

primary care trusts and acute hospital trusts) need to be examined.

- Although it is possible to draw very general conclusions about the distributive implications of the policy, more detailed research is needed to quantify the impact on public expenditure, the financial stability of the public agencies that are using PFI, the performance and outputs of such agencies, the SPVs and their financial backers.
- Given that PFI/PPP is new way of delivering public services that blurs the lines between the public and private sector, further research is needed to examine the degree to which the current forms of financial reporting, corporate governance and ownership structures, particularly in the context of internationalisation, provide accountability to the tax payers and service users. The implications for national accounting also need to be considered since PFI, like pensions commitment, climate change, etc, creates implicit debt for governments.

## CONCLUSION

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As we stated earlier, our concept of accountability in the context of public expenditure on essential public services implies that, first, citizens or at least their political representatives, the media, trade unions, academics, etc can see how society's resources are being used, and secondly, that no members of that society are seen to have an explicitly sanctioned unfair advantage over others in relation to how those resources are used. These two axioms are of course intimately related. With respect to the first point, the difficulties experienced by the research team in obtaining and interpreting the financial statements of the relevant parties do not generate much hope that patients, road users, tax payers and other citizens can see how society's resources are being used. It is significant that more information is made available by both the companies and the Government to the capital

markets than to the public at large. Within the financial statements there is little information about the impact of PFI contracts on the performance of the procurer, and there is a build-up of commitments and implicit guarantees within very long-term contracts about which there is little transparency. With respect to the second point, our analysis shows that PFI is a very expensive way of financing and delivering public services that must, where public expenditure is constrained, lead to cuts in public services and/or tax rises, that is, a cut in the social wage. In contrast, the chief beneficiaries are the providers of finance and some of, though not necessarily all, the private sector service providers, leading to a redistribution not from the rich to the poor but from the mass of the population to the financial elite. In short, PFI does not pass the accountability test.