

Alternative to privatisation

Against the background of the Tory election victory, Patrick Ainley looks at a key study of global privatisation and its alternative: ‘a social mobilisation unparalleled in peacetime’.

Dexter Whitfield (2019) *Public Alternative to the Privatisation of Life*. Spokesman 560pp, 975-0-8512488-3-7, £28.00

This comprehensive compendium is essential for combatting the *Privatisation of Life* that will be accelerated by one-market Toryism in a Brexited Britain. Imposing the permanent austerity of a market-state to dismantle the remnants of what Gove calls ‘the Attlee settlement’, a civil service broken into Businessman Teams and perhaps dispersed around the country will be dedicated to meeting the algorithmic targets contracted out from the centre. Extravagant claims of achieving these outcomes (‘if conditions allow’, as was cautioned in the Queen’s speech 19/12!) will spew from President Johnson as the calves are fattened for resale to the hedge-fund and other finance capitalists who bankrolled the new Brexit Party’s electoral coup.

Especially in the regions, elected mayors and police and crime commissioners, supplemented by Redevelopment Zones, already provide the ideal form for opening local and national government services to privatisation under the guise of social investment. In education, expect platform schools and vouchers (soon!), with T-lined training in ‘technical colleges’ warehousing ‘non-academic’ youth on apprenticeships-without-jobs, whilst differential university fees are cranked up into student speculations on their own human capital. The whole system aimed at ‘raising upward social mobility’ while downward mobility pushes millions more into penury, plus a worse than Draconian response to the inevitable rise in crime.

Dexter Whitfield has a distinguished record of identifying, exposing and resisting these predictable consequences of global corporate takeover to decommodify privatised services through democratic

control by radical public management in Newcastle, Ireland and now Australia. He details many examples of failures, collapses, sell-offs and sell-ons of public services worldwide, replicating many times those of the most notorious, like Carillion and G4S in the UK, half-built PPI/PPP schools and hospitals initiated by Major and developed by Blair and Brown, with more added by the Coalition already falling into disrepair. With these examples of repeated failure, Dexter takes a class perspective to show how global finance capital has nevertheless developed its dominance in practically every country of the world, compelling states to commit themselves to repeat the same mistakes simultaneously relaunching the wrecks of previous disasters without learning from the experience.

Framework

Unlike repetitive academic denunciations of the discourse of neo-liberalism (a term some students find confusing since it sounds vaguely appealing - like a ‘free’ market - although complicated by its ‘neo-’ prefix), Dexter elaborates a political economy framework for his analysis of privatisation. Historically this returns to ‘the tendency of the rate of profit to fall as the general cause of the crisis’ (p.30). This led to disinvestment in productive industry by speculative capital seeking new sources of profit through dispossession of services. Beginning in earnest in the UK under Thatcher, deregulation allowed privatisation of the nationalised industries and now aims to complete the ‘privatisation by sale, stealth and mutation’ (Chapter 7) of state services as capital searches for new asset streams with defined income in a financial system that has been reshaped by securitisation.

Throughout, Dexter develops a typology of 'privatisation interwoven with, and co-dependent upon, financialisation, marketization and individualism' (p.28), the latter presented as 'personalisation' in welfare reform. These processes are potentiated with digitalisation by new information and communications technology that finds fresh applications for automated outsourcing in the gig economy of 5g megacities with responsive 'surveillance everywhere'. Yet the privatised state is also a virtual one as it dissolves into the state-subsidised private sector of this newly marketised society.

In this Cummings-world the market follows its own rationality outwith human interference. Atomised humanity merely accommodates itself to the remorseless logic of the autonomous play of 'free' market forces. Individual life is thus privatised too as 'Financial institutions, market forces and transnational corporations, private equity funds and private contractors have a significantly more dominant role in people's lives, particularly in the delivery of public services and the management and governance of public authorities' (p.182). Life in the largest sense of 'the human and natural substance of society' is also annihilated by what Karl Polanyi called 'the stark utopia . . . of a self-adjusting market [that] would physically destroy humanity and transform its surroundings into a wilderness'.

Extinction

A *Public Alternative* to this extinction of humanity in the dissolution of society was presented by Labour's 2019 election manifesto and proposals for a red-green economy that may remain the benchmarks of a missed opportunity. Like them, 'This book aims to provide not just a theoretical justification but also a framework for thinking through the changes that a radical public management will mean in practice' (p.396). However, recent experience shows such a transformation implies a social mobilisation unparalleled in peacetime that will not be implemented by following the campaigning methods of traditional industrial socialism. Especially when the class basis for such electoral action has collapsed with the disintegration of traditional manual working-class culture and organisation. Instead, a new red-green democratic resistance will have to be built from the bottom up - and quickly as there is not much time left.

This will be helped by the fact that the gloss will soon wear off what has been called 'the capitalisation of almost everything' which is the reflex policy response of one-market governments, including to economic downturn and global

instability. This will be an inadequate response to deal with floods and other increasingly frequent 'events' anticipating climate chaos at home and abroad. Nor can inevitable market failures and the imposition or increase in charges necessary to pay the new financial investors and shareholders for long disguise falling standards in former-public services. Despite the dizzying speed of reshuffled debt through various financial instruments in quickly developed and increasingly predatory secondary markets, employment effects are almost immediate with savings made in competitive tendering only through layoffs and the intensification of remaining labour leading to loss of quality and variety of provision.

Somebody will have to be blamed for these market failures and in a state of hostility scapegoats will soon be found as boasts of 'full employment' are punctured by the insecurity of growing numbers of employees locked into fungible contracts with two or three part-time, low-skill, low-paid temporary jobs without prospects and without end. Yet, the presidential premier obfuscates and blusters continually, adding to further loss of collective memory of how much damage he has already done - as absent Mayor of London, for instance, leave alone during his less than six months in power.

Like the gangster capitalist Trump and other strong men who represent the interests of their own nation's financial capital, more or less ridiculous burbled announcements seem to demand instant defensive responses. Dexter's book enables us to challenge this juggernaut of reaction with the realisation that - as sociologist William Davies put it in *The Guardian* 13/12, 'This requires a far larger and more complex response than anything Her Majesty's opposition can undertake alone' but must build from community action and local forms of democratic control supported by Labour, the Greens and Nationalists. Trade unions also need to engage with these processes in a more systematic way, as Dexter suggests, adding that new trade unions working with migrant workers are more attuned to this approach, taking us back to the early history of the Labour Party and trade unions.

Reference

Karl Polanyi *The Great Transformation, the political and economic origins of our time*, Beacon Books 1944.

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