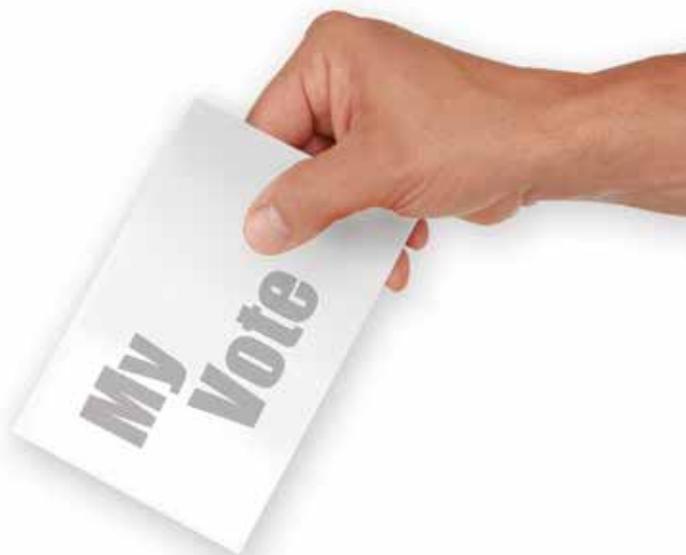


The Real Health Deficit is Democratic



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Preface

In November 2014, the Northern Ireland Committee of the Irish Congress of Trade Unions held a one day conference on the crisis in healthcare under the title “Health, Safety and the Well Being of Our People”. I was asked to speak on behalf of NIPSA on the topic “Health Privatisation, Deficits and Cuts”. This booklet is a summary of that speech. Other speakers at the conference included Professor Wendy Savage, the President of Keep Our NHS Public, Dr. Philippa Whitford, a Consultant Breast Cancer Surgeon, Public Health Specialist Una Lynch and Unison’s Regional Secretary, Patricia McKeown.

The Conference took place in the wake of the publication of the Northern Ireland Executive’s draft budget and the explicit threat it poses to all public services and public servants. The ideological basis of the war being waged against us was stressed throughout the day as was the need for a united, broad based campaign across the trade union movement and the wider community to fight back against the austerity agenda.



John McVey

NIPSA Policy & Research

Introduction

As you see from the title – **Health Privatisation, deficits and cuts** is not exactly a limited topic! But what I’m about to say looks at these issues in the context of this Conference’s campaign declaration that: “The current crisis in our health service is not the inevitable consequence of our current situation, but the deliberate choices of politicians working to a neo-liberal agenda.” The reason this focus is essential is because it illuminates the threat this agenda poses to wider society and therefore emphasises why any campaign that we develop needs to resonate both with the wider trade union movement and the community as a whole.

It also keeps us on our toes in relation to the neo-liberal agenda that lurks behind much of what is referred to as “public sector reform” because it is clear that while people behind this agenda often talk the language of “choice”, the choice they are determined to remove, where they can, is the one where the public sector continues to provide the service. I believe what **we** are fighting for is real public service reform – but our reform – and you see it in the declaration where we talk about wanting a “modernised and reformed NHS” - is founded on a belief in public service itself. Our reform starts with the basics of investing in the staff that provide public services and our reform is about removing the toxic presence of the market from these public services. Unlike the fake reformers, we believe there is such a thing as society and that the spine of that society has to be provided by accountable public services funded from progressive taxation.

Market Poison and the NHS

We haven’t forgotten all the propaganda around markets and market solutions that floated around in the 1980s when the idea of privatisation first came along and that its big promises – that competition would lower prices, and we would have customised service when, where and

how we wanted it – were lies. So we've seen this reform stuff before and when faced with the latest privatising charlatan we can remember Bevan's phrase: "You don't have to gaze into a crystal ball when you can read an open book" and a lot of these open books have been written by the Audit Office and Public Accounts committees. They belatedly say what we knew – with privatisation and outsourcing "costs go up, services get worse; private companies are not accountable and staff are undermined"¹.

The wrecking ball of neo-liberalism that demands privatisation is informed by a world view that there is no such thing as society and that public services should be broken up and traded for shareholder profit. And if you have such a view, what could be a bigger heresy than the founding principles of the NHS? But undermining the NHS represents the ultimate challenge for the capitalists and neo-liberals in that in health, unlike in other areas of public policy, they have a major problem. That is, while public sector workers are easy meat in the media generally, the attack on the public sector is harder in health because as a rule these are a group of workers working in an institution (the NHS) that people have affection for and very direct experience of. So the attack has to be more subtle than the usual clichés used to attack "tea drinking civil servants", always taking "sickies" with their "gold plated pensions" and so on.

So how do they attack? The way they seek to take advantage on this issue is to talk of demographic changes that will endanger us if we don't act – spiralling cost, an ageing population and so on. But in health they argue that their action is not about threatening the principles of the NHS as a whole, it is merely about changing how it delivers its service. So to "save the NHS", they argue we need new means of delivery. But even this is still so sensitive that they rebrand the sector that will perform such delivery as "independent" rather than what it really is – the private sector.

Privatisation Stealing Workers' Rights

But the significance of privatisation in general (and we use the phrase daylight robbery for good reason) is that privatisation creates a new world of work, sometimes in ways that are hard to see at first. In the same way that no Minister would be honest enough to declare their intention to privatise the NHS, the new working environment that privatisation shapes is similarly hidden.

For example, no one would stand up and say we want a healthcare system where the workers have no rights; indeed they would talk about statutory protection, irrespective of the ownership models that are being introduced. Statutory instruments, however, are worthless in the real world, if the economic facts of life make them impossible to access.

So, of course in the domiciliary care sector the workers (primarily women) can theoretically look to the law on such matters as maternity or other rights, but as you know rights accrue and you have to be somewhere with an unbroken contract **for them to accrue**. That's why the corporations get their governments to change the length of time you need to be in employment before you can avail of protection. They also get them to raise the cost of access to that justice in terms of the size of deposits for employment tribunals and so on. Therefore if you have a sector built on non-unionised, zero hours contracts with an individual's position on such a contract so precarious they can't insist on such rights – those rights have in fact been removed. So the daylight robbery of privatisation is not only the sector as a whole being stolen from us, it's also the theft of the workers' rights within that sector.

The idea of the 'boiled frog' is relevant here. It's said if you put a frog in boiling water it would jump out. But if you put it in cold water and heat it slowly it would stay in the water until it boiled to death. This is how the stealth privatisation of the NHS is achieved. The tone is set by people

slowly getting used to lesser quality/differently provided healthcare until the core principles of the NHS are lost and the default is no longer a publicly funded, accountable, properly staffed environment. The effect is to tilt the balance dramatically in favour of the private sector. The tilt is shocking. Domiciliary care provides the perfect example of this with the majority of trusts now delivering it via the private sector. Again this shows that, far from the noises that might have been made five or ten years ago about a mixed economy of provision the policy direction in certain sectors, as we warned, is heading one way - to full privatisation.

Global Capital Writing Our Policies

These changes are not merely local. As we've said in relation to neo-liberalism, this is what global capital wants and the relevance of these corporate giants to us is that they are also writing *our* health policy. One of the biggest players is Global Management Consultancy McKinsey. At the moment it seems if you're not a product of some corporate finishing school such as Goldman Sachs (like the Governor of the Bank of England, Mark Carney) you have a link to one of the big four accountants (Ernst & Young, Deloitte, PwC, KPMG) or McKinsey.

It was McKinsey that wrote the Comprehensive Spending Review report for the Health Minister in 2010 which was about closures and cuts and people paying for their treatment. Parts of it were graphic and outrageous of course. It was disgusting but at least it was clear. Even Edwin Poots described parts of it as "off the wall" but, he also said they would treat it as an "a la carte menu". Obviously even this approach was unsellable so it needed a full public relations makeover – to cloak McKinsey in a grand vision. This is TYC (Transforming Your Care). But given the cuts we're now threatened with – it won't be a la carte it'll be McKinsey's fixed menu from which we're force fed. And this is what Jim Wells has described when he announces what he calls savings of £170 million for 2014/5 – and provides a hit list of cuts and closures to be fulfilled by December 1 of this year.

False Promise of Transforming Your Care (TYC)

Campaigners (including ourselves) who challenge current health policy sometimes get accused of “defending buildings” as if we were opposed to the idea that care could be provided outside a hospital setting, particularly at home. Of course, this is nonsense. We’ve no problem having a genuine debate about these matters, about a truly holistic approach - about polyclinics, wider networks of support, care pathways, etc. But we know that such talk is completely hollow without the investment to offer genuine safety nets at all levels. We’re not defending buildings – we’re defending properly staffed/accessible healthcare. We’re saying what should be obvious and what exposes the hidden agenda – you don’t dismantle something unless you have at least an equivalent ready and waiting and you certainly don’t do it until you fix the existing problems.

We also now know that despite the grand rhetoric, neither the £70 million transitional (or £83 million) “shift left” money was in place for TYC. This raises **the** question - if TYC’s backers were arguing this amount of money would deliver an appropriate service, what do they think is now being delivered with dramatically less funding?

Everyone knew what was going to happen when A & Es such as those at the City Hospital, Whiteabbey and Magherafelt closed, without Belfast and other centres having the expanded capacity guaranteed or without the existing problems of staffing and funding fixed. In this context, without such provision and problem solving taking place first, all the grand talk of TYC is the equivalent of someone showing you a brochure for a dream kitchen while your house is burning down. Given the cuts we are now facing are we going to be asked to re-read the TYC brochure as the whole street is burning down?

The Big Deficit Lie

I want to look now at this question of deficits. There are a number of deficits relevant to what we are discussing today – the first is the one used to inform the “big lie” that is shaping all our lives at the moment – that the size of the Government deficit is so big that we can no longer continue to provide the scale of previous healthcare either at a local or national level we used to.

The obvious rebuttal of this lie is the very creation of the NHS itself as this took place when Government debt, necessarily acquired to deal with the unique post World War circumstance of reconstruction, was over three times what it is today. Furthermore while the recent high was attributable to rescuing the banks from their own recklessness, a greater post-war deficit did not stop the establishment of this National Health Service, the modern Welfare State, free secondary level education or expanded public housing provision.

But even then, it was always about health in the broadest sense. We should remember that Bevan was Minister for Health and Housing. He and the visionaries in a mass movement who fought for a health service didn't envisage it as the sole way of creating a healthy society. Quite the reverse. They knew you create a healthy society in the truest sense by establishing a social framework – a social security – from the cradle to the grave - within which a healthcare system plays a large part, but only one part. If Health issues are addressed in isolation we are asking this sector to do the impossible – to mop up all society's wider failures.

Funding Our Well-Being

The title of today refers to “the well-being of our people” but such a concept plays no part in current mainstream economics. Where once society claimed to offer social security from the cradle to the grave, there

is now no age at which society believes it can afford you – whether it's maternity units, childcare, schools, student grants, jobs/apprenticeships for young people, pensions for workers to retire on, health care for the elderly – there is no point of this life journey where you are not treated as a burden on society. But if the values of our society have led us to this, then I think our campaign – for the “well-being of our people” – has to be about how we overthrow this value system. Instead of annual telethons such as Children in Need – and a generation ago we wouldn't have known what a telethon was – could we start asking why are there children in need nationally and internationally and what is the nature of the system that is serving them so badly?

Of course our critics say, never mind that 1940s stuff, the world's a different place, where's the money now? Well they might start by having a word with the Treasury. When for years trade unions submitted pay claims we were told money doesn't grow on trees. Who knew the Treasury had their own magic money tree? They give it a much fancier title – they call it Quantitative Easing, this wonderful process has seen £375 billion – that's £375 billion of our money - given straight to the banks who in turn refuse to lend it back to us. Speaking of the banks and magic money, we should also remember that the bailout of the Royal Bank of Scotland alone cost £400bn and that this amount is enough money “to build more than 1500 schools or 70 new hospitals”². Even this figure is a mere fraction of the £1.3 trillion that has been used by the state to bailout British capitalism again (using our money) since the crash of 2008³.

Fighting for Tax Justice

If that's some of the wealth that the state has on tap already and that it used for its class allies, what about the resources that it is not even trying to gather in terms of its current approach to taxation? As many here will know, while they talk about having no money they are content

to allow “£120 billion to be annually lost through tax evasion, avoidance or non-collection”.⁴

And this is only what is lost in the current system – imagine what resources would be available in a truly progressive system if we went after the parasites listed for example in the Sunday Times’ rich list. The last published list showed Britain as having more billionaires per capita than any other country and where a thousand of its richest people now possess £519 billion. This figure, which has grown by £69bn in the last year alone, is the equivalent of a third of the UK’s GDP and is double what this elite group possessed at the time of the 2009 crash. Such wealth is only delivered by an economic model where the needs of the City of London are indulged as the first priority and allowed to operate with no responsibility to the rest of society – driven by people who don’t believe there is such a thing as society.

Part of our campaign for the well-being of our people therefore, must be about tax justice – this comes even more sharply into focus with the disgusting local campaign to lower corporation tax – and the audacious proposal that to pay for this in terms of the hit it represents on the Block grant, public servants would be made redundant. So the worker paying full tax and regressive VAT gets thrown on the scrapheap so the tax avoider can make even more untaxed profit. The next time a politician argues for this ask them whether the big corporations and media interests who are about to get this present also donate to that Party’s funding and ask them to print an honest manifesto for a change – one that says they want to sack workers to give big business a tax cut.

The Democratic Deficit

I heard Patricia (McKeown, Unison) on the radio a couple of weeks ago saying that politicians and senior civil servants were making decisions that suggested *they* believe there are “people in this society that don’t

count". The reason they feel confident enough to do this is because they operate in a space created by another deficit I want to finish by highlighting – the democratic deficit.

Think of how dramatic changes in our health service are announced to us without adequate consultation or proper democratic control and scrutiny. And I don't call the Health Committee staring at the stable door after the horse has bolted, scrutiny.

The absence of this scrutiny and democratic control is even more relevant when we think of the health cuts that have just been announced and their scandalous proposed timetable. It's interesting to think about the democratic deficit and compare the recklessness with which politicians treat the Health service and the care they took on the aspects of the Review of Public Administration – which they themselves were affected by directly. Would I be wrong to estimate that our double jobbing politicians spent more time working out the payoff to councillors leaving local government than they did analysing the number of beds that are being stripped out of the hospitals? Do we only properly analyse health reform when removal vans are pulling up outside residential care homes? Do we only analyse the consequences of cuts disguised as "reform" when strategic failure has killed people or when the Stephen Nolan show takes an interest in it? I would argue that what we are discussing today is the consequence of a huge democratic deficit, and what they think they can do to us because of this democratic deficit - because they think "there are people in this society that don't count".

So, dealing with this democratic deficit is the thread that runs through today. It is clear that the absence of any democratic participation in the planning and decision making processes within health and social care is contributing significantly to its problems. We need to insist on the democratic control of our health service, to take it away from the

technocrats, accountants and government appointees out of touch with the health needs of ordinary citizens. We need to introduce a system of governance for health and social care organisations that ensures the boards of these organisations are truly representative of citizens, staff and their Unions. A properly democratic health system would ensure that no change in our healthcare system could take place without full and genuine consultation and negotiation informed by full Equality Impact Assessments.

Conclusion

These issues need to be at the forefront of our political agenda – not dependent on the attention span of a shock jock broadcaster. This is where we all come in, as it will need a broad trade union and community campaign to keep this pressure on. If doctors take the Hippocratic Oath – the first part of which is “do no harm” – we should force the Health Minister, his senior officials and other politicians to take the same oath in relation to the NHS. If they won’t protect it our campaign has to focus on how we make them do it. We must start by challenging the false promise of Transforming Your Care and boiling the message down to the simplest fact - the only way to save the NHS is to fight its privatisation.

So this is the fight for the well-being of our people and this is our public sector reform. It doesn’t have the corporate logo behind it – that’s because it’s ethical. It’ll be driven by a democratic reconfiguration of the workplace drawing on real expertise and running services for the benefits of the population as a whole whether this relates to health, housing or any other public service. It means services run for a population who live in the society in which they operate – not for shareholders who may not even live in the country in which these services operate and who do not pay the taxes that keep them running. The pillars of a really reformed delivery system would be transparent, accountable and unionised.

Endnotes

1. [On Line] Available: <http://weownit.org.uk/privatisation>
2. Fisher, A. (2014). The Failed Experiment and how to build an economy that works. A Radical read imprint p. 12.
3. [On line] Available: <http://www.independent.co.uk/news/uk/home-news/the-13-trillion-pound-bank-job-1634729.html# 1/3/09/>.
4. Murphy, R (2010) 'Tax Justice and Jobs: The business case for investing in staff at HM Revenue and Customs' [On line] Available: <http://www.taxresearch.org.uk/Blog/2010/03/11/tax-justice-and-jobs-the-business-case-for-investing-in-staff-at-hm-revenue-customs/> 11/3/10.

Available Now

Read the NIPSA research on Transforming Your Care. Print versions of the full report and the short guide are available from NIPSA Headquarters.

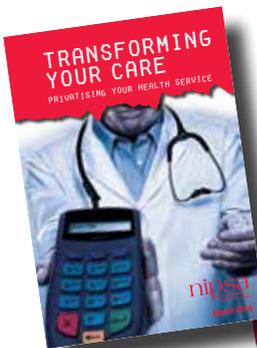
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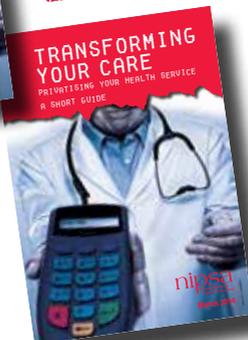
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