

LOOKING AHEAD

Why nationalisation or privatisation of public services might not be the only options

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Introduction

Move beyond left and right, urges the Social Economy Alliance manifesto. Ditch your traditional notions of public versus private, society versus business; take the best ideas from both, and see where that leads you. What follows is a deeply personal, impressionistic, doubtless flawed account of social enterprise; why I am not on the side that I always thought I would be on.

What I'm trying to move past is a sinking feeling. People of one stripe or another have been telling us to move beyond left and right for as long as I can remember. What it tends to mean is: 'Lefties, butt out. It's over for you.' When they say 'forget public and private' they mean 'give your public services to the private sector, yet still, if you please, continue to pay for them from the public purse'. When they say 'forget business versus society', they mean 'stop yammering on about human beings and get back to economic verities'. It is very hard, having lived through the privatisation of almost everything, from housing to energy to transport to children's homes, to welcome this kind of talk with an open mind, let alone open arms.

Public services – what to do?

Briefly, there are three schools of thought on public services: one, which we are living through right now, is that it should all be privatised. The problems that have been thrown up by this are extensive, and cannot be covered exhaustively here: briefly, companies attracted by the perpetual income streams of public services like adult social care and

children's care do not, recent history tells us, seem to have the interests of the users at heart. Take, for example, adult social care. It used to be carried out by the public sector. Councils started to outsource. Private companies put in bids for the contracts that sometimes, if you assumed they were paying minimum wage, national insurance contributions and statutory benefits, were mathematically impossible. Councils awarded the contracts regardless, because they were so cheap. Conditions within the sector deteriorated. Minimum wage transgressions – care workers doing 16-hour days to get seven hours' pay, because they weren't paid travel time – are routine in this sector. You get care workers with 20 years' experience recast as apprentices for the lower hourly rate.

I interviewed someone recently whose pay hasn't gone up for 21 years.

The companies flounder anyway, because pay and conditions are so poor that their turnover is very high, and this inhibits quality; also, they're pulling out too much in profit. They end up in debt, and a private equity firm takes over; immediately, stocks rise, but only for two reasons. The first is the expectation that pay and conditions will be cranked down still further. The second is the understanding that there's money to be made from an 'opco-propco' deal, where you separate the property company from the operating company. Every care home scandal you read about – from Southern Cross nearing bankruptcy in 2011 to Care UK workers going on strike last year – springs from the attempt to wring profit out of this business at the expense of the lowest paid

within it. The companionship of care work, the longevity of the relationship between the care worker and the cared-for, the living standards and career progressions of the workers – it is all hollowed out or tainted.

The document this submission is in highlights many of the other problems public services have faced under the previous 5 years being subject to this process. The business model is to reduce wages and ensure as little pay progression as possible. The cannibalistic corporate ethos tends towards two or three companies holding a vast amount of contracts, without necessarily having any specific relevant expertise. Local and central government appears not to have the wherewithal to negotiate effectively in its own interests and those of the people it represents. This issue, though very well illustrated by cases in the UK, is demonstrable across the developed world and in countries as politically diverse as Norway and the US, there is a big insourcing movement to redesign state services that can actually respond to and consider deeply the people who use them.

Understanding the alternative

The word 'insourcing' carries the assumption that services are better run by state bodies, because they are elected, accountable and there is no layer – of profit or ideally of unnecessary management – between the provider and the purchaser of the service. And then there is a third option, which is the social enterprise. Many proponents of insourcing see social enterprise as, if anything, not privatisation-lite but actually worse than classic privatisation. The businesses bidding for the work, having the fig-leaf of being pro-social, are by this view considered even more dangerous than classic profit-driven companies, side-stepping accountability by being even less transparent. It doesn't help, of course, that a number of companies operating plainly for profit – A4E, Circle Healthcare – have styled themselves 'social enterprises', deeply sully the idea.

However, even having seen the way the idea has been abused, and the way any outfit not subject to democratic oversight can disappoint, I cleave to the idea that it can work, for these reasons.

To assume that everything has to come from within a local or central authority structure is, I think, to underestimate and under-use the creativity that almost certainly exists locally. In the end, if you want a local democracy that is genuinely participatory, that takes more than transparency and the ability to vote every so often; we can have all the Freedom of Information rights a (later regretful) government might throw at us, but an inclusive attitude to the delivery of services seems like a more sincere and meaningful statement of trust in, and partnership with, people outside the bureaucratic structures.

I'm thinking in particular of the Sandwell Community Care Trust, an asset-locked social enterprise delivering elder care to a number of different local authorities. Actually, as it grows, it does not draw all its contracts from its direct locale, but the unifying ethos has been kept: that there is no point making promises about the dignity of the cared-for, unless you also prize the dignity and fulfilment of the people caring for them. This means a proper career path, pay progression, but also, the freedom to self-manage within teams, a belief that contributions are valued and expertise trusted. There's nothing stopping any local authority doing any of this, but to assume that only a local authority can do it, or that local authorities naturally will do it, would be to ignore great practice going on elsewhere.

There are often situations – the prison service is the example that stands out for me – where the best ideas come at a granular level, and are then disseminated around the service (rather than decided centrally, then enforced by targets). Naturally, this can come from within the prison estate and usually does, but that's often in collaboration with outside organisations, social enterprises

or third sector; prisons are extremely agile in the way they change and develop, being paradoxically freer than other public services because they are less contested. A good example of this is the prisoner listening scheme, in which prisoners were trained to act as counsellors for one another in times of crisis. That system – which led to a radical reduction in suicides, as well as a new era of collaboration between staff and inmates – was developed by one prison service employee – Joyce Cole, in Swansea prison, in the 1990s – working in concert with the Samaritans. It then spread throughout the service; change can come from the top, but it just as often trickles up, and all individuals gain support, ambition and insight from collaboration with organisations beyond their own.

Conclusion

If you believe in transparency, accountability and sheer decency – that the economy is there to serve people, people aren't there to serve the economy – surely the answer is to in-source? Why can't we reclaim public services for the public sector, run it as it was always run? Well we can: social enterprises have not set themselves up in opposition to state-run services. But at present, we are already in a landscape of mass-scale outsourcing: we have to stop accepting business as antisocial in its essence. It seems we hand the market a lot of ground when we just expect it to be amoral.

In the end, we cannot move forward with mixed provision, and we probably cannot move forward with challenging corporate dominance and bringing services back in house, *until* we take as fundamental the idea that most people who are not driven by profit are instead driven by the desire to improve things. Sometimes that will be wrong, but surely it's a risk worth taking for the times when it is borne out.

Note

A version of this article is available as: Zoe Williams, Moving beyond left and right could save the public sector (<http://www.theguardian.com/commentisfree/2014/sep/08/beyond-left-right-save-public-sector-enterprises-private-services>). This version is expanded and updated.

References

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