

Selling off the family silver

Global Auction of Public Assets

Dexter Whitfield

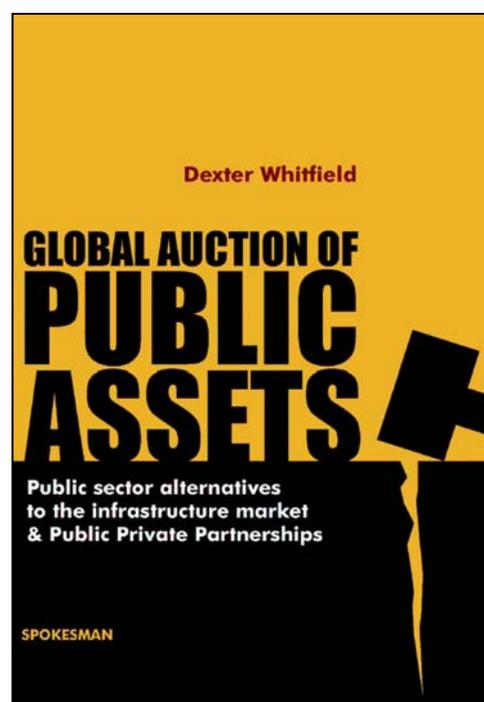
(Spokesman, £18)

Dexter Whitfield is Director of the European Services Strategy Unit as well as being attached to the University of Adelaide in Australia. He has written widely on the privatisation of public services in the UK and undertaken commissioned work for trade unions fighting privatisation in a number of local authorities, including the London borough of Barnet, where the Tories are piloting 'shrinking the council'. His new book is the first critical analysis of Public Private Partnerships across the world.

It is an impressive study which demonstrates the extent to which the selling off of public infrastructure has become common practice. The study includes the US, France, Ireland, Germany, Canada, Russia, Australia, China, India, Brazil and South Africa as well as the UK.

Whitfield derives from this comprehensive survey a strong critique of privatisation. He demonstrates that Public Private Partnerships (PPPS) are not an alternative to public investment and do not reduce public debt as they are financed entirely by the government or users. He argues that partnerships being based on market criteria are vulnerable to market fluctuations and consequently endangered by the current global financial crisis. The book traces the establishment of an international market in infrastructure, dominated by sovereign wealth funds and private equity funds who trade schools, hospitals, roads and even prisons as commodities.

The book demonstrates the extent to which privatisation projects fail not just in terms of job losses but in terms of failure also for the investor. He shows the extent to which financial assessments to



demonstrate value for money of PPSs are fundamentally flawed. PPS tend to be costly, poor value and lack innovation and do not generally involve significant transfer of risk from public sector to private sector. They also undermine democracy and public accountability.

Whitfield's conclusion is that little can be achieved by reforming the PPP model. He sets out a framework for regulating existing PPPS but his main argument, which I would strongly endorse is what we need is a structure of public sector led investment, based on priorities set through an accountable process and where plans are developed collaboratively between civic, community and trade union organisations.

This may at first appear to be a fairly dry book, stuffed with facts, figures and schedules of PPP projects, but this kind of evidence based research is important if we are to rebuild a system of service planning and infrastructure delivery which is based on public needs rather than private profit, whether in the UK or in other countries. Gordon Brown is not the only person who might benefit from reading this book.

Duncan Bowie

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