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Privatisation: the need for a fundamental debate

LOU KEUNE

Downward market tendencies in the 1980s led to criticism on collective government interventions in the economy. Under the influence of this criticism a mostly ideological discussion emerged on the need for liberalisation of the economy. Liberalisation and privatisation became important pillars for government policies. This article highlights the drawbacks of this liberalisation policy, on the basis of several national as well as international examples. The author argues that an ideological discussion on economic policies is insufficient, and should be complemented with a more fundamental discussion on the structure of the economy and the role of private companies. This article outlines several themes to structure such a discussion.

GATS, what is that?

ERIK WESSELIUS

The General Agreement on Trade in Services of WTO-countries is mainly aimed at further liberalisation of the trade in services. Therefore, the GATS can be considered to be in accordance with the neo-liberal government policies that have been promoted since the eighties. This contribution shows that, because of this liberalisation, the GATS puts the deliverance of public services in WTO-countries in jeopardy. The cause of this is thought to lay in the fact that large international corporations have been very influential in establishing the GATS as well as in determining the content of it. Consequently, the agreements and commitments in the GATS are mainly fed by the interests of international corporations, and are not primarily aimed at securing good public services. Though public services do not fall under the GATS, the distinction between public services and commercial services is not always unequivocal, so in practice the GATS applies to many services sectors. Moreover, the agreement is very inflexible, and implies that governments lose much of their freedom to design their own policies, even when the public services are concerned. Therefore, the author concludes that too tight cooperative relations between government and corporation are inexpedient, since this will mean that the common good that trade policies should (also) serve, will disappear into the background.

The trias politica of the economy. Privatisation as an opportunity for a division of power

PAUL DEJKSTRA

This contribution outlines an alternative for traditional forms of privatisation, in which public provisions are transferred to private companies. The author identifies several drawbacks to this traditional form of privatisation, and argues that the provision of public services should not be left to commercial companies. Instead, a third sector, alongside the public and the private sector, is identified, consisting of social enterprises. These contain features of public as well as private companies. On the one hand social enterprises have an economic dimension, that they share with private companies, for example the need to generate enough turnover to ensure continuation. On the other hand this type of enterprise has a social dimension, such as a commitment to contribute to society. The fact that social enterprises draw their inspiration from a public interest, but at the same time are organised as a commercial firm, makes these organisations the most appropriate candidate for the provision of public services.

From 'exit' to 'voice'; an alternative for privatisation

ROBERT WENT

Privatisation brings along undesirable side-effects, e.g. reduced influence of government and citizens on the deliverance of public services. The last decades a rise in privatisation has taken place, against the background of a concurrent internationalisation of trade, capital and production. These developments have led to a situation in which private companies have gotten into a position in which they have become relatively independent of nation states. Consequently, governments have lost much of their influence on these changes, which was even reinforced by the maxim of a 'retreating government' accompanying many of the privatisation operations. The self-regulating capacity of the market, supposedly guaranteeing the quality of public services, turned out to be smaller than expected though. Thus, the author argues, the grip on private suppliers of public services has to be reinforced. In stead of less government regulation, privatisation has to go hand in hand with more government regulation. Moreover, citizens have to get more control over the services rendered. Beside the 'exit'-mechanism, i.e. the possibility to switch to a competitor supplier when a service does not function properly, citizens should also be able to have a 'voice', i.e. a possibility to defend their interests with regard tot the supplied service.

The iron law of privatisation. Labour relations in Central and Eastern Europe after the collapse of the centrally planned economy

JAN CREMERS

The most radical instance of privatisation can be found in Central and Eastern Europe. After the collapse of the wall, centrally planned economies have been transformed into free market economies. What was intended to be a demonstration of the blessings of liberalism for the countries of the Warschau Pact, now can be considered to be a demonstration of the risks of unrestrained Capitalism for the West. In this article the author outlines the development of labour relations and social relations in Central and Eastern Europe. He argues that privatisation has led to a weakening of the position of workers, a worsening of social provisions and a predominance of economic necessities. These consequences – the iron law of privatisation – could also occur in the West. The developments in Central and Eastern Europe cannot be interpreted as a repetition of our past, but could very well become our future.

The age of “the Joker”

MARGIES KAAG

Having been member of the Scientific Council for Government Policies at the beginning of the eighties, the author knows from her own experience that privatisation has been an issue for a long time now. In this personal essay, she emphasizes that critical remarks with regard to privatisation have not been picked up or were even discarded beforehand. Though meeting basic needs has been laid down in the international Declaration of Human Rights and is a constitutional governmental obligation, the government doesn't seem to be bothered whether these basic needs can actually be guaranteed when these social services are outsourced and left to commercial organisations. Taking the situation in agriculture as an example, the author points to the damage 'economic rational' agriculture does to humans beings and the environment. She emphasizes that it rather induces an increasing inequality than that it brings food for all and that this increasing inequality forms soil for insecurity. To turn the tide, the author argues for a counterculture that is oriented more to care and solidarity.

The union: from counterforce to right hand of power

HANS BOOT

The trade union actually fulfils a double role in the critical discussion on neo-liberalism and the formulation of alternatives. On the one hand, the trade union is a collective organisation that positions itself against the capitalistic system and tries to achieve its goals by engaging in confrontation and struggle. On the other hand, the trade union is

an association that forms part of that same capitalistic system and that is lead by cooperation and consultation. The last decades, a considerable shift has taken place with regard to his double role of the trade union. Initially, the union formed mainly a counterpower, but nowadays the emphasis has been laid more and more on the function of the movement as 'co-power' in bringing about government policies. Illustrative for this change is the observation that the trade union has never fundamentally questioned processes of liberalisation and privatisation. At the same time, these processes have lead to collective problems, which the trade union can not turn its back upon, and on which it will have to design action. It is concluded that the trade union has become caught in its own double role, and that it needs to reconsider this role to be able to contribute to alternatives for the current economic policies.

Trade unions and privatisation

GEORGE DE ROOS

The trade union is faced with the double role of being a social representative on the one hand, and collective representative on the other. The ABVAKABO FNV, the trade union for civil services employees, also has had to deal with this double role when it comes to the debate about privatisation. Though ABVAKABO FNV has always opposed complete privatisation, this standpoint in practice turned out to be more differentiated. Privatisation can take on many forms. Consequently, the effects of privatisation of public services, both for the clients and for the suppliers, will vary. A guarantee of access to services and the protection of the formal position of employees are crucial for the stance ABVAKABO is taking with regard to privatisation. On the basis of an historical overview and practical illustrations, the auteur reviews how ABVAKABO FNV comes to determine its stance, both within the national and the international trade union.

Reform or the end of the trade union?

HANS BAUMANN, JAN CREMERS, JOERN JANSSEN

In organising employees' representation, various principles can be taken as a starting point. Unions can be distinguished on the basis of profession, sector or region, conviction, or on the basis of blue versus white collar. The authors sketch some general trends in the issue of organisation of the European unions. They question a division of unions on the basis of sectors, since on a European level, this level of organisation is least developed. Furthermore they remark that, against the background of an ongoing globalisation, national governments increasingly tend to delegate responsibilities to lower levels or, to the contrary, to supranational organisations. This means that it is harder for unions to conduct significant negotiations on a national level. If the trade unions want to preserve some role of importance in the current, changing social situation, they will have to make a double

move, so the authors argue. On the one hand, they will have to try and augment their influence on the higher levels. On the other hand, they will have to enforce their networks on company level. The authors also emphasize the importance of enhancing cooperative relations with other forms of employees' representation.

Reintegration trajectories evaluated: the medium term effects

JOOP ROEBROEK

The field of reintegration has not been spared from privatisation. The motivating presupposition that the transfer of reintegration trajectories to commercial agencies would lead to efficiency benefits, has never been thoroughly investigated though. In this article, which is the first of two reports on a study on reintegration trajectories in the municipality of Tilburg, this presupposition is put under scrutiny. Aim of the study is to offer insight in the medium term effects of reintegration trajectories and to determine which factors are important influences on the results. The results, which were gathered both by quantitative and qualitative research methods, show that a large number of clients that successfully have gone through a reintegration trajectory, are still working after a while. Nevertheless, the analyses on the basis of in-depth interviews with clients indicate that from a qualitative point of view, the reintegration trajectories show rather some deficiencies. Thus the author emphasizes that the idea that a positive output could lead one to rightfully conclude that the preceding reintegration trajectory must have been a qualitatively good one - a presupposition regularly used by policy makers - , is not legitimate. In a next contribution, he will further elaborate on the research findings and formulate recommendations for policy makers.