Outsourcing is 'hollowing out' public administrations: new EPSU report



Brussels, 4 October 2022 - Press release (embargoed until 5pm) Accenture, McKinsey, PwC, EY... we're becoming increasingly reliant on consultancies. A new report by EPSU examines the real price we're paying by outsourcing our public administrations.

The fight against privatisation is at the heart of EPSU's work. The form - be it contracting out or subcontracting, public-private partnerships, privatisation, or any other kind of commercialisation - does not matter. Whether it happens in utilities, health, social care or local and regional government, it leads to negative outcomes. It skews the public interest in favour of corporate greed and the lowest paid workers are the ones who suffer the consequences. National, central and federal governments are not immune to the perils of privatisation.

This report marks the first time that EPSU has investigated the true impact of privatisation in these sectors – from national governments to the EU's own executive branch, the European Commission. The findings reveal a phenomenon that has been swept under the carpet for far too long. What began with the outsourcing of auxiliary functions to low paying companies has led to the contracting of pricy consultancy firms to perform core functions: policymaking, drafting of legislation and public contracts – and the displacement of a generation of civil servants. It also shows that 'insourcing' is not a fantasy. With strong trade union mobilisation and collaboration with other civil society groups, insourcing is possible – as seen with cleaners in the Netherlands and statisticians in Sweden; detailed in this report. The report has been realised by Vera Weghmann, researcher at PSIRU (Public Services International Research Unit at Greenwich University).

The research and the experiences lived by our members show that the public sector continues to deliver effective, efficient and quality services. Public services that are democratically controlled and which put people first – not profits - deliver for people.

The launch of the report will be on Wednesday 5th October @2pm at the Residence Palace in Brussels with a keynote speaker by Emily O'Reilly, European Ombudsman.

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For more information: Pablo Sanchez, psanchez@epsu.org 00 32 (0) 474626633

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