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Public Provision in Democratic Societies: Reasons to Reject Privatization

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Abstract: If we hope to see values of equality and democracy embodied in our societies' institutions, then we have a range of good reasons to favor expansive public provision of goods and services, and to oppose many forms of privatization. While Joseph Heath is right to argue that there are at least some forms of 'anodyne privatization', and while he is also right to argue for a more nuanced philosophical debate about the different dimensions of choice between forms of public and private provision, Heath fails to register various regards in which private provision can undermine these central public values. We often have strong egalitarian and democratic reasons to protect zones of decommodification; to resist the imposition of user-charges; and to favor insourcing and direct public procurement over various forms of outsourcing of public services. Public libraries provide a totemic illustration of some of the deep virtues of collective public provision in democratic societies. Overall, our reasons to reject privatization are stronger and more diverse than theorists such as Heath might have supposed.

Keywords: privatization, public goods, public provision, public sector, outsourcing, social justice

JEL Classification: D4, H4, H6, L3, P16

I. INTRODUCTION

Joseph Heath's article on "Anodyne Privatization" contains a great deal with which even those who are in general opposed to privatization can agree. Heath is right to highlight the diversity and heterogeneity of the different kinds of institutional and administrative changes that can fall

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under the umbrella of ‘privatization’, and his discussion provides a helpful typology of these different kinds of privatization, which will be of significant value as the debate on these issues becomes more developed and more nuanced. Heath is also right that the recent debate on privatization, with its (understandable) focus on some of the more outrageous and objectionable abrogations of the state’s core functions in favor of the activity of private agencies—as in the privatization of prisons and border security, and with the enlarged role for private military contractors in many parts of the world (Cordelli 2020, 2021; Dorfman and Harel 2013, 2016, 2021; Vasanthakumar 2021)—can sometimes seem to have occluded discussion of more humdrum and quotidian forms of privatization, especially those occurring further from the state’s fundamental core functions in providing law enforcement, defense and security. Heath is right, too, that we should not be too quickly led from conclusions in one area of policy to more general conclusions that may on reflection fail to take seriously the diversity of the issues at stake when we consider which functions should be exercised by the state and its employees, and which might legitimately be performed by private agencies.

As I shall explore in more detail below, I am also highly sympathetic to one important element of Heath’s view, in that I share his sense that discussion of public provision has been confused and led astray by the treatment of these issues within economics, and especially by the canonical treatment of public goods that we owe to Paul Samuelson, according to which public goods are marked out essentially by their indivisibility and non-excludability. As Heath agrees, many goods and services that we have good reason to see provided by the state do not in fact bear these canonical features of classic Samuelsonian ‘public goods’. Hence we need in this area to have a discussion that is not excessively constrained by the influence of Samuelson’s particular way of thinking about the issues. But while I am happy to applaud Heath for his readiness to twist free of the misleading framing given to us by some parts of standard textbook economics, my central critique of Heath’s approach to public provision is that he remains very much in the grip of an economic picture of the central issues that are at stake when we think about public services and public spending. Heath’s way of thinking about the reasons for public provision turn on the central value of efficiency as a good to be pursued in public policy, and he looks upon state provision as justifiable only when it is an efficiency-enhancing response to various forms of market failure. While I do not deny that Heath often identifies good reasons for

removing certain goods or services from the market, his 'market failures' approach (Heath 2011) is far from exhaustive and, as I shall argue, misses several strong reasons we may have for providing goods and services via the state and its agencies, outside of the market. In democratic societies, efficiency is, and should be, an important value, but there are broader normative reasons for being against privatization in many relevant cases. Therefore, as we shall see, many of Heath's cases of 'anodyne privatization' are not in fact 'anodyne' at all. We often have good reasons to resist privatization, in its different forms, that are not captured by Heath's approach.

This article will have the following structure. Section II discusses Heath's presentation of the 'Traditional Public Sector Model' (TPSM), and his account of the bad influence of Samuelson's account of public goods. Section III takes issue with Heath's critique of the idea of decommodification, in light of a more compelling and expansive conception of egalitarianism. Section IV discusses Heath's (useful and clarifying) model of the different types of privatization (roughly speaking, the distinction between 'supply side' and 'demand side' privatization), in light of cases such as the introduction of higher education charges and the 'contracting out' of some local public services such as rubbish collection and waste management. Section V takes issue with Heath's 'free lunch' critique of arguments against any role for profit-seeking firms in public service provision. Section VI suggests that we have good reason to reject Heath's account of some purportedly uncontroversial cases of 'type-1' privatization (for example, the introduction of user charges), while section VII makes the case for the inadequacy of Heath's account of 'type-2' privatization (such as 'contracting out' of certain state services), and argues that we often have good reasons for insourcing and direct public procurement. Section VIII gives a more sympathetic comment on Heath's discussion of 'partial' privatization and the distorting effects of public accounting rules. Section IX is largely concerned with one of the greatest of all public institutions: public libraries (along with other institutions that provide non-commercial public spaces). Section X concludes, drawing the foregoing elements together to show the inadequacy of Heath's approach, and showing why those of us who hope to see values of equality and democracy enshrined in the institutions of our societies have more reasons to be against privatization—and in favor of expansive public provision of goods and services—than Heath would have led us to believe.

II. THE TRADITIONAL PUBLIC SECTOR MODEL, AND THE BEWITCHING EFFECT OF THE STANDARD ECONOMISTS' ACCOUNT OF PUBLIC GOODS

Let us begin with some scene-setting. Heath helpfully brings in the idea of the 'Traditional Public Sector Model' (TPSM), as described by the economist Evan Davis (Davis 1998). As Heath puts it:

The key characteristic of this model is that it involves the provision of some good by employees of the state, funded through general taxation, such that it is free to citizens at the point of service. [...] The crucial feature of this model is the fact that the state stands on both sides of the transaction—as both the purchaser (that is, the source of funding) and the provider. (2023, 31–32)

One only has to see this description of the TPSM to realize that there are already (at least) two questions regarding public provision and public services, and two domains in which we might think about (different forms of) privatization: the question of *who provides the good or service* (that is to say, by state employees, arms-length agencies, quangos, private companies, etc.); and the question of *how the good or service is funded* (through general taxation, hypothecated taxation, by regulated user fees, by some mix of these elements, or simply by individuals paying a market price for the service, etc.). As Heath rightly points out, there is something about the particular example of the British National Health Service (NHS) that draws our attention towards it as an exemplar of quite a pure form of the TPSM, with state employees providing a service to citizens, funded through general taxation, and free at the point of use. (Although even here matters are more complicated than they would be on a fully 'pure' version of the TPSM, with many citizens (but not children, pensioners, or those in receipt of certain public benefits) needing to pay charges for eyecare, dental care, and for prescription drugs).¹ But as Heath points out, the NHS is in some respects quite unusual, insofar as in many other countries with *de facto* universal healthcare provision, this is achieved not via the TPSM, but through regulated insurance systems characterized by careful state intervention, where a great deal of service provision is by private providers.

¹ Aneurin 'Nye' Bevan, the government minister who led the introduction of Britain's NHS, resigned from Clement Attlee's government in 1951, in protest at the introduction of charges for eye tests and dental treatment. See Morgan (1985); Foot (2009); and Thomas-Symonds (2014).

As Heath also rightly reminds us, even when we think of a socialist political party such as the British Labour Party under the leadership of Clement Attlee, when it still had a principled commitment to the nationalization of the ‘commanding heights’ of the economy (Morgan 1985), such as civil aviation, electricity and gas production, the coal and steel industry, and the railways, the idea was never that the products of these industries be made available to all free at the point of use. In one way this is a point so clear as hardly to need stating, but it does at least have the virtue of drawing our attention to the split between separable questions of funding, control, availability, and cost, that can often unhelpfully be merged under the single heading of privatization or nationalization.

Given that the TPSM is in some ways rare, and “given the ubiquity of purchaser-provider splits in the public sector” (Heath 2023, 33) it does seem puzzling that, notwithstanding the lure of the powerful example of the NHS, debate on these issues has so often lacked nuance about these kinds of splits and mixed cases. Heath’s diagnosis lays at least part of the blame on the influence of Samuelson’s treatment of ‘public goods’ in his famous and widely-influential textbook—Samuelson and Nordhaus 2009²—according to which public goods are “perfectly non-rival and non-excludable” (Heath 2023, 33). For true Samuelsonian public goods, such as national defense or environmental regulation, only the TPSM generally makes sense as a method of provision. And so, while in the grip of Samuelson’s picture of public goods, we are led away from a more nuanced engagement with the normative issues at stake. Here Heath reaches a conclusion similar to one I have defended in earlier work (O’Neill 2020b, esp. 180–190), where I made the case that John Rawls’ discussion of the relationship between the public and private sectors was badly distorted by his adoption of this ‘economistic’ conception of public goods (with, in Rawls’s case, the influence being in particular via the work of James Buchanan (see Rawls 1999, esp. 235–239; Buchanan 1968). My worry here was that:

Rawls seems to slide from the acceptance of the economists’ conception of public goods to a normative position according to which it is only when a good meets this strict definition that there is a

² Samuelson’s hugely influential textbook was first published in 1948, and went through 19 editions over the next 60 years. The first 12 editions were written by Samuelson alone, with later editions (up to the final one in 2009) co-written with William D. Nordhaus. The book has sold something over 4 million copies overall, and has been translated into over forty languages. On the book’s history see Skousen (1997).

justification in terms of justice for making its distribution a matter of public democratic decision making rather than a matter for the market. (O'Neill 2020b, 185)

Heath's article has convinced me that the baleful influence of this particular unwarranted conceptual slide has actually extended rather more broadly within political philosophy. My concern in that earlier piece had been that, when it comes to public goods and public provision, "an overly stark and schematic presentation of the conceptual terrain again makes it more difficult to situate some of the most important issues around the role of the state in a just society" (O'Neill 2020b, 186), and so it is far from faint praise to say that Heath's article does sterling service in rescuing its readers from the temptations of that overly stark and schematic picture.³

I have said that my praise for Heath is certainly not faint, but it is limited in scope, nonetheless. For after rightly diagnosing this particular instance of what we might think of as 'the cognitive harm of economism' Heath immediately commits a rather similar kind of error. Heath tells us, plausibly, that "a non-excludable good is just the limit case of a good that generates positive externalities" (2023, 33), but this leads him to slip towards a further and less plausible claim. Heath suggests that, just as it might make sense to go with TPSM-type provision in just these limit cases, we should also think that, where there is some measurable ratio between private benefit and public benefit, that the split between private and public funding of that good should be strictly proportional to that division of benefit. As Heath puts it, "the appropriate price to charge for such a good is dictated by the fraction of the good that constitutes private value (that is, appropriated by the individual), and the fraction that takes the form of a positive externality" (33). Unfortunately, this really is a *non sequitur*, or at least that is so in the absence of any independent normative principle that explains why the cost of state services to citizens should be strictly proportional to the benefit they receive from those services. But no such principle is advanced, and neither is an argument offered that might support such a principle.

When we talk about the question of how state services are funded, and how the state should allocate benefits from public spending, we are

³ In that earlier discussion, I took public libraries as my paradigm case of an important public institution (and part of the 'TPSM') which provides a good that is neither 'perfectly non-rival' *nor* 'non-excludable'. I shall return to this case in light of Heath's own arguments in Section IX below.

precisely in the business of arguing about the question of when and how individuals might benefit in a non-proportional way from the activities of the state, which they might fund (proportionately or non-proportionately) either through their taxes or through direct or indirect user fees. This is a difficult normative question which cannot be settled by the illicit importation of the tacit assumption that what lies behind state provision of goods or services is just the concern to provide benefits, in an efficient manner, in a way that spreads costs in proportion to benefit received. The unexamined view in the background here seems to be along the same lines as the thinking that leads to the quasi-libertarian idea of a 'benefits tax'—"that is, a form of taxation that looks to set rates of taxation in a way designed to mirror market outcomes, by taxing individuals for their consumption of public goods at a level that as closely as possible parallels the market prices of such goods" (see O'Neill & Orr 2018, 10). Given the lack of a market for many such goods, such a proposal would rely on positing 'shadow' market prices for these various goods and services, and the computation of these 'shadow prices' would in turn depend on a number of conceptually and normatively contestable assumptions, not least of which would be assumptions regarding the structure of the imagined shadow market that would be needed in order to yield determinate prices (10). I realize of course that there is much that could be said about such a view advocating proportionate costs and benefits for public goods and services, either in defense or in critique, but such a view cannot be allowed to pass along simply by means of an unexamined and (only superficially plausible) argumentative sleight of hand.⁴

III. DECOMMODIFICATION AND SOCIAL EQUALITY

Let me now turn to what Heath has to say about the idea of *decommodification*, about which he is excessively skeptical. On Heath's view, another reason why our attention has been overly directed at the TPSM is that too much weight has been given to the idea "that an important function of the welfare state is to achieve a 'decommodification' of certain goods" (2023, 34), as per the ambition stated in the NHS constitution that access to healthcare services should be "based on clinical need, not an individual's ability to pay" (DHSC 2023). This idea of decommodification naturally leads us towards wishing to see the expulsion of market pressures and market mechanisms from the provision of these important goods and

⁴ For what I take to be a magisterial examination of the idea of a 'Benefits Tax', see the discussion by Barbara Fried (2018).

services; but Heath thinks that this line of thought frequently rests on various kinds of mistakes. For one, he claims that even with the NHS, healthcare is distributed not in accord with *healthcare needs* per se but “in accordance with a physician’s determination of a patient’s needs” (2023, 34). But this is clearly a rather shallow point: after all, physicians’ determinations of need are intended to track underlying need, and will frequently do a much better job of tracking medical need than will the beliefs or preferences of the patient themselves. This is not to say that doctors cannot be mistaken, of course, but it is to say that the architects of the NHS certainly did not think that they were building an institution that could somehow work without the exercise of expert judgement. It should be no part of the normative ideal of decommodification to hold that we should be aiming for a society that distributes those decommodified goods without any administrative intermediation. There is also here of course the point familiar from the work of T. M. Scanlon (1975) and others that individuals’ preferences in respect of features in light of which they may have a claim on public support may not align well with objective aspects of those features: in other words, preference and urgency can come apart. A patient may *prefer* cosmetic dentistry to give them a more handsome smile, but what they might actually *need* could be a root canal treatment to save an imperiled molar.

A more weighty criticism that Heath advances against the idea of decommodification is that egalitarians are making a kind of conceptual mistake when they think that decommodification advances the goal of equality, or when they think that it is mandated by our concern that the state treats its citizens *as equals*. Heath sees this as amounting to something of an unstable mixture of (mere) “distaste for the commodity form” (2023, 35) and a mistaken belief that decommodification is the best way towards achieving more egalitarian distributive outcomes. Heath seems to find this first element simply mystifying, while arguing that decommodification is unlikely to be supported by egalitarian reasons “because the same objective could be achieved by redistributing income, or by providing individuals with vouchers to access certain goods” (35). Here we have Heath’s rather economistic outlook leaving him unable to make good sense of what is actually a readily intelligible, indeed compelling, worry about the anti-egalitarian social consequences of marketization.

Let me try to explain why with an analogy. Imagine I have four children, whom I love each equally, and whom I am equally motivated to help to flourish. With these motivations, my aim may be to give their needs

equal weight in my deliberations about how to act with and towards them, and my hope would be that their understanding of my behavior would be that it embodied and expressed this kind of equal love and concern. Now imagine a different parent, acting in the grip of their exposure to economic (or, perhaps, economistic) ideas. Such a parent might come to the view that their best way to treat their children equally would be to figure out their overall budget of time, money, and attention, and to give each of their children a set of vouchers that they could use to make claims against them. Such a system would presumably have some of the general advantages of efficiency associated with free markets. On further reflection, this system itself might come to seem too restrictive, and could be replaced with a more radical version whereby all parents issued such vouchers, and children could use their vouchers to make claims on *anyone* operating within the general voucher market. The returns to scale would presumably be tremendous. And yet I do not think it would be eccentric or esoteric to suggest that something of great value would be lost in the introduction of market mechanisms here. The parent-child relationship has value in itself, and the value of that relationship can be expressed directly by the way its participants stand towards each other; we care not just about 'who gets what' but also about the character of the relationships that play out day to day in the course of people living together.

Now, I can imagine Heath interjecting—*so what?* State provision of public services does not involve the kinds of relationships we see within families. Well, that's true of course. But it does involve certain kinds of relationships—of individuals to the state, and of those individuals to one another—that are not identical to market relationships. To take another not-unrelated example, when my (actual, as opposed to hypothetical) twins were born by Caesarean section in an NHS hospital, there were quite a few highly trained people in the room—doctors, nurses, auxiliary staff. They were there because they were all needed for my children to enter the world safely and healthily, and for their mother to likewise get through the experience safely and securely. Their presence there as employees of a public service instantiated and embodied a commitment to a certain general conception of serving and benefitting the public, embodied in this case as the *actual* patients there in need of their care and

expertise.⁵ A society expresses something when it elevates these interactions between people, and takes them outside the ambit of the market. My twins came into the world making a claim on the attention and hard work of others both *as citizens* and, more generally, simply as individuals *in need* of care; not as market participants, or as individuals on whose behalf other market participants were acting. It is perhaps true to say that the right arrangement of income-contingent vouchers, or whatever it might be, could have achieved a more egalitarian outcome in sheer distributive terms, but it could not have achieved an instance that embodied a group of people relating to one another, outside the market, as participants in an institution whose very foundations were about an egalitarian expression of the value, standing and status of all participants within society.

This brings us back to Heath's dismissal of "distaste for the commodity form" (35), which makes it seem as if opposition to so many human interactions being mediated by commodity exchange were no more than a raw sense of displeasure, or an unelaborated sense of 'ick'. But this 'distaste' can have much deeper roots, and can itself be seen as resulting from a broader conception of the value of relating to one another as equals. If, as I do, one sees the value of equality as tied in to ideas of equal standing and status, and to a certain ideal of how people might relate to each other, it is not difficult to see how centering the value of equality can give us reason to prefer forms of interaction in which we are participants in shared institutions that themselves affirm our equal status and value, as opposed to forms of interaction where we face each other only as market participants, each out to get what they can for themselves as efficiently as possible (O'Neill 2008, 2013, 2016).

Heath claims that "the egalitarian perspective offers no explanation for why the state needs to be more deeply involved on either the purchaser or the provider side" (2023, 35), but this is true only on a rather impoverished and attenuated understanding of what 'the egalitarian perspective' really is. If we move beyond a limited notion of equality as being no more than a merely distributive ideal, in favor of the richer and more substantive ideal of social or relational egalitarianism that I (among many others) have explored in some detail elsewhere, then we quickly see that *the egalitarian perspective* is precisely a perspective from which we have

⁵ As Michael Walzer puts it in *Spheres of Justice*, workers within a national health service "serve for the sake of the social need and not, or not simply, for their own sakes" (1983, 89).

good reason to want to limit the scope of the market, and the centrality of the commodity form. If we want to value and promote *egalitarian social relations* (see Fourie et al. 2015, Scanlon 2018, Schemmel 2021, among others) then we instead have reason to endorse institutional forms that embody and express the value of equality through giving people the opportunity to act with others in a way that brings them outside the self-interest or even antagonism of market relations. On this kind of social egalitarian view, it is not (*pace* Heath) any kind of a mistake to favor de-commodification of certain especially significant goods and services.

IV. MODELS OF PRIVATIZATION, HIGHER EDUCATION, AND CONTRACTING OUT

Let me return now to some praise again, and in particular to my appreciation of Heath's typology of the different varieties of privatization. By thinking about the contrast between the *provision* and *purchase* of different goods and services, we can clarify different processes that might all be described as forms of 'privatization'. Consider for example the difference between, say, (a) the British state selling-off British Airways or British Telecom (wherein we shift from state provision and private purchase to private provision and private purchase), and to return to the example that drove Nye Bevan to resign his ministerial position, (b) the case where state funding for eyecare was withdrawn (wherein we shift from state purchase and private provision to private purchase and provision). As Heath rightly points out, perhaps the starkest form of privatization has been where we have seen a shift from a TPSM model of residential water provision to something much more like a fully private market (2023, 38), as in the case of the Thatcher government's privatization of the water industry in the late 1980s (see Parker 2012). An interesting contrast here would be the Irish case, where pressure from the EU 'Troika' after the financial crisis brought the Irish government in 2013 to introduce water charges, in a country where residential water services had previously been provided by the state free of charge. The water company created during these changes, Irish Water (later *Uisce Éireann*), remains a state-owned utility, and so here one saw a transition (if only temporarily) from 'decommodified' public provision to a form of private purchase that coexisted with provision by a state-owned utility (see Brennan 2019). All these different cases are distinct in ways that Heath's typology helps to illustrate; and each raises its own distinctive kinds of normative issues.

Heath is right to say that it is a great source of confusion that the term 'privatization' can be used variously to describe *not only* transitions from the TPSM to a fully private market ('FPM' in his terms), but also to describe the very different phenomena of transitions from the TPSM to a 'supply-side public sector model' (SPSM), for example as with Irish Water, or a 'demand-side public sector model' (DPSM), for example when private providers are introduced into the NHS even though care remains free at the point of use (2023, 39). Where I am less inclined to follow Heath, though, is in his claim that such 'one-sided' privatizations are very often 'anodyne', "simply because the state retains the ability to exercise considerable control over the market by virtue of dominating one side of it" (39). Notwithstanding this point about the potential for residual forms of state control, Heath's approach is severely liable to underestimate the harms that can be done *both* by the 'commodification' (or 'recommodification') involved in the introduction of user charges for what had once been generally accessible public goods or services; *and* the harms attendant on 'outsourcing' certain aspects of public provision to private firms.

One interesting case is higher education. Heath is rather relaxed about the introduction of variable fees in higher education, seeing this as just a way of reallocating costs within a system that can nevertheless remain largely under the regulation of the state. But the changes in higher education that have been seen in many countries in recent years are not just about a redistribution of costs with respect to an otherwise unchanged system. Rather, the introduction of high and/or variable fees is generally accompanied by a systematic change of culture in higher education, including a greater tendency towards the 'instrumentalization' of learning and education; a funneling of students towards courses that are more straightforwardly remunerative in economic terms, and away from subjects and courses whose value may be best captured in non-pecuniary ways; and a transformation of self-conception among students, academics and (especially) among the administrators and managers of academic institutions, who come to see the enterprise in which they are engaged in more atomized and competitive terms, and less as a domain of cooperation and collaboration. Many writers have spoken here in terms of the promotion of a 'neoliberal' mindset, that transforms the self-understanding and the social relations of the participants in those institutions (Fisher 2009; Davies 2014; Newfield 2021; Boyle, Hickson and Ujhelyi Gomez 2023). One might say that these changes are perhaps not a *necessary* feature of any such change in the distribution of costs, but for those of us

thinking about the organization of institutions of higher education 'around here and around now', so to speak, these broader changes are real and significant, and should be taken with sufficient seriousness.

Another very different kind of example would be with the now widespread practice of city councils and other local authorities 'contracting out' services such as cleaning, maintenance, and dealing with domestic and business waste and sanitation. Heath is right to say that this kind of 'contracting out' is often opposed on social justice grounds due to reasons of job quality and distributive justice, given that "government employees are often better paid and enjoy better working conditions, including more extensive unionization, than private-sector employees" (2023, 39). The point here about working conditions certainly bears emphasis, as in general the only reason that contracted-out services can appear as a good deal to local authorities, or to other institutions such as universities or hospitals, is precisely because they will often involve a serious reduction in pay, control over working hours, and job security for those working in those occupations. To this we can add that there are social egalitarian concerns that come into play when those working in the same spatial location find themselves divided into a 'two-tier' workforce, wherein those with more highly respected jobs (such as council bureaucrats in local government, academics and senior administrators in universities, medical staff in hospitals, etc.) remain direct employees of the main institution, while those undertaking the typically less well-paid roles that are 'contracted-out' find themselves as no longer the colleagues of their more advantaged co-workers, but as no more than causal, insecure agency workers. This obviously is likely to distort relations among employees, and to be injurious to the self-respect of those who are already disadvantaged in other respects. One might with accuracy say that this will often involve adding insult to injury.

In these cases, though, Heath would presumably say that the connection between some of these normative problems of injustice to privatization itself (in its different forms) is in some ways a weak and contingent one. Moreover, there will often be, at least in theory, other remedies available that could counteract some of these problems when and where other reasons—such as reasons of efficiency—point towards the case for privatization. Of course, it is true that these are not necessary connections, but I think it behooves us as political philosophers looking to operate under broadly realistic conditions, and looking to make arguments that will find a foothold in the world around us, that we should take these

common and significant connections seriously. It may not be strictly unavoidable that marketization in universities erodes much of value in their internal institutional culture; or that contracted-out services generally involve a shift towards more demeaning and unpleasant forms of employment for those who are already disadvantaged. Nevertheless, where these connections are common and striking, we should take them seriously. I therefore do not disagree with Heath when he says that “there can be no categorical rejection” (39) of certain forms of either supply-side or demand-side privatization, but I nevertheless hold that it is important for us to realize that the balance of considerations quite often gives us strong reasons to reject privatizations of both kinds. My hope is that something of this case has been made already, and it will hopefully be strengthened by the argument of the remaining sections.

V. PROFIT, EFFICIENCY, AND PUBLIC SERVICES: A TALE OF TWO FREE LUNCHES?

Before turning to some of the further concerns that come up even with cases of ‘supply-side’ and ‘demand-side’ privatization that Heath finds quite ‘anodyne’, I want first to examine Heath’s rather quick dismissal of what he terms (pejoratively) a couple of ‘free lunch’ arguments. The first ‘free lunch’ argument that Heath quickly dismisses is an argument *in favor* of privatization that holds that “government is necessarily less efficient or less innovative than private enterprise” (40). Such a view seems to be commonly expressed by certain right-wing politicians (most often those whose parties are well-funded by corporate interests), and of course are the mainspring of commentary in ‘pro-business’ publications such as *The Economist* (Zevin 2019). But as Heath rightly allows, no such general claim is remotely plausible, and history is littered with examples of disastrous privatizations which, far from enhancing efficiency or innovation, have simply allowed the appropriation of public wealth by private interests.⁶

⁶ Examples abound. On the Chilean privatizations undertaken under Pinochet, see Constable and Valenzuela (1992), and Collins and Lear (1995). On the dispersal of Russian state enterprises via privatization, and the subsequent creation of a billionaire oligarch class, see Wedel (1998), Hoffman (2002), Wood (2018), and Piketty (2020, ch. 12). On the history of British privatizations, see Vickers and Yarrow (1988), Parker (2009, 2012), Guinan and Hanna (2013), and Meek (2014). For the bleak global record of water privatization in a number of countries, and the role of movements towards ‘remunicipalisation’ of water and other public services, see Pigeon et al. (2012). For general discussion of privatization and nationalization, in the US and elsewhere, see Hanna (2018).

Heath wants just as quickly to dismiss another purported 'free lunch' argument, on the opposite side of the debate, according to which "the public sector is always more efficient because it is not burdened by the expense of paying out 'profits' to investors" (2023, 40). Setting aside the curiosity of 'profits' being put in what seem to be scare quotes here, Heath is being rather too quick to look for a strict equivalence of bad reasoning. Whereas the relative efficiency or innovativeness of the public and private sectors seems simply to be an open question, with different answers in different contexts (Mazzucato 2013), the question of whether public services should be run only for the benefit of their users and direct beneficiaries, or whether they need also bear the cost of carrying a return for corporate shareholders (not to mention typically highly-remunerated private sector senior managers), is a question amenable to a rather more systematic answer.

Heath's way of looking to demonstrate that this position is a fallacious 'free lunch' is ingenious, but unconvincing. His suggestion is that:

Since every welfare state in the world today runs a substantial budget deficit, every marginal increase in expenditure is financed by debt. And so either way, providers of capital get paid, whether in the form of interest on government bonds to finance public-sector investment, or in the form of profits on shares to finance private-sector investment. (2023, 40)

One response is to point out that it is not true that all states are in budget deficit. At the time of writing (Autumn 2023), Ireland is projecting an annual budget surplus of around €12 billion. The United Kingdom ran a budget surplus for a number of years in the late 1990s and early 2000s, as did the United States around the turn of the century, while Germany ran budget surpluses for the eight years from 2012 to 2019 (inclusive).⁷ So even by the lights of Heath's own argument, this is starting to look like a merely 'contingent' free lunch. And this is even before we address the point that any state currently in deficit could always raise taxes to pay for an increase in public provision, such that any expansion of public investment could always be accompanied by fiscal changes to give an overall result that was neutral with regard to the size of the deficit.

⁷ For UK figures, see <https://commonslibrary.parliament.uk/research-briefings/sn06167/> For US figures, see <https://fiscaldata.treasury.gov/americas-finance-guide/national-deficit/>. For German figures, see <https://www.worlddata.info/europe/germany/debt.php>

Heath's picture is misleading in other ways though, given that, more significantly, when we think about the privatization of service provision, we are often talking about the operation of local councils, and of local and city governments, who are often barred from debt-financed spending, but must fund all of their spending from current revenues. In those cases, Heath's supposed equivalence of public debt financing and providing support for private profits is simply irrelevant. Moreover, for Heath's argument to get a foothold, we would have to imagine circumstances where a public authority of some kind is facing a simple choice between: (a) buying goods or services from a private provider which covers all investment, and bears all investment-related risk; and (b) borrowing the funds itself that are needed to fund that investment and to undertake the associated public provision. But in many actually-existing cases where private providers are brought in, the state (or local council) has already made much of the relevant capital investment, and simply *unavoidably* bears much of the attendant risk, given that the good or service in question will often be something which it is obliged to provide (whether that is sanitation services, transportation, or whatever else). Much private investment in public services exists in a setting of (inevitable) 'state derisking', where the profits and other private benefits (for example, in high managerial salaries, etc.) extracted by the private investor themselves amount to what could best be described (in Heath's own terms) as another kind of 'free lunch'.⁸

Let me illustrate with a quick example. When I was growing up, I lived in the London Borough of Ealing. In the 1990s, Ealing Council decided to save money on its rubbish-collection, maintenance, and parks department by bringing in a private provider, which could provide the services at a lower unit cost. The provider chosen was a newly constituted company called BRETS ('Branch and Root Ealing Technical Services'), which was a subsidiary of US conglomerate Halliburton, later famous for its close political connections to the Republican Party (not least via its sometime CEO, Dick Cheney, who ran the company from 1995–2000), and its profiteering in the wake of the Iraq War.⁹ Needless to say, the jobs of those who found themselves shifted from council employment to BRETS worsened, service provision did not improve, and the experiment was generally held to be a

⁸ On state derisking and options for the socialisation of risks and rewards, see Mazzucato (2013) and Mazzucato and Li (2020).

⁹ See information from the Public Services International Research Unit (PSIRU) at the University of Greenwich, here: <https://www.psiru.org/companies/halliburton.html>. For an entertaining and informative fictionalised account of Dick Cheney's life, including his business career with Halliburton, see the film *Vice* dir. Adam MacKay (2018).

disaster. In this case, much of the relevant capital stock had already been publicly provided (such as the parks and other physical land-and-capital stock of the borough), and of course the risk still lay squarely with the local authority, which ultimately stood as the guarantor of the public serviced that it had contracted-out to BRETTS. Now Heath might tell me that all of this can be true here without it *necessarily* being the case that the need to pay out profits to private firms in public service provision will *always* lead to worse outcomes for service users, and in a strict sense Heath would be right. But I would at least want to suggest that a company like Halliburton does not get involved in local-level sanitation or parks maintenance out of a sense of public mission, but out of a vulpine concern to squeeze money wherever it can. And so while citizens may not be entitled to the 'free lunch' of knowing with certainty that public provision is always and everywhere better on the grounds of it not involving the extra cost of funding corporate profits, they are nevertheless entitled to a very strong suspicion against any way of arranging the provision of local public services that might contribute to the financial bonuses and lifestyle enhancement of someone like Dick Cheney.¹⁰ We should therefore be far more worried about the really-existing free lunches of corporate profiteers benefitting from public sector 'derisking' than we should be concerned about the conceptual 'free lunch' that Heath takes himself to discern in the blanket objection to the public funding of corporate profits.

VI. THE CASE FOR CAUTION ON USER CHARGES

We can now return to consider cases of 'Type-1' privatization in more detail, that is cases that involve "shifting from tax-financing to beneficiary-financing of state-provided goods" (Heath 2023, 41). Heath offers three rationales for when this kind of shift in financing can be justified: the first is to do with collective action problems, as when the introduction of road-pricing can help to reduce congestion; the second is concerned with avoiding forms of unwanted cross-subsidization, as with higher education user fees, if we are concerned that free or cheap university education ends up benefitting, say, graduates in medicine or economics at the expense both of those who end up in less remunerative careers, and those who do not attend university at all; the third reason, following the work of the economist János Kornai (1986), is to do with 'soft budget

¹⁰ For more on the case for more democratic public services, and the case for insourcing see Guinan and O'Neill (2019a, 2019b); Labour Party Community Wealth Building Unit (CWBU) (2019), and Kishimoto et al. (2020)

constraints', and the importance of bringing greater market rigor into public services that might otherwise endlessly increase in budget for little discernible benefit.

On user fees as a way of solving certain coordination problems, there can indeed be much value in the introduction of such fees in some cases. Road pricing is a good case, although this is much more convincing when it is done as one sees it practiced in Portugal, with an efficient automated system using numberplate recognition, as opposed to the less automated versions one often sees in the United States or France. When done badly, road pricing gives us long queues at tollbooths, that generate a huge destruction of economic value by slowing down the journeys of road users, and alongside this generate more avoidable misery through creating one of the dullest and most depressing jobs that exist in advanced economies: that of tollbooth attendant.

On the alleged harms of 'cross-subsidization' in cases such as higher education, Heath moves too quickly, and does not make his case convincingly. As I say above in section II it is a *non sequitur* to move from the (true) claim that higher education provides a distribution of both public and private benefits, to the questionable claim that the costs of higher education should therefore be divided in proportion to benefits received. A society that decides to make university education free could be expressing the value that it places on learning and self-development, rather than understanding what it is doing simply as reallocating earning potentials. Similarly, it may also be giving a special priority to ensuring that those disadvantaged potential students who would be most intimidated by the high 'sticker price' of a degree priced in proportion to its likely future private benefit would not be dissuaded from attending university.

Heath gives the example of his wife, whose medical degree at McGill University cost the same as Heath's own philosophy degree, and expresses concern at "the multiple forms of unjustifiable cross-subsidization in this arrangement" (43, footnote 11). I am less worried about this 'cross-subsidization' for a number of reasons: firstly, one could instead simply think it was a wonderful mark of civilization that a country could train brilliant medical doctors without any significant financial barrier to joining the profession. Secondly one might plausibly think that the public benefit of training doctors was significantly greater even than the benefit of training political philosophy professors, and so there could be little objection to public funding for their professional formation. Thirdly, if one were worried about resulting distributive inequalities associated with

possession of a medical degree, this would always be something that could be addressed downstream by the tax system, rather than something that would need to be addressed by means of user charges for those receiving higher education. (Indeed, there is an interesting tension between Heath's readiness to embrace 'upstream' solutions regarding user fees in higher education, rather than waiting for redistributive corrections, when held against his favoring redistributive solutions rather than (upstream) decommodification in other cases (on which see section III above). This might suggest that there is altogether too much (insufficiently justified) enthusiasm for the 'commodity form' in Heath's approach).¹¹ Fourth and lastly, if one is worried about trained medical personnel who might then leave the country after their subsidized public education, there are always particular ways in which those problems could be addressed via minimum public service requirements for certain professions (see Stanczyk 2012, among others).

On Heath's third kind of reason, the Kornai-esque concern with runaway public budgets, I would not want to demur entirely, but I would at least want to register a note of caution. It seems axiomatic that we would not want to promote waste in the provision of public goods and services, but some apparent forms of 'waste' may have deeper rationales. Consider a public mail system that operates on entirely commercial terms, without any form of egalitarian regulation. Such a system would presumably make it cheaper to send mail between major cities, while driving up the cost of rural deliveries. That might be more 'efficient', but it would likely undermine the sense of status and standing of those in rural communities, and communicate to them that they simply had no expectation of accessing basic, essential services on the same kind of basis as others. This is likely to be injurious to self-respect, and undermining of a sense of shared citizenship. Similar arguments could be advanced for the idea of public access to broadband. The British Labour Party's 2019 manifesto included a policy of public broadband provision, a policy which attracted much negative comment at the time, but which began to look rather prophetic in light of the overwhelming significance of access to broadband during the Covid pandemic, for education, social life, and public participation (Labour Party 2019). Relatedly, Heath mentions the case for closing underused rail branch-lines, and the case for running commercially oriented

¹¹ On upstream 'predistributive' approaches vs downstream redistributive approaches, see O'Neill and Williamson (2012); Hacker, Jackson, and O'Neill (2013); and O'Neill (2020a).

services as opposed to the dreaded 'soft budgets' of public rail companies. But there may be good egalitarian reasons to keep a rail *system* working, rather than judging each of its elements on ruthless commercial criteria, for reasons analogous to those supporting a national mail system. Moreover, a democratic society might also want to be able to take a long-run view on the preservation of certain public services which might need to be protected for potential future use and development, rather than thrown in the dustbin based on their performance in the current financial quarter. From the long-run point of view of the state and its citizens, it is much more costly to reopen or even to rebuild a branch line in the future, rather than to bear a few years of modest losses, whereas commercial organizations will find such long-run thinking alien when held up against the standards of the current financial bottom line.

With all three of Heath's reasons in favor of expanding the role of the market in public provision ('type-1 privatization') he does indeed identify plausible reasons that ought to bear some weight in public deliberation. Nevertheless, Heath repeatedly moves too quickly from plausible *pro tanto* considerations to illicit conclusions, and is too slow to see the countervailing considerations that might lead us to regard some of his purportedly 'anodyne' privatizations as being significant policy mistakes. These mistakes are borne out of an unwarranted restriction on the range of values that we need to consider, a lack of attention to distinctively social egalitarian considerations, and a sense of being too relaxed about the normative and temporal distortions that can come along with an overly 'commercial' mindset.

VII. PUBLIC PROCUREMENT, INSOURCING AND OUTSOURCING

I have already given some reasons above, in Section V, for why we should be extremely cautious about cases of 'contracting out' public services, whether at the national level, or at the local level (as in my example of the unwelcome activities of Halliburton in my home borough in the 1990s). Making room for private profit will typically create costs that ultimately fall on service users and on those employed in those services. Moreover, as Joe Guinan and I (2019b) have argued elsewhere, it will typically reduce the degree of democratic control that a government—whether at the national, city or local levels—has on the way in which those services are provided and develop over time. Nevertheless, I am in significant agreement with Heath when he points to the ways in which existing government procurement rules are often at the root of significant problems in

public service provision, regarding relationships to suppliers, and that often the reason that more extreme forms of outsourcing become the only viable solution are due to the rigidity and perversity of existing procurement frameworks.

Heath rightly points to the way in which “government [...] is usually constrained by the requirement that it take the lowest bid on any tendered contract” (2023, 46), which militates against taking a broader or more nuanced approach to social value, and undermines the possibility of government agencies building up more constructive relationships with especially reliable and effective suppliers. As Heath points out, this often pushes government towards looking for extreme solutions (such as comprehensive outsourcing at the level of public functions) to solve these procurement problems that occur at the more micro-level. That said, it should be emphasized here that the same kind of ‘best unit value’ bottom-line thinking can just re-enact these same kinds of problems at the more macro-level (which brings us back to Ealing, BRETS, and Halliburton).

The solution here is not to encourage macro-level outsourcing, but instead to argue for a more sophisticated approach to public procurement. This is actually something that we already have seen in the United Kingdom, where the 2012 Social Value Act allows a more nuanced and holistic approach to public procurement, in which a broader set of considerations around job quality and other desiderata can be used in preference to just focusing on lowest unit price. This kind of institutional flexibility with procurement has allowed the development of more ambitious and progressive approaches to procurement policy, as part of the movement towards local ‘community wealth building’ in local and regional economic policy, which I and others have discussed at greater length elsewhere (Brown and O’Neill 2016; Howard and O’Neill 2018; Guinan and O’Neill 2019a, 2019b). On this issue, I am sure that Heath would not be in principle opposed to embracing this richer and more effective approach to public procurement, as opposed to treating reductive procurement rules as an element of bad policy which must be treated as fixed and then worked around (see also Davies 2013). A successful shift from outsourcing to ‘insourcing’, when alloyed to a more sophisticated framework for procurement, allows local authorities to exert more democratic control over service provision, and allows the pursuit of important

values of social equality and inclusion, not least in the promotion of higher quality, unionized jobs.^{12,13}

On public housing, I must admit that I am perplexed by Heath's claim that there are "not really significant market failures in this sector" (2023, 50), by his downplaying of the degree of market power that landlords exercise over tenants, and by his characterization of the normative questions of housing as reducing to "essentially redistributive" questions (50). Given his characterization of what is at stake with housing, Heath feels comfortable in returning to the default 'economistic' position of looking to minimize on market regulation while dealing with any issues simply by adjusting the background distribution of purchasing power. It would take a long discussion to explore all the ways in which this picture is misleading, but suffice for now to say that on my view we need to acknowledge at least two normatively salient features of housing as a policy problem, both of which Heath seems to miss. Firstly, the social relation between landlords and tenants is often a socially inegalitarian, asymmetric relationship where one side exercises power and the other bears the consequences, and hence it is objectionable on social egalitarian grounds (McTernan et al. 2016). Secondly, our concern with housing as a social problem is not just about all-things-considered distributive outcomes, but is also about the way in which housing policy constructs the physical spaces in which people and communities live their lives, and in which they encounter one another. To take just one example, there is all the difference in the world between policies which lead to strict spatial segregation by class and race, and housing policies that bring those of different ages, racial groups, and social and occupational backgrounds into daily contact

¹² For an approach to 'insourcing' over 'outsourcing' that has been greatly influenced by work on community wealth building see Labour Party Community Wealth Building Unit (CWBU) 2019.

¹³ On the subject of unions, I do not have space to discuss at length Heath's rather critical and disparaging account of the role of public sector unions, which he sees as often acting as a block to the delivery of high-quality public services. This was a familiar theme expounded by Tony Blair, and Heath's account itself is clearly quite influenced by the work of Blair's advisor Michael Barber (2015), who is quoted approvingly by Heath in a number of places. I am struck that Heath's (and Blair's) account here is rather one-sided, and that my own experience of public sector unions in the UK, for example in the health and education sectors, is that they are more often energetic defenders of what is most valuable in the public services in which they work and to which their members often display heroic commitment. On the role of unions in correcting for the disproportionate political influence of the interests of capital, see O'Neill and White (2018).

with one another.¹⁴ When the politicians of Red Vienna built the magnificent Karl-Marx-Hof housing development in the Geiligenstadt district, and built the other *Gemeindebauten* in their city (Gruber 1991; Blau 1999; Haderer 2023), they were not (*pace* Heath) making a mistake in illicitly intervening in a market that would be better left in the private domain. Neither is it any coincidence that ambitious egalitarian and social democratic governments have often put housing provision near the center of their programs (Broughton 2018; Hanley 2017; Hatherley 2020; Sennett 2018). Much, much more could be said on this issue, but my minimal claim is that any serious effort to create a more egalitarian society will involve significant public sector intervention in housing regarding its construction, provision, distribution, and regulation.

VIII. THE HARMS OF PARTIAL PRIVATIZATION, AND THE DEPRADATIONS OF PRIVATE FINANCE INITIATIVES

As I am a great admirer of Heath's range and power of insight as a political philosopher, I am eager that my assessment of his view need not be excessively negative. So let me register here two further areas of strong agreement. Firstly, Heath is right that one particularly pernicious phenomenon is the kind of 'partial privatization' we often see when the quality of a public service is reduced to the point where people of means find private sector alternatives (private security, private medicine), which "leaves relatively powerless citizens consuming the public version of the good, people whose complaints can more easily be ignored" (2023, 52). Services that are only for the poor quickly become poor services. This insight, though, is perhaps more significant than Heath realizes, as it in general pushes us towards universal public provision, and a lack of 'means-testing', on both distributive grounds and on social egalitarian grounds. Heath should think of what would happen in a university that followed his injunction against 'cross-subsidization' with fees allocated according to financial benefit, where the mathematical economists would pay a fortune (at the level of their projected future marginal benefit), presumably be taught in shiny new buildings, while the students of social work or of world literature are presumably sent out to be taught in Portakabins.

¹⁴ Housing is a subject to which analytic political philosophers really need to give rather more attention; for two significant recent articles on this subject by Katy Wells see (2019, 2022). See also Bell and Zacka (2020).

Heath also gets things right (perhaps more than he realizes) on the depredations of 'New Public Management' theory, with its recalcitrant enthusiasm for bringing in the private sector even in cases where plausible commercial contracts could not be designed, and where private sector involvement would in fact simply be liable to result in egregious forms of value extraction. Perhaps the apogee of this nonsense came with aspects of Public Private Partnerships (PPP) and Private Finance Initiatives (PFI), where private sector value-extraction was often encouraged simply as a way of keeping down headline levels of public borrowing, even in cases where it was clear to all concerned that the purely public option would be significantly cheaper and more flexible in the long-run (Foot 2004). Here, as with some aspects of procurement rules, it seems that the most pressing need is simply for wiser and less 'gameable' forms of regulation, and for accounting rules that do not incentivize irrational transfers to extractive profiteers.¹⁵ Given Heath's clear-eyed appreciation of the self-defeating inefficiency of many of these Blair-era public management models, it is again surprising that he is not more hostile to private sector involvement in public provision than the position defended in his essay.

IX. TECHNOLOGICAL CHANGE, LIBRARIES, AND PUBLIC SPACES

In this final substantive section, let me turn to one of my great loves—indeed, one of the greatest kinds of institutions that humankind has ever constructed—public libraries. Heath is more skeptical about these institutions and their continued relevance, and thinks that their time may have come and gone, making use of an analogy with Montréal's formerly magnificent public baths. In the early 20th century, Montréal's public baths provided a wonderful facility to enhance the quality of life and social integration of the city's poorer residents, but fell into abeyance with the development of higher standards of indoor plumbing. On libraries, says Heath:

While I love libraries almost as much as Martin O'Neill, I am not persuaded by his claim that they are public because "there is something transcendent, something deeply valuable, indeed almost miraculous, about a shared public space devoted to a role as a repository for

¹⁵ For some sense of the irrationalities of PFI in Britain, and its harmful and extractive consequences, see some of the many articles from *The Guardian* newspaper collected here: <https://www.theguardian.com/politics/pfi>. See also Monbiot (2000), Pollock (2004), McKibbin (2007a, 2007b).

human learning and memory” (O’Neill 2020b, 187). I can imagine a similar paean having been written 80 years ago about the solidarity-enhancing qualities of communal bathing, and yet no one would think, in the present day and age, that this constitutes a strong argument for public baths. (2023, 58, footnote 19)

On Heath’s view, the onward march of technological and social change will leave libraries as an irrelevance, similarly beached by history.

There is much that could be said in response to Heath’s argument-by-analogy. Firstly, despite the availability of e-books and PDFs, the book has proved a remarkably resilient piece of technology; it is not going anywhere, and for long as it does not, the case for libraries remains. Secondly, public libraries are not just about books. Let’s take two of the most impressive public buildings that have opened in Europe in recent years, the new central library in Helsinki, Oodi (*Helsingin keskustakirjasto Oodi*), which opened in December 2018; and in Oslo, the new Oslo central public library, the Deichman Bjørvika (*Deichman Bjørvika bibliotek*), which opened in June 2020. Both Oodi and the Deichman Bjørvika offer meeting spaces, studio and rehearsal spaces, 3-D printing, language cafes, parent-and-toddler story times, venues for readings and speaker events, and many other forms of engagement and interaction. Oodi tellingly describes itself as “a living meeting space”, “a non-commercial, urban public space that is open to all”; a description that gets to the heart of its value as an institution.¹⁶ It is a place in the city where people can go without their activity being focused on consumption and without being objects of potentially profit-making for commercial interests, but simply where they can go and engage with others, in a venue that is dedicated to ideas, social development, and creativity.

Democratic societies need those sorts of spaces, where people can meet each other not as consumers or competitors, but as fellow citizens. Some of that need can be met by this new generation of expansive, ambitious libraries, but in truth we need *much more* collective public space in our cities: community centers, youth clubs, museums and galleries, cultural centers, parks and city squares, and all the other places in which we

¹⁶ For the Oodi (Helsinki) and its self-description, see <https://oodihelsinki.fi/en/what-is-oodi/>. As the website goes on to elaborate, “Oodi provides its users with knowledge, new skills and stories, and is an easy place to access for learning, story immersion, work and relaxation. It is a library of a new era, a living and functional meeting place open for all”. For Oslo’s Deichman Bjørvika, see <https://deichman.no/>.

can come together as citizens rather than market participants.¹⁷ And so, thirdly, like Heath I too can imagine an 80-year-old paean to “the solidarity-enhancing qualities of communal bathing” which may, in the era of indoor plumbing, feel as if it would have been beached by history; but such an argument would remain more timely than Heath allows (58, footnote 19). On the one hand (keeping the link to immersion in water) public and municipal swimming pools and leisure centers remain an important kind of institution, not least when they spread opportunities for certain kinds of leisure to those who might not otherwise be able to access them, and when they bring together people of different classes and backgrounds. In 1941 George Orwell could write in *The Lion and the Unicorn: Socialism and the English Genius* of “the naked democracy of the swimming-pools” as precisely the kind of phenomenon that worked to break down class divisions between citizens, and to create a society in which “the same kind of life [...] is being lived at different [income] levels” (33). On the other hand, even when the *precise* form of shared public spaces may change over time, in part due to the ongoing processes of social and technological change that Heath describes, the need for *some kinds* of such places and such shared institutions resiliently remains.

X. CONCLUSION: REASONS TO REJECT PRIVATIZATION IN DEMOCRATIC SOCIETIES

I am conscious that my aim in this discussion has often been to highlight differences rather than commonalities between my view and the position defended by Joseph Heath. But there is much on which we agree. Heath himself emphasizes that he does not seek “to defend privatization as a panacea”, and he allows that many real-world privatizations have been “terrible, ill-considered or even flagrantly corrupt” (2023, 59). On those points we agree, and I can even agree in addition that at least a subset of his purportedly ‘anodyne’ privatizations are not in fact objectionable (think, for example, of Portuguese road pricing). And as I said at the outset, Heath’s provision of a ‘grid’ or conceptual map of the territory has been a valuable intellectual public service.

But nevertheless, these findings themselves carried along by Heath’s more reasonable moments should nevertheless be prepared to dig their heels in where necessary. Heath’s economic framework for thinking about these issues rules out too many important normative

¹⁷ For a convincing case in defence of the importance of physical public space even in the digital age, see Parkinson (2012).

considerations from the outset, and biases the discussion away from considering the full diversity of reasons against privatization in its different forms. Heath writes that he would have progressives accept the “provocatively ambiguous German Social Democratic Party slogan: ‘As much market as possible, as much state as necessary’” (59; Crouch 2021).¹⁸ On my view, something closer to the obverse of this tepid slogan would get us much closer to a defensible normative position: ‘As much public provision as possible, as much market as necessary’. Markets are tools to be deployed by democratic publics and their governments when they have good reason to use them; they should not be a kind of normative default. There is *much* more that we can and should demand from our public institutions—in terms of creating the preconditions for democratic deliberation; in terms of generating social solidarity and inclusion; and in allowing citizens to relate *as equals*—that is not captured by the Heathen view that sees public provision as always and only a response to specific kinds of market failures. As free and equal citizens in democratic societies, we are more than mere market participants, and our institutions should be constructed in a way that treats this fundamental truth with due seriousness.

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¹⁸ Heath is right that such a slogan is “provocatively ambiguous”, of course: in *what way* “possible”, and as “necessary” *for what* (59)? One is reminded of Tony Blair’s purportedly anti-ideological slogan that “what counts is *what works*”, but what counts as *what works* in the relevant sense, and to what end? As the title of an essay by Ross McKibbin (2008) put it, “what works doesn’t work”.

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