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Redefining Res Publica - Core Functions of the Public Sector


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U.S.E. Presentation | Prof. Dr. Brigitte Unger

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Public or Private Goods? Redefining Res Publica




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Overview

1. Description and Justifications of the ‚Res Publica‘
2. Core Functions of the Public Sector
3. Is there still a Core Function of the Public Sector?
4. Redefining the Res Publica in Europe



1. Description of Public Intervention

	Description (positive) Who are and were the actors?		
	State	Civil Society/ Community	Market
Provision			
Funding			
Regulation			



1. Justifications of Public Intervention

	Description (positive) Who are and were the actors?			Justification (normative) Why <i>should</i> the public intervene?		
	State	Community	Market	Equality	Community/Morality	Efficiency
Provision						
Funding						
Regulation						

Res Publica: Table to jointly compare projects



1. Justification of Public Responsibility?

Three 'models' or justifications for public intervention

1. Redistributive, or equality model
2. Community or morality model
3. Efficiency model

cf. Heath, J. (2011). Three Normative Models of the Welfare State. *Public Reason* 3 (2): 13-44.



2. Is there a Core of the Res Publica?

Huge changes of what is public or private along history (van Waarden)

1. physical protection (safety and security)
2. legal infrastructure (trade, contract law and tort law)
3. physical infrastructure (water, roads, streets, market places...)
4. monetary and financial infrastructure

Privatization, Deregulation and Reregulations go in waves...

2. The Core Functions of Res Publica in Classical Economics – Adam Smith on Defense

‘The **first duty of the sovereign**, that of **protecting the society from the violence and invasion of other independent societies**, can be performed only by means of a military force [...].’

- ‘It may either, first [...] enforce the practice of military exercises, and **oblige either all the citizens** of the military age [...] to join in some measure the trade of a soldier’
- ‘Or, secondly, by **maintaining and employing a certain number of citizens in the constant practice** of military exercises’

2. The Core Functions of Res Publica in Classical Economics - Adam Smith on Justice

‘The **second duty of the sovereign** [is] that of **protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it.**

Against corruption:

‘The judicial authority of such a sovereign (...) was for a long time a source of revenue to him, [however, this] could scarce fail to be productive of several very gross abuses. **The person who applied for justice with a large present in his hand was likely to get something more than justice;** while he who applied for it with a small one was likely to get something less.’

2. Adam Smith's Night Watch State Today:

Private army of Ukrainian
billionaire Igor Kolomoisky



Public Defense → Private army
Public Security → Private security
Public Prison → Private jails
Public Police - Private traffic police



2. The Core Functions of Classical Economics – Adam Smith on Public Works and Institutions

‘The **third and last duty of the sovereign** [...] is that of **erecting and maintaining those public institutions and those public works, which are of such a nature that the profit could never repay the expense to any individual** or small number of individuals, and which it therefore cannot be expected that any individual or small number of individuals should erect or maintain [...] such as **good roads, bridges, navigable canals, harbours.**’

- 1) ‘First, it ought to appear with the clearest evidence that the undertaking is of **greater and more general utility** than the greater part of common trades;
- 2) and secondly, [...] **it requires a greater capital than can easily be collected into a private co-partnery**’

2. Classical Economics - Adam Smith

Three tasks which are better served by the public

1. '(...) **a public bank** which is to support public credit, and upon particular emergencies to advance to government the whole produce of a tax, to the amount, perhaps, of several millions, a year or two before it comes in, **requires a greater capital** than can easily be collected into any private co-partnery.
2. **The trade of insurance** gives great security to the fortunes of private people (...) in order to give this security, however, it is necessary that the insurers should have **a very large capital**.
3. **..canals, and the works** which are sometimes necessary **for supplying a great city with water**, are of great and general utility, while at the same time they frequently require **a greater expense** than suits the fortunes of private people, is sufficiently obvious.'

3. Is there Still a Core Function?

Today Even Classic Tasks of Res Publica Challenged

Public Defense → Private armies

Public Security → Private jails, private traffic police

Public Works and Institutions → Private airports

Public Traffic → Private busses, private post office

Public Space → Sale of Greek temples, sponsoring of embassies,
private beaches

Public Education → Private ground schools

Public Bank → Private banks and insurances

3. Division of Public Tasks in the 3 Dimensions

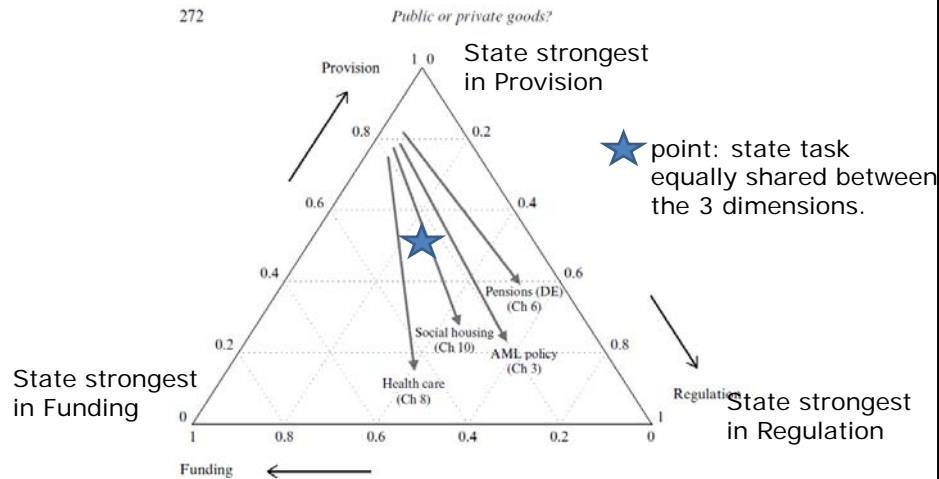


Figure 14.1 Shifts in the state's role described in a number of chapters

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4. Redefining the Res Publica

- There is a core of public tasks – but the way they are distributed between provision, funding and regulating changes over time.
- Problem for democracy – the invisible state
- What this core is also changes over time.
- Economic interpretation of Res Publica is not value neutral. It implies that markets are more important than moral sentiments.
- Res Publica as shared values – as a common European Understanding of collective responsibility

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Thank you!



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