

# Britain's general election: Labour Manifesto sets out privatisation of health and education

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Prime Minister Tony Blair launched the Labour Party manifesto in Birmingham on Wednesday. Labour hopes that *Ambitions for Britain* will help win a second term in office, to fulfil what Blair has described as his 10-year mission to transform Britain.

The 44-page glossy booklet contains the usual banalities designed to mean all things to all men. It particularly avoids the contentious issue of Britain's adoption of the single European currency, the euro, merely repeating Labour's long-standing pledge to hold a referendum providing "five economic tests are met". Labour continues to steal traditional Conservative policies, promising to strengthen law-and-order measures so that "criminals are caught, punished and rehabilitated".

The manifesto begins by boasting that Labour will increase the share of national income spent on education from 5 percent to 5.3 percent by 2003 and provide sustained "significant" extra funding on health. It proclaims that Labour's objective is to "liberate people's potential, by spreading power, wealth and opportunity more widely, breaking down the barriers that hold people back".

This does not mean changing the system of wealth distribution that is polarising society between a tiny rich elite and the mass of working people. All public spending increases are made entirely dependent on preserving "economic stability". Labour reiterates its pledge not to increase the top rate of income and corporation taxes.

Prime Minister Blair's assertion that Labour's second term would not be "a recipe for a quiet life", however, is by no means hot air. Significantly, the spending plans are dependent upon public services being opened up further to private capital. In particular Labour promises:

\* Health care to be decentralised to "give local Primary Care Trusts control of 75 percent of National Health Service funding" with "successful NHS hospitals to take over failing ones", and specially built surgical units

established, "managed by the NHS or the private sector".

\* An overhaul of state comprehensive education, encouraging the growth of specialist and religious schools, and giving head teachers greater control over individual budgets. Where schools are not improving quickly enough, "alternative providers should be brought in... A 'spirit of enterprise' should apply as much to public services as to business".

\* An expansion of means-tested welfare, further eroding the right to universal benefits through the use of special credits paid via the tax system. Compulsory workfare will be tightened up for lone parents and the disabled, and a new Child Trust Fund or "baby bond" will be introduced.

The proposed attacks on welfare and the public services go far beyond anything attempted by successive Conservative government during 18 years in office up to 1997. Although the Tories under Thatcher sought to make significant inroads into public spending, and privatised large sectors of the economy, they were extremely cautious not to make a too open assault on health care because of the opposition this would meet.

In Britain, NHS health care is free at the point of use and access to treatment does not depend paying taxes or contributions. Thus, within the NHS at least, the unemployed school leaver has the right to the same standard of health care as any professional.

However, years of cuts and neglect in the public sector mean that this "right" consists of spending an age on waiting lists before being treated on understaffed wards, and to be denied certain medicines and procedures deemed too costly.

The Tories used the decline in public services their policies caused to privatise by stealth. In 1992, the Private Finance Initiative (PFI) was launched, enabling the private sector to build and run hospitals and schools, which are then leased back to the state sector for a fixed period during which considerable service charges must be

paid. But public opposition was such that the scheme took off only slowly. The Tories were continuously forced to deny that PFI amounted to backdoor privatisation, presenting it as a form of “private/public partnership”.

Labour considerably extended PFI during its first term in office, signing more than £13 billion (\$18.2 billion) worth of contracts with the private sector covering health and education provisions. Blair boasted that he bore “scars” on his back from the fights he had to undertake with the public sector due to opposition to Labour's measures. But the government's latest proposals represent a significant advance even from this. Virtually no area of public provision is barred from takeover by the private sector—including health care and schools.

According to the *Guardian* newspaper, a report by the Blairite Institute for Public Policy Research (IPPR) completed four weeks ago fills in the fine details of Labour's privatisation policy. However, it is being held back until after the election due to the controversy it could unleash. The *Guardian*, which has seen a copy of the report, states that in addition to proposals on private contractors bidding to replace doctors' surgeries and run health services, the IPPR report does not rule out the possibility of the private sector taking over entire hospitals, including the provision of intensive care and accident and emergency services.

IPPR Commission Chairman and WH Smith boss Martin Taylor writes in the report, “The secretary of state for health has said he would be astonished if the private sector played a larger part in the NHS. He should be astonished, and soon. It is clearly in the wider popular interest to use the capability of the private sector to reform and rebuild the NHS rather than supplant and destroy it.”

Private sector involvement should no longer be limited to providing capital for projects, Taylor argues, since “the crucial ingredient the private sector possesses and the public sector needs is management”.

The government must be prepared “to reject the defeatist strand of thought which maintains that all new forms of private involvement in the delivery of public services should be put on hold because the risks are too great and the politics too hot,” Taylor argues.

Building on recent Labour measures that enable the contracting out of “core responsibilities” from local education authorities deemed to be failing, the IPPR report says that governing bodies should be entitled to buy in privately run school management services that offer to supply a head teacher, deputy, bursar or heads of

department.

At the Birmingham manifesto launch, Blair indicated that the government would take up the IPPR recommendations, “There should be no barriers, no dogma, no vested interest that stands in the way of delivering the best services for our people.”

In truth, the private sector benefits from a largely parasitic relationship with public services in Britain. Doctors, teachers, surgeons and hospital consultants trained at public expense are then snapped up by the private sector. Private hospitals frequently use public health resources, whilst NHS surgeons and consultants are free to work part-time in private practice, profiting directly from their patients' inability to receive fast and adequate treatment within the state sector. The NHS is left to provide expensive long-term care and emergency services, while the private sector concentrates on the fast-money procedures. On top of this, the pharmaceutical companies extort billions from the public purse through their control of patented medicines.

The Labour government has so far presented its PFI plans as a “third way” between the present largely state-run services and wholesale privatisation. But it is illusory to believe that access to health and education will remain universal and free under conditions in which the private sector, whose sole concern is profit, demands ever-higher rates of return on the capital it invests. As Labour's manifesto commitment and the IPPR report indicates, the government is well aware of this. Assurances to the contrary are a ruse to mislead working people until it is too late and they are confronted with a *fait accompli*.

For big business, however, Labour's nod towards public opinion is too restrictive. The *Financial Times* welcomed the manifesto proposals, but complained that Labour was being too timid. “Although in the health section [of the manifesto] there is no repetition of the 1997 commitment to oppose privatisation of clinical services, Labour shies away from full-blooded participation of the private sector in the delivery of services”, it complains.



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