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### **A Conceptual Approach and Alternatives On Public Goods\***

The combination of Fordist production relations and Keynesian policies created an illusion in the minds of people that goods can become two types in their nature: Public Good and Private Good. In that way of thinking responses are nearly automatic: education, health, transportation, water, postal services and etc. must be “public” only because they are traditionally given by the states. However, tourism, food, metal and chemical products and/or so on must be “private” only because they are traditionally given by private companies. If we go to the roots of reasons which make this distinction “traditional” we see the organization of production and its implications on state level particularly for the period between the end of second world war and 80s. At the times when capital accumulation was at the low levels, capital class needed nation states or “public goods” mainly for infrastructural goods such as roads, dams, energy and water with no cost. Same can also be applied on services which still have vital importance for reproduction of labour power and were predominantly provided by the states. Indeed, today, during the second round of GATS negotiations it is easy to see the constraints in the field of services. None of WTO member states, for instance, is willing to liberalise primary education and basic health services despite huge pressures come from private education and health companies. Because these two services are essential for capitalist classes in general with the exception of those who are in economic activity in these particular sectors.

To overcome the illusion on public goods, I think, first of all a correct definition should be made. What is public good ? According to Inge Kaul, for instance “*this question can best be answered by looking at the counterpart, a private good. Private goods are typically traded in markets. They have clearly identified owners; and they tend to be rival.*” There are also other definitions for public goods. For example for some authors it is difficult or costly to charge the beneficiaries in some or all cases Or they claim that the marginal cost of the good is less than average cost. Some others argue that when there are goods, services, and resources that people can get without paying for them at a market equilibrium price, inefficiency will be the case. Then we may rise another question: Inefficiency for WHOM?

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In all these definitions we see that the concept of public good is very restrictive at least for it has to be dealt with its counterpart “private good”. There is an acceptance in this kind of arguments that goods and services are tradeable or non-tradeable in their nature. By that way we come to the point of thinking that trade itself is a natural activity of human being. In my understanding “public” is not the good or service itself, it is the way for delivering any kind of goods and services which are produced to meet the needs of communities. The "publicness" of a good is not an inherent characteristic of the good itself, but of the manner in which it is given. Any good can be either a public good or a private good, depending on the choice of methods to deliver goods or services to the society. This choice which seems as it was a political decision at first sight, however, depends on the nature of production relations particularly to the question whether these relations are capitalistic or not. Therefore, the concept of public good together with its counterpart “private good” is peculiar to capitalism. Indeed, if we were living in another system where classes did not exist and all goods and services were produced only for the needs of people we wouldn't have such a debate like public or private. Therefore public goods should be the subject for the analyses in the field of political economy.

This kind of perspectives takes us to another question: Is it possible to defend and protect some goods and services as public in a capitalist society? Can different social classes agree on the same demands on public goods and services? Let's have a look over following example on that: Retirees, jobless people and millions of working masses need to have freely given public goods and services. However private enterprises which are economically functioning in each of these sectors have interest on trade of these good and services. Therefore these enterprises demand profits at higher rates or to remove all anti-competitive barriers, namely, social and environmental benefits while millions of masses are dreaming to have services and goods freely. The concepts such as efficiency, productivity and performance criteria are among other problematic concepts. It is true, every body wants to be among beneficiaries of more efficient, productive and cheaper public services. However, in the systems based on profits through the exploitation of labour power, all these mean more and more exploitation of labour power and a higher level of unemployment for working masses.

Which goods and services can be public, which not for left politics? This question should be answered through the definition of the needs of societies. All activities even if they are carried out by the states freely can not be defined as public goods or services. As it is rightly analysed by Marx, some goods and services may be regarded “as they were need” in capitalist societies even if they are not really. In this context, security forces, defense and arm industries are not public. Or, financial instruments and transactions, for instance, can not be described as public. Because all these are the needs only for capitalist classes, not for peoples in general. In this regard, it is important to remember following event: It was in 1999, in a G8 meeting it was decided to cancel limited parts of debts of poorest nations to the IMF. But it was a must for the IMF to sell a huge amount of gold reserves in order to cancel these debts. Soon after this meeting, G8 states started to sell gold from their own national reserves in order to catch higher market prices, before gold prices go down due to IMF sales. Within a week World Gold Council had to hold a crisis meeting and made a diplomatic warning to international community. In this warning, world gold council declared that 12 thousands gold mining workers were dismissed in the first week. Because gold mining companies got slow down the production due to the fall in world prices. In which countries these 12 thousands workers lost their job?: mainly in Africa, in the less developed countries. Besides many other this is only one dimension of financial markets. On the other hand, we should also question for instance the winners and losers of debt cancellation. My country is one of the biggest debtors to the IMF and World Bank for many decades. These funds were given to private companies in order to support capitalistic development in the country. It may be considered that this process led to higher level of employment and it was also benefit for working masses. In today’s level of capitalist accumulation process, however, all social legislation in Turkey has been deregulated including labour law, public services and trade union law. If debt cancellation for Turkey becomes the case, we know that this has nothing to do for working and poor masses. However, for creditor countries it will have a cost only for working classes who will suffer cuts in social expenditures and more unemployment due to diminished level of income in national budgets.

All in all we should remember that the only aim of Nobel prized Tobin by this tax was to keep capitalist system survive. Left politics shouldn’t have such an aim. Moreover, it should be noted that credit system is the heart of capitalism, instead to find tools to strenghten credit and finance system we should find proper strategies which keep working classes far away from financial markets. Today, there are big dangers in that field too. One of them is “private

pension schemes". In a panel-discussion organized by Konrad Adenaur Foundation in 1998 in Istanbul, Kurt Lauk, the executive in Mercedes Benz was the only speaker of the meeting. - you know the name of this company today is Daimler Chrysler-. In his speech Mr. Kurt Lauk stated that globalisation process has vital importance for companies for two reasons: pension funds and democratic systems in the west. He expressed that there were too many democratic rights which restrict the profits of companies in advanced capitalist states in contrast to the higher levels of profit in anti-democratic states in Latin America and Asia. For his opinion only remedy to increase profit levels in western countries was to get rid off these rights like workers' and unions' rights, environmental standards and so on. The second reason which makes globalisation a must for companies rised by Mr Lauk was publicly governed pension funds. He stated that there were huge amounts of funds in public pension systems and all these must be in the hands of private investment funds. By that way more and more investment would be made in the shares trading in stock exchanges and price levels of these shares would increase. Then companies would be able to sell rest of their stocks in return of higher prices and these sales would reduce the price of stocks. Companies would buy their stocks again when stock pricess go down, thus they would be able to increase their assets in the scenario written by Mr. Kurt Lauk. Following year in 2000, I saw the cover page of Times : "Generation X is seeking its future in European Stock Exchanges". In that article, generation X was defined as the working people below 35 age and author was claiming that this generation wouldn't have chance to be retired from public pension system due to the problem of ageing population in Europe so they have to invest in stock Exchange to guarantee their older ages. Indeed, today the share of private pension schemes in total has increased to 15% in Europe,. But, more dangereously, working classes are becoming more interested in stock Exchange. In Sweeden for instance, workers who work in the companies with private pension scheme and registered in Stock Exchange avoid to go to strike in the case of disputes generated from production processes with the fear of loosing. By believing that if they go to strike the stock price of the company will decrease and this will lead a fall in total value of pension funds in which they are member. Thus, they accept to leave bigger part of surplus they create in production process to the employers.

The alternatives of left politics and unions shouldn't be limited only public education, health or transportation and these struggle should never be reduced to the dilemma of "tradeble or non-tradeble". Let me give an example. In the beginning of the second round of GATS

negotiations, ETUC<sup>1</sup> claimed that education, health and water were not the sectors for economic interest, because these were public services. The answer given by EU Commission was clear: These services are being traded for long time, so they are also for economic interest. It is true, don't we send our children to private schools, don't we buy privately bottled water from the markets, can we reject to use metro, tram or busses only because they were privatised? Always, it is a potential danger for left politics to accept the logic of tradeable or non-tradeable. This goes till to accept that human labour power is also a private good only because it can be tradeable. Although it can be traded in capitalist system, in the analyses made by Marx, human labour power is not tradeable. Because labour power can not be priced since it doesn't have value in itself. According to the analyses made by Marx, a power which is able to create surplus value, can not have value. If it has a value, -like all commodities- then it can not create surplus value. However when we take the trade as a inherent characteristic of the goods then we have to accept exploitation of labour power as normal.

Alternatives of leftists should also reject the solutions found by neo-liberals which push masses out of production processes. One of these is "Social Aids" with World Bank patent and it is gradually taking the place of public benefits predominantly provided by states. I name it as "alms". These kind of idle policies have an opium affect on class conscious of the society beyond the world wide inequalities created by these policies themselves.

My final words will be composed by some questions. I think we should be more confident on discussing or using Marxist theories which are almost forgotten in last two decades as response to capitalism. We have to find correct answers for the questions "who is the collocutor of us to transmit our demands?, Is it State?, If so, why our states are signing, adopting and ratifying international free trade agreements which are totally against the interests of working class? What is the class position of State? Why do we have to accept the right of private ownership as an internationally recognized human right? It should be remembered that private ownership is recognized as one of basic human rights in international human rights declarations and institutions including European Court of Human Rights . If we define ownership as a human right, how can we defend public goods while such a positioning is threatening the properties of a part of capitalist classes? We live in a system which is full with contradictions. On one hand in Argentina during economic crisis, for example, we

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<sup>1</sup> ETUC: European Trade Union Confederation

support the protests of people who sack foods and drinks from the markets in order to survive, we also defend, on the other hand, the poem of internationally recognized human rights which includes the right of owners of supermarkets like the ones in Argentina. Regarding left politics, all these must also be questioned by different layers within working classes. This process of discussions may also help to increase political conscious in the society. Sociologists should strongly be involved in these kind of works in order to know how to reach today's society.