

Deregulation & privatisation

Privatisation and deregulation of urban public transport has continued apace in recent years and, almost without exception, transport unions around the world have reported a direct deterioration in their members' working conditions as a result. Bus, tram and metro workers have in some cases faced major threats to their job security, wages, hours of work and collective bargaining agreements.

In many countries, market-oriented policies have been applied to public services including passenger transport, which were typically owned and controlled by public authorities. There is a political offensive, led by governments such as the USA and UK to impose the liberalisation of public services world-wide through the renegotiation of WTO General Agreement on Trade In Services (GATS). This has had a direct impact on the policy of Governments around the world to liberalise passenger transport on road and rail. Pressure to reduce public spending and a misguided belief that competition and market forces will improve public transport services have also contributed towards this process.

Evidence from countries that have experimented with privatisation and/or deregulation has shown that transport services have deteriorated in quality and reliability, and the concept of an integrated network of connecting services has been undermined. This is because the profit motive supersedes the public sector ethos of serving public need. In the drive to reduce costs and maximise revenues, labour costs and the conditions for the employees are a primary target, whilst savings in engineering maintenance, reduced investment in vehicles and cuts in spare resources (standby staff and vehicles to respond to emergencies) all impact on service delivery.

Where services are deregulated as in the UK, operators are free to determine their own networks. Here we have witnessed operators cutting less profitable services and reducing off-peak frequencies e.g. Sundays and evenings. Conversely it gives rise to destructive competition between operators on busy routes during weekday working hours. Not only does this lead to a much reduced and less reliable service, but also the network becomes fragmented. Frequent route and timetable changes make the service confusing and less easy to understand, tickets are not available on other operators vehicles, and passenger use declines rapidly.

We call on trade unionists and the general public to resist attempts to privatise their public transport services. Where privatisation cannot be resisted, the ITF calls for a regulated form of competition to be introduced in preference to deregulation. Where networks are very tightly regulated and wages and conditions of staff are fully protected (for instance through national collective agreements which are endorsed by national governments) the worst effects of privatisation can be mitigated. For this to be effective, public authorities must insist in the tendering process that the route network is clearly defined, that route timetables and frequencies are determined, fares are specified and reliability and quality criteria are clearly itemised with penalties for non-compliance.

We call for urban passenger transport services to remain in – or be brought back under – local public accountability and control, including national or municipal ownership. Well-planned publicly owned networks, accountable to the public through the democratic representative structures, offer the best opportunity to develop and strengthen public transport networks and give a realistic transport alternative to the car. It is also the experience of the ITF that properly funded publicly-owned transport systems offer the best opportunities for good conditions and stability of employment for our members. This in turn benefits the passengers who can enjoy safe high quality transport services delivered by properly trained professional personnel.