

Impact case study (REF3b)

Institution: UNIVERSITY OF KENT
Unit of Assessment: UOA 19
Title of case study Informing public, policy and professional debates on public sector reform
1. Summary of the impact

The findings of Prof. Warwick Funnell and Prof. Robert Jupe have stimulated international policy debates on government accountability and the provision of public services. By challenging conventional free market wisdom, their analysis of the limits to effective privatisation have been used by stakeholders concerned by the direction of public sector reform, including government representatives, professionals and political pressure groups. They achieved this through accessible publications and close partnerships with these stakeholders that provide a platform for associated discussion events, seminars and media commentary.

2. Underpinning research

In the RAE 2008, critical accounting emerged as one of Kent Business School’s outstanding research strengths and this case study deals with the ways that the School’s work on government accountability and public service reform stimulated international debate and influenced professionals, policymakers, pressure groups and the public.

The underpinning research was led by Prof. Robert Jupe (who joined Kent Business School in 1995) and Professor Warwick Funnell (who has had two separate periods of employment with KBS: 2005 -2010 and 2010 to date). Consequently, the research referred to in this case study was all carried out at Kent Business School. While the academic outputs were mainly authored separately, much of the non-academic engagement that followed was based on a direct collaboration or informed by each other’s research.

Jupe is an established authority on the problems of privatisation while Funnell is a leading researcher in the field of critical accounting and public sector accountability. They jointly authored the 2009 publication of *In Government We Trust* (3.2). Meanwhile, the second edition of Funnell’s *Public Sector Accounting and Accountability in Australia* (5.2) references Jupe’s research by including new material addressing the problem of applying private sector solutions to public sector problems. Funnell was also Jupe’s supervisor for his PhD by publication (2009-10).

Funnell’s research on accountability critiques the substitution of readily metricated forms of accountability for more traditional approaches and the impact of New Public Management reforms on public sector accountability. His work since 2005 includes studies of the effect of political crisis on the conditions of possibility of government accounting during these periods, such as the world financial crisis from 2008 (3.1, 3.3).

Meanwhile, Jupe has written extensively on the origins and consequences of Britain’s privatisation of the rail industry, and argues that New Labour’s Third Way approach has led to the increased ‘marketisation’ of the state. This has been demonstrated by his work on Network Rail, the private sector replacement for Railtrack, and also in his work on the collapse and third way rescue of British Energy, the owner of nuclear power plants (3.2, 3.4, 3.5, 3.6).

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Some of Funnell and Jupe's research outputs are directed at informed professional audiences and certain publications and are cited as both research references and as part of the impact activity.

3. References to the research

- 3.1 Funnell, W.N. and Wade, M. (2012) 'Negotiating the Credibility of Performance Auditing'. *Critical Perspectives on Accounting*, 23 (6). pp. 434-450. DOI: 10.1016/j.cpa.2012.04.005 (ABS 3*)
- 3.2 Funnell, W.N, Jupe, R.E. and Anderson, J. (2009) *In Government We Trust: Market Failure and the Delusions of Privatisation*. Pluto Press, 309 pp. ISBN 9780745329086.
- 3.3 Funnell, W.N. (2007) [Accounting and the Virtues of Anarchy](#). *The Australasian Accounting Business & Finance Journal*, 1 (1). pp. 18-27.
- 3.4 Jupe, R.E. (2006) 'A Fudge? Network Rail's Status in the Rail Industry'. *Public Money & Management*, 26 (3). pp. 148-150. DOI:10.1111/j.1467-9302.2006.00515.x (ABS 2*)
- 3.5 Jupe, R.E. (2005) The Future of Rail? An Evaluation of the 2004 Railway Industry White Paper. *Public Money & Management*, 25 (3). pp. 187-194. DOI:10.1111/j.1467-9302.2005.00472.x (ABS 2*)
- 3.6 Jupe, R.E. (2005) What Counts is What Works? New Labour and Rail Franchising. *Public Money & Management*, 26 (3). pp.142-144. DOI:10.1111/j.1467-9302.2005.00465.x (ABS 2*)

4. Details of the impact

Funnell and Jupe have stimulated international public, professional and policy debates on government accountability and the provision of public services. Two accessible, research-based publications provided new findings about the limits of effective privatisation, which were used by political pressure groups and media commentators, as well as providing evidence for policymakers and professional communities concerned about the direction of public service reform.

A key argument of both *In Government We Trust* (5.1) and *Public Sector Accounting and Accountability in Australia* (5.2) is that services should not be privatised if government must step in to protect the public when the privatised organisation fails. Both works contain original research but are written in an accessible style and targeted at a general and professional readership. The significance of their contribution can be found in the way it informed policymakers, influenced media commentary and provided evidence for concerned stakeholders in the privatisation process.

4.1 Informing policy on privatisation

In Government We Trust provided evidence for the UK Labour Party's Policy Review Co-ordinator and pressure group, Compass, as they campaigned for change to government policy on privatisation.

[Compass](#) is the UK's 'most influential ideas and action based pressure group' for the democratic left and has 40,000 members. It used the research findings of *In Government We Trust* as the basis of a discussion on privatisation at the Houses of Parliament in January 2009. The objective of the event was "to move the privatisation debate forward" (5.3) and "debate the role of government and the public realm in the 21st Century" (5.4).

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The evening was chaired by [Jon Cruddas](#) MP, Labour's Policy Review Coordinator and the 100 attendees included: Neal Lawson, the Chair of Compass; Baroness Helena Kennedy, and Sue Goss, local government strategy specialist at public sector consultancy, OPM. Issues raised in the discussion included the need for balance between public, private and third sector providers; the dangers of over-simplifying the relationship between state and market, and the importance of modernising, rather than 'marketising', services.

Cruddas later stated that the authors of *In Government We Trust* "have done public policy makers a great service...As Labour's Policy Review Co-ordinator, this sort of research proves very helpful in providing an evidence base that we can incorporate in our policy review process." **(5.3)**

4.2 Influencing public opinion on privatisation

In Government We Trust made an influential contribution to debates by political pressure groups and media commentators concerned about the effects of privatisation. Jupe's previous research was used by Compass (see [Compass Thinkpiece 2](#)), which championed the launch of *In Government We Trust*. Compass distributed information about the book, and points raised by speakers at the House of Commons event, to the group's 40,000 members **(5.5)** through its news bulletin service. The book also stimulated debate on public service reform and enhanced public understanding of the risks of privatisation in range of national media outlets, including:

- 'The Case for Big Government' in *The Australian* newspaper on 11/4/2009 (circulation: 50,000) **(5.6)**. This article discussed the swing away from 'blind faith' in privatisation following the global financial collapse and high profile privatisation failures. The author welcomes the publication on the grounds that it challenges "conservative orthodoxies that deify the God Market."
- Commentary in the *Irish Times* (circulation: 90,000) on 16/9/2009 on privatisation in Ireland by Paul Sweeny, the Irish Congress of Trade Unions' economic advisor. Using the publication of *In Government We Trust* as a starting point, Sweeney concluded with a call for policymakers to "develop a new public/private paradigm which advances the economy and society" **(5.7)**.
- *The Great Train Robbery; why do Britain's railways cost more than elsewhere in Europe?*, a 40 minute programme by Allan Urry for Radio 4's File on Four (first broadcast on 16/11/10 at 20:00). Jupe briefed the show's producers on his research in advance of the recording (1.1 million listeners) **(5.8)**.
- Both books were also reviewed in publications with significant activist and professional readership including the Australian Journal of Public Administration the British Accounting Review and the Morning Star (25,000) **(5.9)**.

In summary, Funnell and Jupe's arguments about the limits of effective privatisation reached 1.3 million individuals, involving them in debates on how far public services should be privatised through the two publications themselves and associated public debates or commentary.

4.3 Providing evidence for stakeholders

The research findings presented in both *In Government We Trust* and *Public Sector Accounting and Accountability in Australia* were welcomed and used by those stakeholders in the privatisation process who are concerned about the direction of public service reform.

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The most significant example of this was the exceptional endorsement provided by Australia's Auditor General, Ian McPhee. The [Australian National Audit Office](#) provides the Australian Parliament with an independent assessment of selected areas of public administration, and assurance about public sector financial reporting, administration, and accountability.

McPhee contributed a Foreword to the second edition of *Public Sector Accounting and Accountability in Australia* and hosted its launch in the National Audit Office on January 2010. In the Foreword, McPhee described the book as “a comprehensive resource on public sector accountability for those who work in the public service, elected representatives and students of the public sector” and went on to emphasise that “as the authors point out, placing undue reliance on economic factors alone can exclude value considerations relevant to citizenship”(5.2).

McPhee's launch speech further stated that it was “the bringing together of the insights into accountability and the fundamentals of our system of government, in such a considered way, that makes this book quite special...I found myself very much on side with this discourse.” (5.10).

Funnell was invited to follow-up the launch with a seminar for 40 staff of the Australian National Audit Office, held at the Australian National University, 9 January 2012. The seminar was attended by audit office professionals with the objective of debating the progress and challenges of performance audit since the 1970s and defining best practice in this field (see *corroborating contact No. 4*).

In Government We Trust also proved influential amongst Australian trade union activists. Funnell was an invited speaker at the conference *Privatisation: The Way Ahead* in Sydney (June 2009). The conference was took place at a time of great public concern about privatisation in Australia and was organised by [Unions New South Wales](#), which represents 67 Australian unions and 600,000 affiliated members. Several hundred activists attended the conference and Funnell led a debate for 80 delegates on the principles that should underlie the privatisation of public services.

5. Sources to corroborate the impact

- 5.1 Funnell, W.N. and Jupe, R.E. and Andrew, J. (2009) *In Government We Trust: Market Failure and the Delusions of Privatisation*. Pluto Press, 309 pp. ISBN 9780745329086.
- 5.2 Funnell, W.N., Cooper, K. and Lee, J. (2012) *Public Sector Accounting and Accountability in Australia* [2] (Second Edition) UNSW Press. ISBN-13: 978-1742233048.
- 5.3 Email from Jon Cruddas MP, Labour Party Policy Coordinator (23 March 2013)
- 5.4 Compass invitation, Houses of Parliament launch event, January 2009
- 5.5 Compass news bulletin, Zoe Gannon, January 2009
- 5.6 *The Case for Big Government*, Stephen Loosley, The Australian (11/4/2009)
- 5.7 *A Hard Look at the Failures of Ideology-driven Privatisation*, Paul Sweeney, The Irish Times (16/9/2009)
- 5.8 File on Four, *The Great Train Robbery; why do Britain's railways cost more than elsewhere in Europe?* (16/11/10)
- 5.9 Media reviews: *Morning Star* (12/4/2009) *Australian Journal of Public Administration* (June 2009), *British Accounting Review* (2011)
- 5.10 Ian McPhee, Australian Auditor General: launch speech (January 2010)

For full versions of corroborating information, please see [here](#)