

How Privatization of Public Services Threatens Communities and Democracy

The Privatization of Everything: how the plunder of public goods transformed America and how we can fight back, by Donald Cohen & Allen Mikaelian (The New Press, 2021)

Reviewed by Weston Scheck

In *The Privatization of Everything*, Donald Cohen and Allen Mikaelian investigate the growing legislative push for privatizing public goods and find much cause for concern. They paint a picture of the dangers that come with turning over public institutions into private hands, and highlight where this had led communities down the wrong path in the past. Most basically, the book believes that the current era of privatization has encouraged corporations and bureaucrats to view groups of people as consumers rather than communities, and this makes it easier to warrant heinous and inequitable actions to turn a profit.

One of the authors, Cohen, is the executive director of “In the Public Interest,” a pro-public research group dedicated to studying and lobbying for the advancement of public goods over private ones. This undoubtedly biases him towards preferring public goods, but also leaves him amply stocked with anecdotal evidence of the negative effects of privatization playing out in real time. Allen Mikaelian is a historian and *New York Times* bestseller, known for his military history profiles.

Cohen and Mikaelian angle this book towards communities at risk of private takeovers of public goods, which includes far broader swathes of America than popularly expected. The authors anecdotally spell out cautionary tales, deconstructing basic privateer talking points, and providing encouraging examples of public backlash that functioned successfully. The book frequently explores how these buyouts can and have disproportionately affected disadvantaged communities such as the working class, rural populations, and minority groups up to the present day.

In each chapter, the book focuses on a different set of public amenities and investigates the storied history behind the privatization schemes of each, and what the corruption of each specific set does to hurt communities and impair democracy. The first chapter serves as an overview on privatization and provides a framework for the rest of the book. Chapter 2 is dedicated to the privatization of public health through water and food inspection, and how that hurts the ability of communities to grow and develop. Chapter 3 is focused on

how the privatization of transportation and communication can cripple economies that cannot be profitably integrated, and why it is important to provide these goods to even the far-flung regions of the world. Chapter 4 concentrates on a variety of legal and political institutions, and how increased reliance on privatizing them has underwritten democracy.

Chapter 5 exemplifies how options like loans and safety nets, once intended to help out the neediest, are now being privatized to concentrate money in the pockets of few while the indebted grow poorer. Chapter 6 delves into the erosion of community, and how demanding profit from communal spaces can degrade interpersonal relationships. Chapter 7 exposes the fall of public education, and how running schools like a business is ultimately detrimental to students. Chapter 8 details how intellectual property has become a privatized gold mine, and how this move away from publicizing research can only end up with general suffering in lieu of new developments. Finally, in chapter 9, the authors provide concrete ways to act in a way that is pro-public, and give suggestions to communities fighting privatization to continue owning their own goods.

The Privatization of Everything continuously asserts that any supposed benefits that could come from turning a public good over to a private corporation are only band-aid solutions that will inevitably come back with a vengeance mere years down the line. Privatization is a kind of intergenerational theft wherein we shirk debt today for children and grandchildren to be saddled with down the road. These solutions are immediately more politically popular than raising taxes and are heavily touted by some of the largest names in the Republican party, despite their hometowns being some of the clearest examples of economic exploitation by corporations. The authors assert that any supposed money saving being done by local governments auctioning off their public goods is strictly surface level, and will almost certainly come back to be paid not by landowning taxpayers, but by those with the least means to do so, often with a price hike.

Private corporations, by their very definition, are inclined to think about profit over any human concept like prosperity or mobility, and as such unprofitable areas or duties will be neglected, regardless of the desperation of public need. This is important because fair and equitable public goods are important to the development of our society as a whole, and privatizing these inevitably leads to increased returns only for those with means, while those without are given even less. Public goods are public because, in the past, the people decided they would be, irregardless of what money could be earned. This tradition of caring for one another and providing basic human consideration deserves to be upheld. Privatization has only continuously led to the transfer of goods from hands that are informed by what the people want to hands willing to set skyrocketing prices, neglect repairs and litigate against any reform mercilessly. Special attention throughout the book is given to the extreme lengths to which corporations will go to defend their ownership over decaying infrastructure merely for the sake of shareholders through lengthy legal battles and political threats. Stripping the public of their goods is strikingly unpopular among actual local populations, but they often don't realize the mistake until it is far too late and they're already locked into potentially decades-long contracts. Only through a concentrated public effort and community education, rather than corporate propaganda, can this menace to sustainable public

services be stifled, and building and maintaining these coalitions is extremely important to upholding communal values.

The structure of the book itself, especially its reliance on personal and anecdotal evidence makes it feel incredibly accessible. Various arguments by politicians and corporations that have been made for privatization are brought up and evaluated in light of real stories of public struggle. Political history is given special attention throughout, as the connections within and key figures of each presidential administration around privatization are investigated. This leads to increased time spent on the Trump and Reagan administrations, but a clear timeline is created and various sides of issues are shared. Many of the anecdotes are framed by introducing a particular pro-privatization politician and then depicting how, after they sanctioned a private takeover, their districts or towns suffered massive economic stress. For instance, Mike Pence is exposed for extolling the virtues of privatizing the Indiana Toll Road, a move which, rather than having its intended effect of fixing the road without a tax increase, cost the state and its taxpayers billions of dollars and left the road to disrepair and decay.¹ This head on display of such damning evidence to counter privatization has a strong effect, and leaves the reader bewildered that people could still be falling for these money making schemes.

A great display of the administrative analysis and real-world examples the authors employ can be identified in Chapter 7, which broadly focuses on education. Because of her remarkably pertinent activity in the area of education privatization, Betsy DeVos is personally regarded and remarked on in comparison to many other Secretaries of Education. Her work, specifically in pushing for fewer consequences to predatory for-profit universities and promoting charter schools, is spotlighted, and her claims about both processes are examined. Throughout the chapter, the desire for competition and innovation is cited by pro-privatization critics of public education, which public ownership supposedly stifles. DeVos is cited as saying “We are the beneficiaries of... innovation in every other area of life, but we don’t have that in education because it’s a closed system... It’s a monopoly, a dead end.”² Cohen and Mikaelian tackle this argument head on, looking to see how privatization has impacted innovation in real world contexts. In discussing for-profit universities, the authors highlight how donor bias and exploitative, illegal loans with little effective recourse have led for-profit universities down a path away from the discovery and dissemination of information and towards a money making scheme with little regard to how learning plays in. For charter schools, the authors highlight how, instead of serving as an effective laboratory of evolving educational techniques, charter schools often hide their lesson plans behind steep paywalls and bar their teachers from spreading their own with non-compete clauses. All of these efforts effectively stifle the free spread of knowledge, which should be the primary goal of an education system. When information is kept in the hands of the few, innovation is lessened and competition is centralized to only a few, a consequence that runs completely counter to the supposed goals of privatization.

¹ Cohen, D and Mikaelian, A. Chapter 7 Page 90

² Cohen and Mikaelian, Chapter 21 Page 237

The book is densely packed, usually with multiple anecdotes for each of the public institutions covered, but each is well-researched and creates a clear narrative. Each story ends differently too, some stories of communal triumph, some harrowing reminders of the decades of poverty ahead of some cities. It is a very clear overview of what is happening across the country, and the consequences feel real and tangible. The book is unabashedly pro-public, and does not hesitate to call out politicians from both sides of the political aisle when they have adopted harmful privatization policies. Rather than simply serving as a record of instances, the book takes its action a step further in the final chapter, highlighting real active change that citizens can take to promote pro-public sentiment. Overall, the publication offers an extremely helpful guide for battling against the private takeover of America's goods while centering citizens over consumers.

Beyond simply recommending the book, I think it is an absolute necessity for any community looking to take back public goods from foreign hands or fight for the continued possession of their own. As privatization schemes continue to creep around the United States to prey on local governments when they're at their weakest, it is essential for citizens to become more aware of their economic standing, and *The Privatization of Everything* provides a wide range of tools and contexts to use in the fight against the corporatization on the public interest. The irrefutably harrowing evidence and personal touch of the examples throughout create a tangibility and reality that will make many uncomfortable, and hopefully push even more to action. The research and citations that went into the work are immense, and with the wealth of topics covered, any reader is bound to feel strongly about the protection of at least a few. I have seldom read a book of this sort where the information is provided so amply and so cleanly, without losing its sense of independent passion. And the energy and desire for change behind the words is profound. The ideas harbored in the text are instrumental to instituting a more equitable and publicly accessible economy, and this should serve as a handbook for anyone fighting the battle to make these ideas a reality.

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