

Tories prepare wholesale privatisation of UK health, education, essential services

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The Conservative-Liberal Democrat government is to bring forward legislation for the most far-ranging assault on public provision since the creation of the welfare state following World War II.

The government has sought to portray the legislation as part of its so-called “Big Society” plan, based on decentralisation, localism and volunteering. But, as Prime Minister David Cameron admitted, the Open Public Services White Paper is intended as a legislative “battering ram to break open [state] monopolies”. At its heart will be the automatic right for private corporations to take over public service provision.

Cameron explained the purpose of the White Paper in a *Telegraph* article, “How we will release the grip of state control”. The bill “will signal the decisive end of the old-fashioned, top-down, take-what-you’re-given model of public services,” Cameron wrote, and was a “vital part of our mission to dismantle Big Government.”

The Tory leader claimed that the proposals were aimed at overcoming “the damage caused by centrally controlled public services,” citing the “arbitrary closure” of schools and lack of individual “choice” supposedly caused by local authority control over budgets for social and welfare provision.

Cameron said there will be a “new presumption...that public services should be open to a range of providers competing to offer a better service,” although “of course” this would not apply to “some areas—such as national security or the judiciary—where this wouldn’t make sense.”

“This is a transformation: instead of having to justify why it makes sense to introduce competition in some public services—as we are now doing with schools and in the [National Health Service]—the state will have to justify why it should ever operate a monopoly,”

Cameron wrote.

Cameron’s claims are cynical in the extreme. The evisceration of public provision has been a deliberate policy of successive Conservative and Labour governments over the last three decades. It was Margaret Thatcher in the 1980s who pledged to “roll back” the state, as her government launched a privatisation campaign that cost tens of thousands of jobs.

It is for good reason that the Labour Party has been noticeably low-key as to the government’s proposals, with leader Ed Miliband criticising the coalition for going “so far, so fast”.

The undermining of public provision was significantly extended by the Labour government of Tony Blair. Through schemes such as the Private Finance Initiative (PFI), whole tranches of the NHS and education sector were taken over by major corporations on lucrative contracts, the burden of which are borne by the tax-payer. Only on Wednesday, it was revealed that AssetCo, which took over the running of London’s fire engines under an annual £30 million PFI contract, faces a winding up petition from the Inland Revenue over unpaid taxes. The Fire Brigades Union has said that, as a result, some 113 appliances in the capital could be sold off to raise funds.

The coalition government is slashing public spending and cutting government funding to local authorities as it seeks to make working people pay the cost of the multibillion-pound bailout of the banks and financial institutions. Tens of thousands of workers are being laid off and vital services undermined or closed altogether. In the immediate period, working people will be confronted with little or no “choice” as to health, education and public provision, as much of this is cut to the bone.

This deliberate wrecking operation is central to the government's privatisation policies. The White Paper sets out that businesses will have an automatic right to bid for public work, even if people in the locality are opposed to its takeover. In return for payment-by-results, they could run a multitude of services currently under local authority control, as well as hospitals.

In January, the coalition introduced its Health and Social Care Bill to parliament, under which General Practitioner (GP)-led consortia will be given responsibility for 80 percent of the £100 billion NHS budget, from which they will commission patient treatment from "any willing provider". It provides for a newly created NHS Commissioning Board that will be able to close "underperforming" consortia and bring in private providers to take over commissioning.

This is only the start. Cameron's new head of policy development, Paul Kirby, was formerly at KPMG—one of the largest professional services and auditing companies in the world. KPMG is amongst the consultancy firms that have profited from the hand-over of public services to private corporations over the last years. It "advises" government on the need to rationalise and open up the public sector to private tender, and then competes for contracts in the areas considered most profitable. KPMG has utilised the government's health care reforms to establish its own consortium with other private firms, winning a contract to develop commissioning management teams across London.

During his time at the consultancy, according to the *Guardian*, Kirby wrote a document, "Payment for success," in which he advocated an "aggressive programme of liberalisation" across the public sector. The aim would be to cut the costs of public services providers by 20 to 30 percent.

Kirby, the newspaper reported, proposed that "the boundaries between public, private and third sector provision should melt away".

US-style school vouchers should be allocated to parents to spend on their children's education and, further, that "The productivity of magistrates courts, and their budgets, should in part be determined by the success of their sentencing regime."

Funding for local services such as leisure and children's service could be handed over to "local communities without any strings from Whitehall".

This "empowerment agenda will have to be forced on to public sector organisations in the early stages to break the tendency to structural inertia," he wrote.

The *Telegraph* welcomed the White Paper under the headline, "At last—the State monopoly on public services will be abolished". Deputy editor Benedict Brogan wrote that the government intended to gain parliamentary approval for its measures in this session, explaining, "There's a sense of urgency behind it. Mr. Cameron hopes that this 'competition in a single clause' will entrench a cultural sea-change in the public services of the kind Tony Blair could only dream of, and be irreversible."



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