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PUBLIC PRIVATE PARASITES

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THE ROTTERS' CLUB

Gosh, all the companies below have fingers in so many service provision pies that they're *fighting* it out for contracts! Read on for some rollicking yarns about UK based corporations currently involved in public service takeover bids! See the things that have gone wrong! Marvel at the fact that not only is the government still using them - some of them are also seeking world domination, thanks to the Private Finance Initiative (PFI).

Labour Loves The Capita Group Plc.

You've probably heard of Capita. Hardly ever out of the news - from the teachers' criminal records debacle in 2003 to the resignation of chair Rod Aldridge in March 2006, after it was revealed he had made generous loans to the Labour Party[1].

Capita provides privatised services primarily to local and central government. It is a 'support services' firm, which basically means providing anything from customer services to software systems. At the end of 2005 Capita's turnover was £1,436m.[2]

Rotten to the Core:

Capita's is possibly best known for its mismanagement of the Criminal Records Bureau. For failing to check teachers' records on time it was eventually fined £2 million - a small dent out the £400 million budget it received for the contract.[3] There are many other examples of Capita's inability to deliver certain services to any quality or punctually. In 2003, while operating London's congestion charge fee scheme, it was fined for bad customer service; which Capita blamed on its management information systems![4]. Capita also ran the, now defunct, Independent Learning Accounts (ILAs) which were supposed to give financial support to adult learners. The ILA scheme was scrapped after it went £60 million over budget.[5] And a subsidiary, Capita Financial Administrators (CFA), was recently fined £300,000 for having poor anti-fraud controls by the Financial Services Authority.[6]

With all these past, and present misadventures, it's no surprise that this firm has earned the moniker 'Crapita', originally coined by Private Eye.

Secretive Serco Group Plc

The Guardian has called Serco 'probably the biggest company you've never heard of'. [7] Founded in 1929 as a division of Radio Corporation of America, Serco is a business services company based in London. It has grown in recent years thanks to the ongoing outsourcing of government services.

Serco's activities include: technical support, IT support, air traffic control and road management systems. It also runs the country's speed cameras Serco manage Manchester Metrolink under the Public Private Partnership (PPP) that its subsidiary Altram (Manchester) has with the Greater Manchester Passenger Transport Executive (GMPTE). Altram's main shareholders are Serco and GMPTE; Altram operates and provides maintenance for the first two phases of Manchester Metrolink. Serco also bought out shares for London's Docklands Light Railway in 1999 to run Serco Docklands Plc[8].

Rotten to the Core:

Serco currently manages a large chunk of the UK nuclear safety industry,

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as part of the Central Electricity Generating Board (privatised in the 90s) and also as part of the United Kingdom Atomic Energy Authority (funded by the Department of Trade and Industry with a commercial arm managed by AEA Technology). If the government's push for scaling up nuclear power is successful, Serco seem to have the 'experience' to be in for a big piece of Radioactive Pie.

Serco also supplies electronic tagging devices for offenders and asylum seekers to the Home Office (these are then fitted by contractors Group 4 Securicor), Serco boasts that it holds around 40% of contracts from the Home Office, tagging around 4000 people; this will probably rise with a new contract that covers the whole of Scotland[9]. Serco also runs two immigration removal centres in the UK: Dungavel and Colnbrook; UK immigration centres have been condemned by Amnesty International in their 2005 report '*Seeking asylum is not a crime*'. In 2004 one asylum seeker committed suicide in Dungavel and another attempted suicide at Colnbrook (to die later in hospital). Moreover, Positive Action in Housing criticised Dungavel for not having a suicide prevention strategy[10]. A Freedom Of Information request to the Home Office disclosed that 'between 1 January 2004 and 10 April 2005, 150 children aged up to 17 years old were detained at Dungavel.'[11]. Since 2004 Serco have also had £5m a year from the US to manage airports in Iraq.[12]

Prisoner Bashing Global Solutions Limited

Global Solutions Ltd (GSL), formerly part of Group 4, was bought by two venture capital companies, Englefield Capital and Electra Partners Europe, in 2004. Both companies' press releases described the buyout in terms of GSL's favourable position in the PFI market.[13] In 2003, 32% of GSL's revenue came from PFI projects and 50% from PPPs.[14] In its 2004 annual report GSL calls itself a 'major player in this important sector'[15]. Like Capita, GSL is seeking to move into the health sector and is a main supporter of the Local Improvement Finance Trust (LIFT), a PFI by another name.

Rotten to the Core:

Like Serco, GSL also manages detention centres. It manages all of Australia's immigration detention centres[16] and four UK immigration centres: Campsfield House; Yarl's Wood; Oakington; and Tinsley House Removal Centre[17]. GSL staff were depicted as being violent and racist toward immigrants after a damning BBC report on violence at Oakington and Heathrow in 2005.[18]

Managing 'detention' seems to be quite lucrative. According to an article by George Monbiot, GSL broke even within two and a half years of its 25-year contract to manage HMP Altcourse – meaning it can now spend 22 years making profits out of it.[19]

Profit over People, Amec Plc

Amec is huge - no really - it's massive. It has 178 subsidiaries and in 2005 its turnover was £4,942,500m. Trading on the London Stock Exchange as a construction and civil engineering corporation, Amec provides services to many different sectors, particularly to clients in the oil & gas; transport; infrastructure and industrial sectors.

Rotten to the Core:

Amec is a good example of a UK corporation that exports its services for overseas private contracts. One example of this is Amec's participation in the controversial Baku-Tblisi-Ceyhan pipeline, via their subsidiary Amec Spie SA. This company cites its oil and gas services as being a "One Stop Shopping" partner for oil operators' and offers a 'complete range of pipeline services'.[20]. It has been noted by an anti-Baku-Ceyhan pipeline campaign that 'construction of the pipeline will not actually be completed until 2009', well past the date agreed, and that once completed 'the pipeline plans to ship 1 million barrels of oil a day for the next 40 years...[and that the] export of 365 million barrels of oil and 6.6 billion cubic meters of natural gas each year will add about 170 million tonnes of carbon dioxide to the Earth's atmosphere'[21]. Amec are also involved in developing the paradoxically named 'sustainable oil and gas business' for BP's Azerbaijan international Operating Company[22].

Not only is Amec keen on expanding and exporting the PFI model, the UK government seem to be actively encouraging it. As reported in Corporate Watch newsletter 29, Amec has been working with US company Fluor on water and electricity contracts in Iraq worth approximately £500million[23]. It can be argued that the US aid work that Amec-Fluor is doing in Iraq is a kind of PFI agreement, in which private companies are over-paid to deliver meagre public services. In 2004, when describing Amec's promise to stick around and 'rebuild' Iraq thus salving the 'humanitarian crisis', Ian Thomas,

Business Development Director stated: 'We are totally committed to completing and honouring our contracts with the US Government.'^[24] The future Iraqi governments may, however, regret that their country was opened up to a well known PFI-junky such as Amec.

And finally - a French Corporation the UK imported... The Sodexho Alliance

Want to complain about the lack of nutrition and variety in your child's school dinners? You may get sympathy from the teachers but there's nothing they can do about it; the school has entered a 25 year contract with a private catering company. Enter Sodexho, a Paris-based ancillary multinational. Ancillary? This covers 'secondary activities' such as food, groundskeeping, plant operations and postal services. Sodexho is now one of the largest food service companies in the world.

Rotten to the Core:

Student activists in the States have been fighting against the privatisation of their school and college cafeterias since 2000 with the 'Not With Our Money' campaign. Now schools in the UK are facing similar takeover bids, as Sodexho is one of the many companies looking to muscle in on Local Education Authority (LEA) contracts. According to student organisation People & Planet, Sodexho already has contracts with 13 LEAs^[25].

In 2004, Channel 4 showed a documentary exposing the unhygienic preparation of food by Tillery Valley (a subsidiary of Sodexho)^[26]. Sodexho has been depicted as bad mouthing unions^[27], trying to muscle in as the largest food provider in North America^[28], and it starred alongside McDonalds in the film Supersize Me, in which Sodexho was accused of having poor policies on child nutrition^[29].

Finally, this corporation has come under fire for being part of the notorious Harmondsworth Detention Centre, home to many asylum seekers. The refugees' plight has inspired actions varying from a SOAS students' Sodexho boycott^[30] to Queers Without Borders carrying out a pirating action on Sodexho's Thames river cruise boats^[31].

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