PEOPLE OR PROFIT?

UK AID AND QUALITY PUBLIC SERVICES: A UNISON BRIEFING

MARCH 2020

Introduction

> *"While privatisation's proponents insist that it saves money, enhances efficiency, and improves services, the real-world evidence very often challenges or contradicts these claims"*
>
> **United Nations (UN) Special Rapporteur on extreme poverty and human rights Philip Alston[1]**

Quality public services are essential to a country's economic development and prosperity. They extend opportunities, strengthen communities, protect the vulnerable, and improve everyone's quality of life. They are also democratically accountable and provide better terms and conditions for workers, including by engaging with trade unions to develop collective bargaining agreements. Quality public services are essential in the economic development of low-income countries, due to their investment in infrastructure, sustaining a healthy workforce and providing direct support for industry. In fact, "public sector activity, directly and indirectly, supports half the formal jobs in the world, and has a comparative advantage in delivering public goods such as universal access to healthcare, affordable housing, and protecting the planet from climate change."[2] These public goods are also human rights, according to international human rights law. These rights include the right to health, the right to education, the right to an adequate standard of living and the right to water and sanitation.[3] These are all, crucially, underpinned by the rights to equality and non-discrimination.

Many corporations see the public sector as a new market for making profit, and as we will discover, the privatisation of public services in the global south (low and middle-income countries located in Asia, Africa, Latin America and the Caribbean) is profitable for many companies. The government has claimed that private sector delivery of public services leads to increased efficiency, however the evidence does not show this. The myth of private sector efficiency prevails however, and is continually and increasingly used in international development contexts. In fact, around 30 percent of the UK's international aid budget isn't being spent by the Department for International Development (DFID), the specialist government department responsible for administering overseas aid. This money is being spent by other government departments including the Foreign and Commonwealth Office[4], and Boris Johnson has recently threatened to scrap DFID altogether, possibly merging it with the Foreign and Commonwealth Office, with the intention to reposition aid spending so that it "coheres much better with UK political and indeed commercial objectives."[5] Given this emphasis on profit-making for businesses investing in international aid projects, it is no surprise that some government departments' aid spending doesn't focus on reducing poverty, doesn't always deliver value for money and is opaque in reporting on what the aid money is spent on.[6]

Another myth that is used to promote the privatisation of public services is that private providers are competitive and thus more efficient. We know, however, that the way that private providers can cut costs and appear 'competitive' is by cutting jobs, driving down salaries and labour conditions and by breaking unions and collective agreements.

The myth of private sector efficiency is not only held by the donor governments, but also by some service users. For example in Kenya, a study found that although poor clients had a theoretical preference for private health facilities, they still went to public or faith based providers due to lower costs.[7] This shows that even when people perceive private providers as being preferable to the public sector, the option of private healthcare is still too expensive for some of the world's poorest people.

Public services are the foundation of a fair and civilised society. It is essential that we continue the fight to protect them at home and internationally so they can meet the needs of the future.

Background

Since the 1980s, when neoliberal capitalist policies were adopted by Margaret Thatcher in the UK and Ronald Reagan in the US, both countries experienced an increase in the outsourcing of public services to private sector companies. In the UK this, coupled with the creation and adoption of public-private partnerships and almost a decade of austerity cuts, means that public sector workers have seen their terms and conditions eroded, pensions reduced and sector wide collective bargaining arrangements undermined.

In recent years neoliberal policies have become increasingly used in the UK's international aid policies, reflecting a global trend towards increased use of privatisation in international development.

In 2015, all of the countries that are member states of the United Nations agreed to the 17 'Sustainable Development Goals' (SDGs) to follow the Millennium Development Goals. These include goals to end poverty, to achieve gender equality and reduce inequality. The SDGs apply to all UN member states, and they strongly emphasise the collaboration between governments and the private sector to achieve the goals. For example, sustainable development goal 17 is to "revitalise the global partnership for sustainable development":

> *"A successful sustainable development agenda requires partnerships between governments, the private sector and civil society. These inclusive partnerships built upon principles and values, a shared vision, and shared goals that place people and the planet at the centre, are needed at the global, regional, national and local level.*
>
> *Urgent action is needed to mobilise, redirect and unlock the transformative power of trillions of dollars of private resources to deliver on sustainable development objectives."*[8]

The impact of neoliberal policies on global public services and an emphasis on the private sector means that profit becomes the main motivation. Public safety, the public ethos, public accountability and service quality are all secondary considerations. Instead of producing efficiencies, costs increase, often dramatically, adding to debts and forcing governments to cut other public services.

Since the 1980s, many governments in the global south have been subjected to restrictive structural adjustment programmes. Imposed by international institutions such as the World Bank and the IMF, predominantly in sub-Saharan Africa, these programmes force low and middle-income countries to prioritise spending on economic policies and debt repayment, rather than on public services (such as education and health) for their citizens. For example, a structural adjustment programme may call for the sale of government owned enterprises to private companies, a reduction in public spending and introduction of user fees to access healthcare and education. These programmes of forced austerity and privatisation have reduced the standard of living and working conditions of the citizens of the countries affected, disproportionately affecting the poorest and leading to greater inequality. For example, there is evidence to suggest that the forced reduction in healthcare expenditure has had a detrimental impact on child and maternal health in sub-Saharan Africa[9] and has contributed to weak healthcare systems unable to respond suitably to emergencies such as the Ebola virus outbreak in 2014 in West Africa.[10]

In the following sections, we will find out how the UK government is currently promoting privatisation in the global south in the areas of health, education, water and sanitation and energy.

Health

Sustainable Development Goal 3:

Ensure healthy lives and promote well-being for all at all ages[11]

Quality free public healthcare provision is the most effective way to reduce inequality and provide access to healthcare based on need rather than wealth.

The UK government should be working with other governments to offer funding and expertise to create and sustain publicly owned and controlled healthcare services. Instead of this, DFID is leading the way in funding and promoting the private provision of healthcare in the global south.

Research has shown that there is a gap between what governments in the global south expect from private health providers and what they feel they receive. For example, whereas governments require universal health care provision, the private providers often focus on more profitable urban contexts.[12] Governments also expect highly standardised, large-scale health services and feel that what they are provided instead is overpriced care from unreliable independent operators.[13]

The increase of private companies delivering essential social services risks undermining the obligation of countries to realise the economic, social and cultural rights of their citizens.[14] Indeed, according to the UN Special Rapporteur on extreme poverty and human rights, the privatisation of public services undermines human rights.[15] Privatisation of essential social services could lead to violations of economic and social human rights of the poorest and most marginalised people who are unable to pay for or choose adequate services, in part because the private services lack sufficient monitoring, regulation and controls. There is a risk of a violation of the right to health, or to education – if someone is unable to afford health treatment, or school fees, they are effectively being denied the fulfilment of their right to health or education. For example, DFID's investment in private healthcare in sub-Saharan Africa has produced poor results with regards to improving maternal health, this impacts the realisation of the right to health of the women accessing these services.[16]

There are even cases where health facilities in the global south detain patients who are unable to pay their hospital bills, or detain the bodies of patients who have died in hospital and whose families cannot afford to release them. The international affairs think tank Chatham House estimates that hundreds of thousands of people are affected every year, and women requiring emergency caesarean sections are particularly vulnerable to detention in medical facilities. This is the case even in countries such as Kenya, which have free public maternity services, as the free services don't cover emergency surgery.[17] This practice has taken place in some countries that receive DFID funding for healthcare, such as India and Kenya.[18] DFID as an international donor can directly influence health policy decisions of the governments who receive aid, and should be using this leverage to more effectively press for an end to detention of patients.

Public Private Partnerships (PPPs)

"In other countries this would be called looting; here it is called the PPP"

Boris Johnson, 2010[19]

The UK was one of the first countries to develop Public Private Partnerships (PPPs) in the early 1990s under the Major government. The controversial schemes, often known as Private Finance Initiative (PFIs or PF2s) were used extensively in UK public services for decades. PPPs are a type of contract under which private companies build and often operate public infrastructure and services (such as hospitals), however the financial risk remains primarily with the public body. PPPs have been seen as an attractive option for governments as the cost of borrowing isn't included on the government's balance sheet, so doesn't appear to increase the government's debt. However, given their complicated legal and financial structures, PPPs in fact leave a vast legacy of hidden public debts.[20]

Despite the vast volume of evidence from the UK that indicates that PPPs

produce more costly, less democratically accountable, and lower quality public services than those directly funded by governments[21] as well as the fact that the creation of new PFIs has ceased in the UK,[22] the UK government continues to promote health PPPs around the world.[23] At least 92 countries have passed laws enabling or related to PPPs.[24] In 2013 the public body Healthcare UK was created to "promote British companies working in healthcare around the world, including on PPPs."[25] Its glossy brochures describe the supposed 'benefits' of PPPs:

> *"Through partnership with the private sector, PPPs enable the delivery of efficient, cost-effective and measurable public services within modern facilities whilst minimising the financial risk...*
>
> *"The UK is the acknowledged world-leader in healthcare PPPs, harnessing the best in public and private sector skills and innovation to provide outstanding healthcare facilities" [Healthcare UK promotional material][26]*

Overpriced PPPs store up massive debts for governments, with next to no risks and vast profits for multinational healthcare companies. It's time the UK government stopped promoting them.

Poverty reduction, or profit making?

PPPs are not the only way that the UK government invests in and promotes private health initiatives in the global south. The CDC group is DFID's controversial and profitable 'development finance institution' which has been criticised for focusing on return on investment rather than on poverty reduction, and for using tax havens.[27] It invests in private companies in the global south through intermediaries – private equity funds – and makes direct investments in private sector projects.[28] In recent years the CDC group has invested heavily in a range of private health initiatives, including pre-existing private hospitals or private hospital chains.[29] Since May 2010 the CDC Group has invested in at least 85 health companies, primarily in South Asia.[30] Private healthcare in India is big business and private secondary and tertiary healthcare delivery in India is expected to grow from $42 billion in 2018 to $65 billion by 2022.[31] In 2016, the CDC Group admitted that over half of its investments in India went to support financial institutions and private medical care in the wealthier or middle-income states. The CDC group has rightly faced criticism that it has been investing in high profit making private healthcare provision in middle-income India, rather than investing in poverty reduction projects in poorer countries.[32]

DFID has also set up several initiatives to involve the private sector in partnership. One such initiative involving the development of small-scale healthcare services is Harnessing Non-State Actors for Better Health for the Poor (HANSHEP).[33] HANSHEP is a group of development agencies and countries, established in 2010, which aims to "improve the performance of the non-state sector in delivering better healthcare to the poor by working together, learning from each other, and sharing this learning with others."[34] The members include the World Bank, Bill & Melinda Gates Foundation as well as DFID and other government departments. DFID has committed £31,010,173 on HANSHEP over a ten-year period (2011-2021).[35]

The range of HANSHEP projects demonstrates how DFID funds projects which facilitate changes in the way in which public healthcare systems operate. They include the creation of health markets and market innovations, health enterprises and the development of PPPs in different contexts. For example, one of HANSHEP's programmes was the Markets for Health Training. This three-year project provided training courses on private health policy and operations to 150 public officials and policymakers managing PPPs in low and lower-middle income countries.[36]

Another HANSHEP project is the African Health Markets for Equity (AHME) programme established in Ghana, Nigeria and Kenya to support the conditions needed to scale up primary health services among private providers. AHME works with existing low-cost private service providers and provides them with training, branding, subsidies, business support and standardised protocols using a franchising model commonly defined as 'clinical social franchising.'[37] Private providers have generally benefited from greater income through such contracts, compared to previous walk-in trade they received through out-of-pocket payments.[38]

Profit making for pharmaceutical companies

The UK government is a leading government donor[39] to the Global Alliance for Vaccines and Immunisation (GAVI), which "brings together public and private sectors with the shared goal of creating equal access to vaccines for children, wherever they live." However, there have been criticisms that pharmaceutical companies continue to make large profits from funds awarded by GAVI. GlaxoSmithKline and Pfizer dominate the production of pneumonia vaccines, keeping the prices exploitatively high, meaning that one third of countries have been unable to introduce the vaccine, largely due to its high price.[40]

Privately funded health projects and PPPs clearly produce big profits for the companies involved, yet the evidence that they are more cost-effective or efficient compared to the public sector in delivering healthcare to the world's poorest is lacking.

Education

"Privatisation is a process, which can be defined as the 'transfer of assets, management, functions or responsibilities [relating to education] previously owned or carried out by the state to private actors"[41]

Sustainable Development Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all[42]

Quality, free publicly provided education is the most effective way to improve educational standards and reduce inequality. It improves educational outcomes and ensures that education is democratic, accountable and that teachers and school staff are well trained and supported. The right to education has been enshrined in international human rights law in the 1948 Universal Declaration of Human Rights and in several subsequent international human rights conventions. They state that primary education should be free for all.[43] Despite this, privatisation of education has been increasing in the global south in recent decades. The UK is a leader in education development and funding,[44] and has been complicit in this move towards the privatisation of education. The CDC group invests in a variety of private education projects, where the outcome of delivering inclusive and equitable education is questionable - including funding private international schools and a private university.[45]

Privatisation of education can mean a variety of things, including the development of PPPs, private sources of funding, charging fees, outsourcing services to private actors, as well as the unregulated expansion of private sector provision of education if students have no other choice of school. Private actors can include companies, religious institutions, or non-governmental organisations.[46]

Low fee private schools

Low fee private schools charge parents or guardians a regular weekly or daily fee, and claim to be affordable to the communities where they are located. However, studies have shown that the poorest households may have to spend up to 40 per cent of their income on school fees for one child, which means the families have to make tough decisions on whether to sacrifice shelter, food, healthcare or the education of their children to make ends meet.[47] Where there is more than one child in a family, the problem is exacerbated and in many instances when faced with a decision over who to send to school, families prioritise the education of boys over girls, which further entrenches gender inequality. To maximise profits, low fee private schools often enforce a strict payment policy. If a child doesn't pay their school fees, they aren't allowed to attend lessons.

A 2014 study of low fee private schools commissioned by DFID noted that "much of the evidence reviewed...indicates that private school teachers are often less formally qualified, have low salaries and weak job security."[48] In 2016 the UN Committee on the Rights of the Child criticised the UK government's funding of for-profit schools internationally:

> *"the Committee is concerned about the State party's funding of low-fee, private and informal schools run by for-profit business enterprises in recipient States. Rapid increase in the number of such schools may contribute to substandard education, less investment in free and quality public schools and deepened inequalities in the recipient countries, leaving behind children who cannot afford even low-fee schools."[49]*

Bridge International Academies

> *"Through the use of data and technology, the Bridge model streamlines school administration, delivers lesson plans to teachers and facilitates classroom management and academy construction... the company is a pioneer in public-private partnerships"*
>
> **CDC group website[50]**

One of the most controversial examples of low fee private school funding is Bridge International Academies (BIA), a for-profit network of pre-primary and primary schools in India, Kenya, Liberia, Nigeria and Uganda. According to Bridge, many of the schools are government public schools supported through PPPs and government partnerships.[51] The CDC Group has invested $7.6 million in BIA since 2013, DFID has invested £3.45 million[52] and BIA has also been backed by the World Bank, Bill Gates and Mark Zuckerberg.[53]

Research from Education International (EI), a global union federation of teachers' trade unions, found BIA uses a 'school in a box' model, using broadband technology to create a standardised model of education with smartphones and tablet computers, which enable teachers and administration staff to conduct all teaching and administrative activities though the computer devices. [54] The curriculum is developed by BIA and sent electronically to each school. The EI research explains that teachers are replaced with 'learning facilitators', who do not have to be certified, as they are just reading out the scripted lesson plans off an electronic tablet word for word. [55] This saves on operating costs as the BIA 'learning facilitators' are paid very low wages and do not have access to the additional benefits that teachers in the public system would receive, such as healthcare.[56] The entire model seems designed to reduce costs and maximise profits.

In 2015 BIA was strongly condemned by over one hundred national and international organisations across the world,[57] who expressed their concerns about BIA's low-fee private primary schools targeting poor families in Kenya and Uganda. They highlighted the fact that even the supposedly 'low' fees were out of reach for most families and once extra costs such as school uniforms and school meals are included, it could cost between 60-80 per cent of a family's income to send three children to school.[58] A number of studies have indicated that Bridge schools are inaccessible to the very poor and in particular to students with special educational needs.[59] Given the many issues with the schools including the use of unqualified 'learning facilitators', sub-standard facilities and unsanitary conditions, authorities in Uganda even tried to stop the schools from operating.[60]

The investment in private education by DFID and CDC funding leads to increased inequality, drives down standards and undermines publicly provided education. It damages the opportunities of children from poorer backgrounds and is counter to the sustainable development goal target on free, equitable, inclusive and quality education.[61] The example of BIA demonstrates why public funding of education is the only way to develop sustainable and inclusive schools in which children are taught by qualified and well-supported teachers.

Water and sanitation

Sustainable Development Goal 6: Ensure access to water and sanitation for all[62]

The right to safe water and sanitation is enshrined in human rights law and has been recognised by the UN General Assembly since 2010.[63] These rights are so fundamental they are considered 'enabling rights', because other human rights cannot be realised without the right to safe water and sanitation. Under international law it is the responsibility of the state to ensure that all human rights can be enjoyed, including the right to safe water and sanitation. Unfortunately, in far too many cases, when governments have privatised their water and sanitation services, they have also outsourced their responsibility for human rights.

According to the UN, governments have a responsibility to ensure that water and sanitation services are accessible, available, affordable, of safe quality and culturally acceptable. However, several decades of evidence shows that when water and sanitation services are privatised, it is significantly more difficult for governments to comply with these obligations. This is because when water is considered a commercial commodity, companies run water and sanitation services to maximise profits for their shareholders, not to satisfy human rights obligations.

In countries with higher levels of poverty, it is unusual for household bills to be able to generate the finance needed to sustain the water and sanitation system without a significant increase in tariffs. This often leads to the poorest being cut off from water and sanitation services, violating their rights to water and sanitation and other human rights. In 2015, the European Parliament recognised that the "privatisation of basic utilities in sub-Saharan Africa in the 1990s has, inter alia, hampered the achievement of Millennium Development Goals (MDGs) on both water and sanitation, as the focus of investors on cost recovery has, among other things, intensified inequalities in the provision of such services."[64]

In addition to tariff increases, companies must often cut corners on services, environmental standards or workers' rights in order to recover costs and return a profit. Essential investment in outdated infrastructure can be neglected, whilst private contractors seek to reduce labour costs through cuts to the workforce and limiting workers' rights, including pay, social protection and job security.

Privatisation is regularly promoted as a response to decades of underinvestment in water and sanitation by governments. Its proponents argue that it provides a mechanism to access investment on a sufficient scale for expensive infrastructure. In reality, most governments can borrow at a far cheaper rate than the private sector. Large scale private contracts are often awarded to large multinational companies, and can involve generous tax breaks, minimising revenue that can be invested in other public services and any profit leaving the country.

Privatisation contracts, particularly PPPs, often protect the profits of the operating companies, whilst ensuring any financial risks are carried by the state. When a government attempts to cancel or amend a contract in a way that might affect the profits of an operating company, by applying a cap on tariffs, for example, they can end up in expensive arbitration cases, in private courts, against companies with revenues significantly higher than the country's GDP.

Far from providing investment required for quality water and sanitation services, privatisation has often resulted in:

- Poor performance and service quality;
- Skyrocketing water bills that penalise the poor;
- Limited access to water services;
- Underinvestment in services and infrastructure;
- Disputes over operational costs and price increases;
- Difficulties and high costs associated with monitoring and regulating private operators;
- Lack of financial transparency, anti-trust activities on the part of large private utilities and corruption;
- Workforce cuts, poor working conditions and labour violations;
- More discrimination and lack of

equality, with negative impacts disproportionately impacting groups including the poor, rural communities and women.

Quality public water and sanitation services, funded through public investment, are by far the most efficient and effective way of reducing poverty and inequality and complying with the human rights obligations of the state. Without the constraints of inflexible contracts governments are far more able to respond to the environmental crisis, with better water management that works for all. Further efficiencies can be driven through Public-Public Partnerships (PUPs) which allow the sharing of expertise, economies of scale and better transparency and accountability.

Despite the evidence that privatisation is an inappropriate development response to decades of underfunding for water and sanitation systems, the UK government is increasingly using the aid budget to promote private sector solutions to the water and sanitation crisis.

DFID is the principal donor to the Private Infrastructure Development Group (PIDG), committing an additional £435 million in 2018. PIDG uses blended finance (another term for PPPs) to develop 'investment ready, bankable, investment opportunities' for the private sector.[65] UK government funding for the agency was increased five-fold in 2011 and now totals US $1,036.1 million, before additional commitments.

PIDG has made investments in at least 20 water and sanitation projects in Africa and Asia, the majority of which are water supply PPPs. Projects include the Kigali Bulk Water PPP Project, in Rwanda, which commits the Water & Sanitation Corporation of Rwanda to buying treated water from Kigali Water Limited (KWL), a subsidiary of UAE based Metito for a period of 27 years. The use of long-term, inflexible contracts for the provision of public services restricts the ability of government to adapt their WASH policies in response to the needs of the population.

In 2015 a National Audit Office report raised concerns that DFID lacked "good enough evidence that funding PIDG was the best option."[66] The report also raised concerns about the lack of financial scrutiny by DFID and use of tax havens by PIDG's subsidiaries.

DFID also invests in water privatisation through its private sector investment arm, the CDC Group. Although water and sanitation is not a significant part of CDC's portfolio, the company does have investments in at least five WASH infrastructure companies.

The Climate Resilient Infrastructure Development Facility (CRIDF)[67], is a £69 million DFID programme, which aims to attract funding for water infrastructure development in southern Africa, including PPPs.[68] The first phase from 2012-2017 was implemented by Adam Smith International, the development arm of the free market think tank, the Adam Smith Institute.

Projects include a PPP between Malawi's Southern Region Water Board and Illovo Sugar, a subsidiary of Associated British Foods, to provide improved water and sanitation to Nchalo Town and surrounding communities.

CRIDF promote a number of potential investment opportunities in WASH PPPs. The Makonde Plateau Water Supply Scheme in Tanzania and Mozambique, for example, offers investors an opportunity to make an internal rate of return of 27.5 percent, resulting in a potential profit of £67.11 million (current value) on an investment of £10-12 million.[69]

The extortionate whole life costs of these PPP projects, and failure of private investment to fix the WASH infrastructure gap, exposes why strong public funding is the only way to develop sustainable WASH systems that reduce inequality, not exclude the poorest. That is why there have been at least 267 cases of water remunicipalisation (the return of previously privatised water supply and sanitation services to municipal authorities) in 37 countries since 2005, affecting more than 100 million people. The UK government must urgently address its approach to WASH, ensuring the human right to water and sanitation and the right to quality public services are central to their strategy.

Energy and climate change

Sustainable Development Goal 13:

Take urgent action to combat climate change and its impacts[70]

The climate crisis is one of the greatest threats to humanity. It is already a reality for many parts of the world, particularly coastal communities. As more extreme weather and natural disasters affect communities and access to resources, quality public services are essential to protect those affected, including the millions of people who have been displaced.

Tackling climate change requires a 'just transition' to a low carbon economy, which ensures that workers and communities are not disadvantaged. This will require bold government policy and a commitment to a green economy, with new, democratic forms of renewable energy production and delivery, which could create millions of decent jobs.

Historically most investment in low carbon energy has been driven by governments, not markets.[71] However, many are now looking to the same unpredictable markets which created the climate crisis to provide the solutions, ignoring the reality that the short-term pursuit of profit will inevitably lead to a piecemeal approach which exacerbates energy poverty.

The only way we can achieve the energy transition we need, on the scale that is required, is through strong public investment, ownership and governance of renewable energy. It is the most flexible, efficient and effective way to mitigate against climate change, reduce energy poverty and provide and protect decent work.

Although the UK government has made public commitments to tackle climate change, it continues to use the aid budget to invest in fossil fuels. Where investments are made in green energy, the focus is on 'leveraging' private investment, tying governments into long inflexible PPP contracts, which exacerbate energy poverty through expensive tariffs.

The DFID funded Private Infrastructure Development Group (PIDG) has made over 100 investments in energy generation since 2010. According to Global Witness, PIDG committed over US$750 million to fossil fuel between 2002 and 2018.[72]

Likewise, DFID's private sector investment arm, the CDC Group, has a large portfolio of investments in fossil fuel-based operations involving the use of coal, gas, oil and heavy fuel oil.[73] Although CDC also has significant investments in renewable energy, these are in private energy providers, rather than public providers.

DFID has committed over £1.55 billion to the Climate Investment Funds to support low carbon technology and climate change resilience in developing and middle-income countries. According to DFID this major contribution has "enabled the UK to wield considerable influence within the fund, allowing us to successfully pursue our objectives...and in securing a greater private sector focus within the fund."[74]

In January 2020 the UK government hosted the UK-Africa Investment Summit in London. The event is symbolic of the highly financialised, market-based approach to development that the government has increasingly promoted since 2010. Whilst the government attempted to highlight its green finance credentials,[75] over 90 percent of the energy deals agreed at the summit were for fossil fuels.[76]

DFID also uses major private sector consultancies to promote the privatisation of public energy systems. The Nigeria Infrastructure Advisory Facility, a £104 million project implemented by Adam Smith International between 2011 and 2017,[77] included a major programme "supporting the privatisation and regulatory reform of the Nigerian power sector."[78] Reforms to the power sector have had a significant impact on consumers and workers, with increases to the three main tariffs of between 47 and 197 percent in real terms in the period between 2011 and 2015, and the dismissal of 14,000 workers.[79] Whilst privatisation promised to improve the electricity supply, power outages increased and have continued to be a significant problem for consumers, businesses and public services.[80]

The consistent failure of energy privatisation highlights why DFID should reconsider its energy strategy and stop promoting expensive and inflexible PPPs and investment in fossil fuels. If the government is serious about tackling the climate emergency it must instead invest in a just transition to publicly owned low carbon energy systems, which reduce energy poverty and provide decent work.

Conclusion and recommendations

In the UK we have experienced first-hand the very real challenges that ideological privatisation of public services brings, including escalating costs, lack of accountability, poor trade union engagement and subsequent worsening of working conditions of public sector workers. The recent high-profile collapse of Carillion, the failed privatisation of probation services and the Conservative government's decision to halt future PFI contracts and to 'end austerity' highlight some of the many shortcomings of the privatisation of public services.

Privatised public services that are motivated by profit ultimately serve the few, not the many. The UK government has the expertise and experience to support governments in the global south to develop their own sustainable and accountable public services, which serve the interests of the communities that depend on them, reduce inequality and provide decent quality jobs and training for the workers employed in them. There are other models that the UK could pursue, including public-public partnerships (PUPs), where governments can share skills and expertise between them to develop quality public services.

The only democratic, affordable, accountable long-term solution to reducing poverty and inequality and to maintain decent working standards is to create and sustain quality public services. It is also the only sustainable option we have to effectively counter the damaging and inevitable impacts of climate change.

UNISON will continue to work with our sister unions across the globe to make the case for quality public services and we will continue to campaign and fight against privatisation of our public services both domestically and through development aid to the global south. UNISON recommends that the UK government changes its aid strategy away from the unquestioning financing of privatised public services.

The government should:

- Ensure that the development and protection of quality public services is a cross cutting theme throughout all of DFID's work and is prioritised in its aid spending;
- End its support for all forms of privatisation of public services, including through the CDC Group, the Private Infrastructure Development Group (PIDG) and Healthcare UK;
- Create a DFID Centre for Quality Public Services, which promotes the development of quality public services in the global south;
- Stop the promotion of PPPs for economic and social infrastructure financing and publicly acknowledge the financial, environmental and social risks that PPPs involve;
- Support public-public partnerships (PUPs) to enable collaboration and the sharing of best practice;
- Recognise the role of trade unions in achieving the SDGs, particularly the importance of decent work in poverty alleviation and gender equality.

Take action

Write to your MP

Write to your MP and ask them to highlight your concerns about the UK government's continued investment in and promotion of private provision of public services through the aid money it distributes to projects in the global south. You can use the model letter below:

Model letter to MP

House of Commons
Westminster
London
SW1A 0AA

Dear ______________ MP

On behalf of UNISON members in _____________ branch, I am writing to express our deep concern over the UK government's continued promotion and funding of private healthcare, education, water and sanitation and energy projects in the global south, through UK aid investment.

This investment appears to be ideologically driven rather than based on evidence. There are a variety of different investment models, including Public Private Partnerships (PPPs). Whilst the UK government has decided to stop funding Private Finance Initiatives at home, it continues to promote similar initiatives in the global south. This is despite the wealth of evidence that disproves the presumption that private providers of services are more efficient and cost-effective. Overpriced PPPs store up massive debts for governments, with next to no risks and vast profits for multinational healthcare companies. It's time the UK government stopped promoting them.

Quality public services are the foundation of a fair and civilised society. They extend opportunities, strengthen our communities, protect the vulnerable, and improve everyone's quality of life. They are democratically accountable and have better terms and conditions for their workers and are essential to our economic development and prosperity. I urge you to call on the government to:

- Ensure that the development and protection of quality public services is a cross cutting theme throughout all of DFID's work and is prioritised in its aid spending;
- Stop all aid programmes which promote the for-profit provision of public services and focus on the creation of high quality, publicly funded, democratically controlled and accountable public services;
- Create a DFID Centre for Quality Public Services, which promotes the development of quality public services in the global south;
- Stop the promotion of PPPs for economic and social infrastructure financing and publicly acknowledge the financial, environmental and social risks that PPPs involve;
- Support public-public partnerships (PUPs) to enable collaboration and the sharing of best practice;
- Recognise the role of trade unions in achieving the SDGs, particularly the importance of decent work in poverty alleviation and gender equality.

Yours faithfully,

Write to the Secretary of State for International Development

Write to the Secretary of State for International Development and ask them to end DFID's support and funding of the privatisation of public services internationally.

Model letter to minister

Secretary of State for International Development
22 Whitehall
London
SW1A 2EG

Dear Secretary of State,

I am deeply concerned about the UK government's continued support and investment in private sector initiatives in the global south.

Whilst the UK government has decided to stop funding Private Finance Initiatives at home, it continues to promote similar initiatives in the global south. This is despite the wealth of evidence that belies the presumption that private providers of services are more efficient and cost-effective. Recently we have seen the collapse of Carillion and the renationalisation of probation services in the UK, two additional clear examples of where privatisation of public services did not improve efficiency or cut costs.

Quality public services are the foundation of a fair and civilised society. They extend opportunities, strengthen our communities, protect the vulnerable, and improve everyone's quality of life. They are essential to our economic development and prosperity. The UK government's promotion of privatised public services such as PPPs in the global south is ineffective and unethical.

I urge you to:

- Ensure that the development and protection of quality public services is a cross cutting theme throughout all of DFID's work and prioritised in its aid spending;
- Stop all aid programmes which promote the for-profit provision of public services and focus on the creation of high quality, publicly funded, democratically controlled and accountable public services;
- Create a DFID Centre for Quality Public Services, which promotes the development of quality public services in the global south;
- Stop the promotion of PPPs for economic and social infrastructure financing and publicly acknowledge the financial, environmental and social risks that PPPs involve;
- Support public-public partnerships (PUPs) to enable collaboration and the sharing of best practice;
- Recognise the role of trade unions in achieving the SDGs, particularly the importance of decent work in poverty alleviation and gender equality.

Yours faithfully,

Model motion

Based on UNISON policy approved by the June 2016 National Delegate Conference

The UK government, through the Department for International Development (DFID) and other government agencies, is aggressively promoting the private sector as an alternative provider of public services globally.

Traditionally privatisation, driven by the international finance institutions, has been promoted in infrastructure projects, particularly water, sanitation and energy, often with terrible consequences, but increasingly DFID is promoting a stronger role for the private sector in education, health, water and sanitation and energy.

In education DFID has been promoting the role of private and low fee schools as an alternative to publicly run schools, including through its investment arm, the CDC Group. One preferred model, which has striking similarities to the 'school's pence' system, abolished in Britain in 1891, involves low daily fees, large classes and unqualified teachers with very little training, instructed to read a lesson from a hand-held computer.

This branch believes this investment in private education as an alternative to publicly provided education, increases inequality, drives down standards and undermines publicly provided education. It damages the opportunities of children from poorer backgrounds and is counter to the sustainable development goal on free, equitable and quality education.

In healthcare the privatisation agenda is far more advanced. Since the 1980s the international finance institutions have been encouraging low income countries to open their health markets to foreign investors.

In recent years the UK government has been promoting various forms of private healthcare provision in low income countries, including Public Private Partnerships (PPPs). The Sustainable Development Goal on universal access to healthcare is being used by the UK government and many multinational companies as an opportunity for the expansion of private healthcare provision, to the detriment of public services.

This branch further believes that public healthcare systems produce efficiencies of scale, are better able to control costs and have lower administrative costs. They are more effective and efficient in meeting the health care needs of the whole population, lead to better health outcomes and help reduce inequality. Private healthcare systems on the other hand are more expensive to run, are primarily accountable to shareholders, disadvantage the poorest and further erode public services.

Where healthcare is provided for free, it is much more likely to be accessed by the poorest. Where it is paid for, even at low cost, it can absorb a significant proportion of the income of the poorest in society, forcing women in particular to choose between education, health, shelter or food.

This branch agrees to:

1. Highlight and oppose DFID and the UK government's aggressive promotion of private healthcare, education water and sanitation and energy provision in low income countries;
2. Promote the value of quality public services;
3. Write to the Secretary of State for International Development and ask them to end DFID's support and funding of the privatisation of public services internationally, and write to and lobby our MPs to support this.

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