
PENSIONS AND PUBLIC - PRIVATE PARTNERSHIPS: A CAUTIONARY NOTE FOR UNION TRUSTEES

John Calvert

Centre for Labour Studies, Simon Fraser University,
British Columbia, Canada

INTRODUCTION

One of the major demands of public sector unions in recent years has been to gain greater control over the pension plans in which their members' retirement savings are invested. While union control of pension plan assets is not unusual in the private sector, during the past decade there has been a significant shift in the public sector, as a number of provincial governments, most notably British Columbia, have agreed to restructure plan governance on the basis of joint trusteeship.

Public sector unions have wanted a voice in pension issues for a number of distinct reasons. One has been to be able to deal with administrative issues and, particularly, to ensure that appeals and other concerns of plan members, including retirees, are handled fairly. A second is to determine the design of pension benefits, including the priority given to options such as early retirement, health benefits, out of province medical coverage and so forth. A third is to deal with pension surpluses/deficits and, particularly, the issue of contribution holidays which public employers have been prone to take, unilaterally, during periods of high investment returns. However, a final reason for seeking joint control of pension plans has been to have a say in investment policy. This reason reflects, at least in part, the view that labour's values and priorities should play a role in shaping investment decisions.¹

The focus of this article is to examine some of the key investment policy issues now facing public sector unions and the trustees they appoint. Specifically, the article will examine the implications of investments in Public Private Partnerships (P-3s). Examples of such investments include: transportation projects (highways, bridges, rail lines, rapid transit), hospitals and other health services, schools and educational institutions, municipal water and sewer systems, electrical utilities, recreational services and other projects that, historically, have been within the public sector.

Union trustees are already grappling with the question of whether to use their investment funds to finance government privatization initiatives and infrastructure P-3s, as their investment advisors argue that these are among the very few new investment opportunities in a Canadian stock market characterized by a diminishing number of investment options. Integration with the US under NAFTA has resulted in many Canadian companies being sold to foreign investors, while others have simply moved their head offices – and stock market listings – to the US.²

Accordingly, pension investment advisors are recommending that pension trustees join various consortia involved in financing the purchase of privatized crown corporations and other public assets and/or construction of new P-3 projects. The way unions deal with this question has significant ramifications for union trustees, plan members, unions, in both the public and private sectors, and the wider public.

This paper argues that public sector union trustees should be very wary of making such investments. Public sector unions have strongly criticized privatization initiatives as a threat to public sector jobs and the quality of services. They have also challenged these initiatives as poor public policy – policy that is fundamentally against the public interest.³ They risk undermining their credibility on this policy position if they also attempting to profit from investments in the privatization initiatives they oppose.

However, their approach should not be based solely on the direct interests of their members or their concerns about promoting good public policy. From a more narrow investment perspective, there is considerable evidence that many of these initiatives are inherently risky – more so than many conventional investment opportunities. In addition, given that privatization and P-3 initiatives are likely to remain only a small proportion of pension portfolios, it is a mistake for pension trustees to focus too much attention on an area that is likely to have only the most marginal impact on the overall returns of their portfolios.⁴

THE NATURE OF PRIVATIZATION INVESTMENT PROPOSALS

Perhaps the most useful way to begin this analysis is with an examination of the kinds of privatization initiatives currently being promoted by governments and organizations representing the business sector – and advocated by some investment advisors.

The most clear-cut approach to privatization involves the outright sale to the private sector of a publicly owned entity. We have seen a number of these initiatives, particularly with respect to provincial and federal crown corporations, such as BC Rail, Canadian National Rail (CN), parts of the former Ontario Hydro, and many others. Public sector unions have strongly opposed such initiatives both because of the negative impact on their members and

because of the adverse public policy impacts for the general public.⁵ However, there have been various other types of privatization, particularly in the form of outsourcing services, such as the BC Hydro transfer of approximately 2000 jobs to Bermuda based Accenture.

A second – and much publicized – approach to privatization involves private investment in new infrastructure projects – normally described as P-3s or Public Private Partnerships. Although the absolute number and dollar value of these initiatives remains significantly less than that of the more traditional privatizations, there is a great deal of pressure from the business sector for new public projects to be financed and operated in this way, especially as the number of candidates for more traditional privatization initiatives diminishes.

Public/Private Partnerships (P-3s) are joint ventures in which the private sector becomes the lead actor in the provision of public infrastructure, facilities, programs or services. Funding is normally from government through contractual arrangements that provide an ongoing public revenue stream, or from various types of user fees that the private proponent is permitted to charge for the use of its programs or services. While the forms of P-3s vary, they generally include: private financing, design, construction, operation, maintenance, staffing and ownership. Contracts are generally long term – often 20 to 40 years – effectively binding future governments to financial commitments that span a generation or more and often are written in a way to make it financially difficult for future governments to bring these assets or programs back into the public sector.

P-3s differ from normal design and build construction contracts between a public sector owner and a private sector constructor because they use the private sector for provision of financing, operations, staffing and other major decisions.

Examples of recent P-3 projects (or proposals) include: the Abbotsford Hospital; the Richmond/Airport/Vancouver rapid transit line (RAV line); The Sierra Yoyo Desan (SYD) Road, the Brampton and Royal Ottawa Hospitals; the Moncton to Fredericton toll highway; P-3 schools in Nova Scotia, a proposed Seymour water treatment plant in BC; Ontario's controversial toll Highway 407, Quebec's new super-hospital project and many more.

There has been a major push in recent years by business and government-sponsored organizations, such as the Canadian Council for Public Private Partnerships (and its provincial counterparts such as Partnerships BC), to promote P-3 infrastructure projects.

There has also been a push to have pension plans invest in such projects. A recent paper authored by construction contractors and unions in Ontario reflects this approach:

This paper suggests that a solution to Ontario's infrastructure funding deficit lies, in part, in the declared intention by the Province's major public pension funds to invest more of their assets in infrastructure. It recommends innovative financing approaches developed with the pension funds as an important step toward closing the infrastructure gap (From Executive Summary).⁶

A brief surfing of the numerous web sites now devoted to P-3s indicates that such sentiments are widespread among the proponents of P-3s.⁷

THE RATIONALE FOR INVESTING IN P-3s

The public policy concerns about P-3s are not normally an issue for private investors interested in maximizing the returns on their capital. However, faced with the challenge of meeting the target rate of return of their plans, some investment advisors have recommended that union trustees support investments in P-3s. Their arguments can be summarized as follows:

- There is a shortage in Canada of high return/acceptable risk investments for pension plans, especially as NAFTA-based integration has dramatically reduced the number of viable Canadian-owned companies listed on the Toronto Stock Exchange (TSX). Pension plans need additional investment opportunities within Canada and P-3s fit the bill.
- P-3s can generate very favourable returns with a reasonable level of risk for pension plans, thus helping them meet their rate of return targets.
- Governments are increasingly supportive of P-3s, signalling to investors that they intend to configure many future projects in the form of P-3s. Hence opportunities will continue to expand in the future.
- Canadians need new infrastructure investment. Given the reluctance of governments to take on new debt, pensions can be a major source of capital for such investment
- By purchasing P3 assets public sector pension plans can maintain Canadian ownership of major infrastructure projects.
- New P-3 funded infrastructure creates economic benefits, including construction employment, even if ownership and operation of the projects is private. Union members in the building trades can benefit from this investment.
- Pension trustees have a fiduciary obligation to seek out investments with the highest rate of return, regardless of other public policy or ethical

considerations and if P-3s fit this profile, pension plans are obligated to invest in them. It is not up to pension trustees to debate the public policy implications of their investments; their sole obligation is to maximize the returns to plan members.

However, these arguments are not nearly as telling as their proponents believe. There are three distinct sets of reasons why unions should be suspicious of funding P-3 investments. First, they may pose a threat to the jobs of public sector workers who are contributors to these pension plans. Second, they involve supporting initiatives that are simply bad public policy and not in the public interest. Third, they are more risky than P-3 proponents acknowledge

INVESTMENTS IN PRIVATIZATION AND P-3 INITIATIVES MAY THREATEN UNION JOBS

Public sector pension plans, by definition, are rooted in the public sector. Plan members are current and retired public sector workers. Insofar as P-3s constitute a form of privatization of public sector work, they are a threat to public employees.

Pension plan investment in P-3s can mean financing the loss of plan member jobs or, more commonly, the jobs of members of the same public sector union. Ironically, the investment would also result in the exit from the pension plan itself of any plan members directly affected, as their jobs in the public sector disappear. Less dramatically, P-3 projects may reduce opportunities for promotion, or transfer, of plan members because the project is no longer within the public sector. And the privatization or P-3 project may negatively influence the future bargaining position of the union and the job security of its members who are still employed in the public sector.

It is unreasonable to expect union pension plans to provide investment capital to P-3s at the expense of their own members. And, while funding the job losses of other union members may not have the same element of self-interest as protecting their own jobs, it still is important in the broader context of labour solidarity and the recognition by individual unions that they may need support from other unions in their campaigns against privatization initiatives. If it is wrong to make investments that threaten your own members' jobs, it is no less wrong to do the same to the jobs of other unionized workers.

The Canadian Labour Congress (CLC) has taken a clear position on the question of privatization of public services. In the June 2002 Convention it passed a number of resolutions on this topic:

- The health care composite resolution called on the CLC to coordinate a national campaign to "...stop all forms of private public partnership and Private Finance Initiative in the health care sector...", and "...return privatised health care services to public control..."
- The composite resolution on water called on the CLC to: "...vigourously oppose privatisation and commercialization of fresh water resources..."
- The composite resolution on energy called on the CLC to: "...organize to halt the deregulation and privatisation of electricity and other forms of energy and support the creation of improved publicly owned electricity systems."

In addition to the CLC's position on this issue, individual public sector unions such as the Canadian Union of Public Employees (CUPE), the National Union of Public and General Employees (NUPGE), the Public Service Alliance of Canada (PSAC), the Canadian Union of Postal Workers (CUPW), and many others have also passed clear policies against privatization and P-3 initiatives at both national and provincial conventions. Union nominated pension trustees should be mindful of the position of their unions and recognize that their actions - if they choose to invest in P-3s - have implications for the unions whose members they represent.

UNION PUBLIC POLICY CRITICISMS OF P-3s

The second set of arguments deals with union concerns that these initiatives are poor public policy that will damage the public sector and undermine the quality of public services and programs - values that are important to unions that see themselves as defenders of the public sector. Hence unions should not be providing financial support to policies that weaken the public sector.

While the conclusions of public sector unions that P-3s are bad public policy may not be accepted by business interests and governments advocating P-3s; nevertheless, the unions themselves are clear on this point.

The weaknesses of P-3s from a public policy perspective have been extensively documented by a number of analysts such as John Loxley of the University of Manitoba, Allyson Pollock of the University of London (UK) and various contributors to studies by the Canadian Centre for Policy Alternatives (CCPA).⁸ Some of the main objections can be listed as follows:

- P-3s are almost always more expensive to finance than regular government borrowing. This is because governments generally have a better credit rating than private firms and, therefore, pay much lower interest costs – a major issue on capital intensive projects. The inflated borrowing costs of P-3s leave an enormous – and unnecessary – burden for future generations
- The experience of many P-3s, especially in the UK where the idea largely originated, has been one of frequent and often very large cost over-runs.
- There is a common misconception that P-3s are simply another way to finance the construction of major capital projects. However, most P-3s also involve multi-decade contracts for operation, maintenance and staffing by the private proponent – work that has, historically, normally been performed by public employees.
- Because P-3s usually have such lengthy terms, they limit policy options for future elected governments. A child in Grade 8 today will be 50 years old by the time the proposed RAV P-3 contract has concluded.
- P-3s may hide, but do not reduce public debt. Private financing is debt financing. It is a source of borrowing which must be repaid. It is disingenuous for governments to borrow through P-3s at higher interest rates to conceal their debt obligations, or to structure repayments on the basis of low payments at the beginning followed by ballooning costs later in the term of the contract.
- P-3s must provide profit for investors. This means that that less of the public revenue stream allocated to them actually goes to fund services for the public.
- There are normally significant transaction costs in arranging P-3s. Investment brokers, bankers, consultants and accounting firms are strong proponents of this approach precisely because it provides them with opportunities to acquire significant brokerage and consulting fees associated with the various elements of a P-3 transaction.
- The commercial secrecy normally demanded by private investors undermines public accountability (for example: even the recently elected Liberal Government of Ontario has been reluctant to release all the contract documents on the Ontario P-3 hospitals).

- The new, or increased, user fees which often are built into P-3 proposals (such as Ontario's Highway 407, the New Brunswick toll highway, the proposed – and now postponed – sale of the Coquihalla highway, or private health services) create inequities among users, forcing some citizens to pay more for public services than others or allowing those with more money to gain privileged access.
- Employees of P-3s are in the private sector. While some senior managers do well, most other employees do not receive the same level of compensation or job security of public employees. Moreover, in many service areas, they may not be unionized. One of the key elements of cost reduction in service-based P-3s is low wages.
- Inclusion of the private sector in the planning and funding of public projects can distort the planning process and undermine the public benefits of the projects. Concerns about protecting investor profits may outweigh concerns about quality of public service or fair treatment of employees.
- P-3s open the door to challenges under international trade treaties. Once public services are brought into the market place, the disciplines of trade agreements apply, facilitating foreign control and further limiting the ability of future governments to take steps to protect the public interest.
- P-3s do not transfer nearly as much risk as their proponents claim, leaving the public 'holding the bag' when cost over-runs occur as they often have done.

THE PITFALLS OF PENSION PLAN INVESTMENTS IN P-3s

The third area of concern with P-3s is based on questions about how important – and how sound – they are as investments. In other words is investing in P-3s likely to have a significant impact on the overall performance of pension plans? And, are they as safe and secure as their proponents believe?

Despite the media hype around P-3 projects they do not – at present – account for a significant dollar value of investment opportunities within Canada. While there are issues associated with the diminishing number of Canadian companies on the TSX, P-3s are very unlikely to make a significant dent in this problem.

Let us look at the question of risk in more detail. Proponents of P-3s argue that they transfer risk from taxpayers to private investors. If a P-3 is successfully structured – according to this rationale – it should transfer a significant share of budget; planning & design; environmental; schedule; labour relations; insolvency; construction claims; system integration; legal; operating performance; and customer usage risk from the public to private investors. If the

public rationale for P-3s is accurate, the investors are exposing themselves to significant risks. Presumably, if governments are doing their homework in drafting the contracts, they will ensure that such 'risk transfer' actually does take place. In other words if P-3 proponents are to be taken at their word, the investments are inherently risky.

Many P-3s are themselves the result of drastic - and controversial - changes to public policies which, in themselves, create risk, both to governments and to P-3 investors. While some governments may support P-3s, many members of the public, including trade unionists, consumers/customers and community organizations strongly oppose them. Such opposition means these projects are controversial and often highly politicized. It is, arguably, imprudent for pension plans to expose themselves, unnecessarily, to criticisms arising from controversial - indeed what many would argue as misguided - public policy decisions

The best example of some of the political risks associated with privatization initiatives is the chaotic investment climate in the electrical energy sector following the deregulation and privatization of electric systems in the United States and in some Canadian provinces.

In the mid-1990s, investments in this sector were the 'flavour of the month'. There was great enthusiasm for putting pension funds into emerging, privately owned, independent power projects and into the numerous spin-off energy services associated with a deregulated, privatized energy market. But the ensuing California energy crisis, followed quickly by crises in Alberta, the Northeast U.S. and Ontario quickly dampened enthusiasm for this sector, a development reinforced by the exposés of the machinations of Enron and other energy companies and confirmed in the snowstorm of litigation by governments and victimized consumers. The junk bond status of many power projects should discourage any prudent pension investor from getting involved in electricity P-3s.

P-3s may also entail significant "political" and "legal" risks for pension plans. They have been challenged by a wide range of affected interests - such as unions, consumer groups, opposition political parties, the media and advocacy groups. These challenges can embroil the projects in court actions as well as public protests of varying kinds.

Recent examples of legal risk include the successful court challenge by CUPE and the Commercial, Energy and Paperworkers Union of Canada (CEP) of the privatization of Hydro One in Ontario, the recent court challenges by CUPE and Ontario Public Service Employees Union (OPSEU) against the Ontario P-3 hospitals, the successful community challenges against the Halifax Harbour water treatment P-3, the successful legal challenge against the Maple Ridge downtown redevelopment P-3, the class action lawsuit filed against the Highway

407 P-3, the successful community campaigns against the Seymour and Kamloops water treatment P-3s and many more.

Political, or “election risk”, is also an increasing problem for Canadian P-3s. For example, in New Brunswick the tolls on the Trans Canada highway project became a big election issue and contributed to the defeat of the Liberal government. The new Tory government replaced them with “shadow tolls” which are not as certain a source of revenue for the company as they depend on the Government’s willingness and ability to pay. Proposed P-3 hospitals in Ontario became a big issue in the recent election and the new Liberal government has indicated it will ‘adjust’ the P-3 arrangements on the basis of what it believes to be in the public interest.

Investors looking for absolute “certainty” will not find it in P-3s. Changes in Ministers responsible, changes in the legislative environment and changes in government after elections can all impact the profitability and security of these investments. Ontario’s Highway 407, which has often been touted as an example of a highly successful P-3, has been the subject of a major court dispute between the provincial government and the Spanish led consortium that owns it. The dispute is over whether the government or the company has the right to determine increases in tolls. The issue resulted in the European Union (EU) threatening to end negotiations for a new trade agreement with Canada if Ontario did not abandon its claim.

Several provincial Auditor Generals have criticized their respective governments for failing to carry out ‘due diligence’ before entering into P-3s. For example the Nova Scotia Auditor General raised serious concerns about the contract for P-3 schools. Similarly, the New Brunswick Auditor General was sharply critical of the Trans Canada Highway P-3 deal. Such criticisms can, in turn, lead governments to restructure these deals or abandon them entirely, again underlining the potential risks involved for investors.

Underlying such criticisms is the propensity of politicians to look at P-3s as a short term fix for their budgets, a perspective very much encouraged by promoters of P-3s. While it is not always possible to keep future liabilities ‘off the books’, given changes in accounting rules in some provinces, quite often the payment structure of P-3s can be structured to keep annual payments – and budget allocations – low in the first few years of the contract. By deferring the real costs to future years, many politicians calculate that they will be long out of office by the time the bills really begin to bite, leaving future governments – and taxpayers – to pick up the financial mess they have left behind. However, once taxpayers realize the extent to which such deals unnecessarily push up costs they – or the provincial auditors – begin demanding that governments revise, or cancel, the unreasonable costs of these P-3 contracts, as the preceding examples of provincial audits illustrate.

CAN PENSION FUNDS SUPPORT INFRASTRUCTURE WITHOUT SUPPORTING P-3s?

Pension funds can – and should – support public infrastructure projects, but not in the way proponents of P-3s suggest. Government bonds have been – and remain – an important area for pension fund investment. While the rate of return may not be as high as more risky ventures, they provide very secure investments. The Federal Government and virtually all provinces have the capacity to borrow to fund needed infrastructure or other public projects. Similarly, recent research by Enid Slack of York University indicates that Canadian municipalities also have considerable capacity to borrow. Debt charges as a percentage of local government revenues have been in significant decline since 1988.

Likewise, the ratio of government debt to GDP is low – and decreasing – at the federal level and in a number of provinces. Governments in Canada have a strong capacity to borrow for needed public infrastructure. Moreover, for those provinces who feel they cannot afford to borrow in the normal way due to their current level of debt, it is highly questionable whether they should even be considering the more expensive option of using P-3s.

Although P-3s can create short term construction employment – and obviously the building trades have a legitimate interest in additional construction jobs – conventional government contracts can do the same. And it is more likely that governments will impose fair wages or other conditions that assist building trades unions than their private counterparts.

If public pension plans are interested in providing financing in support of public infrastructure, they are still able to use traditional options, such as bonds and other lending instruments. They can thereby contribute to economic development and construction employment without supporting privatization

It is questionable for governments to favour expensive P-3 financing over normal borrowing simply to appease those who believe that the optics of reducing government borrowing are more important than the reality of the actual costs to taxpayers of the money borrowed. This is especially true with respect to major capital projects where a one percent difference in the cost of borrowing can translate into tens of millions of dollars in extra costs over the life of a 20 or 30 year contract.

Provincial and federal governments can also introduce policy changes that would make it cheaper for other parts of the public sector (e.g., municipalities in some provinces) that may not have the same credit ratings to borrow on the bond market from pension plans. These changes include:

- Expanding risk pooling mechanisms such as municipal financing authorities to cover municipalities across Canada.

- Establishing dedicated funds through which federal and provincial governments – and Crown agencies – could provide opportunities for pension funds to loan money for public infrastructure renewal.
- Changing the mandate of the Canada Pension Plan investment board to encourage additional lending to publicly owned and operated infrastructure projects.

There are still many untapped investment opportunities in Canada that pension plans can fruitfully explore, including: real estate, financial services, forestry, petroleum, retail, diamond mines, gas pipelines, housing, film, tourism, technology and other areas. A thorough review of investment alternatives indicates that there are far more opportunities in the areas cited above than there are in the P-3 category.

Rather than simply reacting to the overtures of those promoting P-3 investments, pension plans need to look actively for other, equally effective investment opportunities. Trustees should resist pressure from governments – especially the provincial governments in the provinces in which their pensions are based – to invest in P-3s. If union trustees succumb to government pressure, it will be easier for governments to implement privatization programs and neutralize union objections. The question for union trustees is whether it is worth the candle to support investments that are quite marginal in terms of their share of the overall portfolio, given the other adverse consequences associated with union support for such investments?

CONCLUSION: THERE ARE BETTER OPTIONS

P-3s are problematic from the perspective of unions directly affected in the public sector, from a broader public policy perspective and from an investment perspective. Given the very small proportion of overall pension plan portfolios currently invested in P-3s and given the fact that such investments are not likely to make up more than a small proportion of the overall investment pool, the central question is whether it is worth the candle for pension trustees to abandon their moral high ground and engage in decisions that conflict with the interests of union members and the public they serve.

P-3s should not be at the top of pension trustees' list of potential investments. Rather, trustees should focus on other, more secure – and less controversial – ways to invest pension funds. Historically, many unions have used pension funds to invest in co-op housing, local industry and ethically responsible firms and projects. While this paper is not about ethical investment opportunities, it is clear that pension trustees in many pension plans have succeeded in developing portfolios that reflect these broader, socially responsible values and aspirations of plan members.

Pension trustees do not need pensioners protesting at the doors of their offices about the public policy and employment consequences of their investments. They do need to show imagination and creativity in developing portfolios that respect the interests and wishes of plan members. Although this paper has only scratched the surface on many of these issues, hopefully it supports the case that union pension trustees, especially in public sector plans should be wary of investments in privatizations and P-3 initiatives.

NOTES

- 1 For a review of the investment policies of union pension and union controlled investment funds, see: Jack Quarter et. al. "Social Investment by Union-Based Pension Funds and Labour-Sponsored Investment Funds" RI/IR 2001 vol. 56, No. 1. pp.92-115
- 2 The diminishing number of Canadian stock market investment opportunities has also resulted in some advisors suggesting that the Federal Government should lift its 30 percent foreign investment limit on Canadian pension fund investments.
- 3 There are a number of parallels between the public policy concerns of public sector unions and those of advocates of 'ethical investment screens' for pension plans. It is not the purpose of this article to review the debate about ethical investment, but it is worth noting that screening out investments in areas such as tobacco, military production, nuclear technology, asbestos and other controversial areas is not uncommon, nor is it unusual for pension plans to have screens that attempt to ensure that companies operate in an environmentally responsible manner and/or follow ILO standards with respect to employment and labour practices. Advocates of such practices have faced criticism that they are not permitted due to the 'fiduciary responsibility' of pension trustees, a view normally supported by reference to court cases such as the controversial Scargill/National Coal Board decision (Cowan vs. Scargill, 1984 [ch 270]). Nevertheless, many plans have adopted ethical screens. For a discussion of the issue of ethical investments and the fiduciary responsibility of trustees, see: Yaron, Gil, "Answers to Common Questions about Pension Trustee Fiduciary Duties and Socially Responsible Institutional Investments" (SHARE, Vancouver: 2001).
- 4 According to a recent Statistics Canada study, in 2002, Canada's trustee pension plans had 28% of their total assets in stocks, 35% in pooled, mutual and other types of investment funds, 26% in bonds, 4% in real estate, and the remaining 7% in mortgages, cash and miscellaneous assets. (Statistics Canada, The Daily, Aug 5, 2004).
- 5 There are many variations on this approach including the government keeping a majority of shares or gradually reducing its holding over time as we saw with Petrocan.
- 6 "The Infrastructure Funding Gap: Time for Innovation" Toronto: The Universal Workers' Union, April, 2004. p i.
- 7 See, for example, the Canadian Council for Public Private Partnerships web site which contains proceedings of its numerous conferences, both national and regional, as well as linkages to provincial organizations promoting a similar public policy approach.
- 8 Professor Allyson M. Pollock is Director of the Health Policy Unit at University College London, England (This is part of the University of London). She and her colleagues have published about a dozen articles and letters in the British Medical Journal. These are available on line at the BMJ web site. She also has a new book which provides further information. See: Allyson M. Pollock NHS. Plc: The Privatization of our Health Care, London: Verso Books, 2004. Professor John Loxley is former head of the Economics Department of the University of Manitoba. He has written or supervised the research for a number of studies of Canadian public private partnerships. These are available on the CUPE web site or from the CUPE research department. It is notable that a recent London Observer (UK) article pointed out that Blair's flagship hospital P-3, the Paddington Health Campus, is already projected to increase in cost from 382 million to 800 million UK pounds, or more than double the original estimate. Moreover the latest plans now incorporate exactly the same multi site problems that were the justification for having a P-3 in the first place (Observer, Oct 3, 2004).