

## PSI World News - August 2004

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### CLOSING THE GAPS

PSI is working with affiliated unions and Brendan Martin's Public World on an exciting new initiative: a General Agreement on Public Services (GAPS). The first step is to determine the principle elements of quality public services. Then, by way of a general agreement, people will be asked to commit themselves to identifying and closing the gaps. PSI and unions will be able to use this approach with governments and communities, international organisations, employers and NGO's, in public forums and campaigns, to ensure that the quality of public services is an essential part of the debate. It will also inform our involvement in the global campaign in support of the Millennium Development Goals. If you'd like to know more you can join our mailing list by emailing: [communications@world-psi.org](mailto:communications@world-psi.org)

### PAY EQUITY ACTION WEEK: 4-8 OCTOBER 2004

Plans for the pay equity action week are developing rapidly. PSI has now opened a special section on the website containing information about the pay equity campaign, with background information and resource materials, as well as links to government and union sites related to equal pay. Some unions have already sent us information about what they are planning during the week. There is a list of events under the section called national plans. We have sponsored runs, petitions to parliament, equal pay balloons and even a calypso competition! Please write to us to let us know what your union or affiliates committee is planning so we can add it to the list. And remember to take photos as we will compile a photo report for wide distribution and to show at the PSI Executive Board in December 2004.

### DO-IT-YOURSELF DEBT REDUCTION

Columbia University economist Jeffrey Sachs, who helped design controversial structural adjustment programmes in Eastern Europe and Latin America in the 1990s, has called on African heads of state to boycott debt payments. Travelling to Ethiopia as economic advisor to the UN secretary general, Sachs stated that if developed countries refused to cancel Africa's external debt, "I would suggest obstruction; you do it yourselves". Mr Sachs insisted that such a response was serious and responsible, providing that the saved money was used transparently and channelled only into urgent social needs. Click here for more.

### JARGON BUSTERS!

The Plain English Campaign met recently to celebrate it's 25th anniversary. In doing so they sought nominations for the worst piece of gobbledegook in 25 years. The following, from draft wage regulations in the UK, took top prize: "The hours of non-hours work worked by a worker in a pay reference period shall be the total of the number of hours spent by him during the pay reference period in carrying out the duties required of him under his contract to do non-hours work."

### REALITY BEFORE IDEOLOGY

A report from the World Bank's independent Operations Evaluation Department on poverty reduction strategies (PSPs) has stated that there is too much focus on obtaining IMF and World Bank approval and not enough on designing programmes for individual countries' needs. Trade unions have been making this point for years. A bank official said management had agreed with the report's call for a greater focus on promoting growth and more efforts to link donor aid with development strategies. Click here for more.

### CORROSIVE REFORMS

The negative effects of ideologically -based "reforms" on Eastern European health services are still being felt by health workers. In response workers are taking to the streets. Recently 4,000 Lithuanian health workers protested in front of the parliament building claiming that: "A nation without health is a state without a future!". Their main concern was the poor wages of health workers and lack of investment. PSI will be adding its voice to its affiliates' protest action. These issues were reported in a recent PSI/ILO study into healthcare ("Corrosive Reforms") which documented the systematic run down of health services by many governments in the region, to the detriment of workers and patients alike. Copies of the report are available in English and Russian from PSI.

### THE SOCIAL COSTS OF HIV/AIDS

This year's Human Development Report reflects the devastation being caused by the HIV/AIDS crisis. Average life expectancy in some parts of Africa is now less than 33 years - a reduction of about 10 years since 1994. This compares with almost 79 years in Norway. The report, published by the UN Development Programme, ranks the quality of life in over 170 countries, focussing on such factors as life expectancy and education. It also states that about 900 million people belong to minorities facing some form of discrimination. Click here to download the report (available in six languages).

### NEW PSI DIRECTORY

The latest edition of the Directory of PSI Affiliates is now available online. Click here to download a copy, or email [communications@world-psi.org](mailto:communications@world-psi.org)

#### NEW NATIONAL CENTRE IN PAKISTAN

Three leading labour organisations have merged in Pakistan to form a new national centre: the Pakistan Workers' Federation. A joint national convention will be held next year to give final shape to a constitution and manifesto. The ICFTU has thanked the Japan International Labour Foundation (JILAF) for its valuable support in the merger efforts.

#### FEATURE STORY

In 1963 the Dhaka Water and Sanitation Authority (DWASA) was created as a public sector utility to cater for potable water, sewerage and storm water drainage of Dhaka, the capital of Bangladesh. By the 1990s DWASA was financially and operationally inefficient, with high system loss. The World Bank (IDA) proposed a new loan, conditional on institutional reform, a privatization study and experimental privatization of revenue billing, collection and other activities.

The unions countered with proposals to test the supposed virtues of privatisation, and finally the IDA, DWASA, government representatives and trade unions agreed to test one Revenue Zone under the private sector and another under an employees' cooperative, for a trial period of one year. The Employees Co-operative (EC) clearly out-performed both DWASA and the private contractors. In the EC zone, revenue increased substantially, and 'unaccounted for water' was reduced. The EC's success was based on buying integrity by doubling the salaries paid by DWASA; and exploiting the experience and knowledge of the workforce through participative decision-making. Consumer satisfaction also went up.

The privatised EPC failed because of lack of past experience, a top-heavy management and a failure to draw on grass roots knowledge. DWASA's zones continued to fail because of bureaucracy, poor pay, attendant corruption and inefficiency. The poor and slum dwellers also benefited from the EC, because the workers made normal household connections which DWASA rules normally prohibited. Under these rules, water could be supplied (at nominal cost) to very poor households, but only if they officially owned land in DWASA's area - since the majority did not, they had to resort to buying water from private vendors at more than 10 times the normal price. The EC connected many of these households, and collected charges at the normal household rate, bringing higher revenue to DWASA and cheaper and more reliable water to the poor. This repeats what Henry Ford did in 1914, when he doubled autoworkers wages from \$2.50 per day to \$5.

Turnover of staff and absenteeism fell, while labour productivity at Ford rose by an estimated 51 percent that year. Source: Public Services Work! Information, insights and ideas for our future by D Hall and PSI 2003. Available to PSI affiliates in 6 languages. Email: [communications@world-psi.org](mailto:communications@world-psi.org)

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