



EOF 2023 Fall Funder Series Q&A

The Role of Public Options in an Equitable Economy

The term “public option” is most often associated with health care debates in the United States. But a public option can include any good or service that is publicly owned, available to everyone, and coexists with private options. Public schools, public libraries, and the U.S. Postal Service are all examples of public options that have long existed in the U.S.

Advocates for economic justice have embraced the potential of public options for banks, grocery stores, and more. The reason? The profit-driven private free market often fails to equitably provide basic and essential needs like food, child care, and housing. Public options also offer an opportunity to fill the gaps in availability, distribute ownership and decision-making power across the tax base, and ensure that power is not concentrated among the wealthy few.

During this Q&A, a panel of experts shared their insights on efforts to expand public options of goods and services that center the needs and participation of communities. This Q&A is part of the [EOF 2023 Fall Funder Series: A Vision for Democracy in Our Economy](#) and has been edited for length and clarity.

- [Deyanira Del Río](#), Co-Director, New Economy Project
- [Andy Morrison](#), Associate Director, New Economy Project
- [Udochi Onwubiko](#), Director of Economic Justice, Demos
- [Harish Patel](#), Vice President, Build the Field, Economic Security Project

EOF: Why are public options important to an equitable economy? Why are we talking about public options?

Harish Patel: I’ll start by just laying out the definition of a public option. So when we use the term “public option,” we mean a good or service that is government provided, government procured, or government authorized; that is available to all people regardless of geography, race, gender, or class; and can coexist with a private option. America has a long history of deploying public options. So everything from the United States Postal Service to public libraries.

Most recently, we have seen local governments experiment with many more public options, at an exciting time with unprecedented federal funds as well. California has launched the [CalRx Initiative](#) to produce low-cost insulin to ultimately say that the privatized market of pharmaceutical drugs leaves a lot of people behind and so the government is going to step in and procure insulin. Illinois, where I live, just announced a [\\$20 million investment](#) for local governments to have municipally-owned local grocery stores and combat food access in places where the market has just walked away.

So there's options like this for health care, child care, and housing. At the Economic Security Project (ESP) we believe in mobilizing resources and people behind ideas that build economic power for all Americans. We recognize that one of our most powerful tools is investing directly in democratically-accountable governments to deliver the goods and services that are necessary for people to lead dignified lives. Public options give power pack to communities, build trust in government, and have been shown to create a more equitable and inclusive economy.

Udochi Onwubiko: I think it's good to think about investment in public goods as equity in action. We know that our economy is rooted in systematic racism and that our economy does not work for everyone.

Because Black communities and low-income communities often can't access affordable, reliable goods and services that they need to meet their daily needs, by providing public goods, the government helps communities meet those needs for education, child care, housing, and transportation.

So if we want an inclusive economy we have to prioritize public goods. That means rejecting privatization in favor of community control. It also means expanding what we think of as public goods in part to help us address racial inequalities. So public options are a way we can move closer to a just, inclusive economy.

Deyanira Del Río: For us this work is about organizing and building community and grassroots power. It's about advancing racial equity explicitly through our economic policies and institutions. And it's about challenging the current system and the ways in which our economy extracts wealth from Black and brown people and communities.

Specifically, we have worked for decades to combat racial wealth extraction in our financial system, whether by Wall Street banks or payday lenders or the debt industry. We're also working with groups to promote affirmative solutions and to create grassroots, neighborhood-led institutions that build collective community wealth. That's why we are organizing for public banking as well as community land trusts and social housing models, cooperative finance, and other democratically-controlled institutions. We need to fight not only to make our current

system more equitable but to create new institutions and policies rooted in democracy and equity that can really take us to the next level in terms of the change that we're fighting for and can achieve.

EOF: Let's dig a little deeper. What does this actually look like in action?

Deyanira: Right now we're fighting for a municipal [public bank for New York City](#). We see the public bank as a transformational institution in itself – enabling the City of New York to divest our public funds from predatory Wall Street institutions that are investing our public money in all sorts of destructive ways – and as an engine that can support and finance other community centered models throughout our system across sectors.

Andy Morrison: I'll just pick up on something Dey mentioned, which is that right now the billions of dollars that the city has in cash at any given time from revenue it collects; by law it's required to be on deposit at commercial banks. Community groups we work with don't want our public money on deposit with JPMorgan Chase and Bank of America. Why? Because those banks and others that hold city deposits are among the largest financiers of fossil fuels, they invest in speculative real estate, they finance slum lords who evict masses of New York City tenants, displacing people from their neighborhoods and disrupting communities.

So we see in public banking an alternative that could hold the city's money and then reinvest it in all the things they talked about to build a cooperative, democratic, inclusive economy throughout the city.

Udochi: On the ground public options look like multi-racial coalitions coming together and demanding that their governments really prioritize public goods so communities have what they need. It looks like our partner in New Mexico, [Organizers in the Land of Enchantment](#), which led efforts to successfully pass a ballot initiative that would ensure funding for early childhood education.

It also looks like something that we did a [case study](#) on last year where Pittsburgh United led a coalition of labor, faith, and environmental organizations to go around the neighborhood and engage residents on the financial and health risks of privatizing the community's water system again. And as a result of their efforts, they pressured the mayor and city council to sign a pledge to keep their water systems public.

EOF: We're in this moment now where a lot of money is being poured into states and cities by the federal government. How can we use this opportunity to

expand publicly supported goods and services that center the needs of workers and communities and build a more inclusive and just economy?

Harish: You're right, at least in my 20 years of organizing work, we haven't seen this much federal resources. To build economic power for all Americans, we must shape markets to not only deliver on basic needs but advance us towards a more sustainable future. With the recent passage of the historic federal investments that include the Inflation Reduction Act (IRA), ESP sees an opportunity to reverse decades of disinvestment in public goods and services and build a new generation of public options that meet the needs of our communities. I do think that something massive is possible and the only limitation really is going to be our imagination and our power building capacity.

ESP conducted a [poll](#) in April and May, where 76% of people said that they believe local governments should be more involved in their lives to address the high cost of goods and services. So I think we do have the public in our corner and now is the time to run big, bold economic ideas campaigns in the next couple of years as the money is coming down to states.

One other thing is that local governments need technical support and feasibility study support to understand how to get federal dollars. So one role that we can all play, including foundations, is to help provide some technical assistance and support around the IRA for those places.

Udochi: I'd love to add that I think we are really viewing these investments as a down payment. That means a few things. It means we need to prioritize and organize for the next time these investments come. But also really use this as an opportunity to learn: learn how to center the voices of Black and brown communities, learn how to address the significant barriers that grassroots organizations face in participating in policy decisions, and learn how to embed labor standards and community engagement into the funding.

As researchers one thing that we're thinking about is, how do we take on the job of showing why public investments are so important to communities and individuals. But also creating a body of evidence on approaches or obstacles so next time we have these huge funding packages, community members and grassroots leaders know how to navigate the system.

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Additional Resources:

- [Economic Democracy Explained: Reimagining Public Goods](#), Demos, May 2023: This brief explains how the gutting of essential public goods and services is threatening communities and their ability to thrive.

- [Banking for the Public Good: Public Bank NYC](#), Demos, May 2022: This case study highlights how the New Economy Project and the Public Bank NYC coalition are pressing for the creation of a [public bank for New York City](#), as part of a broader vision for economic and racial justice.
- [This is a Dollar](#), New Economy Project, Sep 28, 2022: This animated video on public banking animated by Chicago-based artist Lizi Breit and narrated by Deyanira Del Río walks you through what happens to tax dollars we contribute to city government on their way to funding public services.
- [Public Options Reading List](#), Public Options Community of Practice: These recent articles, books, and videos offer views of public options campaigns and narratives surrounding them.
- [Public Options for America Fund](#): This fund will invest in civic groups, advocates, researchers, and communities who are pushing to make public options a reality.