

**OSR* SEMINAR
ON 'THE PUBLIC
GOOD'
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Concepts of the public
good and applications of
the public/private dual to
higher education policy

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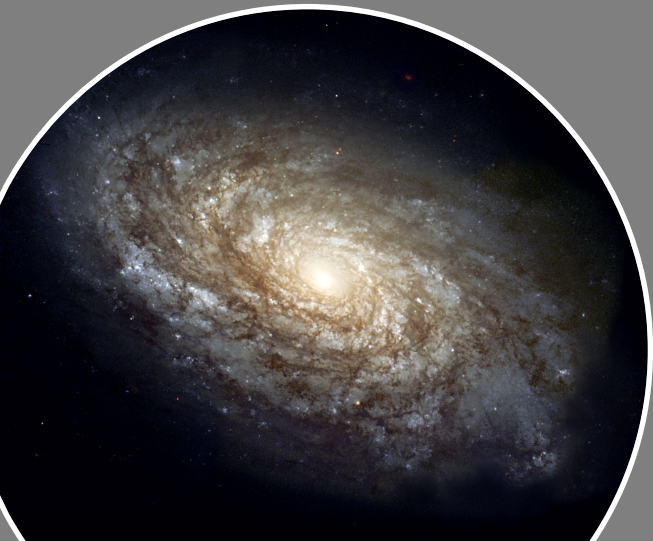
* UK Office for Statistics Regulation



WESTERN CONCEPTS OF 'PUBLIC' AND 'PRIVATE'



1 Analytic/economic:
public private dualism
(public and private exclude
each other)



**2 Normative-universal
'public good':**
public contains private



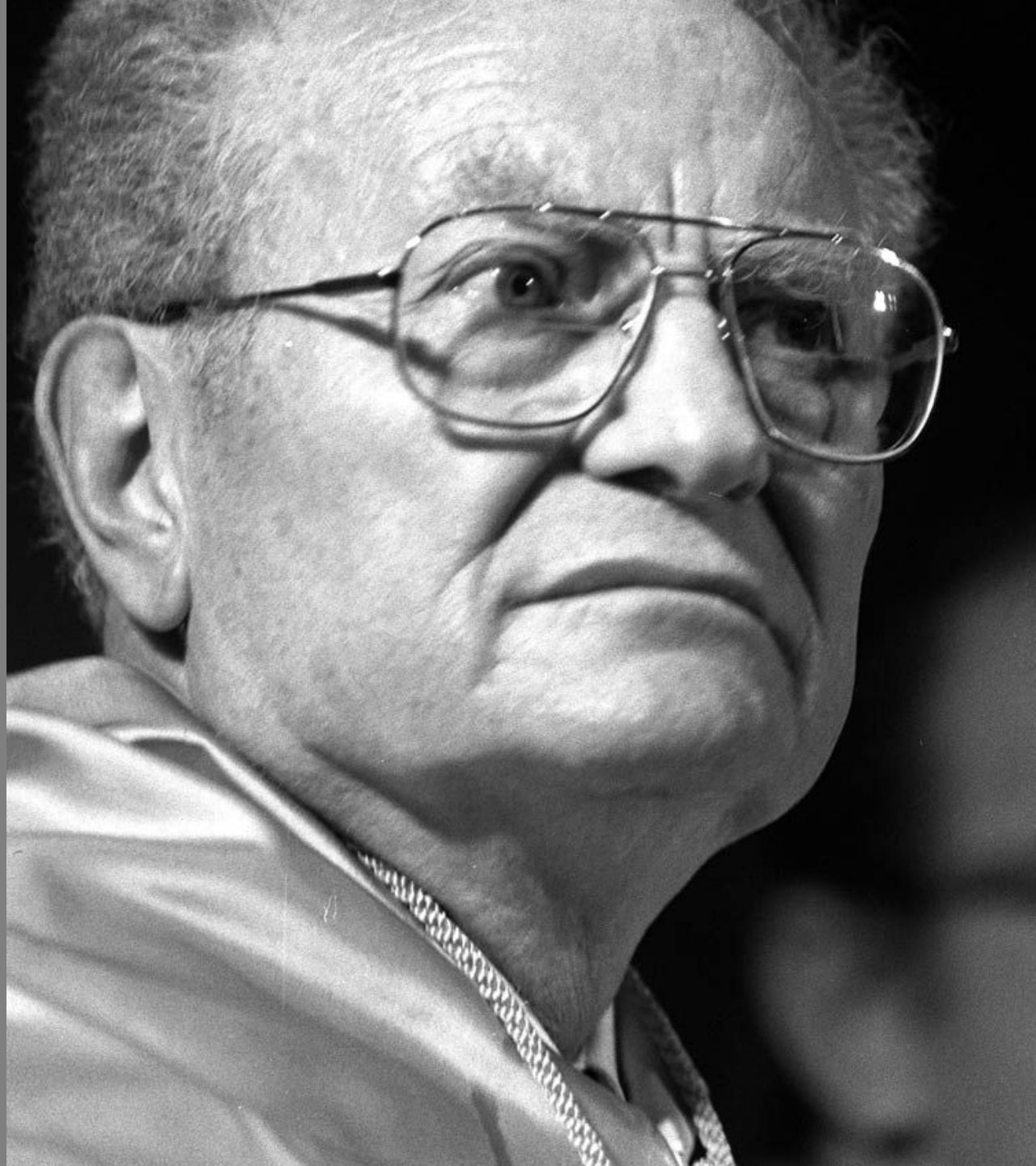
**3 Communicative-relati
onal 'public':**
public includes and links
all private units

I PUBLIC/PRIVATE DUALISM: THE ECONOMIC VERSION

PUBLIC AND PRIVATE GOODS SAMUELSON (1954)

- Public goods are non-rivalrous and/or non-excludable
- Public goods are under-produced or unproduced in economic markets. To the extent that they do not arise as incidental spillovers from the market, they must be wholly or partly funded by the state or by private philanthropy

(There are variations, on the basic schema. Common-pool goods, are rivalrous but non-excludable, such as a fishing zone. Club goods are excludable but non-rivalrous until congestion occurs. Merit goods are rivalrous and excludable, but subsidised by government because otherwise the goods will under-consumed, e.g. because the private benefits are diffuse and long term)





- Goods are non-rivalrous when consumed by any number of people without being depleted, for example knowledge of a mathematical theorem, which sustains its use value everywhere, indefinitely, on the basis of free access
- Goods are non-excludable when benefits cannot be confined to individuals, e.g. clean air regulation, national defence, basic research
- Private goods are neither non-rivalrous nor non-excludable. Private goods can be produced, sold and bought as individualised commodities in economic markets

Here the public/private distinction is a distinction between non-market production and market production. Normatively, it is designed to maximise the scope for the capitalist economy while sustaining a limited liberal state with residual functions. In this ideal world, markets produce everything except those outcomes which cannot be produced on a market basis

I PUBLIC/PRIVATE DUALISM: THE POLITICAL VERSION

The most common understanding is that government = public (as in 'public sector')

This public/private distinction is a distinction between state and non-state production or control. We speak of 'private' or 'public' schools, universities or hospitals, on the basis of legal ownership

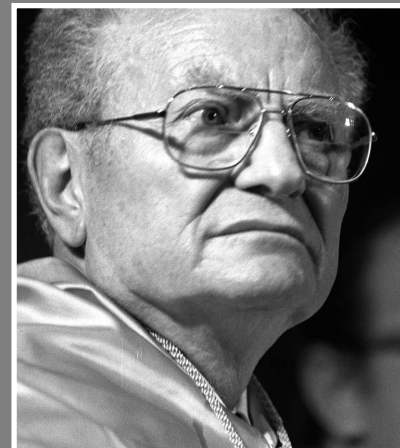
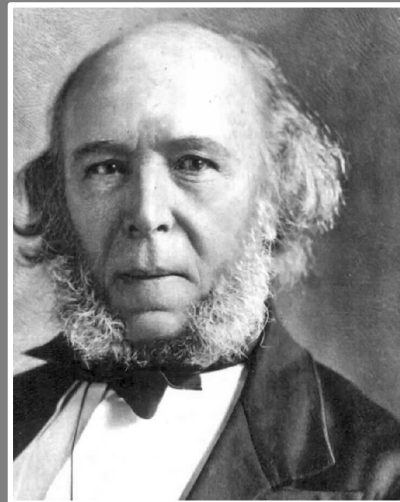
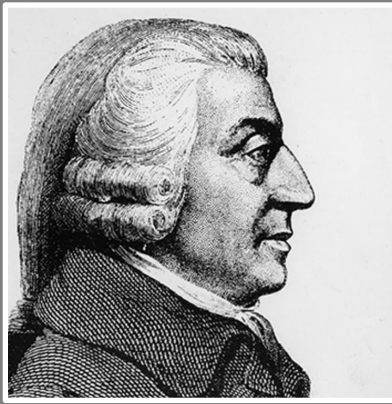
The normative foundations are as follows. Most social transactions and relations are in the private sphere. But some relational matters have consequences for persons not involved in the direct transaction, or have consequences without transactions. These are public matters that need to be addressed by government. This is the basis for the role of the state and taxation



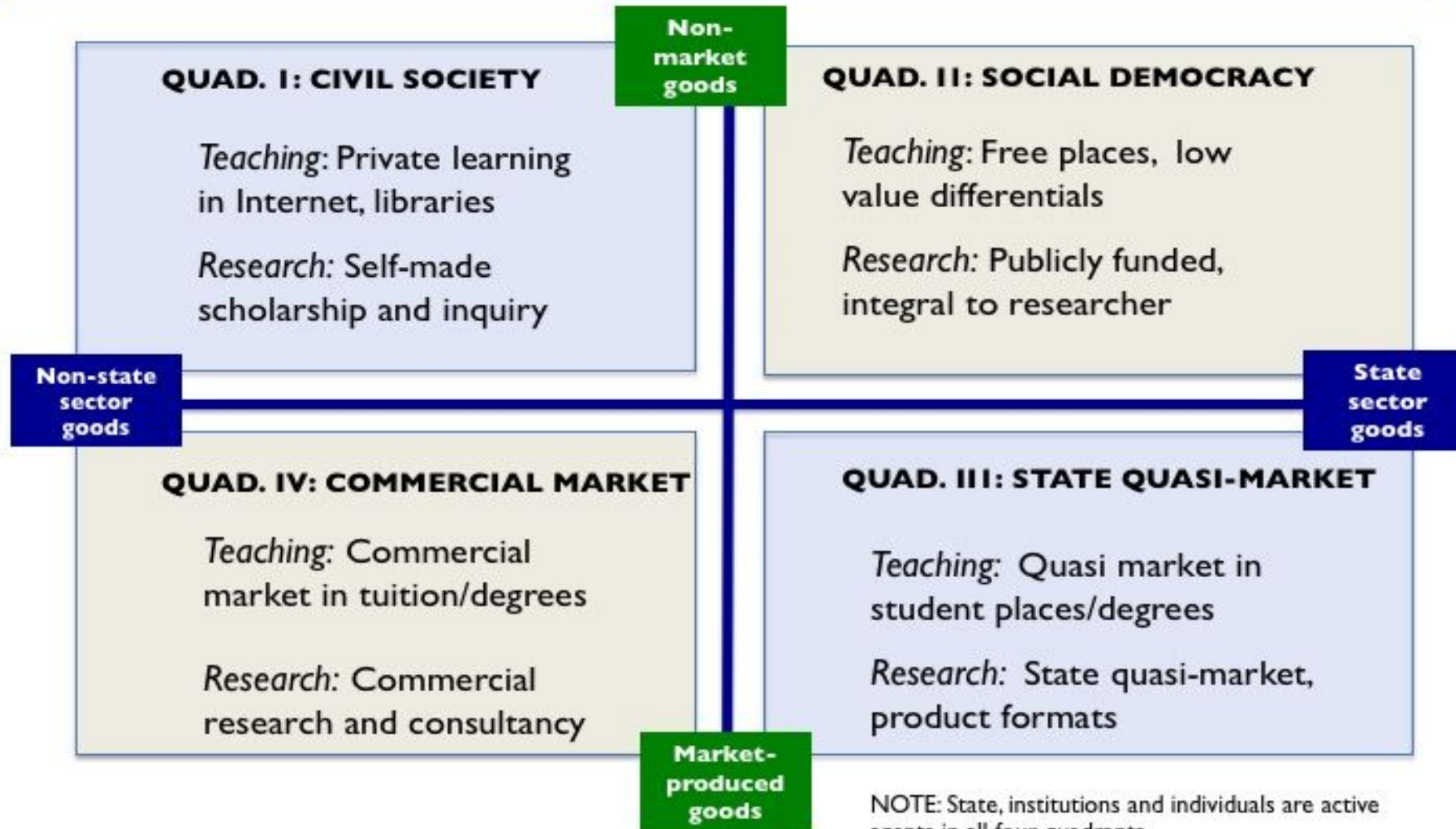
THE LIBERAL POLITICAL ECONOMY OF PUBLIC AND PRIVATE GOODS

Liberal political economy
matrix of Anglo-American
society and policy:

*the four quadrants (with
examples from higher
education)*



Public and private goods: the four variations



Note: The liberal schema does *not* imply a simple distinction between state and market (quadrants 2 & 4):

That would leave out quadrant I (includes household production) and quadrant 3 (state managed markets) where much of the economic action in the real world is found

BUT THE PUBLIC/PRIVATE TRADE-OFF OF ECONOMIC LIBERALISM DOES NOT COVER ALL BASES

The philosophical problem with the liberal economic formula is the idea that public and private goods are zero-sum – the more we have of one the less we must have of the other. This is inherently problematic, as if the joint and common aspects necessarily excludes the individual interest or welfare.

Under a different conception of the public/private relationship, both the public goods and the private goods can advance simultaneously

A second problem is the secondary normative status given to public goods: either marginal spillovers from the market, or goods of last resort in the instance of market failure



ANOTHER PROBLEM IS THE LACK OF NORMATIVE 'CIVILISATIONAL' CONTENT IN THE LIBERAL DUALISM

When an aggressive nation invades an innocent neighbouring nation, this is non-market activity by a government agent

i.e. it produces 'public goods' in both the economic sense and the political sense... But does it produce 'public good'?



2 THE NORMATIVE-UNIV ERSAL CONCEPT OF 'PUBLIC GOOD'

This is rhetorically powerful and often invoked – like appeals to beauty and truth, a claim based on the public good is unanswerable - but it lacks empirical and analytical precision



3 THE COMMUNICATIVE, INCLUSIVE, SOCIAL-RELATIONAL PUBLIC

‘The public’, public opinion, public media, ‘going public’

This notion of the universal civic public includes all of the private individuals and networks them together - public and private are positive sum not zero sum

The assembly of citizens in the French revolution was a starting point for this large inclusive public, later manifest as the electorate based on universal suffrage. In France the state has a key role in providing common amenities and rights, in Anglo-America the inclusive public emphasises civil society

This notion of public is associated with normatively powerful ideas of democratic inclusion, fairness and universal coverage (e.g. socially equitable access to higher education).

This ‘public’ is accessible to measurement in different domains

