1. **Canadian Environmental Network conference** -Bricks and Sylvester gave 30 minute talks plus took questions. Bricks and Pam gave workshop on water.  
*Attendance: 120*
2. **Interview with CKUT** (McGill campus radio)
3. **Public Forum at McGill** - Bricks and Sylvester gave 30-minute talks plus questions.  
*Attendance: 40*

**OTTAWA**

1. **Canadian Labour Congress Mid-Term conference** - Sylvester gave a 15 minute talk and spent time with delegates  
*Attendance: 400*
2. **Meeting at Department of Finance with CIDA and DFAIT officials** - Bricks and Sylvester focused on the misguided approach of the private sector development push of IFIs in the area of service delivery, Sylvester highlighting

the negative impact in a "post-conflict" fledgling democracy situation and both highlighted negative impacts, particularly on the poor.

*Attendance: 9*

3. **Press conference** with Barb Byers from CLC - Only Radio-Canada International showed up. However press release went out and CBC Winnipeg called as a result of this.
4. **Lunch discussion on Parliament Hill with MPs/MP staff.** The following MPs attended:  
Larry Bagnell (Lib.) (HOST)  
Alan Tonks (Lib.)  
Peter Adams (Lib.)  
Judy Wasylycia-Lies (NDP.)  
Peter Stoffer (NDP)  
Alexa McDonough (NDP)  
The following offices were represented, but some out of their own interest.  
Charles Caccia (Lib.)  
Irwin Cotler (Lib)  
Libby Davies (NDP)  
Brian Masse (NDP)  
The discussion lasted 1.5 hours, although it was scheduled to be only one hour. Main points in discussion included: the role of CIDA, possible positive role of Federation of Canadian Municipalities, role of trade agreements in locking-in choices, lack of parliamentary accountability over Canadian decision-makers at World Bank and IMF.
5. **Public Forum at Public Service Alliance of Canada - Speaking with Bricks and Sylvester** was Jane Stinson with CUPE.

*Attendance: 55*

### **ST. JOHN'S**

1. **Interview at Telegram** newspaper
2. **Interview at CBC** for Radio Noon show
3. **Interview at the Muse**, campus newspaper
4. **Interview at CHMR**, campus radio
5. **Talk at Memorial University first year global issues class**  
*Attendance: 50*
6. **Public Forum at the Lantern** - Greg Malone, comedien (CODCo fame), performer and activist MC'd and Kathleen Connors, Chair of Canadian Health Coalition spoke with Bricks and Sylvester  
*Attendance: 50*

### **MONCTON**

1. **Radio Interview** with CFQM-Moncton
2. **Public Forum** and Lions Senior Citizen's Centre - Sr. Aurea Cormier spoke about local struggles with Bricks and Sylvester  
*Attendance: 60*
3. **Presentations at 3 High School classes**

*Attendance: 130*

4. **Newspaper Interviews** with L'Acadie Nouvelle and Telegram-Journal
5. **Lunch with activists and 3 municipal councilors**

*Attendance: 17*

### **HALIFAX**

1. **Canadian Crossroads International Alumni Event** - Bricks and Sylvester spoke for 15 minutes each.

*Attendance: 30*

2. **Public Event part of Nova Scotia Federation of Labour Biennial Conference** - Bricks and Sylvester spoke with Barb Byers, CLC

*Attendance: 150*

### **QUEBEC CITY**

1. **Public Event part of Canadian Union of Public Employees Annual Convention – International Solidarity Event** - Bricks and Sylvester spoke at Global Justice Forum with South African trade unionist. Also speakers from Puerto Rico and Guatemalan unions.

*Attendance: 250*

### **TORONTO**

1. **Public Forum at Ryerson University** - Speaking with Bricks was Patrick Bond, visiting professor at York.

*Attendance: 80*





Canadian Labour Congress  
 Congrès du travail du Canada

# Communiqué

For immediate release Monday, October 20, 2003

## **PRIVATIZATION CAN CAUSE MORE PROBLEMS THAN IT SOLVES – LESSONS FROM AFRICA**

OTTAWA – African community leaders caution Canadians about privatization of essential services. Their experience with privatization of water, electricity and health care, often required by the World Bank as part of aid or debt relief programmes, is that the problems in public sector delivery have not been solved by the private sector, and in some cases, have been worsened.

"The rationale for privatization is to improve service, but in South Africa, privatization of water has resulted in tariff increases of 600 per cent since 1996. In a country where the majority of people are poor, this has resulted in less service, not more," said Richard Makolo from the Orange Farm Water Crisis Committee of South Africa.

In South Africa, a number of residents who were not able to pay soaring water bills were forced to go back to the original sources, either the lake or the river. This resulted in the worst cholera outbreak in South Africa's recent history, which left 300 people dead from cholera – a water-borne disease and about 350,000 people affected.

"The experiences in South Africa and other countries are not unlike Canada's early experiences with privatization", noted Barbara Byers, Executive Vice-President of the Canadian Labour Congress. "When maximizing profit is the prime goal, not ensuring sustainability or equal access, rates go up and quality of service can go down".

Hamilton, Ontario was the first municipality in Canada to contract out its water services. Since then, communities from Halifax to Nanaimo have considered



Canadian Labour Congress  
 Congrès du travail du Canada

# Communiqué

similar moves. The privatization in Hamilton resulted in the worst sewage spill in Lake Ontario in history.

"Governments are required by international agreements and by national constitutions to treat citizens equally and to fulfill a social contract to meet basic needs. With privatization of essential services, it is impossible to hold governments accountable", said Sylvester Ejiofoh, General Secretary of a Nigerian trade union.

Mr. Ejiofoh and Mr. Makolo are in Canada as part of a cross-Canada privatization tour, October 14-28<sup>th</sup>.

The Canadian Labour Congress, the national voice of the labour movement, represents 2.5 million Canadian workers. The CLC brings together Canada's national and international unions along with the provincial and territorial federations of labour and 137 district labour councils. Web site: [www.clc-ctc.ca](http://www.clc-ctc.ca)

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## For More Information:

Pamela Foster, Halifax Initiative Coalition, Cell: (613) 266-8100  
 Jeff Atkinson, Canadian Labour Congress: Cell: (613) 292-1413 or  
 (613) 526-7425 (desk), [communications@clc-ctc.ca](mailto:communications@clc-ctc.ca)



# 'New kind of apartheid'

BY WILL HILLIARD  
The Telegram

On the dirt streets of the sprawling South Africa township of Orange Farm, state-of-the-art water meters are ticking away in front of the dilapidated tin shacks of the poor.

The water costs the average family about \$28 Cdn a month, about a quarter of their income. Families who can't afford to pay have to get water from polluted rivers, canals and puddles — water that can carry disease.

"Privatization is a new kind of apartheid," said Richard Makolo, leader of the Water Crisis Committee, which was formed to resist the privatization of water in Orange Farm, 40 kilometres south of Johannesburg, where the first prepaid meters were installed two years ago.

"Apartheid separated whites from blacks. Privatization separates the rich from the poor," he said in an interview Tuesday.

Makolo is in St. John's as part of a Canada-wide tour sponsored by the Halifax Initiative coalition to warn Canadians about the dangers of privatization. Canadian non-governmental organizations formed the Halifax Initiative in December 1994 to ensure that demands for fundamental reform of international financial institutions were high on the agenda of the G7's 1995 Halifax Summit.

The Ottawa-based coalition — comprised of representatives of development, environment, faith, rights and labour groups — rallies opposition to international financial institutions, such as the World Bank and the International Monetary Fund, which finance privatization schemes such as the one in South Africa.

Proponents of privatization argue it helps governments around the world make ends meet while encouraging conservation. The South Africa government says privatization has helped expand water services to eight million of the 13 million people who did not have safe drinking water.

But opponents says it lets government off the hook when it comes to providing basic and essential services, and allows multinationals to profit off the poor.

In Canada, the privatization battle has been over so-called PPPs — public-private partnerships — under which government allows corporations to build hospitals, schools and water-treatment plants, which are then sometimes operated on a fee-for-service basis.

A plan to turn sewage treatment in Halifax harbour over to a PPP was



Richard Makolo (from left), an activist from South Africa, Silvestor Ejifoh, a Nigerian labour union leader, and Pamela Foster, a Halifax Initiative co-ordinator, are on a Canada-wide tour speaking out against privatization of government services.

GARY HEBBARD/THE TELEGRAM

nixed after it was deemed unaffordable. A hospital in Ottawa is privately operated.

In this province, the former Liberal government supported the privatization of long-term care homes.

"The impact around the world is that the rates for these services always go up. However, the quality doesn't improve, and we end up paying more for less," says Pamela Foster, a Halifax Initiative co-ordinator.

"You talk to some corporate heads and some of the politicians and, my God, you'd think (privatization) was the greatest thing since sliced bread," said Dave Morris, Canadian Labour Congress (CLC) representative.

"They say it creates jobs — and in some cases it does — but what they don't tell you is that the jobs are minimum-wage. The question is, do we want to race to the bottom or do we want to help other folks bring their wages up?"

Morris says he's worried privatization will explode across the country once prime-minister-in-waiting Paul Martin takes over.

The privatization of water has caused outrage, as well, in developing countries in South America.

Makolo and Silvestor Ejifoh, a Nigerian labour union leader, will join Kathleen Connors, chairwoman of the Canadian Health Coalition, at a town hall forum at 7 p.m. tonight to be hosted by the CLC at The Lantern on 35 Barnes Rd. Local activist Greg Malone will moderate the event.

The Nigeria Labour Congress, of which Ejifoh is a member, has been at the forefront of a national protest against domestic oil increases since 2000 as a result of government privatization and deregulation of the petroleum industry. The group eventually persuaded President Olusegun

Obasanjo's government to negotiate and lower fuel prices in Nigeria.

Soon after the white minority government of South Africa was thrown out in 1994, the new government enshrined the right to "sufficient food and water" in its constitution and pledged to make water and sanitation available to all citizens by 2010.

But Makolo, a veteran of the anti-apartheid movement, says the government also began shifting the financial burden of those services to a society in which at least one-third of the people live on less than \$2 a day.

As a result, many water utilities that were pressured to turn a profit, or at least break even, have signed long-term management leases with private multinationals, such as the France-based Suez.

Under the prepaid metered system in Orange Farm, families will only be given as much water as they can purchase in advance. Their payments are recorded on tiny digital discs that are inserted in the meter to turn on the taps.

Makolo and other opposition voices have urged people not to pay water or electricity bills. They have organized bootleg plumbers and electricians to reconnect homes when they are cut off. Demonstrations have turned into brawls.

"The policy is turning poor people into criminals," said Makolo.

He said the highest cost has been the suffering caused by mass disconnections and disease.

Over the past three years nearly 260 people died in South Africa in the country's worst cholera epidemic since the early 1980s. The epidemic's spread has been attributed to a lack of access to water and proper sanitation in rural areas.

whilliard@thetelegram.com

Water

esday, October 22, 2003 — St. John's, Newfoundland

A4 THE TELEGRAM

Valima 1997/108

AUGUST 75

# Private interest and the public good

**T**ela sits astride a slow, meandering river of the same name.

It looks out over a rim of white-sand beaches onto Tela Bay.

A warm Caribbean sun forces you to lather up with sunscreen and notch back your pace a couple of strides per minute as you stroll around this small Honduran town.

A mixed population of Garifuna — or more properly Garinagu — a people with a unique blend of Carib Indian and African roots, and folk of Spanish ancestry call this century-old, clapboard, tin-roofed port town home.

It holds about the same population as the whole of the Yukon.

Bananas made this town. The Tela Railroad Company, a subsidiary of the infamous United Fruit Company, along with Standard Fruit, received government grants of large tracks of coastal land in the late 1800s and the early part of the last century.

In return for these rich banana-growing lands the US-controlled fruit companies promised to build badly needed railroads, shipping and port facilities.

The Tela Railroad Company did build a port here.

It also built the railroad that fed the waiting ships with millions of stems, and then, boxes of bananas.

The railway, however, did not link the coast with the inland capital of Tegucigalpa as had been promised.

This left coastal communities like Tela more closely linked to New Orleans than their own national capital.

It also marked out what has become a very rough and uneven development path for Honduras.

Twice a week, a train still pulls out of Tela bound for that country's main port, Puerto Cortes, or so said the guide-books.

A friend and I decided to check it out this remnant of the heydays of this 'banana republic' during a visit there in August.



Four blocks south of the Plaza Central half-buried, rust-covered, more-or-less-parallel lines of steel wobbled to an end in front of a seemingly abandoned station.

Sure that no train had come this way in many a month, we asked some nearby street side vendors whether the train still came to town. They assured us that it did.

It seems that when the Tela Railroad Company, now a subsidiary of the renamed Chiquita International, suspended their operations in Tela, they abandoned the railroad.

Many isolated banana plantations and the communities that had grown up around them had only the rail as a link to the rest of the country.

The government had to step in and take over the rail line.

Twice a week, villagers along the rail between Tela and Puerto Cortes continue to enjoy rail access to markets or services.

At the appointed hour a train pulling 10 cars — that ranged from open 'cattle cars' to coaches like those of the White Pass railway filled up to near capacity.

Garinagu women and children hawked 'pan de coco,' a

bread made with coconut milk, and distinctive 'tabletas,' a rich coconut molasses sweet moulded into centimetre-thick sheets, at train side.

When the banana company left Tela, besides abandoned buildings and broken-down infrastructure, they also left many Garinagu families with no alternative source of income.

Slowly the town and the Garinagu are making the transition from a resource-based economy to one centred on tourism.

But governments, seduced by promises of economic-development opportunities, are handing over control of essential services from railways to water and health care to private corporations and placing the people at risk.

Since the introduction of Structural Adjustment Programs by the World Bank and IMF in the 1980s, the privatization of public goods has become a mantra of the globalization ethic that places profit before people's needs.

This month, the Halifax Initiative, a coalition of development, environment, labour, human rights and faith-based social justice groups, is conducting a cross-country tour called On Private Interests and Public Goods here in Whitehorse.

Rudolf Amenga-Etego, with the National Coalition against Privatization from Ghana, and Virginia Setshedja, South African with the Soweto Electricity Crisis Committee, will speak at 7 p.m. in CYO Hall at Fourth and Steele. All are welcome.

Michael Dougherty is co-chair of the social justice committee of Sacred Heart Cathedral of Whitehorse. Contact [pazypan@yukon.net](mailto:pazypan@yukon.net)



**The Social Justice Committee**  
**le Comité pour la justice sociale**

For immediate release

16 October 2003

**African union and community representatives visit Montreal with message that business investment in Africa often hurts instead of helps**

Montreal - Two representatives of African trade unions and community organizations will be in Montreal October 17 to speak at McGill University about the negative impacts of privatization and foreign investment in Africa.

Richard Mokolo, South Africa, is a founding member of the Orange Farm Water Crisis Committee, a community movement struggling against the privatization of water services in the informal settlement of Orange Farm. Private ownership of water and electricity companies is resulting in thousands of homes being cut off service because of failure to pay. Lack of water service has sparked cholera outbreaks in areas where people used unsafe water after losing service.

Sylvestre Ejiofor, Nigeria, is the General Secretary of the National Executive Council of the Nigeria Labour Congress and Secretary of the Joint Public Service Negotiating Council. He argues that turning public services over to the private sector is not the way to respond to problems of corruption, poor governance and mismanagement, and will not result in a competitive, efficient market system.

Both are available for interviews during the day of Oct. 17. They will speak at McGill's Leacock Building auditorium at 7pm. To contact either or both call Derek MacCuish at the Social Justice Committee, 514-933-6797, or 213-6516 (cell).

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## 1. Summary of key points raised in the presentations

In the case shared by Richard Mokolo, the privatization of drinking water in Orange Farm, an informal settlement on the outskirts of Johannesburg, has resulted in much hardship. Clean, safe water was previously available to the community through communal standpipes. The community themselves had created a pipe system from the communal standpipes to allow people access to water in their homes. Water was free.

The community of Orange Farm is poor. Of 1.5 million people that live there, only 14,000 are formally employed. Many families survive solely off the state provided pensions of the elderly. Water was not wasted in this community, no lawns were watered, only small garden plots providing much needed food. No cars were washed, no swimming pools filled.

Yet, since the recent privatization of the water system, meters have been installed, requiring pre-payment before access to water. The cost of water has led some people to steal from others, others to rely on unsafe sources such as rivers, and most to go without other essentials such as medicines in order to have access to water. Even baptisms now cost money, as the church passes on the cost of water to the parishioner. Social tension has increased, as there is active resistance to the new system, which was implemented without discussion or consultation.

The costs of the provision of water are viewed to be unnecessarily high due to the government decision to import water from the Lesotho Highlands Water Project (LWHP). The LWHP has gone over budget, and a Canadian company, among others, Acres International, has been convicted of corruption in the winning of the contract.

In the case of Nigeria, Sylvester Ejiofoh discussed the fragility of Nigeria's new democracy. His concerns were in regards to how privatization of basic services undermines rather than supports the state. The push to privatize state assets in Nigeria – everything from the national theatre to the 4 state-owned oil refineries – is seen to be externally, donor driven. Mr. Ejiofoh argued that the population needed to have their quality of life improved, and be able to attribute this to the activities of the state. It is the state this is responsible for the protection and realization of human rights.

In conclusion, both speakers raised concerns about the undemocratic way in which privatization was introduced, the social tension it creates and the deterioration of service resulting from the privatizations.



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## 2. Sources

It was mentioned to set the context for the severity of the problems in South Africa, resulting from the government's recent enthusiastic embarkment on privatization that 10 million people in South Africa had lost access to drinking water as a result that tariffs had risen out of their reach. This number came from a paper by Dr. Patrick Bond, Professor of Economics at the University of Witwatersrand in South Africa, and currently a visiting professor at York University. The paper is entitled "Commodification of Public Goods: Critique and Alternatives: General principles and a specific case study of water privatisation in South/Southern Africa"

*The official government statistical agency released a report in October 2002 confirming that in real terms, average African household income had declined 19% from 1995-2000, while white household income was up 15%. The average black household earned 1/6 as much as the average white household in 2000, down from 1/4 in 1995. Households with less than R670/month income--mainly black Africa, coloured and of Asian descent--increased from 20% of the population in 1995 to 28% in 2000. Across the racial divides, the poorest half of all South Africans earn just 9.7% of national income, down from 11.4% in 1995. The richest 20% earn 65% of all income. The official measure of unemployment rose from 15% in 1995 to 30% in 2000, and adding to that figure frustrated job-seekers brings the percentage of unemployed people to 43%. These statistics reveal worsening poverty; one symptom is that 10 million people reported having had their water cut off in one national government survey, and 10 million were also victims of electricity disconnections, mainly due to unaffordability.*

The paper was originally presented to World Council of Churches Dialogue with the World Bank and International Monetary Fund in Geneva, 14 February 2003 and is now available on the Queens University Municipal Services Project website at <http://qsilver.queensu.ca/~mspadmin/>

The Municipal Services Project (MSP) is a multi-partner research, policy and educational initiative examining the restructuring of municipal services in Southern Africa. The Project's central research interests are the impacts of decentralization, privatization, cost recovery and community participation on the delivery of basic services to the rural and urban poor, and how these reforms impact on public, industrial and mental health. The MSP is funded by the International Development Research Centre.

The second contextual comment to which a source was requested was in regards to amount of World Bank loans which are conditioned on the requirement of privatization of basic services. The International Consortium of Investigative Journalists, of which CBC's Bob Carty is part of, recently did an analysis of data available from the World Bank website. ICIJ analyzed 276 loans labeled "water supply" awarded by the Bank between 1990 and November 2002. In one-third of the cases, the World Bank required the country to privatize its water operations in some form



before it received funds. The ICIJ analysis also showed that the number of loans with privatization as a condition tripled between the first and last half of that time period.

Also according to ICIJ, a 2001 World Bank study of adjustment loans approved from 1996 to 1999 notes that over the last decade, privatization has been an increasingly important aspect of bank loan conditions. Of the 193 adjustment loans approved from 1996-1999, 58 per cent had privatization as a condition, the report showed.

Source: The Water Barons: how a few powerful companies are privatizing your water, The International Consortium of Investigative Journalists, Public Integrity Books, 2003.

### 3. Role of CIDA

CIDA Industrial Cooperation Program (CIDA Inc.) has a Private Participation in Infrastructure Program. "The aim of CIDA's participation in PPI projects is *not just* (emphasis added) to support transferring control of an existing entity from the government to the private sector. The project must also benefit the host country by encouraging economic growth through such activities as providing jobs for local workers and training them to upgrade their skills." (CIDA's Guide to the Industrial Cooperation Program, October 2003).

According to CIDA Inc.'s 2001/2002 Annual Report, CIDA disbursed \$3,850,250 in the water and sanitation sector. PPI projects also take place in the transportation, energy, telephone service and gas distribution fields. PPI projects represented 4.4% of overall disbursements when compared to Investments, Special Activities and Professional Services. It is possible that investment services also went to supporting greater private sector involvement in the provision of basic services.

The information readily accessible to the public does not provide country specific details as to CIDA Inc's investments. South Africa, however, is not an eligible country for CIDA Inc.

The Honourable Mr. Caccia, MP for Davenport, sent a letter to CIDA last fall requesting information specifically on its water programming. More information is likely available on CIDA's involvement with privatization in this sector through the Department's response to Mr. Caccia.

### 4. Canada's Africa Investment Fund

As part of Canada's commitment to the G8 Action Plan, Prime Minister Jean Chrétien announced the Canadian Government's intention to sponsor a public-private Canada Investment Fund for Africa (the "Fund") to provide risk capital for private investments in Africa that generate growth. The Fund will have a minimum targeted aggregate capital of Cdn\$200M, of which \$100M would be contributed by the Government and the balance contributed by private-sector investors. The Africa Investment Fund is one part of Canada's Fund for Africa.

The Fund is expected to be operational and financing projects in Africa by early 2004. Although the types of investments this Fund will make is still unknown, some clues may be available in the documentation released from government under the Access to Information Act, related to a development finance institute.

The Fund appears to be the government's response to a concerted industry lobby to create a Development Finance Institute. Industry Canada, in a paper written in September 1999, the deregulation and privatization of services and infrastructure are noted as opportunities for Canadian firms. The paper then goes on to make the case for a Canadian DFI, pointing out weaknesses from which Canadian firms suffer on bidding on private-public infrastructure (PPI) projects. ("Addressing Gaps in Private-Public Infrastructure Project Financing: The DFI Approach", Industry Canada, 1999, released under Access to Information Act to the Halifax Initiative Coalition).

This paper was drafted for the Ad Hoc Steering Committee on PPI – membership in which was not released as part of our Access request. A letter to the Minister of International Trade, from the PPI Ad Hoc Steering Committee in November 1999 had the signatories deleted. We do know however that SNC-Lavalin co-chaired this Committee. Canadian industry which urged the creation of a mechanism to support Canadian companies in overseas project finance include: the Association of Consulting Engineers of Canada, the Canadian Manufacturers and Exporters, the Corporate Renaissance Group, the Canadian Environmental Industry Association, Wardrop Engineering, Stantec Consulting, Tecsalt International Ltd., and SNC-Lavalin. Whereas industry worked closely with government on this initiative, at no point is it apparent where, when or if civil society or the public was consulted.

This was raised in the discussion as an example of where the Africa Investment Fund may involve Canada more directly in the privatization of basic services in Africa.

##### 5. Privatization and the General Agreement on Trade in Services (GATS)

One of the issues of concern raised during the discussion was that of the relationship of GATS and the provision of essential public services. The GATS covers all modes of delivery of services as well as all services listed by WTO members. However, once privatized and opened to foreign providers, public services are de facto covered the GATS, which entitles foreign providers to protected access. The point has been made by critics of privatization that the GATS might foreclose the option for governments (or make it prohibitively expensive) to bring back under the public umbrella basic services in case of bungled privatizations.

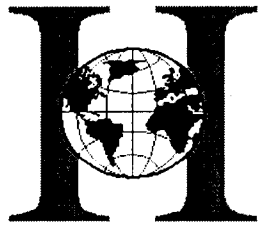
The Canadian Government has addressed in part this point by not making request from other countries in the areas of public education, health, and social services. However, water services have not been given the same exceptional status. It would be important for Canada to seek an





overall exemption for public services in the framework of the GATS so as to preserve governments' ability to move in and out of service delivery as they (and their constituents) see fit. An intermediate step to start this discussion on this sensitive matter might be to have the WTO to proceed with a mandated review of the impact of the GATS. This review should have been done five year after the inception of the GATS, but has been thus far disregarded.





# Halifax INITIATIVE d'Halifax

## EVALUATION OF “PRIVATE INTERESTS VS. PUBLIC GOODS” CROSS CANADA TOUR ON PRIVATIZATION

This evaluation represents a compilation of the comments offered by the four visiting Southern guests, the two Halifax staff who both organized and participated in the tour, and ten local and/or national organizers.

### 1. *What were your objectives in participating in the tour?*

Halifax Initiative objectives are noted below and were supported by all participants and organizers:

- To provide an opportunity for Canadians to become informed of the global nature of the neo-liberal privatization agenda and its impacts on people, the environment and democracy;
- To make the links between Canada's domestic and international privatization agenda, expressed through the role in the World Bank and the IMF;
- To help educate and empower Canadians in their fight against privatization through the sharing of experiences with Southern activists;
- To share research and educational materials on the issue of privatization between Southern and Northern participants;
- To foster solidarity between individuals and civil society North and South in these struggles;
- To develop joint strategies North-South for collective engagement on the issue of privatization;
- To form new partnerships between and among Canadian civil society individuals and groups working at the local, national or international levels and civil society activists from countries in the South on the issue of privatization.

Additional objectives included:

- Launch and gauge public and labour interest in the HI World Bank Boycott campaign.
- To develop continuous relationships, build alliances that are based on concrete solidarity and support for the South by the North and for the North by the South.
- To learn about the state of privatization, deregulation and neo-liberalism in Canada and how people are responding to that to help improve strategy and evaluate domestic work.
- To raise awareness about issues in Africa.
- To motivate activists to mobilize and take action on issues of privatization.
- Make more of a connection to labour movement in Alberta, as some resignation against the anti-privatization fight is being felt.
- Ensure comfort and safety of guests, including sufficient rest and food.

- Ensure all areas of Halifax Initiative public profile and organizational responsibility were taken care of.

**2. *Do you feel your objectives were met – why or why not?***

Respondents responded overwhelmingly that their objectives were met. Specific comments included:

- The diversity of events and audiences helped to ensure objectives were met;
- A number of people heard about the issues, gained greater understanding and were inspired to keep active on the issue of privatization here or in struggles abroad.
- Yes, but other expectations will be met as a continuous process that needs to be followed up.

Some noted that uneven turnouts at public events were disappointing in some cases, but resulted largely from event timing (evenings, weekends, election campaigns in progress) and the difficulty of drawing crowds at these times.

**3. *Were you satisfied with the national organizing of the tour? Please comment on conference calls and preparatory work, division of labour and logistics, role of HI staff in the tour, etc. If not, why not? How could the organizing be improved?***

The tour was largely viewed as well organized, efficient and thorough, with excellent outreach and representation. Some felt the conference calls, especially near the end, were unnecessary. There was concern that all participants were African and that the decision-making process for selection was unclear or unfair. Small logistical issues arose including late flights, late materials delivery and guests late to meetings, but there were no significant logistical miscalculations. Financial arrangements at local level as well as media could have been strengthened with national support. Additional information on the main message of speakers as well as additional background info on them would have been helpful. A final strategy session combining the two legs of the tour would have been excellent. A little more time for rest in certain cities, as well as time for one-on-one interactions with citizens would have been welcome.

**4. *Were you satisfied with your own organizing in your community? Please comment on event turnouts, media responsiveness, etc. If not, why not? How could the organizing be improved?***

Organizers were largely satisfied with local organizing but were occasionally disappointed by low turnouts at public events in most cities, except where there were captive audiences (schools, conferences). This was to a certain extent the result of evening and weekend events that always tend to draw crowds unevenly and the prevalence of significant other local issues capturing attention at the time (local or provincial elections within days of the tour in 4 communities). Media attention was also uneven and future suggestions include better use of Indy media and more national organizing of media to assist local organizers. In at least one city there was a concern regarding the lack of solidarity amongst the various local groups (i.e. labour, international development, anti-globalization, etc.) resulting in problems with organizing.

5. *Did you feel the international guests were effective in presented their issues well and responding to audience needs? Please offer any suggestions on how the guests might more effectively engage your community/communities.*

Overall, speakers were considered effective and responsive by local and national organizers and Halifax Initiative staff. Some presentations, particularly in the eastern leg, lacked concrete suggestions on how Canadians could respond and this was seen as a shortcoming.

“Ejiofoh and Mokolo were both effective speakers, presentations worked well together, one speaker being more articulate about the macro-level, while the other being more effective describing local circumstances and struggles.”

“I was very, very impressed with Bricks Mokolo. His presentation reflects serious grassroots political struggles in South Africa. He also responded with total honesty in response to difficult questions and this bodes well for international solidarity relationships.”

“Bricks Mokolo gave strong personal testimony and he was riveting. Would like to bring him as a speaker again.”

“Rudolf and Virginia are both excellent speakers, capable of tailoring information to specific audiences. To maintain their level of enthusiasm throughout is a testament to their deep commitment to their work and willingness to be constantly educating and engaging others.”

6. *What were the strengths of the tour overall? Please comment on how these could be enhanced in future tours.*

A short selection of the many comments are noted below:

- The diversity of events and audiences;
- Use of captive audiences, in other words participation in pre-planned conferences;
- Level of involvement of labour, both grassroots and organizational, in tour and in mobilizing against privatization;
- Cross-country nature;
- Multi-sectoral involvement of groups across Canada;
- Going to medium-sized communities that are often skipped in national tours;
- Level of fundraising, able to offer events for free in local communities;
- The timing of the tour;
- Different guests on similar themes;
- Interviews with media (Eastern leg, Edmonton, Whitehorse);
- Western leg guests adequately briefed in advance of tour;
- Pre-tour conference calls and level of engagement from diverse groups;
- Finding out about what privatization is taking place in Canada and how groups were mobilizing around it;
- Participating in anti-war rally in Vancouver, Eastern leg guests were advised by local organizers against participating in anti-war rally – this was a weakness;
- Having Halifax Initiative staff accompanying.



7. *What were the weaknesses of the tour overall? Please comment on how improvements could be made to future tours.*

A short selection of the many comments are noted below:

- Lack of media, need for a national media coordinator;
- Low turn-out at public events, better promotion and better understanding of how to frame the issues for public interest essential;
- Tour schedule was worked around conventions and conferences leaving some cities having to poor dates for events, due to competition or day of the week;
- Lack of evaluation from audiences;
- Tensions between operational and political imperatives could have been avoided if these were clearer to everyone and more time was allocated to this difficult/delicate task;
- Terms of reference for the Planning Group should have been made clear from the start to avoid confusion over decision-making authority;
- Problems with material distribution where material arrived after the events;
- Last minute changes to programme by local organizers in one venue disrespectful to guest;
- Too busy in some cities;
- Toronto too last minute;
- Eastern leg guests did not have adequate information as to what to expect before arrival;
- Imprecise about follow-up actions.

8. *What follow-up would you like to see from the tour?*

A short selection of the many comments are noted below:

- Need to make the connections between N-S impacts of all this, especially to workers in the North is key and supporting the fightback by exposing what our own corporations are doing overseas;
- Rekindling historical memory of labour and development NGOs from the anti-apartheid movement into the anti-privatization movement in South Africa;
- Canadian NGOs and labour should continuously monitor the South African anti-privatization campaigns and provide solidarity as the struggle intensifies;
- Local groups to write articles based on the tour for local publications;
- Share media and information from the tour;
- Set up mailing list for sharing information about privatization;
- Continuing public education based on information brought by visitors;
- Create an active World Bank Bond boycott campaigns in various cities;
- Assist African and Southern organizations to meet to share strategies;
- Assist in finding resources to undertake tour in communities in Africa

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