

Funding the Future

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I have [written this morning about the efficiency of the state](#). And in the process I said that the aim of big business is to capture it for private gain. I have also explained in my book *The Courageous State* (see panel on the right) that the politicians who engage in this process are the creators of [what I call the Cowardly State](#): one that walks away from responsibility whenever it can.

George Osborne is a prime architect of the Cowardly State. He has new plans, [according to the Telegraph](#) that will mean that the government's number of employee's will fall by about one million between 2011 and 2019. At a rate of 36,000 per quarter, this is the equivalent of sacking one state employee every four minutes, every day, for the next five years. Apparently all of this is to allow the benefits of competition to be seen.

The difficulty is that competition is entirely predicated on the possibility of failure. Without that possibility competition can never deliver. And the last thing that state services need to embrace is the possibility of failure. The exact opposite is true. The only acceptable possible outcome for state services is success. In that case the claim that competition can deliver better public services is knowingly false: it can't. Some might improve as a result of competition but the chance that many might get worse is also accepted whenever privatisation takes place. Improvement in public services is not then the motivation for this change unless those promoting it have wanton disregard for outcomes (which is, of course, possible). The motive is, instead, the capture of public revenue for private gain.

And who pays the price? Well, we all do, through lower quality services.

And so do those employees who will lose their jobs and be offered insecure, lower paid, alternatives with limited pension prospects. Their wealth will be transferred upwards to the few who will capture these services for their own gain.

The process of creating more inequality goes on. Privatisation is a key component within it. That's why this government is promoting it