

## Speaking Notes Intervention EPSU EP Conference RECPCSPS 02.04.19: What are the impacts of privatisation, marketisation and commercialisation on working conditions in health care?

### Main trends and developments witnessed and reported in the last years by trade unions/unionists for many countries in Europe

- There is a general trend we can witness across the sector of HSS in all countries around Europe: The deterioratisation of working conditions for those providing care for the patients and support to uses of social services: There are understaffed services, in particular during the night and at weekends. There are staff shortages, in particular of specialists health professions. There is an increased workload and there are quasi permanently physically and psychologically demanding working conditions. This also leads to increased numbers of colleagues who are constantly under stress and face burnout and are long-term absent from work due to sickness. These problems are reported by all EPSU affiliates.
  - The profit making objective pursued by commercial providers, including by multinational enterprises providing health and/or elderly care, as a rule means that measures are put in place to cuts of costs in the biggest “cost block” of HSS, i.e. the workforce in order to be able to “suck out money” from the system
  - This also often means insufficient investment in continuing professional development for a large range of health care workers – which again is no surprise as the rationale of these enterprises is to squeeze out money that has been “collected” by either taxes or social contributions, i.e. within systems realising the principle of financial solidarity, in order to generate profits for shareholders and investment funds
  - Our members regularly report that in particular the health care support workforce is not seldom asked to do more complex tasks for which they have not been properly or at all trained (ex.: GB: elderly care sector)
  - Our members observe that in the commercial sector pay rates are often lower (in GB ~220,000 care workers are not paid the national minimum wage), with low-paid workers being concentrated amongst migrants and women, because the organisation rate of trade unions and the coverage rate of the workforce by collective agreements is lower
  - EPSU strongly denounces the use of the instrument of “zero hours contracts” (that are common in particular in the UK and concern there up to 60% in social care), i.e. arrangements that do not guarantee any paid weekly working time in advance. This obviously leads to precarious working conditions. It is a shame that workers with zero hours contracts, a very vulnerable category, has been excluded from the Directive on Transparent and Predictable Working Conditions, adopted in the last weeks
  - Our members also have seen a replacement of contracts with unlimited duration by fixed-term contracts and of higher qualified workers by less qualified workers, which has knock-on effects on quality of services and on the morale/motivation of workers
  - Profit making also often means anti-trade union policies => ex. Strike in ORPEA / Celenus Germany (2019): In a German branch of ORPEA – Celenus in Thuringia – the local management refused to negotiate a collective agreement, put pressure on trade union representatives and dismissed them and striking employees. The illegal dismissal was cancelled by a regional labour court. EPSU affiliates from many countries – showing the power of transnational workers’ solidarity – called on the company to respect trade union rights and its employees’ right to organise and to negotiate collective agreements, but also to commit to adequate numbers of qualified personnel, with good working conditions and decent wages, in a safe and healthy working environment.
- The economic crisis and austerity policies with partially sharp cuts in public budgets as well as wrong policy frameworks at EU-level have unfortunately given more weight to the effects of privatisation and marketisation. Evidence shows that economic crisis in Greece, Ireland, Latvia,

Portugal and Spain, where mass cuts in staff and salaries and hospital privatisations have taken place, has resulted in an upsurge in infectious diseases, including HIV, and in more suicides.

\* Links CELENUS Case

<https://www.epsu.org/article/health-workers-and-unions-protest-against-anti-union-practices-orpea-group-germany>

<https://www.epsu.org/article/orpea-condemned-german-court-unlawful-dismissal-trade-unionists-involved-strike-action>

<https://www.epsu.org/article/orpeacelenus-workers-and-verdi-reach-collective-agreement-after-long-strike>

### **Using instruments of marketisation, commercialisation and privatisation has a negative backwash effects on the workforce and quality of care => What are these forms?**

- Outsourcing (cleaning; laundry; security; IT; catering; laboratory). This as a rule means that outsourced categories of workers have less favourable collective agreements or no collective agreements anymore
- PPP and PFI (Private Finance Initiatives): As a rule they ultimately serve to suck out public money into private pockets. In its nearly 25-year history PPP and PFI have shown no evidence of being a cheaper, more efficient or innovative method of providing public services. Rather, PFI has been associated (in particular in the British and Spanish NHS) with service cutbacks, hospital closures, spiralling debts for hospitals and much less transparent contractual arrangements (if they are disclosed at all)
- Increased recourse to the use of platforms to match social care workers and families or persons needing elderly or child care. This entails several risks: More precarious working conditions, self-employment, no or insufficient coverage by social protection systems, no clear rules on health and safety provisions and access to continuous professional development, risk of unpaid overtime and a competition based on low prices and without an assurance of the professional qualifications needed
- Introduction of complementary (private) insurance schemes: They lead, at least in the mid- and long-term perspective, to higher costs due to need to make profit for shareholders, to “squeeze out” high pay for top executives and transaction costs due to public procurement and as there are higher costs for regulating and administering “health markets”. It also supports the dangerous trend towards two-tier health systems in which lower risk and paying patients are “cherry picked” by commercial providers and receive better and faster care
- Introduction of co-payments/higher user fees, entailing an increase in health inequalities

### **Key messages**

- EPSU's message is a simple one: Invest in quality healthcare for all + Stop the treatment of health as a commodity, both in the context of the EU and its internal market, but also in view of international trade agreements such as CETA, TTIP, etc. They will open up health care for competition and a bigger role for private commercial providers and financial investors and insurance companies. They would also endanger regulations and state intervention in the interest of the patients, users and workers related to hospital or elderly care planning, staff-patient ratios, gender pay differences and occupational safety and health
- The pursuit of profit margins must never trump the duty of quality care to patients. Our health and wellbeing is not a commodity to be sold to the lowest bidder. We call on governments to reverse this dangerous trend and give healthcare the support and investment it desperately needs. EPSU support the demands of the Network
- EPSU is committed to continue working against the commercialisation, marketisation and privatisation of health care, social services and social welfare/social protection together with civil society organisations representing the patients/citizens as well as in coalitions with bodies of social security institutions. Together we can mobilise, we are a powerful coalition and we can ultimately change policies! We need to start in our own countries, but we also have to change the policy priorities and concrete policies that directly or indirectly lead to more marketisation, privatisation and commercialisation of health care policies and services at EU-level.