

Privatization is Killing Us: Dispatches from the Capitalist War on Society

As the capitalist elite continues to pour ever more resources into its crusade to dismantle society, it's important to keep a tally of the damage done—if only to direct popular attention to where it's needed most, and to where the Left's own resources are needed most. High on the list of capitalist priorities, and thus of priorities for left-wing resistance, is the goal to privatize everything from education to nature to policing and soldiering. With that in mind, here's a list of some recent "negative externalities" of privatization that I've culled from news sources.

Children, teachers, and rat feces

Let's start with Rahm Emanuel's Chicago, jewel of neoliberalism. In February 2014, the Chicago Public Schools decided to outsource management of custodians to Aramark and SodexoMAGIC. The rationale for privatization is supposed to be that it cuts costs and improves "efficiency" or effectiveness. Left unsaid is the means by which costs are cut: primarily from the fact that private companies have a freer hand than government in treating employees viciously. It's easier for corporations to lay off employees, reduce wages and benefits, degrade working conditions, and destroy unions than it is for governments to do so, since corporations are totalitarian institutions. Whether the overall deal is a net financial gain for government is a difficult question, to which studies have given conflicting answers. Some have found that it actually ends up costing more money in the long run, while others have concluded privatization may in some cases yield savings of about 10 percent. But these reports don't factor in all the extra costs, such as the time and money it takes to review proposals by companies, negotiate contracts, review contract terms, deal with the inevitable lawsuits, etc.

And then there are the costs to the public, which, of course, don't count.

Tim Cawley, the chief administrative officer behind CPS's decision to outsource custodial management, claimed it would indirectly improve "family and community engagement"—which in a sense it did, since parents have felt compelled to volunteer to clean up bathrooms and classrooms. Because of cutbacks in the number (and the pay) of janitors, it has been left to parents and teachers to clean up pools of urine in bathrooms, feces smeared on walls (in preschools), clogged toilet bowls, enormous amounts of trash, rat droppings, and the like. Toilet paper and soap supplies have repeatedly run out in many schools, forcing teachers to buy supplies themselves. (In some schools, students have been asked to bring in their own toilet paper, tissues, soap, and paper towels.) Leaky ceilings, cockroach infestations, rotting floors, outbreaks of bed bugs, exposed asbestos, the presence of dust and grime aggravating respiratory illnesses, and rotting garbage do not exactly "result in an enhanced learning environment," despite Cawley's assurances.

"It's gross and disgusting and my health is being affected," one teacher says. "I want to be outside the minute I'm in here. It smells. Everything smells and I can't focus. If I can't focus to teach, how can kids focus to learn?"

While these conditions have been known about for years, only a recent exposé by the *Chicago Sun-Times* this April has finally persuaded CPS to act—by hiring an extra 200 janitors this summer, of whom 100 will remain in the fall. The janitors' union had asked for 500 more permanent hires.

There is good news on the legislative front, though: on April 10, the Illinois House Labor and Commerce Committee voted favorably on a bill that would allow members of the Chicago Teachers Union to bargain over non-salary issues such as crowded classes and filthy schools. (This is a right denied only to Chicago teachers.) The bill now heads to the House.

Barbarism, Inc.

Few business models can be as morally putrid as private prisons. The government pays the company a per diem rate per prisoner, so shareholders make more money the more people are incarcerated. Which gives them an incentive to lobby for harsh laws, as they have done effectively in recent decades. The company also has an incentive to keep conditions as bad as possible for both prisoners and employees, since, of course, cost-cutting is good for profit-making. Study after study has revealed the obvious and outrageous moral hazards of the private prison industry.

But with a creature in the White House who supports the expansion of this sociopathic industry, it's useful to



be reminded of just how horrible it is. A few weeks ago the *New York Times* published an article on the East Mississippi Correctional Facility, a privately run prison in which gang members have been allowed to beat other prisoners (for extended periods of time), a mentally ill man on suicide watch hanged himself, and inmates have to protect themselves with crudely made knives and other weapons because there aren't enough guards to maintain order. And the ones who are there aren't well-trained. One prisoner was charged by a man with a knife and a long section of pipe while he was being escorted to his jail cell; the two guards escorting him just ran away, and he was stabbed and hit for several minutes before other guards arrived. "They laughed and told [the assailant] not to do it again," the victim recalled. The medical staff did effectively nothing for his wounds.

Meanwhile, the recent "crackdown" on undocumented immigrants has meant a bonanza for the profits of certain corporations. According to the Southern Poverty Law Center, a private prison company called CoreCivic, Inc. that runs the Steward Detention Center in Georgia has been making money off people detained by Immigration and Customs Enforcement. The scheme is to force immigrants to work for as little as \$1 a day cleaning, cooking, and maintaining the detention center, which would otherwise have to be maintained by actual employees. Those who refuse to work are "threatened with solitary confinement and the loss of access to basic necessities, like food, clothing, products for personal hygiene, and phone calls to loved ones, in violation of federal anti-trafficking laws." Lawsuits have been filed in several states to challenge these sorts of work practices.

For-profit Medicaid hindrance

Under the perpetual pretext of cutting costs and increasing efficiency, a number of states, including (among others) Illinois, Iowa, North Carolina, Florida, Mississippi, Oklahoma, and Kansas, have in recent years partly or wholly privatized Medicaid. The "efficiency" pretext, incidentally, is ironic, given the likely truth of David Graeber's "*Iron Law of Liberalism*," that "any market reform, any government initiative intended to reduce red tape and promote market forces will have the ultimate effect of increasing the total number of regulations, the total amount of paperwork, and the total number of bureaucrats the government employs." The explosion of bureaucracy in the market-obsessed neoliberal era bears out this law.

What have been the consequences of these privatizations? Iowa is an illustrative case. According to a series of editorials for which Andie Dominick of the *Des Moines Register* won a 2018 Pulitzer Prize, the results have not been pretty. Since April 2016, three for-profit insurers have taken over management of health care for more than 500,000 Iowans, many of whom have, as a result, now lost access to services, equipment (such as wheelchairs), and even nutritional supplements. Against the advice of medical professionals, the insurers simply refuse to pay for needed care.

Healthcare providers have been underpaid or not paid at all. A nursing home was forced to borrow \$150,000 while waiting for reimbursements; a mental health facility was owed \$300,000; a family planning clinic had to close. To take only three examples. The state has had to bail out the insurers and assume financial risk—which is ironic, since the supposed point of privatization was to provide state budget predictability in Medicaid spending. Before the privatization debacle, Iowa's

Medicaid had lower per-person spending than many other states and provided reliable reimbursements to providers and consistency in coverage for vulnerable people.

Because of problems similar to Iowa's, Connecticut in 2012 fired the insurance companies managing its Medicaid programs and transitioned back to the traditional "fee for service" model, according to which the state reimburses providers directly. The results were what you'd expect: the monthly cost of care per patient dropped \$718 in 2012 to \$670 in 2015; the number of doctors willing to accept Medicaid patients increased; and administrative costs dropped from 12 percent to 5 percent.

Turns out market forces aren't so "efficient" after all.

Nature for sale

Already in his short tenure in office, Interior Secretary Ryan Zinke has shown he can privatize with the best of them. There isn't space here to list all the creative ways he's trying to destroy the natural environment or restrict its enjoyment to a select few, but we can consider a few examples.

In December 2017, on Zinke's recommendation and at the behest of the fossil fuel industry, Trump announced he was going to reduce Bears Ears National Monument by 85 percent and Grand Staircase Escalante National Monument by 50 percent. Legal challenges to these orders are currently winding through the courts.

Zinke has ordered the Bureau of Land Management to hold oil and gas lease sales of public lands every 90 days, in addition to "eliminating burdensome regulations" related to oil and natural gas development. He has started the process of opening the Arctic National Wildlife Refuge to oil and natural gas drilling, and is pushing for an expedited timeline of leasing land by 2019. Meanwhile, he's trying to make drilling less safe by reversing safety regulations that were put in place after the 2010 Deepwater Horizon disaster.

In January 2018 Zinke proposed an offshore drilling plan that would open 90 percent of the U.S. Outer Continental Shelf for oil and gas lease sales. By comparison, the current program puts 94 percent of the OCS off-limits. (Zinke said he'd exempt Florida from the plan, as a favor to his friend Governor Rick Scott, but it appears that this exemption wasn't a formal action and that Florida is in fact being considered for offshore drilling.) Zinke's draft plan also proposes the largest number of lease sales in U.S. history.

Selling land to corporations is one method of privatization; another is to restrict enjoyment of public parks to those who can afford to pay. Zinke is pursuing this second path as well. In 2016 the National Park Service offered 16 free-admission days at national parks; in 2017 the number was down to 10; this year it's down to four. The Interior Department had also planned to massively increase entrance fees at the country's most popular parks—from \$25 to \$70—but scrapped the plan due to public backlash. Instead, the department will enact a more limited increase at all parks that charge an entrance fee.

With the Trump administration's term less than half over, we can expect a slew of similar predatory plans in the coming years.

Business as usual

None of these trends is at all surprising, since they emerge from tendencies fundamental to capitalism for centuries. These tendencies have simply been unshackled from prior restraints in the neoliberal era. The destructive, antisocial essence of capitalism has been given free rein, like a raging bull that has broken free of its yoke, such that society is approaching the literal realization of capitalism's misanthropic *telos*.

In the long run, two outcomes seem possible. Either humanity will find itself in the Hobbesian state of nature—which is the inner logic and meaning of capitalism—or the crises into which we are fast plunging ourselves will call forth such massive global resistance that a revolutionary social transformation will, at length, come to pass. What it will look like can't be foreseen (though informed speculations can be useful). All that can be predicted with certainty is that unless the generations now living devote their very existence to the Resistance, humanity won't have much of a future.

Business as usual is no longer an option.

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