

Spanish auditors are latest to challenge privatisation



(7 August 2018) The official auditing body, the Cámara de Cuentas, has challenged the privatisation of hospitals in the Madrid region, arguing that there has been no evidence provided for any increase in efficiency or improvements in healthcare arising from the privatisation. The preliminary report, obtained by [El Diario](#) newspaper says that there has been no analysis of the efficiency and effectiveness of the privatised services in comparison to direct provision by the public sector.

This is the third time this year that an auditing body has posed serious questions about the privatisation process. In January, a [report](#) by the National Audit Office in the UK said that there had been no effective measurement of value for money of public-private partnerships (PPPs) and that “there is still a lack of data available on the benefits of private finance procurement.”

Two months later, the European Court of Auditors published an [analysis](#) of 12 PPPs in four countries and concluded that they “cannot be regarded as an economically viable option for delivering public infrastructure.” The report was damning and went

on to say that the PPPs “suffered from widespread shortcoming and limited benefits, resulting in €1.5 billion of inefficient and ineffective spending.”

In the Madrid case, the auditors’ report examines 10 hospitals – four where the management was fully privatised and six where non-health services were handed over to a concession. These were carried out, beginning in 2007, by two different administrations run by the centre-right People’s Party. In a 10-year period over EUR 1.55 billion has been paid to the companies awarded the concessions.

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