

## **THE PRIVATE ABUSE of the PUBLIC INTEREST**

### **MARKET MYTHS and POLICY MUDDLES**

**By Lawrence D. Brown and Lawrence R. Jacobs**

**Delusion can be comforting, for a while. David Cameron, George Osborne and Michael Gove share a dangerous delusion. It is that Big Society and Small Government (BSSG) go together. They see symmetry in simultaneous expansion and contraction. As, for example, Free Schools grow in number we can reduce the need for local government. It is a simple equation and very easily sloganised in a party manifesto.**

Two things are wrong with BSSG. Writing mostly about the administration of George W Bush, Brown and Jacobs show that the more initiatives devised to set the people free the more regulatory oversight was needed. For example, No Child Left Behind (NCLB) sounded good as a slogan but it encouraged more private schools. The old structures holding public schools to account and maintaining quality did not reach the private ones so new structures had to be devised and staffed and new regulations drawn up. Children now travelled to a greater variety of schools so more pressure on transport systems. There was, the authors point out, more governmental activity under Bush than under Clinton from the attempt to shrink government.

The second negative consequence is what Brown and Jacobs call a 'democratic disconnect'. When holes in roads are not repaired or when there is a lack of flood defence there is pressure on government. People demand the good quality services that the 'free market' promised them they would get. Responding to unpredictable pressure produces more short-term policy making and regulation. And regulators. I would like them to have developed this point because complaining and pressurising is not the same as democratic engagement and that kind of politics is hardly an inclusive and consensual arrival at values prior to policy making.

The authors do not merely list, describe and analyse the factors that grow government as a consequence of attempts to reduce it; they give us Adam Smith, David Hume and lots more while dismantling the arguments of neo-cons and free marketeers. It is not a book that Alan Greenspan would wish to read. And that, surely, is the point: that in order to maintain delusion ignorance is essential.

Brown and Jacobs want pragmatic economics and see public and private sectors as complementary. Socialists they are not. What they have given us is a demonstration that when politicians choose to avoid discomfiting evidence their delusions can endanger even what they claim to want. BSSG not only does the opposite of what it is intended to do but it subcontracts democratically accountable government to companies able to claim commercial confidentiality who then have to be supervised when things go wrong. Subcontracting the supervision then makes things worse.

More than five years have passed since the Chicago University Press published the book. It is a pity that it was not on sale here. It remains essential reading for policy makers. It might disperse their delusions.

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