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## From Public Goods to Public Accumulation?

**Contemporary discussions about public goods and development have arisen from the reality that neo-liberal development strategies have produced neither viable capitalist societies in the Third World nor increased welfare for its majority. Global public goods discourse has arisen because peripheral states are seen as incapable of performing developmental, welfare, or security tasks. This discourse is confined to realms that do not challenge a wavering neo-liberal hegemony. It thus avoids the concepts of ›services‹ and ›basic needs‹ in favour of nebulous notions such as ›a facilitating environment for enterprise‹. In harsh terms, this is little more than paving the way for primary accumulation in the broad sense; in narrower ones, for the privatisation of services. One way to challenge the direction of this discourse is to raise the possibility of ›public accumulation‹.**

### The Ideologies of Global Public Goods

There is a discursive battle going on within (or between – if you think there is much difference between the World Bank and the United Nations Development Programme and all the others) the international financial and development agencies about the nature of their responsibilities or obligations *vis a vis* the ›development‹ of their subjects (or is it the development of ›capitalism(?)‹ in the Third World. It concerns the definition of ›public goods.‹ It is similar to and intrinsically linked with previous – and still raging – arguments about the meaning of ›sustainable development‹ (Wanner, forthcoming). Likewise, it is related to and perhaps even rooted in debates about the relative primacy of ›first and/or second generation‹ human rights. *Neo-liberals* give *capital* the highest order of freedom: they are quite willing to deny basic rights to those in the public who would challenge capital's freedom by expanding the notion of freedom to include goods, services, and even the sacred realm of production itself. (Schwarzmantel 1995).

Rosa Luxemburg's insistence – directed at both bourgeois democrats leery of extending their rights too far *and* those who would distort the notion of a ›democratic proletarian dictatorship‹ – that ›without a free and untrammelled press, without the unlimited right of association and assemblage, the rule of the broad mass of the people is entirely unthinkable‹ (1970 [1917-18]: 389) recognises this dilemma too. She did not separate ›rights‹ into economic and non-economic categories. It is doubtful, too, that she would have separated ›goods‹ into public and private realms. How can one take apart ›goods‹ associated with public welfare, security measures, and environmental protection from the politics of production and accumulation?

This is, however, what the current public goods discourse is about. It is about separating ›goods‹ from ›services‹, keeping them both far apart from production and accumulation and even further from politics and ideology. The task is not easy, especially in the context of ›developing societies‹. As Meghnad Desai tells us, while the now advanced capitalist societies developed historically, ›the provision of public goods grew within the broader framework of an expanding role for the state in making public provision for private as well as public goods: the state helped mercantile capital out quite a bit, as it simultaneously took over the provisioning for the poor from churches and charities (1999: 64,67). Ironically, this symbiotic relationship created a world in which the ›public‹ and the ›private‹ became more distinguishable and the concept of ›public goods‹ acquired a technocratic veneer. ›Non-rival‹ and ›non-excludable‹ became the buzzwords for public goods, and neutral states were seen to provide them in the Keynesian days. They were seen as goods and services that many people could use and from which they could benefit without a diminishment in value, and that were difficult to stop people from using in any case. That their provision had less to do with bureaucrats ›gauging the preferences of consumers‹ and more to do with politicians ›guessing what was needed to keep them from revolting – an elite response to democratic but extra-parliamentary pressure‹ was forgotten (Desai 1999: 68).

Now, however, neo-liberal doctrine denies both opportunities for ›late industrialising‹ social formations. State capitalism is frowned on. So is the democratic distribution of life chances, or even survival. Thus, within neo-liberalism's confines the notion of ›public goods‹ must be restricted in so far as it is associated with state provision. Paradoxically, however, it has to be widened to introduce and justify the idea that capitalists can provide ›public goods‹, and also that if neither local states nor capitalists can provide the goods, the emerging transnational state can, perhaps in conjunction with international capital or non-governmental organisations (Moore, forthcoming). The World Bank can loan funds to local states to hire transnational corporations to build dams, water pipes and associated services. If the state cannot collect the fees or taxes to pay for these services, transnational companies can be hired to do that, too. Or, to get into the realm of security (national security is seen to be the purest of all public goods – except in the periphery; and the Iraq invasion is as much about that as anything else), the IMF can loan funds to a state under attack so it can hire mercenaries to protect its oil fields, from which will come the funds to repay the loans. Once the discourse is simultaneously widened and narrowed, the transnational state and its organic intellectuals can step in to implement ›global public goods‹ such as ›good governance‹ so that the new states can develop the ›capacity‹ to build a semblance of free-enterprise capitalism.

## How many ›publics‹? How many ›privates‹?

The discourse on public goods – be they local or global – is more about ensuring the false separation of distribution and production than it is about restructuring a global order so that production and its fruits are available to and under the democratic control of the majority of the people in the world. Instead of public goods, the discourse should be about public accumulation. As long as accumulation is seen as ›private‹ the ›public‹ will be seen as second best.

Furthermore, there will be two categories of this public and the goods to serve it. The first will consist of the general interests of capital. Its goods will be whatever its various fractions cannot supply to each other without co-ordination (including labour), and they will be produced by whatever institutions are necessary to perform their collective actions. There will be more of a demand for public goods servicing these sectors of society when the lack of them becomes evident with various crises. For example, a ›new global financial architecture‹ will be called for after crises such as hit the world in 1997 and 1998. Or, when too many Enron scandals and Conrad Black debacles hit the headlines, capital will call on the state to watch its ›rogue elements‹ a little more closely. Perhaps if the AIDS crisis had affected private capital more

severely, the corporates rather than the Treatment Action Campaign might have pushed the South African state into action.

The second category of publics will consist of what are commonly called ›the people‹. The minimum of ›public goods‹ they get will be those necessary for the relatively peaceful reproduction of their labour, or the extraction of the natural resources in their neighbourhoods. Some will ›trickle down‹ from the sanctums of wealth on high to augment ruling class security or health. If too much crime threatens its members and they can not build enough walls ›privately‹, their states may create more police. If capital had taken AIDS seriously, the popular classes would have gained too. Other ›public goods‹ will be won through struggles – and here the example of the TAC must be invoked – but will most likely be financed from the people's own taxes. There is no doubt that the Seattles and Genoa's and Social Forums of the world have inspired the discourse on global public goods to some extent, and that the corporate public relations experts will be translating such demands as calls for ›international financial transparency‹ rather than for decommodification. But so too have the other ›global bads‹ such as intractable wars in Africa's Great Lakes region, and of course, September 11, 2001. In all cases, there will be struggles over whether public goods are best provided by international bodies, states, corporations, or ›communities‹ including non-governmental organisations. Also in all cases, there will be little effort to link these good with the politics of *production*. Even though one World Bank report says ›many of the challenges facing poor countries have solutions that involve the production of international public goods‹ (World Bank 2000:181, in Stalgren 2000) they will be considered within the realm of consumed ›services‹ to be distributed by a process magically separated from the world of ›production‹. The latter is considered to be within the realm of profit and exchange, while the former – although also consisting of ›goods‹ with a substantial degree of ›use value‹ – are considered to be less than profitable, and less practical to consider in the realm of pure competition (after all, it is difficult to conceive of people walking to a ›market‹ where there is a choice of different water pipes to bring the stuff in from Lesotho) and thus in the public domain. The contradiction rests in the fact that although less and less is said in ›public‹ documents about the domain of ›private profit‹, the realm of profit spreads further and deeper into what used to be called ›public‹ goods, services or institutions – the cases of water privatisation, rubbish removal and more fees for universities are only small examples. The privatisation of the public realm leads to the diminishment of the latter, and thus to more and more public *problems*, so the issue of ›public goods‹ continues to surface and international development discourse ties itself up in knots. This is most apparent when the question of the state arises.

## States and goods – and good states

At its most basic level, the separation between public and private is hoist on its own petards. The dominant discourse in international development would have us believe that the most important ›universal public good‹ is the establishment of *private* property rights (World Bank 1997, Moore 1999). The intellectuals in the institutions producing such discourse now acknowledge that such rights do not evolve ›naturally‹ and ›organically‹ so *public* institutions – that is, states, be they local or global, or, inevitably a mix of both – are needed to coerce and codify transformations within social systems not determined by private property to those structured by it. Furthermore, institutions of some sort or another are necessary to mediate the contradictions of such processes. In other words, it is now clearly recognised, although not clearly stated, that neo-liberalism is ›the mobilisation of state power in the contradictory extension and reproduction of market(-like) rules‹, as Tickel and Peck put it (2003).

If, as many theorists of public goods suggest, ‘the market’ is a global public good – a carefully constructed ensemble of institutions rather than a spontaneous eruption – should global managers create it with what are effectively states of their own? But this state – be it local or international: if local states can’t be good governors, then the transnational one can! – has a clear and limited role. It must create the market by creating private property. The private becomes public and the public becomes private.

## Public goods and human security on a global scale?

The linguistic battles one sees in the international ›development‹ institutions are about embedding and legitimising the illusion that the neo-liberal interpretation of rights is the best one, and that the only rights worth protecting – indeed, producing – are property rights. This is the process of ›original accumulation‹: even when it was relatively easy, as in the birthplace of capitalism, it entailed huge proportions of violence and needed a lot of wealth taken from what is now the Third World to help it – and it needed the ›new worlds‹ of North America and the Antipodes to send surplus population off to. As did Luxemburg, the World Bank (etc.) now realises how important the state is to the production of public goods and rights accompanying the violent process of capitalism’s construction. Rosa Luxemburg’s robust critique of Lenin and Trotsky’s willingness to substitute force for democracy is matched only by her recognition of their difficulties in using a state to assist the march of history forward. She hoped that an equivalent to an international socialist state would hasten the democratisation of that march. She would have no difficulty in imagining the rise of today’s transnational capitalist state (amidst contending ›national‹ ones) and its many agencies like the World Bank in pushing forward the integration of ›natural economies‹ into the world

capitalist system (Luxemburg 1968 [1913]: 368-467). She would not hide the role of states in such a process or prevaricate about it.

In contrast, neo-liberal propagandists who simultaneously need and distrust the local state and thus offer the international one as a substitute, hesitate to talk about it. Their hypocritical invocation of the notion of sovereignty while dispensing with it – or, to be more accurate, using it very selectively – almost echoes Luxemburg’s disparaging comments about ›self-reliance‹ for peripheral capitalist states. (She might have equivocated about semi-peripheral, potentially sub-imperialist South Africa’s – 1976 [1916]: 289-291). Without such a stern critic they are able to pursue the anodyne notion of public goods – global at that – to hide the creation of a transnational state.

Aside from concealing the emergence of a transnational state (let us avoid the charge of conspiracy theory here), the controversies and conflicts involved in identifying and provisioning public goods are multiplied at the global level. There is no central state to mediate hegemonic conflicts over the nature of these resources and conditions. Yet with issues ranging from the environment to cross-border health concerns like HIV-AIDS (de Waal 2003), and from war and humanitarian disasters (Commission on Intervention and Sovereignty, 2001) to crime to the contagion of financial crises, ›globalisation‹ brings the public goods debates to the world stage. That the early 2002 Monterrey Consensus meetings were slated to discuss global public goods, but did not, suggests ideological tension around their conceptualisation.

In the meantime, the soft liberals among the organic intellectuals for the transnational state, such as Amartya Sen, help in the quest for GPGs with ›human security‹ discourse. Sen’s co-chaired United Nations commission on Human Security (Sen 1999, United Nations 2003) is replete with examples of the terrible consequences of the neglect of the victims of war and poverty in the Third World, but as with Sen’s academic work it pulls back from advocacy of robust popular democracy (Hamilton 1999) to a plea for better ethics on behalf of the world’s ruling classes. It is ironic, but symptomatic, that key members of the commission were South Africans. Frene Ginwala, South Africa’s Speaker of Parliament, was a commissioner, and the deputy director and project co-ordinator for the report’s ‘development’ half (‘conflict’ was the other) was Vivienne Taylor, chair of South Africa’s Taylor Report on the Basic Income Grant.

## Accumulation goods and global conjunctures

Work is a public good. However, it is clear that even in advanced capitalist countries the technology intensive leading sectors of the ›private‹ economy do not create many jobs, and it costs a lot to create them. In the United States, government employees exceed those in manufacturing by 5,129,000

(Harper's 2003: 11). The rest, one assumes, are McJobs and the professions supported in great style by the productivity of the manufacturing jobs and the computer nerds increasing that productivity. The fact that the American state is highly protectionist and militarist illustrates that for its rulers, the state is a legitimate definer of ›public goods‹ and those goods include jobs for some workers and profits for some capitalists. Yet for countries like South Africa, hesitation to provide ›handouts‹ does not translate into a strong desire to create jobs (except before elections, when a few million menial public works tasks are promised over a period of five years). The fear of creating state industries – and perhaps of a resultant confident working class to work in them – paralyses the state from any meaningful action at all. Public accumulation is the only way to solve the problem of public goods: but this will not happen in the foreseeable future. It will take a global depression, or a world-wide war and its aftermath, before the conditions for such possibilities appear. As Meghnad Desai has put it, in ›the future, we must expect that action on global public goods will happen only to the extent that the international community faces a crisis and must respond‹ (Desai 1999: 74).

Those articulating notions of ›global public goods‹ beyond the merely technocratic to restart distorted primitive accumulation processes (alongside nation-state formation and democratisation) just might be able to steer a fragile trajectory to a different path. The idea of full employment as a public good, justifying sophisticated industrial strategies to absorb primitive accumulation's new proletarians, and involving new capitalist classes in productive instead of wasteful pursuits, could take root. At least it could help prepare the ground for the moment of hegemonic collapse and the crisis in its wake.

For now, however, states – with the help of progressive global intellectuals and the world's ensembles of civil society – are responsible for solving their crises of livelihoods and democracy. With sufficient political pressure they could be forced to do so.

Yet even without those progressive pressures from inside and below and with reactionary ones from outside and above, there is almost ideological consensus that the state should expend funds on education, a ›public good‹ that is a *sine qua non* of ›development‹. In order to ›build capacity‹ for private capitalism, state capitalism, or welfare capitalism (or most of all, democratic socialism) a more than basic educational system is necessary. This is the very minimum of the many public goods necessary for *any* development. But to even consider its implementation, one encounters a whole gamut of other needs. Food, water, shelter, health and parents (who are not dying from AIDS) are what the children need. Their teachers need decent schools to teach in and be trained themselves. All of these cannot be conjured up and ›distributed‹. No matter how hard one tries, one cannot escape the need for public production. Public production is the ultimate public good.

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