

American Friends Service Committee

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8 REASONS TO HATE 8

First in a series

<http://www.afsc.net/ctsosaw.html>

Keep Public Utilities Public

One of the primary, if not major, functions of local government is to provide basic local services – water, sewers, paved and clean streets, trash pickup, fire and police protection, buses, and in some communities electricity. Privatization is letting corporations take over and run for profit what the public sector has traditionally done.

Why most of these services in most communities are today public is because years ago they were private (that is, run by business corporations). They became municipalized or public after widespread corporate abuses and scandals, rate and fee increases, lack of universal coverage, and poor quality of service. Business corporations which owned or operated these services were primarily loyal to their shareholders and investors, not to their consumers.

In his autobiography, former Progressive era Mayor of Cleveland, Tom Johnson, said:

“I believe in the municipal ownership of all public service monopolies...for if you do not own them they will, in time, own you. They will rule your politics, corrupt your institutions, and finally destroy your liberties.”

Basic local services became municipalized. They are public assets. Today, local governments provides 86% of household drinking water and 98% of sewer service.

However, efforts to sell or lease public assets to business corporations (privatization or corporatization) is increasing at the rise at state and municipal levels. The reasons driving this:

- worsening budget deficits by state and local governments,

- imminent need to upgrade long-deteriorated infrastructure; and
- increasing pressure by investors who've seen huge losses from housing and other risky financial investments now seeking safe and stable returns.

Privatizing/corporatizing roads, airports, water and sewer systems, and other public assets by national or transnational corporations has many negative consequences:

- loss of public jobs,
- rising rates,
- declining service, and
- exporting of income from local communities to shareholders and CEOs of foreign corporations.

Another negative consequence is the loss of control, of self-governance, of democracy. Keeping public utilities public gives citizens power:

- the power to inspect the books of public utilities or departments,
- the power to hold accountable the director of a public utility or service department,
- the power to pressure city officials to control rates, retain jobs, improve service,
- the power to directly create laws via citizen initiatives to control rates, retain jobs, improve service.

Akron Mayor Don Plusquellic's plan to lease the city sewer system, Issue 8, is an example of privatizing a public utility. Keeping public utilities public maximizes public control. It maximizes democracy. Business corporations remain primarily loyal to their shareholders and investors, not to consumers, ratepayers, or citizens.

Deregulation and privatization of our economy over the last few years has resulted in a financial meltdown of historic proportions. Now is no time to hand over any control of a public asset to a business corporation. It's bad for our pocketbooks. It's bad for our democracy.

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