



Mass Privatization and Britain's Spiralling Public Debt, The Result of Failed Economic Policies

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Mondialisation.ca, 04 janvier 2016

[True Publica](#) 3 janvier 2016

Région : [Europe](#)

Thème: [Global Economy](#)

Public sector debt, that is the national debt that is declared as debt on the books of UK plc stands at around £1.6 trillion or 81% of GDP (all goods and services produced by the nation in one year). It is [double](#) today under George Osborne than when he took over the reigns in 2010 and for all of his musings of his economic miracle, Britain is in deep financial trouble.

The unravelling of Margaret Thatcher's economic policies in the 1980's are coming home to roost. She was [consistently warned](#) of the perils of deregulating the banking and financial sector. The subsequent banking collapse in 2008 was largely the fault of her "big Bang" theory we are all paying for so dearly today. Austerity, increased poverty, interest rates, gargantuan bank bailouts, quantitative easing, privatisation to name a few are the direct result of those failed policies.

The consequence of our muted 'economic miracle' is that revenue has to be generated from somewhere to fill an ever expanding financial black hole. George Osborne, unable to see any mechanisms for growth other than fully embracing austerity is filling that black hole with one of Thatcher's other economic destructive disasters - privatisation.

He is set on being the chancellor who [sold the nations family silver](#) - what's left of it. By the end of this year alone, Osborne will have sold nearly £60 billion of national assets built up over generations in just six years and by 2020, Osborne will have largely completed his task.

In ten years during Blair, privatisation was all but halted with a total sale of just £2.8 billion. Osborne by contrast will sell at least £100 billion by the next election and that does not include the sale of property or land, more than any chancellor, including during the entirety of the Thatcher years.

The continued 'Americanisation' of Britain advances with privatisation. The student loan book is nothing short of a scandal. Dumped as unworkable by the coalition government, the sale of student debt to banks means an uncapped variable interest rate without permission from the student and the usual shameful tactics associated with banks chasing their money.

In the USA, the federal government made it easier than ever to borrow money for higher education - saddling a generation with [crushing debts](#), sold off the debt book to investors where interest rates are set to double within five years. In a recent survey as much as 30 per cent of students would consider [selling an organ](#) to rid themselves of a lifetime of red letters from bankers. In the UK, [prostitution has doubled](#) as a direct result of university fees

and subsequent debts.

The Institute for Fiscal Studies (IFS) has dismissed Osborne's claims that you can finance new student loans by selling old ones as '[economic nonsense](#)' with the Financial Times lamenting the whole idea as 'economic illiteracy'.

Air traffic control, that manages 2.2 million passenger flights annually will be sold to the highest bidder. I'm sure that makes all 220 million passengers feel safer. It contributed £82 million plus £132 million in profits from annual sales to the public purse last year. Land registry contributed £100 million is also to be auctioned. The Green Investment Bank will be sold off, all these assets contribute back to society to be sold for a one off fee.

The selling of RBS now would constitute a loss to the taxpayer of £13 billion. RBS, Lloyds Banking Group and UK Asset Resolution is one thing. King's Cross, nuclear fuel processor Urenco, Channel 4, Network Rail, the governments mapping service Ordnance Survey, Companies House, weather forecaster The Met Office, Land Registry, the [list goes on](#), is quite another.

Private [ambulance services](#) cost the taxpayer £60m last year an increase of 156% in just two years with The College of Paramedics saying there are "currently not enough paramedics to provide a safe and effective service". G4S, the security firm unable to secure the Olympics as it [wasn't profitable enough](#) for them and caught thieving millions in an [overcharging scandal](#) have been awarded hundreds of millions in [police and prison](#) contracts. The fire and rescue services have done no better with stations and equipment sold off.

In 2010 the Government even drew up plans to [sell off publicly owned forests](#) in a move that could have seen private developers allowed to clear ancient trees to make way for holiday resorts, golf courses and adventure playgrounds. Thankfully, due to public outrage, the plan was abandoned. This just demonstrates the extremes an out of control ideology can reach.

The Office for National Statistics has just declared that Housing Associations are a nationalised industry in a desperate bid to save them. The taxpayer has [contributed](#) £44 billion to the total housing stock worth £133 billion. Meanwhile, David Cameron [ended lifetime tenancies](#) for council tenants for the first time since the end of the second world war for one good reason, investors can now kick them out, the deal now looks more attractive. Osborne salivates at the very thought, soon to be reality.

The NHS has effectively been abolished now that the government have severed that vital link between contributions made by the public through their salaries and the legal commitment to provide free health care via the Health Act. The result, George Osborne withheld £30 billion in the [National Insurance](#) fund from the NHS starving it of much needed money. In the meantime, the NHS saw a staggering [500% rise](#) of deals signed just last year handed over to private firms with the government misleading the public on the scale and pace of changes.

All of this was buried deep within the Spending Review, the sale of key British assets which brings in hundreds of millions of revenue year after year, not only providing cash for state pensions but provides incalculable social benefits.

The selling of water utilities was a case in point. The ten publicly owned water and sewerage

companies were privatised in 1989. Research by [Corporate Watch](#) determined that each UK household would save £75 a year if water was publicly owned and also found one third of the money spent on water bills goes to banks and investors as interest and dividends. All this while the water companies mire themselves in debt to ensure they don't pay tax on profits with the 19 bosses paying themselves £100 million annually.

Corporate Watch also found that each household would save £250 a year if energy, rail and water combined were renationalised. All this, and we find from the government's own research that 11% of British households now suffering from [fuel poverty](#) and [40,000 of our elderly](#) will die this winter, most from the cold in their own homes.

Research by the Public Services International Research Unit ([PSIRU](#)) demonstrated that water privatisation is not more efficient than public provision, and means higher prices for consumers and underinvestment in infrastructure.

Additional research by the [PSIRU](#) identified 180 cities and communities worldwide that have brought their water services into public ownership over the last fourteen years. These localities have increased investment, reduced water bills and enhanced the quality and accessibility of their services; and progress is accelerating. They estimate that bringing water in England back into public hands could produce savings in the range of £900m a year - ironically, exactly the same amount that [causes fuel poverty](#) in the UK.

Completely disregarded by government is that 71% of the British public want water services to be back in public hands.

There is [overwhelming opposition](#) to privatisation and the government has no mandate to continue what should be considered as nothing less than a crime against the state. The deliberate omission by the Conservatives in their latest manifesto obviously made no mention of the asset stripping of the nation on such a monumental scale. Such omissions in a court of law would be considered perjury.

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