

Privatised Planet

Ross [00:00:28] Welcome to Renegade Inc. Question: How is this privatization working out for everyone?

Video clip [00:00:34] Britain's railways have raised their fares as of the new year, causing some public controversy. Ministers have been holding crisis talks aimed at limiting the damage caused by the collapse of the construction giant, Carillion. His idea was to break the NHS up into smaller units. This hospital may be paid for by the taxpayer, but it's owned by a company now whose investors includes hedge funds.

Question to Donald Trump [00:00:56] Should the National Health Service be on the table in the trade talks?

Trump [00:00:59] No, not at all. I have nothing to do with it. Never even thought about it.

Tim Coles [00:01:02] Any free trade deal necessitates the privatization of the NHS. That's how free trade deals work.

Ross [00:01:14] Joining me to discuss why we live on an increasingly privatized planet, are the founder of 'We Own It', Cat Hobbs, and the author and associate researcher for the Organization for Propaganda Studies, Dr. Tim Coles. Welcome to you both. Thank you for doing this. Tim, when people hear those two words, 'free trade', everybody thinks that's surely a good thing. Why would you, why would anyone, argue against the idea of free trade?

Tim Coles [00:01:40] It's a propaganda term, so you can write whatever you want on this kind of blank slate. So if you a kind of libertarian type in the modern sense, you can assume that it means freedom to profit with entrepreneurial initiatives. Or if we're a kind of liberal internationalist, it can mean freedom to integrate with other cultures. But in fact, it's actually a cover for corporate capture of entire nation states. So if you look, for example, at the North American Free Trade Agreement between the US, Mexico and Canada in the 90s, that led to about 3 million Mexican farmers losing their jobs over a 10 year period as they tried to compete with US agribusiness. So there's very little free in that. Or another effect of NAFTA - and that's just one free trade deal - was that at the time that it was signed, about 40 percent of U.S so-called trade was internal to US corporations. So if a motor company in the US laid off its staff, it could open a plant in Mexico to enjoy cheaper labour. It would then re-import the assembled vehicle back into the United States with no tariffs and that was supposed to be trade when in fact it was internal to the corporation.

Ross [00:02:53] So cui bono on this, to whose benefit? Who has assembled this idea - the propaganda piece, if you like? Who does it benefit and why are we lumbered with it?

Tim Coles [00:03:03] Well, scholars, rightly or wrongly, tend to date it back to the British Empire of the 19th century. This was predicated on violence and the expansion of empire for markets. This system has continued under the US empire. The US is formally committed to world domination. It calls it Full Spectrum Dominance. And the military documents that talk about Full Spectrum Dominance explicitly mentioned for the benefit of U.S. corporations. So

the US now, just as the British did, tried to shape the world conducive to the interests of U.S. corporations.

Ross [00:03:39] So to follow that logic, is it possible, could you say, that free trade is actually Empire 2.0?

Tim Coles [00:03:46] Yeah, there's a strong element of that in terms of international relations like the example I gave with the motor companies in Mexico. This is traditional manufacturing and production. But what we've seen as the neo liberalisation of the economy has occurred, corporations now are making a lot of their profits with assets, with shifting money around. And one of the most dangerous things about the current model of so-called free trade, is the inclusion of very dangerous financial products. Warren Buffett, the multi billionaire, famously called the derivatives - which is one type of economic instrument - financial weapons of mass destruction. They had partly had caused the financial crisis, one of many aspects. These kinds of dangerous products can be exported under this pretence of it being free trade. And in fact, the free trade texts that are negotiated by corporate lawyers in secret have provisions in there for all sorts of anti-democratic things. One of them is called Investor State Dispute Settlements, which in fact go back to the 1960s, they are actually mechanisms for corporations to sue governments. So under NAFTA, which I mentioned earlier, Canada - a fairly robust economy - became one of the most sued nations in the world. So the Canadian government would try to introduce laws to protect the environment. U.S. corporations found these laws to be a hindrance to their profits and sued the government, in response. The U.S. Office of the Trade Representative calls ISDS clauses 'gunboat diplomacy'. So I mentioned earlier about the British Empire: The British Empire would go into, say, an African village and shoot the place up so that they could open their markets to palm oil exports or whatever. Today, the US empire uses these kinds of threats to sue as a legal equivalent of a gunboat.

Dorothy Guerrero (video clip) [00:05:45] At the moment, there is an asymmetry of power between government, corporations and people. And in privatization that asymmetry of power is seen to have increased that, now, people have very little to say when it comes to their welfare, when it comes to their access to services. And government, at the same time, has increasingly given up their role for public welfare. And on the other hand, corporations have become more and more powerful that they can go anywhere, any sector, do anything, control the process with very little opportunity or power of the government the correct that. The three decades of privatization in this country, also showed that maybe between 60 to 65 percent are now not just privatized, but also foreign owned. And the problem there is, when we come to doing policy or improving them, we're doing innovations, you have to now navigate two kinds of interest - the public interest, the commercial interest and now the foreign interest as well. And in that balance of interest, it is the public that comes last. Another impact of privatization or or the free trade agreements, is that it is more difficult to do interventions on policy processes, especially on climate change, which is just now the biggest challenge that we are facing, and will continue to be a problem in the next hundred years. With many of the current free trade agreements now that are very ambitious, very comprehensive, very broad, many of the policies that governments can go into or initiate will be problematic because of free trade agreements, corporations can now sue governments. So even if a government will say we will ban fracking or we will close down all the coal plants or nuclear power plants, it would be difficult because the corporations that own them can sue the government. Now

there's that investment clause in all these free trade agreements that will make it possible for those corporations to sue governments. And there's no comparative law where governments or community can sue those corporations.

Ross [00:08:02] How many times has the British government been sued?

Cat Hobbs [00:08:04] I don't think the British government has been sued because these agreements are intended to be used against Western countries. They were introduced for us to effectively continue colonizing other countries, and as Tim says, benefiting from opening up their markets rather than vice versa.

Ross [00:08:19] But what goes around comes around eventually, doesn't it?

Cat Hobbs [00:08:22] I mean, it's an interesting question. We're thinking about it in the context of, you know, taking back our public services - taking back things like water, energy networks, the Royal Mail, the railway, etc. And there's a kind of live discussion happening right now about whether these kinds of agreements could be used against a British government. I'm not a lawyer, but I think there's lots of reasons to be hopeful on that front in terms of, you know, it's only a very small part of the mix. The other, you know, there are companies involved. And so, you know, a lot of the time we can end contracts or we can buy out companies and it's not going to cause us problems. And I think because these agreements weren't intended for use against the UK government, and my understanding is that the tide is turning on them in general. I'm hopeful that we can have public ownership without having too much legal challenge. And by the time the legal challenge comes to the end, we'll have taken back our services into public hands.

Ross [00:09:12] When you hear that historical context and then you think about privatisation, is that a very natural sort of progression?

Cat Hobbs [00:09:19] I think it is, because what we're talking about really is an economy where everything is set up for private companies to benefit to the maximum and to make the biggest profit that they can. So you know, the whole kind of doctrine of neo liberalism is, you know, let's not have a mixed economy, let's not have, you know, different forms of ownership, let's open the way for corporations to make profits as much as they can, and anything else can be kind of sidelined - whether that's having strong public services, having a strong society, looking after the environment. So we've got the priorities wrong and we see that in public services as well as to the economy in general.

Ross [00:09:53] Where then, when you think about democracy in all of this, what price democracy really? Because ultimately what we're talking about is looking after public services, the privatization aspect that you're talking about. And when those two things clash, it seems to me that democracy ultimately takes the strain.

Tim Coles [00:10:11] Free trade is designed to undermine democracy. So in Britain, we have weak democratic institutions, but nevertheless, they do exist. So, for example, the attempted so-called free trade agreement between the EU and the US, which would have included the UK, of course. This was the Transatlantic Trade and Investment Partnership, which for the time was failed. At least the British parliament could scrutinise that. What free trade deals

attempt to do, particularly bilateral ones - like between the US and Britain - these would actually include some of the mechanisms that I mentioned like ISDS to undermine democracy. Another example would be competition law. So the US Office of Trade Representative, in their annual report they consider renationalisation to be a competition to US companies. So that could have profound effects on Britain in any post Brexit U.S-British free trade deal.

Ross [00:11:09] You're taking on the American corporations here?

Cat Hobbs [00:11:11] Trying to.

Ross [00:11:13] Indecent. Fine.

Cat Hobbs [00:11:14] Well, I think most people in this country are horrified by the idea of Trump and American corporations getting their hands on our NHS. And we're campaigning right now with Keep Our NHS Public and other NHS campaigning organisations to say, actually, we need to get US healthcare companies out right now because they are already in our NHS providing services. We have a privatised NHS right now. And what that means is that we're wide open for any trade deal to basically mean that our NHS is even more privatised, that drug prices go through the roof and that, you know, Trump stands up for the interests of this handful of American companies who want to profit from our NHS instead of our NHS working for for the people of this country.

Tim Coles [00:11:57] There's a completely pointless debate in the mainstream media at the moment. The right wing say Trump is not going to privatise the NHS. The left wing media say Trump is going to privatise the NHS. Any free trade deal necessitates the privatization of the NHS. That's how free trade deals work. Any free trade agreement, so-called, it does not use specific language like the National Health Service. It's broad enough, and contains enough loopholes, so that a US company could point to a specific clause and say, 'your barrier to this particular product is inhibiting our profits'. Just the very threat of an ISDS lawsuit - this gunboat diplomacy that I mentioned - is already enough to potentially make British governments compromise in the interests of U.S. businesses.

Ross [00:12:46] You're talking to politicians, then they can openly lie because they know that this has to be on the table. They say, well, it might be might not and be very vague about this whole thing, but the point is, it's on the table.

Cat Hobbs [00:12:58] It's absolutely on the table. I mean, the conservatives insist that the NHS isn't being privatised right now. That's simply not true. The NHS is already privatised. There is a large section of contracts going to private companies.

Ross [00:13:10] And because there are other political parties out there, what are they saying in view of balance?

Cat Hobbs [00:13:14] Well, actually, I can. I can give a very balanced account because we're asking all parties and candidates standing in this election to sign up to our pledge, which is to introduce new legislation. We want them to promise to introduce new legislation to protect

the NHS from trade deals by ending privatisation because it can't be done any other way. We need to take our NHS out of the market altogether.

Ross [00:13:32] And the response to that?

Cat Hobbs [00:13:37] So Labour candidates are signing up. We've got over 100 signed up. SNP is signing up, Plaid Cymru have all signed up. Greens have signed up. I'm afraid the Lib Dems haven't signed up yet.

Ross [00:13:47] Work in progress?

Cat Hobbs [00:13:49] We're working on it. But the Tories - it was leaked in The Guardian the other week - that Tory HQ has explicitly told their candidates not to sign our pledge. And they say it gives credence to the idea that the NHS is for sale. And that's because the NHS is for sale.

Ross [00:14:05] That's because the NHS is for sale?

Tim Coles [00:14:08] That's required in any free trade agreement because, as I said, free trade is just a propaganda term.

Ross [00:14:26] Welcome back to Renegade Inc. Before we talk more about why we live on an increasingly privatized planet with Cat Hobbs and Dr. Tim Coles, let's have a look what you've been tweeting about in this week's Renegade Inc index. First up, we got a tweet from dilettante connecting trade and climate chaos. We must call for an end of the deregulatory, free trade and tax policies that make practices like re-importation and redundant trade profitable. Unpack that for us if you can.

Tim Coles [00:14:56] This so-called free trade, corporate globalization, requires - as well as financial services - physical products. So you're going to get a lot of imports, exports, that requires a lot of oil pollution. It's not good for the climate.

Ross [00:15:13] Next up from privatization isn't working. Northern Fail. The 8.09 train cancelled for successive days. Next train in 30 minutes, which equals not good enough. If this is what privatization does for rail, just imagine what it will do for the NHS. Is it fair to transpose a broken, privatised rail system on the NHS?

Cat Hobbs [00:15:35] I think it is. I think passengers aren't being prioritized. And actually we've even got the transport secretary, Grant Shapps, talking about the potential to bring Northern back into public hands because the company is performing so badly. So yeah, I think passengers you have Northern are really struggling right now.

Ross [00:15:51] And finally, we've got a tweet from NHS Million that still thinks the privatization of the NHS is a myth or conspiracy theory. Since 2010, the amount of private surgery that is paid for by the NHS has almost trebled to 600000 procedures a year.

Cat Hobbs [00:16:10] The Health and Social Care Act was intended to bring private companies into the NHS. It has achieved that. Private sector contracts are increasing. And,

you know, you've got Richard Branson suing the NHS because, you know, he feels entitled to two a share of the profits. So it is happening already and the Tories can deny it, but it's definitely happening.

Ross [00:16:29] And on point, we have 'Privatised Planet', your book Tim. Some wonderful plaudits from John Pilger, also John Perkins who talked to us about Confessions Of An Economic Hit Man. Pitch it to us. Why should we read it?

Tim Coles [00:16:42] What I've done in the book is gone through the very lengthy, boring, free trade texts so that you don't have to and picked out the relevant bits so that you can see just how shocking and frightening it is in terms of free trade as a weapon to undermine democracy.

Ross [00:16:59] It's a huge service. Thank you very much for doing it.

Dr. Sarah Ganjoli (video clip) [00:17:02] I see an NHS which is suffering from decades of neo liberal attempts to privatize it. And I don't apologise for saying that, and I don't think it's overly alarmist to say that. From 1979, with the advent of the neoliberal era in this country, the NHS has been progressively fragmented, sold off, undermined, the staff have lost their professional autonomy, and we now come to the stage where we're in the final stages of that road to full privatisation. We have the 2012 Health and Social Care Act, which essentially reduces the NHS to a logo. We have attempts to sell off NHS assets. And we have the development of the five year forward view, which details the production of S T Ps - Sustainable Transformation Pathways - which were discussed in the 1988 document and the Health of Nations published by the Adam Smith Institute. So we have witnessed a programme of progressive privatisation by stealth. The NHS is beloved. The NHS is our most precious public service, a wonderful example to the world. And to privatise it overnight would cause absolute outcry. What they've had to do is they've had to build a narrative around their intentions of the deserving and the undeserving sick, the deserving and the undeserving staff members in order to produce this result by stealth.

Ross [00:18:40] Sarah Ganjoli talking their in 2017. Jump ahead two years. Listening to that, was she absolutely right? Was she prescient?

Cat Hobbs [00:18:48] I think Sarah's absolutely right. Since the Health and Social Care Act, our NHS has been opened up to private companies in a way that it wasn't before, although there's been a long term plan to privatise it, as she says. You know, the NHS is one of most precious things that this country has. I think it's the best thing that we've ever invented in this country and almost all of us rely on it or want to be able to rely on it. And when you look at the polling, 84 percent of us think it should be publicly owned. And that's not what's happened. What's happened is it's been progressively privatized and the private sector has invaded our NHS piece by piece.

Ross [00:19:20] By the back door?

Cat Hobbs [00:19:21] By the back door, through contracts. And, you know, the private sector is taking on more and more NHS work. But I think also what Sarah highlighted, which is really important, is because people love the NHS so much, the only way to do this was to

really undermine it. And so Chomsky has a phrase about, you know, if you want to privatize something, you know, first of all, you undermine it and you make it look like it's not working. So that then the private sector comes along and it seems like a shiny new solution. You know, all of these health apps that Matt Hancock is talking about to try and get you to actually just, you know, diagnose yourself at home instead of visiting a doctor.

Ross [00:19:55] What could possibly go wrong?

[00:19:57] You know, people want to be able to rely on on an actual doctor, an actual nurse, to get a good service. And our NHS has been incredibly efficient. You know, the Commonwealth Foundation shows that it's been the most efficient service in the world, and we pay around half of what the Americans pay for their healthcare. So it's working really, really well, except that it's been cut so badly that it's very hard for it to be sustained with the level of service that's needed. And so that's the strategy. You know, cut it and then open up to privatization. And people think, oh, well, you know, it must be inevitable that we have to have the private sector. It's not inevitable. And we've been told, oh, you know, don't politicize the NHS. You know, we're not allowed to talk about that, this election. Well, the NHS is political. You know, this is about our health. What could be more important? People have really strong feelings about it. And if you're on the doorstep talking about, you know, the threat of a Trump trade deal to our NHS, that resonates. People care about that. If we get a Tory government, frankly, because the Tories are committed to continuing down this path of privatisation, they insist that privatisation isn't in fact happening when it is, and they're going to continue underfunding it. So if we get a Tory government, our NHS is gonna be even more at risk. It's already teetering. It's not functioning the way that it needs to.

Ross [00:21:07] And in the interest of fairness, there are other political parties available for you to vote for. How do you see this panning out?

Tim Coles [00:21:14] It depends what direction we take if the NHS continues privatisation. There's going to be potentially a huge asset market for private insurance, for example. Also, patents for specific medicines, biotechnology, that's going to benefit very few people. And it's going to increase the wealth polarization that we're seeing. So the small number of billionaires that already have undue political influence are potentially going to get even more wealthy and their power will become potentially even more concentrated. Their political influence can be such that they already fund half of the Tory party - 50 percent of its funding comes from financial institutions. So that means that potentially these vested interests can pass the same laws that perpetuate their own interests.

Ross [00:22:07] Is every billionaire a policy mistake or is every billionaire a product of a privatised planet?

Tim Coles [00:22:13] I think the mistake is the wrong word because these are quite deliberately designed policies to maximise the wealth of the few and to concentrate power. It's certainly a moral mistake. So having billionaires is frankly immoral because of the sheer amount of power that an individual can have with that level of money. You know, we tell our children not to eat all the sweets to share them. But somehow it's been ingrained in us through the propaganda system that it's OK to make unprecedented and obscene amounts of

wealth from other people's labour simply by shifting money around and not paying the kind of proportional taxes that could actually be reinvested in society.

Ross [00:22:58] If I was a billionaire, Cat, you would be an enemy of mine because I'd think groups like We Own It, ultimately get in my way. They're the fights that you're taking on and ultimately that's the opposition.

Cat Hobbs [00:23:10] Yeah. For example, if you look at the water industry where, I don't know if you've quite got billionaires, but you have got CEOs of privatised water companies earning two million pounds a year, which is 12 times more than the prime minister. And these are CEOs who are managing, you know, natural monopolies, that their customers have no choice, no ability to go elsewhere. So they are sort of handed that on a plate to manage and they're walking away with huge salaries. And what's happened in the water industry, actually, is they started out in 1989 with zero debt when the English regional water companies. They've built up a debt mountain of 51 billion pounds and we are all servicing that debt. Every household is paying money so that they can have that debt. And then at the same time, they've extracted dividends to shareholders of 56 billion pounds. This is in the FTE. And it's kind of astonishing, because what they've done is, you know, all of the investment since 1989 could have been covered by our bills. But, you know, they've built up debt and they gave money to shareholders. And that's a nice that's a nice deal from that perspective. And that's the kind of financialized system that....

Ross [00:24:13] .A nice deal?

Cat Hobbs [00:24:15] Well, it's a wonderful deal, yeah.

Ross [00:24:17] And all they have to worry about is where they're going skiing that year, or whatever.

Cat Hobbs [00:24:19] Exactly.

Ross [00:24:20] Coming back to the first point and the theme throughout this, which is empire 2.0. Ultimately, when you hear that you got a water company, you load it with that, you then extract all these rents, ultimately. With Empire 2.0, what's happened is the rent seekers have turned on their own people because water is a natural monopoly. And ultimately what we're doing is we are preying upon the people who need that service.

Cat Hobbs [00:24:45] Yeah. And it's you know, the poorest people and the most vulnerable people who are paying the most - whether that's water bills, utility bills, people on pre-payment meters, people trying to get to work (bus fares have increased hugely since privatization and deregulation), train fares if you're taking the train. So it's kind of limiting people's options and providing them with a kind of daily ripoff where, you know, people have money extracted from their pockets and it just goes straight up to the shareholders and they've got no choice about it.

Ross [00:25:12] And the tax havens. How do we de-privatise the planet, Tim?

Tim Coles [00:25:16] Well, that requires political engagement of the correct kind. It requires dedication and commitment to that, realizing that it's a long struggle as well. It's not going to happen overnight. When billionaires or multi-billion dollar companies actually implement their policies through the politicians that they support, that can be done very quickly, but it often takes time to make changes. What we're seeing now is that so much has been sucked out of the system, things are on the point of literal collapse. Literally, hospitals are collapsing in places. And now, there's an appetite for change among the public so that the public no longer accept this system if they ever did. But they're no longer even buying the propaganda to try and make them look elsewhere to divert them away from these issues. So we're seeing creeping support for these kind of renationalisation policies. And as the system becomes more exploitative, that public support for renationalisation will probably become stronger.

Cat Hobbs [00:26:22] I think we've been kind of bamboozled by, you know, economic ideology that says, well, you know, you little people down there, you don't understand how this works. We need the private sector with its shiny tools.

Ross [00:26:31] And when was the last time an economist got anything right, frankly? So what's the solution?

Cat Hobbs [00:26:36] Well, join us at We Own It - weownit.org.uk. Sign up. I think, it's really important, whatever happens with this election that we have this growing voice for public services for people not profit because it's so popular, there's so much force behind it. And I think people just want to know what they can do to make it happen. We've had 30 years of a failed experiment. People can see that now. We're not in these kind of Blairite times of saying, 'well, maybe, you know, maybe it works, give it more of a chance'. I think people can really see that it hasn't worked. So now is the time for campaigning. Now's the time for reclaiming some of our services that we're paying for, using, working in and taking them back.

Ross [00:27:15] Cat, Tim, thank you both very much. That's it from Renegade Inc. HQ this week. You can drop the team a mail - studio@renegadeinc.com or you can tweet us at Renegade Inc. Join us next week for more insight from those people who are thinking differently. But until then, stay curious.