The Collective Arbiter of Value

From this point of view, public value could be distinguished from private value in two different ways. First, the value concept could refer to the object of valuation. In the case of private value, one could say that what is valued is an individual’s own material well being. In the case of public value, the object of valuation is not one’s own material welfare, but the welfare of others, the fulfillment of one’s moral and legal duties to others, or the achievement of a good and just society. Second, the concept could refer to the social unit that making the valuation — the arbiter of value. In the case of private value, the arbiter of value would be an individual. In the case of public value, the arbiter would be a collective of some kind.

Table 1 sets out a simple matrix composed of these elements. It is not hard to locate particular social spheres that seem to be the places where these different kinds of values are expressed. The top left of the matrix looks like the sphere of market transactions in which those with material desires meet those with products and services in mutually beneficial trade, producing a certain kind of material prosperity for the society as a whole. The bottom right of the matrix looks like the sphere of politics and government in which a public is called into existence to collectively decide what will be done with the collectively owned assets of government to help individuals understand and do their duty to one another and to bring into existence a society that roughly corresponds to a contemporary and contingent view of a good and just society. The top right cell of the matrix could be described as the sphere of citizenship in which individuals develop and act on their social views as well as their individual material desires. This is the basic ground of social, civic, and political action, where individuals seek to realize their ideas of what they owe to one another in their private, social, and political lives through their own direct efforts or by petitioning the government for help in producing their more or less idiosyncratic views of the good and the just. The bottom left of the matrix represents a sphere in which individuals or groups of individuals make arguments in the collective political arena that their individual or collective material interests deserve to be recognized in public policy. Disabled persons, or victims of natural disasters, or children in poverty could be examples of individuals and similarly situated social groups who could make a collective appeal for society as a whole to attend to their material welfare, in addition to their civil and political rights.

This matrix suggests there are at least three different ideas of public value that could be distinguished from private value as it is usually understood in economic theory. There is the idea of public value that is associated with a collective deciding to use government powers to advance particular ideas of what we owe to one another as citizens, and what we could do together to build a good and just society as we have collectively defined these terms through democratic processes. There is the idea that public value could include a collective decision to advance the material interests of some similarly situated groups of individuals deemed worthy of support either as an act of charity or justice. And there is an idea of public value as the publicly oriented values held by individuals that cause them to take social, civic, or political action independently or through civic groups or political action.

Two questions remain. The first is the question about of kinds of collectives are sufficiently public to count as arbiters of public value. The second is whether the advancement of the individual material welfare of citizens through market economies could be viewed as public value creation.

In answer to the first question, the primary conception of public value is defined when the body politic acts through various democratic process to decide whether and how to use the authority and the money of the state to advance particular purposes. As noted above, that could involve a choice to advance the individual material welfare of particular situated groups. But there is also a social realm within which individuals with individually held public values can voluntarily form collectives to pursue those values with or without the help of government. This realm of civil society contains a continuing collective discussion about what values citizens ought to hold as individuals and how those values ought to be reflected in civic and political action as well as in government policy. Within this realm, social and public values are asserted and acted upon, with real effects on the material conditions of life in a society. But these conversations and actions can be distinguished from the conversations and actions that occur in politics and government once government power has been engaged. For the purposes of this paper, the discussion will concentrate primarily on the most restricted version of public value: the definition that puts democratic processes resulting in public policy commitments at the center. But there is much that is important and useful in discussing concepts of public value that are bidding to become enshrined in public policy or serving as an animating and legitimating principles for collective action in the social and civic as well as the political sphere.

The second question, whether the goal of advancing individual material welfare of citizens through support to competitive private markets could be viewed as a form of public value, is partially answered in the assertion that the body politic can choose to make the economic welfare of some particular groups the focus of collective charitable and governmental concern. The question that remains is whether the pursuit of middle-class welfare or corporate welfare through competitive markets is a form of public value. At some level, it seems obvious that a liberal democratic government should as a practical and philosophical matter be interested in honoring the desires of its citizens to make themselves economically successful, and to create the social conditions where that pursuit can occur through market processes. Indeed, this commitment shows up quite plainly in the desire to use the instruments of government to stimulate economic development in the society. It also shows up quite clearly and directly in many national, state, and local development projects that are designed to produce both private and public benefits. When a developer offers to bring jobs to a depressed urban area and asks only that the government use its power of eminent domain to help execute the project, the government often acts as though the economic success (including the multiplier effects of the project) is an important public purpose for the project that stands alongside the jobs, and tax base that are to be created. And that public interest in economic development can under some circumstances trump even the established property rights of owners. Indeed, in a notable recent decision, the Supreme Court of the United States decided no more excuse was necessary to use the power of eminent domain than that the economic value of the proposed alternative use was higher than its current use. Private value judged in market valuations was explicitly defined as the public value that would justify the use of the state’s power of eminent domain. And even though citizens are supposed to believe that the government cannot and should not try to influence economic development, every politician knows that if they fail to attend to economic conditions they will be punished at the polls.

While there is a case to be made for a view of public value includes the values that society acting through democratic means has directed the government to produce, values focused on advancing the material wellbeing of particular classes of citizens, values held by individuals that will shape their individual civic actions, as well as values including the satisfaction of individual material desires and the building of a strong economy, to stretch the concept that far is essentially to eliminate the conventional understanding of the difference between private and public. That may well be a useful effort, but it is well beyond the purposes of this article, which instead concentrates on the narrowest of the ideas above: that public value consists of the values that democratic societies have told government to produce and reflect in their operations. The other ideas about public value — that it lies in the hearts of individuals and expresses itself in the actions of the civic and social realm as well — will creep in around the edges, but usually only in that these processes create the ground for the wide public deliberation that leads to political choices about how to use the powers of government.