

Dexter Whitfield Global Auction of Public Assets: Public Sector Alternatives to the Infrastructure Market and Public Private Partnerships, Nottingham: Spokesman, 2010; 378 pp.: 9780851247731 18 [pounds sterling] (pbk); 9780851247847 11.99 [pounds sterling] (e-book)

Ten years ago, Dexter Whitfield's *Public Services or Corporate Welfare?* gave us the first detailed critique of the growing use of private resources to 'finance' public infrastructure projects. With *GlobalAuction*, he provides a comprehensive account of just how far and wide these forms of privatisation have now spread. A movement that seemingly began as a technical innovation in project financing now threatens to transfer the design and implementation of infrastructure projects entirely from public to private hands, with taxpayers and service users footing the bill. If this continues, the consequence will be to dramatically restrict the scope of democratic decision-making in this vital part of the economy, while simultaneously redistributing income from the poor to the rich. And as with so many innovations in the history of capitalism, successive UK governments have been the most enthusiastic pioneers and promoters of this process.

Chapter 1 outlines the context of changing global infrastructure requirements, and the transformations of finance, private and public, up to and including the 2007-8 crisis. Chapter 2 provides a taxonomy of the different infrastructure sectors and the many forms of 'public private partnerships' (hereafter PPPS), and then charts the economic and social impacts of infrastructure in general and its relation with public service provision. Chapter 3 places the PPP model in the wider context of neoliberalism, and more specifically privatisation. Here, Whitfield shows how the efficiency claimed for PPPS is belied by the highly monopolistic nature of the markets from which infrastructure is commissioned. He also exposes the determined efforts by the World Bank and IMF to portray PPPS as development-friendly.

The following five chapters provide rich detail on the mechanics of PPPS. Chapter 4 examines why public infrastructure has become a favourite 'asset class' for global investors, and how modern financial engineering techniques have been adapted to maximise returns. Chapter 5 shows how the major global investment banks have constructed financial assets to attract

cash-rich investors such as sovereign wealth, pension, private equity and hedge funds, levying colossal fees for their work. The role of transnational corporations is also crucial, since PPPS allow them to minimise the long-term commitment of their own capital. Chapter 6 surveys the field around the world, showing how the model has been adapted to the economic, political and legal environments of different countries, not only in Europe, North America and Australia, but also in Russia, China, India and Brazil. Chapter 7 examines the growing secondary market in PPP investments, 'buying and selling schools and hospitals like commodities in a global supermarket' (p. 183). The extension from initial finance to investment in ongoing facilities management and service provision is a major cause of this, as investors shuffle their portfolios in the pursuit of profit from contractual lock-ins. Chapter 8 deals with the growing number of PPP failures, usually the result of investors' miscalculations; states pick up the tab when they walk away.

The consequences of PPPs are examined thoroughly in chapter 9. First, Whitfield shows how the techniques used to assess value for money and risk transfer are manipulated to ensure that they appear to out-perform traditional public provision. The critique is then extended to show how the primacy of profit impacts on the quality of design and delivery, the long-term cost to the state, standards of employment, and the degree of effective public accountability. This then sets the stage for an alternative approach of a return to public provision, set out in chapter 10. This is based on four key strategies: combating climate change, sustainable development, urban regeneration and economic realism, the last of these being centred on prioritising social needs over the accumulation strategies of private investors. Whitfield shows how high levels of public debt, a major argument for 'private' finance, can be tackled by such measures as reducing tax avoidance, sensible use charging and cutting military spending. He then outlines a positive programme of change, based on a return to close and globally coordinated regulation of the financial services sector, the revitalisation of public management, and better techniques of project evaluation. This would require an extensive worldwide campaign by public service users, community and civil society groups and trade unions, outlined very briefly in chapter 11.

PPPS have been central to the 'new enclosures' that neoliberalism has pursued, and Whitfield shows clearly how the

public sector, and the public at large, have been boxed in to a strategy for infrastructure provision that seriously threatens our economic and ecological future. This book is an excellent guide to this largely invisible part of the neoliberal revolution, providing us with the detailed understanding that we so urgently need if we are to combat it effectively.

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