

## World News - N° 15 , 2002

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PSI Congress this month  
Delegates to PSI's 5-yearly World Congress are about to depart for Ottawa, Canada, this month. This is the case at least for most delegates. Those from Nepal, India and some African countries are having difficulties with Canadian immigration officials. PSI is working on resolving these cases in co-operation with the Canadian Government. So far more than 1,250 people have indicated that they will be attending. Women make up 42% of participants. Of the 10 languages available through interpreters, English will be used by 51% of people, with 10% each speaking French, Spanish or Swedish. German (4%), Russian (4%), Japanese (3%), Finnish (2%), Italian (2%) and Arabic (1.5%) are the next most widely spoken. PSI Canadian affiliates CUPE, NUPGE, PSAC and SEIU Canada are hosting the Congress. PSI's central Congress co-ordinator is Pauline.Gegout@world-psi.org.

Available on the PSI Extranet  
All Congress documents are available on the PSI Extranet. Affiliates can log on to the Extranet through the PSI Website ([www.world-psi.org](http://www.world-psi.org)).

Wage decrease recommended in Japan  
The National Personnel Authority in Japan has recommended a public sector wage decrease of 7,770 yen, or about 2% on average, reflecting the prolonged recession and the government's relentless attitude towards its public employees. It is the first time that a minus recommendation has been made since the current wage-determination system was introduced in the public service in 1948. The National Personnel Authority recommends wage levels for national public employees to the Government as well as to the Parliament. Local-level personnel commissions will inevitably adopt similar recommendations. The recommendation is based on the results of wage negotiations in the private sector, which take place in every Spring. Public sector wage cuts were common in many countries during the 1930s Depression, and generally made the situation worse. PSI affiliates in Japan will continue a major struggle on this issue until the end of this year. Contact

satok@jichiro.gp.jp.

#### Pay equity kit launch

PSI's pay equity kit will be launched on 5 September at the World Congress in Ottawa. There is no country in the world that has achieved pay equity. Women earn between 50% and 88% of men's earnings. In many countries, the gender wage gap is widening as a result of globalisation and the privatisation of public services. PSI has produced this resource package and video for trade unions to better understand the main issues related to pay equity. It draws on the practical experience of public sector trade unions and includes many examples of union strategies, best practice and case studies. It is accompanied with a video which explores three case studies, in the Philippines, Namibia and the UK of how public sector trade unions are taking up the issue of equal pay and linking it to poverty eradication. To order copies of PAY EQUITY NOW! or for more information on PSI's pay equity campaign, please contact: nora.wintour@world-psi.org. The kit will also be made available on the PSI Website.

#### PSI water focus at world summit

PSI is spearheading the issue of fresh water at the World Summit on Sustainable Development in Johannesburg, South Africa this month. PSI has commissioned a full-time media specialist to work with its delegation at the Summit, where around 60,000 people are expected to attend. PSI staffers David Boys and Maria Van Driel have already secured 2 media conferences and extensive interviews with world media including the British Broadcasting Corporation. According to the influential Fortune magazine, "water promises to be to the 21st century what oil was to the 20th century: the precious commodity that determines the wealth of nations." Contact david.boys@world-psi.org.

#### PSIRU report explodes myth

PSI will be using the results of the latest detailed report by the PSI Research Unit (PSIRU) at the Summit. The August report (the Water Multinationals 2002 - financial and other problems) shows that two French multinational corporations, Suez-Ondeo and Vivendi Water now dominate private water supply around the world. Suez' water sales in 2001 were 10 billion Euros, while Vivendi's came to more than 13 billion. However both are in trouble following currency problems and loss of contracts. The PSIRU report also relates a speech given this year by the boss of SAUR, the 4th largest water company in the world. His speech, made to the World Bank's water division, argued that private water companies cannot fulfil the huge need for better water supplies in poor countries. He said that private companies need public subsidies, soft loans and financial guarantees. He said that without these subsidies and soft loans, the multinationals "will be forced to stay at home". This, and other case studies in the report explode the myth that water for profit is the only way to increase provision of quality water services. Contact d.j.hall@gre.ac.uk, or see the PSI website.

#### World Bank agrees to change advice to governments

PSI, with three other global union federations and observers from the US AFL-CIO, met with the World Bank on the role of labour in privatisation last month. The Bank had commissioned three badly prepared case studies on the privatisation of Manila Water, Orissa Power and the Mexican Railways. The unions presented information that showed serious flaws in the Bank studies in relation to what happened to the privatised services and on the impacts on workers. Discussions were also held on the results of privatisation of health services, and on output-based aid (OBA) - the Bank's

new fashion tool to promote private sector development. OBA is supposed to work by making money available to private contractors only when the services start flowing, not when they first start building a facility or setting up a service. The Bank promised to change a draft web-based toolkit following union criticism. The toolkit will be used to advise governments on how to deal with labour issues in the privatisation process. The unions said that the toolkit should include all options in the reform process, not just privatisation. They also pointed to the need to involve unions before any decisions were made, not just after it had been decided to privatise. Contact [mike.waghorne@world-psi.org](mailto:mike.waghorne@world-psi.org).

#### Splits at meeting with NGOs

On July 17-18, trade union bodies including PSI, represented by Mike Waghorne, took part in the Bangkok Roundtable of trade unions, social movements and NGOs (Non-Government Organisations). The meeting was the second so far. Last year's was tense but productive. This year's was more focused on issues that could be broadly agreed. These are: preparation for the next World Trade Organisation (WTO) ministerial in Mexico next year, engagement with the World Bank and IMF, and privatisation of public services. The WTO discussions revealed differences on whether to call for removal of agriculture from the WTO. The World Bank-IMF session had the same split between those who want to abolish these institutions and those who think that engagement is essential. The latter was the majority view. The privatisation session was remarkably good and was based on PSI input and material. The final statement of the meeting is to be found on the website of Focus on the Global South ([www.focusweb.org](http://www.focusweb.org)), the body that organised the meeting.

#### Homeland insecurity

Following the US Government's thankyou to emergency services and Department of Justice workers since 11 September by denying many of them the right to freedom of association, the US Congress is now wrangling about union rights in the proposed Department of Homeland Security. Last week debate centred on an amendment in the House of Representatives that restricts the power of the President to ban unions in the Department. The amendment was carried in the House. The proposed Department will consolidate 22 agencies and have nearly 170,000 employees. See [www.washingtonpost.com](http://www.washingtonpost.com).

#### Correction on Consignia

The last edition of PSI World News (14-02) referred to Consignia plc, the British postal conglomerate as a privatised service. It is in fact a public limited company that operates commercially, but has only one shareholder - the British Government. Thanks to alert readers for pointing this out. All comments and corrections are encouraged by email to [psi@world-psi.org](mailto:psi@world-psi.org).

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