4058 Privatization – Amend and Readopt

“The earth and its fullness are all that is in it belong to the Lord Lord’s” (1 Corinthians 10:26). The Lord's people have been given enough—an abundance of all of the things we need for life.

“We believe [that] governments have the responsibility, in the pursuit of justice and order under law, to provide procedures that protect the rights of the whole society as well as those of private ownership” (Social Principles, ¶ 1634).

One of our values as Christians is to provide an economy that serves God's vision of abundance to all. (Ecclesiastes 3:22 states “So I perceived saw that there was is nothing better than that all should for human beings but to enjoy their work for that is their lot” what they do because that's what they're allotted in life,” Luke 10:7 and 1 Timothy 5:18 state “the laborer deserves to be paid”, workers deserve their pay,” And it is written in Matthew 20:8 “Call the workers laborers and give them their wages pay.”)

Jesus singled out the poor, and the sick and the imprisoned for special care and made them the special responsibility of the faithful. Under many privatization schemes, responsibility by the public has been abandoned to private enterprise. Our responsibility to the sick and poor and imprisoned has been left to the devices of private profit. Privatized prisons, nursing homes, hospitals, welfare programs and other social services have sometimes been less dedicated to service and rehabilitation than to cutting service and increasing profits (Resolution 4052, “Economic Justice for a New Millennium”, The Book of Resolutions of the United Methodist Church, 2008 Book of Resolutions, #4052, “Economic Justice for a New Millennium”).

(Social Principles ¶ 162) “We support the basic rights of all persons to equal access to housing,...employment,...medical care,...and physical protection.”
“private health insurance in all its forms, continues to increase its premium cost while limiting care and/or increasing deductibles and co-payments for care.” Just 20 years ago, only about 18 percent of HMOs (Health Maintenance Organizations) were for-profit. By 1995, the market share was 70 percent. HMOs charge up to 25 percent out of every premium dollar for CEO salaries, profits and bureaucracy; Medicare has administrative costs of only 1.2 percent.

“We are called to see that all life has a sufficient share of the resources of nature.” Resolution 1026, “Environmental Stewardship”: Right to Abundant and Clean Water, Book of Resolutions, 2008.

Introduction

Corporate interests are rushing to privatize many of the resources of the earth—water, energy, education, natural plants, human and animal genes, cultures and public services such as social security, health care and public safety. Everything from prescription drugs to prisons to welfare programs is considered fair game for corporate profit-making. Wall Street, according to the Economic Policy Institute, is fighting hard for a privatized Social Security system because it would reap an estimated $240 billion dollars in fees for managing these funds during the first 12 twelve years of such a system.

Private Control

Supporters of privatization accuse government of inefficiency and claim that, if allowed to make a profit, these same corporations could control resources more effectively and efficiently, saving public money and delivering better services better. The expectation of privatization is that government would continue to collect taxes from the citizens and then provide that tax money to the corporate CEOs who would manage salaries, resources, and functions better. Those who favor privatization argue that they would earn a profit, benefit the economy, and be less encumbered by inefficient bureaucracy and public controls.

The World Bank is actively subsidizing the privatization of public resources worldwide. The World Trade Organization (WTO) has been quietly renegotiating and expanding the General Agreement on Trade in Services (GATS). The range of services on the negotiating table is vast, covering such vital areas as water and energy, banking, communications and retail services. Eighty additional countries have been targeted
by the European Union for this invasion by foreign corporations. If governments refuse to cooperate, they may be faced with world trade disputes claiming “barriers to free trade.”

Public Control

Opponents of privatization point to corporate abuses and criminality in the management of pensions, energy and communications systems.

Those who favor continued public control and regulation of these common resources and services argue that, when private forces take control, there is less accountability to the citizens. They claim that ever-growing profits are the primary interest of the corporations doing the privatizing. They also note that worker salaries and working conditions are usually forfeited in the name of efficiency and in order to increase private profits. Loss of well-paid public sector jobs is a burden to society in many ways, including reduced tax revenues and increasing the need for social welfare programs.

People worldwide are challenging the privatization of commonly held resources such as native seeds and plants under intellectual property rules established under international financial institutions such as the World Trade Organization WTO. Many are calling for public control of resources such as water and the drugs necessary for eradicating some of the world’s most devastating diseases of our world and the water that is essential to life on earth.

Discernment

There may be instances where privatization is appropriate. However, the role of Christians requires us to honor the earth's resources and to protect our God-given common heritage. The public must be vigilant to regulate and control any the privatization and the profiteering of public resources.

New Laws to Protect Our Common Property

We have rules that protect our private property and our personal property, individual property. We also need strong, ethical governments and new laws to protect our common property—the common resources that God has asked us to be stewards of all us and the common services that constitute the basis of human dignity, protected by universal human rights. Responsive governments must be strengthened and
supported to provide protection for all, particularly in the most exploited and impoverished vulnerable nations, but also those marginalized communities in wealthy nations. These, and particularly in support of the elements that are necessary as preconditions for all persons to experience to the abundant life provided by God.

There are efforts by the international financial institutions to impose new rules that increase the private invasion of common property. The sovereignty of underdeveloped countries has been undermined by Rule 11 of NAFTA and will be further undermined by and other free trade agreements such as the proposed Trans-Pacific Partnership (TPP) trade agreement. These trade rules strengthen the ability of private interests to force local communities to allow their free trade operations and privatization of common resources without effective regulation. Under Rule 11, if the governments move to regulate the activities of the corporations on behalf of their own workers or their own environment, they face multimillion dollar penalties in private trade courts unattended and unregulated by the public. These rules, called “takings,” are increasing the poverty and devastation of communities worldwide.

The Need for Effective Governments

Effective and democratic governments worldwide must be strengthened in order to function on behalf of the interest of their citizens. Our common resources do not belong to government or market, but responsible and effective government is essential for protecting those public properties. Privatization of common property rights should be viewed as a “form of taking” from the people. For decades a body of international rules has been developing led by corporations that would challenge the rights of governments to protect their workers and their natural resources from corporate exploitation.

Call to Action

The United Methodist Church and its predecessors have always had a history of public witness on matters of economic justice. Faced with protecting and securing the common resources and services needed by all humanity, the General Conference calls upon:

1. The General Board of Global Ministries to develop an educational program on the issues posed by privatization worldwide and join in challenging privatization where it endangers public interest.
2. The boards and agencies of The United Methodist Church to create and disseminate materials explaining proposed trade agreements and oppose them when they violate United Methodist ideals supporting a just economy.

3. The General Board of Global Ministries and the General Board of Church and Society continue to invigorate efforts to acquire national publicly-provided health care for everyone in the United States and that the issue of worldwide health care be put on the agenda for increased support.

4. Members of The United Methodist Church to urge our governments to challenge and change the International Monetary Fund (IMF), World Bank and World Trade Organization WTO rules supporting massive privatization.

5. The United Methodist Church to question the IMF investment of billions of public dollars into support for the efforts of private corporations to take over public services and public resources in poor countries which are impoverished.

6. The General Board of Global Ministries and the General Board of Church and Society to study ways of supporting world trade rules that would protect our commons resources from the growing trend toward of “takings” by private entrepreneurs.

7. The General Board of Global Ministries and the General Board of Church and Society to lead an effort to discern the societal effects of privatized services and resources on marginalized communities and nations, with special attention paid to both the beneficiaries of such privatization and those individuals and groups whose quality of life is dramatically diminished. Focusing on the violence in the Democratic Republic of the Congo over resource management or the water crisis in Detroit, Michigan would provide important case studies. Effects to society of privatization of services in the United States and globally and join in opposing detrimental privatization.

8. The General Board of Church and Society to provide studies and actions on the importance of responsible government and ways to enact good governance. And
9. United Methodists to study and act in support of our local governments by insisting that the Federal budget provide for adequate tax money for running public services and regulating private service initiatives for the benefit of all.

ADOPTED 2004
READOPTED 2008
RESOLUTION #4058, 2008 BOOK OF RESOLUTIONS
RESOLUTION #361, 2004 BOOK OF RESOLUTIONS

See Social Principles, ¶ 163f

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