

The End of Public Services?

The Spokesman, No. 91, 2006

Michael Barratt Brown

Dexter Whitfield, *New Labour's Attack on Public Services*, Spokesman (www.spokesmanbooks.com), 176 pages, ISBN 0851247156, £11.99

Now that owners of UK capital see little opportunity of making money in productive industries - mining and manufacturing – and the infra-structure of transport and power and water supplies is in their hands, they have turned their attention increasingly to the service sector. Distribution and retail services are theirs, apart from the struggling Co-op. But the public services remain to be captured, and with the enthusiastic help of New Labour that is what, under the deceptive name of 'reform', is now happening. The end is already in sight of any public services remaining - in housing, education, health, police or prisons – and with this the end of democratic control and social accountability to public bodies. The means adopted is that government - and increasingly central and not local government - commissions the provision and provides the funds and the private sector supplies the service, within some limited regulation of provision, such as is applied to private companies generally.

Dexter Whitfield has devoted his life to the defence of the public sector through research, writing, advice and organisation, not least through the Centre for Public Services, which he founded in 1973 and whose work he continues in the University of Northumbria. This the latest of several books and pamphlets he has written gathers together much earlier research in arguing the case against the drive of neo-liberalism which is encouraging the marketisation of public services. Whitfield emphasises the central role of the state in creating the conditions for successful marketisation. The market cannot function without laws to enforce contracts, financial concessions to business, such as export finance, tax relief, public subsidies, local and regional grants, and above all the promotion of the ideology and value system of competition, personal greed and corporate power. Marketisation, moreover, involves the opening up of the in-house services of public providers not only to private suppliers at home but to giant transnational corporations.

What Dexter has done in this new book is to collect together the whole history of the way in which step by step the working of the market and the ethos of business competition has been brought into the public sector in the United Kingdom, replacing all practices and ideals of collective responsibility. The result is made abundantly clear in the growing inequality of provision for those who are well placed financially and those who are not. The emphasis on 'choice' simply means choice for those who live in the right places and know how to work the system, whether this refers to hospital treatment or school places. Only those who can see their way to affording or borrowing for university fees and maintenance charges continue into higher education. Business involvement in provision, whether in public private partnerships in hospital building and management or in the financing and running of schools, means that the bottom line is always profit. So-called parent power comes down to the influence of unelected managers and company executives.

The ideology of the market is based on the assumption that competition ensures that actions based on ignorance, domination or incompetence are simply ruled out. So it is argued that private is always to be preferred to public. Yet, the most extraordinary fact about New Labour's marketisation is that nothing works. The total incompetence

in the prison service, partly now privatised, is the most glaring example. Another was the famous computerisation of passports by a private company. But Dexter has drawn up detailed lists of the extra costs incurred in marketisation. These amount to £8.3 billion in one-off costs and over £3 billion of annual costs. But it is not just money that is wasted. The inspector's reports on the new flagship academies, with all their extra funding, are abysmal. Many of the private funders have simply not paid up. Some of the new public private financed hospitals are not working after long construction delays. While grotesque profits are made in land speculation, and managers are paid more than many of the medical staff, whole wards are being closed down and the staff sacked, because budgets have been over-run. Nurses are so badly paid that it is necessary to replace them with temporary staff and with recruits from poor developing countries. Even as respectable a body as the Royal College of Nurses at its annual conference shouts down a cabinet minister who claims that the NHS has had its best year.

The last thirty pages of Dexter's book are concerned with outlining in some detail an alternative strategy. This emphasises improving community well being with preventive action, democratic accountability, involving NHS workers and patients, equalities and social justice as the basis for advances, sustainable development through care for local and regional needs, protecting the public interest locally and regionally as well as nationally, financial transparency and economies of scale in finance and, finally, training and intellectual capacity building. Dexter proposes a whole sheaf of strategies to oppose marketisation and to support alternative policies by mobilising alliances and campaigns around particular issues – many of them necessarily local. He does not forget at the end the important lessons for other European states, where marketisation and privatisation are less advanced than they are in the United Kingdom.

Michael Barratt Brown