Redefining Public/Private Partnerships

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Lateral Economics

Public goods

Public goods . . . present serious problems in human organisation.

Vincent and Elenor Ostrom - 1977

	Excludable	Non-Excludable
Rivalrous	Private Good	Common Pool Good
Non-Rivalrous	Toll or Club Good	Public Good

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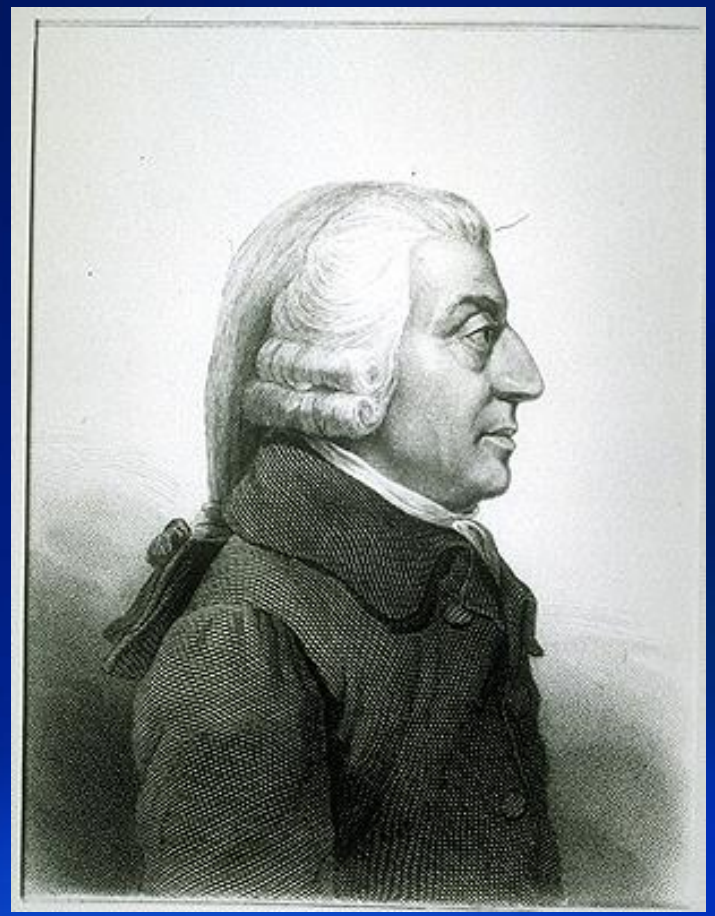
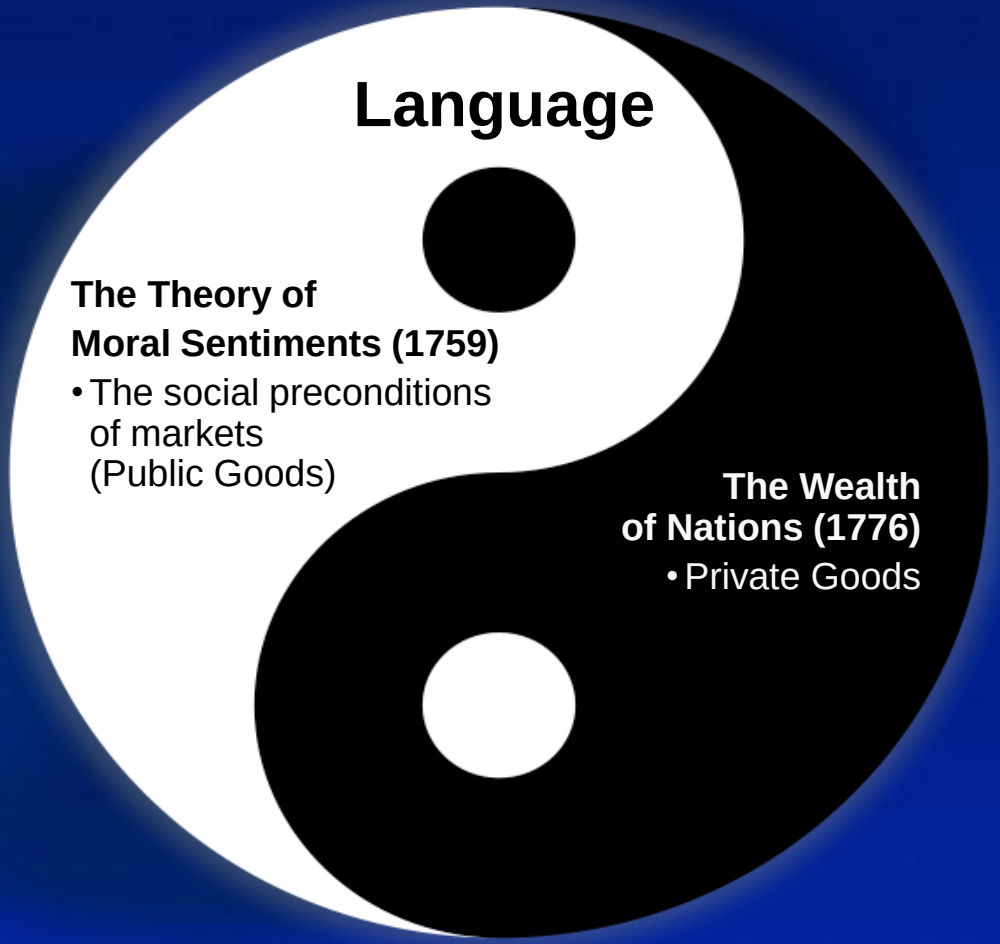


Adam Smith



Some crucial public goods are not government built – they're emergent

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[The public good of] Justice . . . is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society . . . must in a moment crumble into atoms.

Adam Smith

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Web 2.0: explosion of emergent public goods

Web 2.0 platforms are public goods:

- Google (1998)
- Wikipedia (2001)
- Blogs (early 2000s)
- Facebook (2004)
- Twitter (2006)

— Government didn't build any of them

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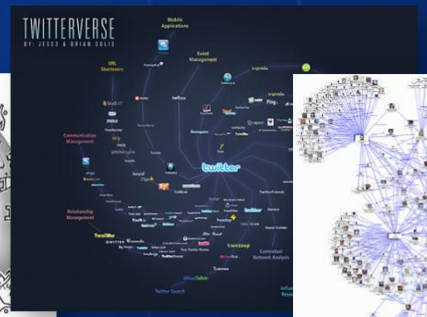
The economics of abundance: a new birth of ‘free’dom

Public goods as an opportunity

The freedom of ideas is the liberation of our species



Public goods as a problem

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Emergent

Distributed on a platform

Coercively, centrally funded

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Emergent | Distributed on a platform | Coercively, centrally funded

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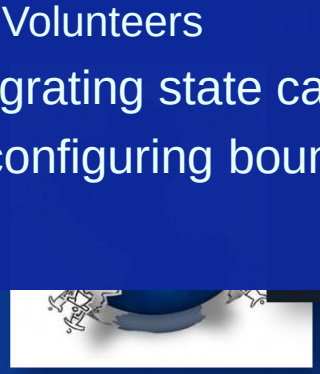
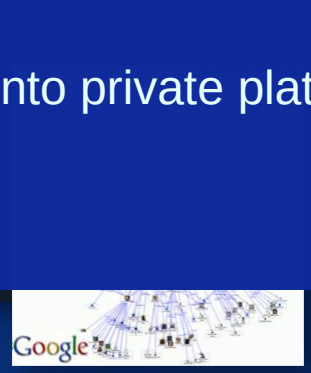
Public/Private Partnerships

- Public access to state assets: **‘Government as platform’**
  - Release of **public sector** information
  - Intangible state assets as public goods
- Building platforms that others won’t
- Opening up to global profit and not-for-profit endeavour
  - With global competitions like Kaggle
  - Volunteers
- Integrating state capabilities into private platforms
- Reconfiguring boundaries





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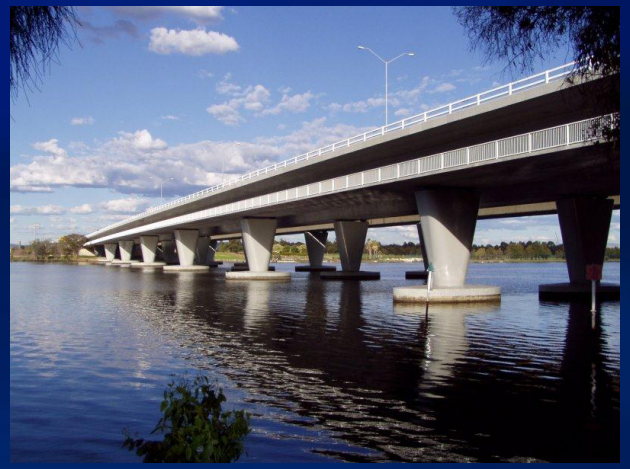
Intangible Infrastructure as a Platform



- *eg.* The tax system as social and economic infrastructure
  - Income contingent student loans (Australia's HECs)
  - Alimony (Child Support Agency)
  - Fines, farmers' drought relief, welfare payments

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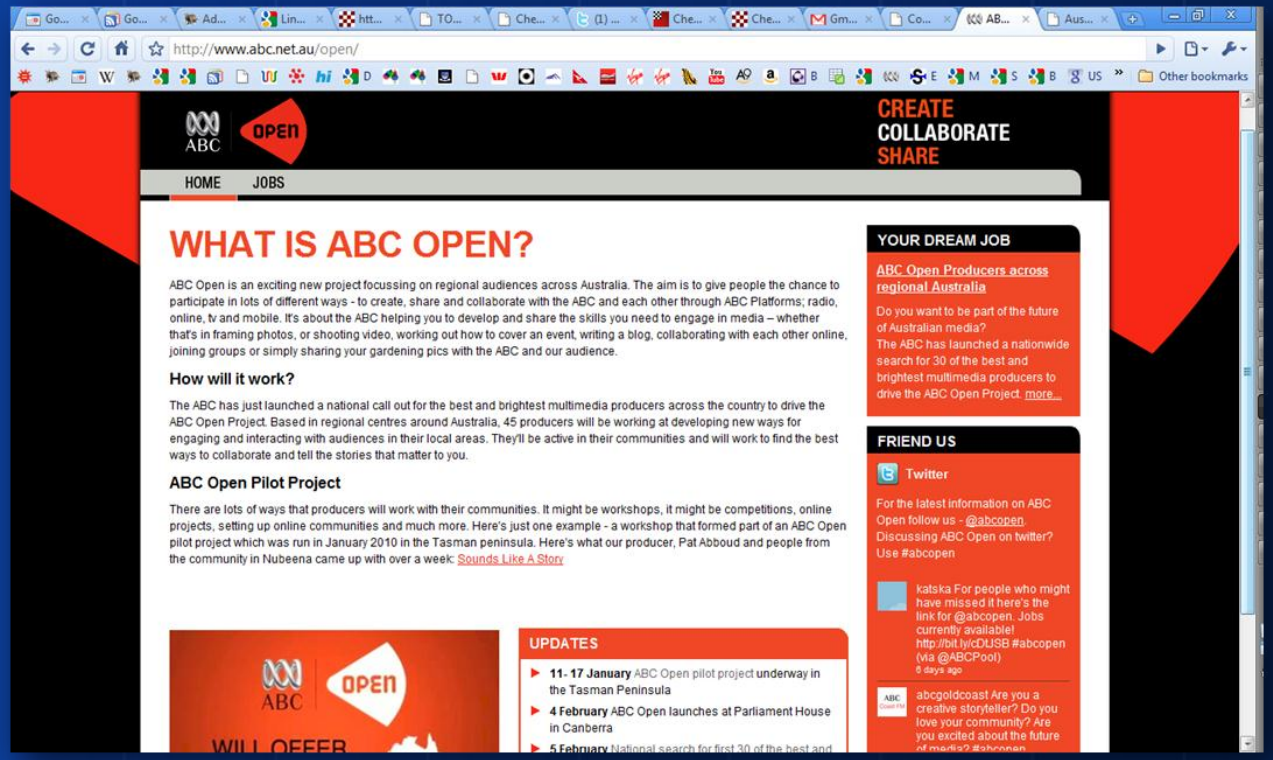
Building platforms others won't



ABC Open, http://www.abc.net.au/open/

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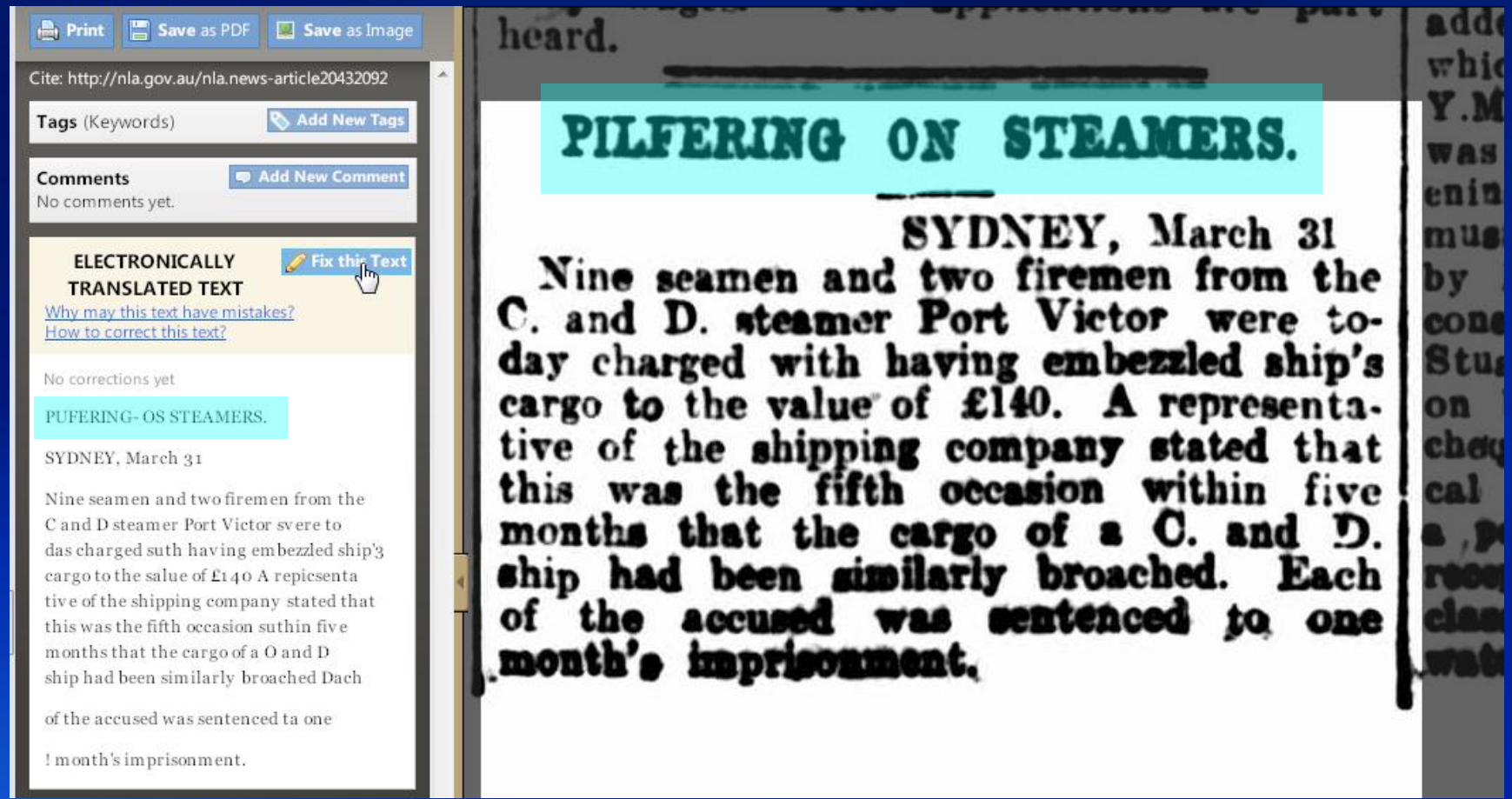
Correcting a machine-translation error on **National Library Newspaper Archive** (http://www.nla.gov.au)

1. User notices the error and clicks ‘Fix this Text’.



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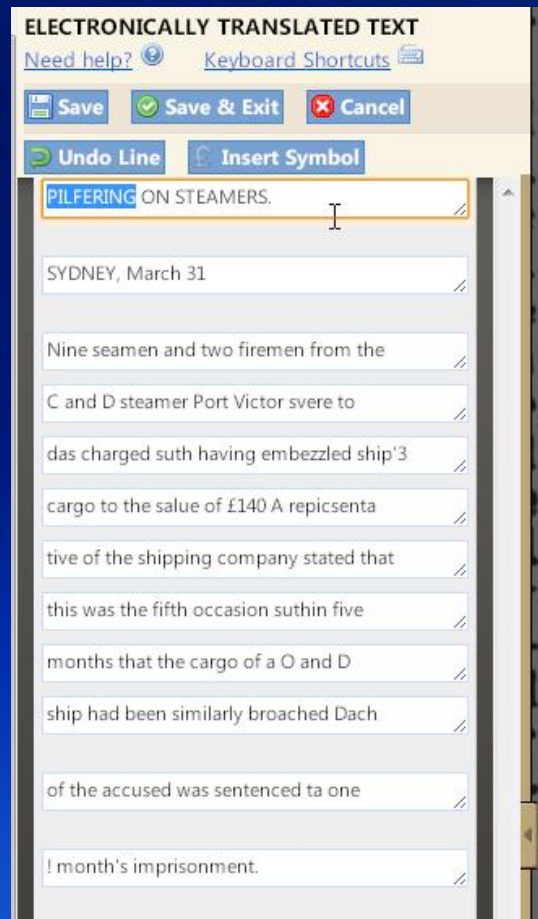

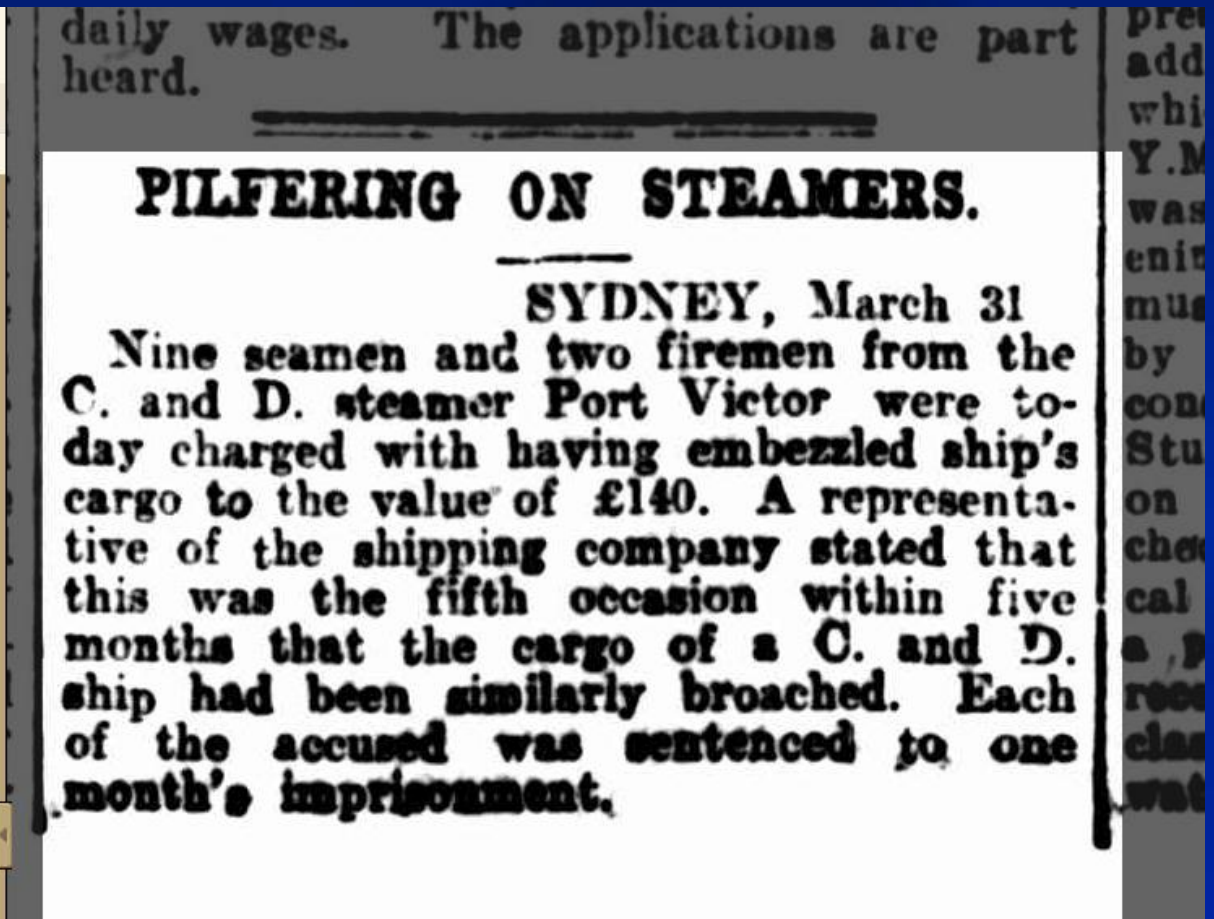

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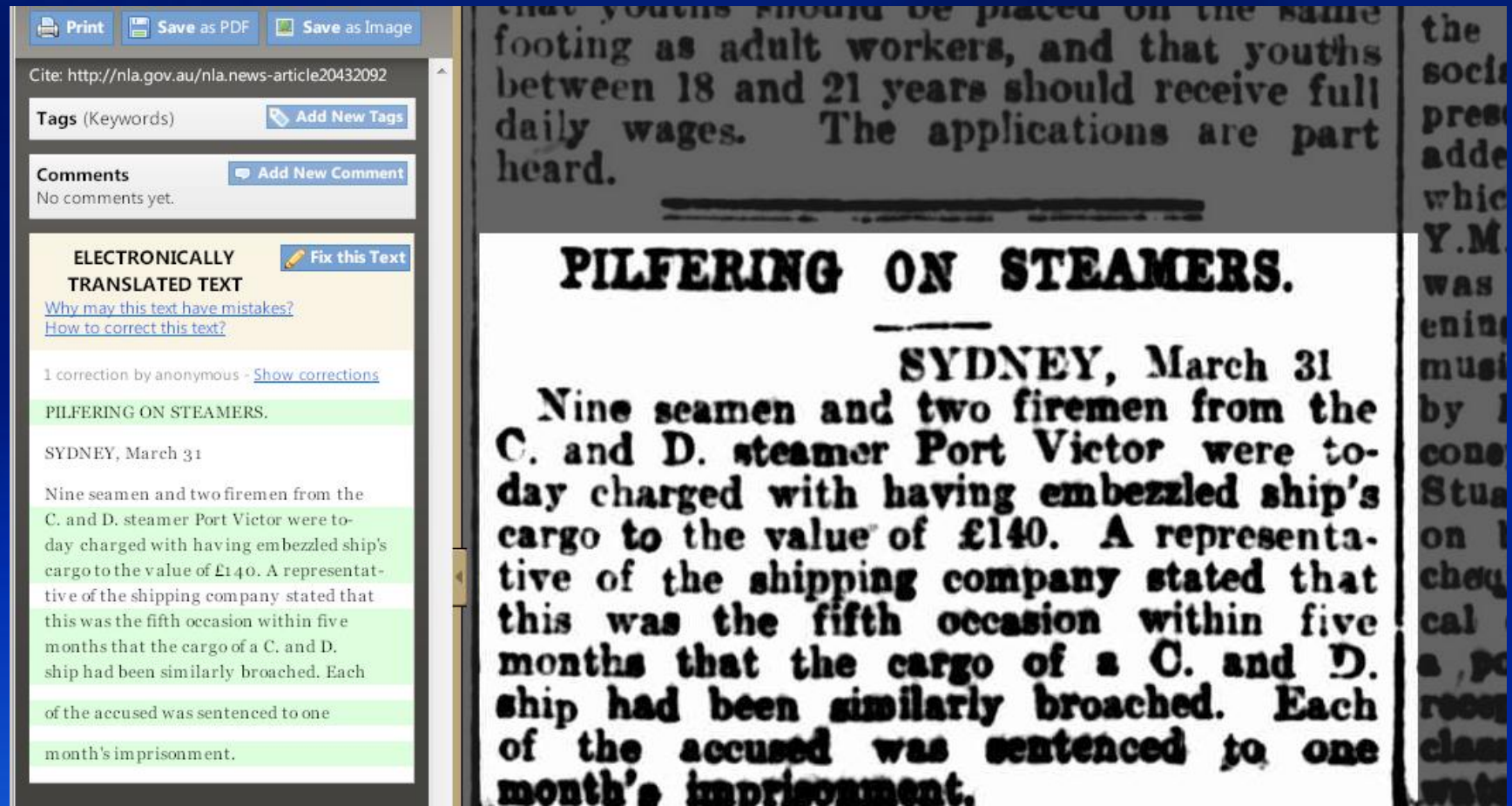
3. The corrections are saved and User receives credit.



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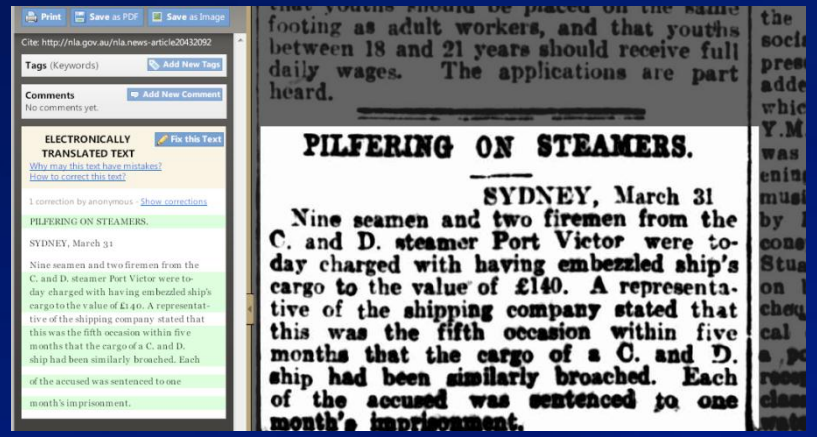

The National Library Newspaper digitisation project:

- Site went live without launch in 2007 and correction has been 24/7 since
  - ~ 20% of correctors are overseas
- 20 mil lines of text corrected in Oct
- Julie Hempenstall from Bendigo has corrected > 500,000 lines!

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Outside the walls: Inside the machine

Justin McMurry, Keller, Texas

- If Justin McMurray works 25 hours a week for Verizon, who might be prepared to volunteer for:
  - –Galleries, Libraries, Archives, Museums
  - –The research sector?
  - –Helping
    - the aged,
    - the sick,
    - the disadvantaged?
    - the environment?
- Volunteers from the helpers and helped

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Global Competitions

Typical examples of competitor location on Kaggle

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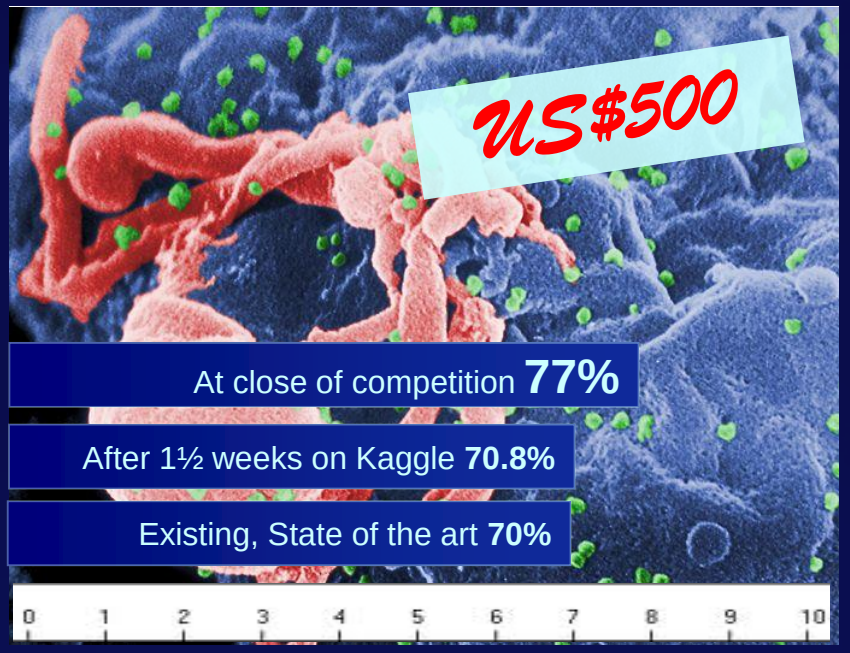
Global Competitions

A real-life example of Kaggle's effectiveness:

Predicting HIV viral load



Accuracy of Prediction (1 – 100%)

Kaggle's crowdsourced prediction model is ideal for:

- Revenue or sales forecasts
- Traffic forecasting
- Energy demand
- Predicting crime
- Tax/social security fraud
- Hospital casualty demand
- Identifying great
  - Teachers
  - Schools
  - Hospitals
- and their best practices

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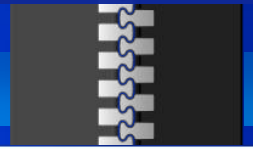
Integrating state and private platforms

- Ratings sites like Ratemyprofessors subject to strategic behaviour by:
  - Students
  - Professors
  - Outsiders
- State apparatus can provide the infrastructure for integrity via ID validation
- A back-end for participating universities could build a rich validated, opt in social database
- So too with schools, hospitals etc



Private endeavour, entreprenuerialism

IntegrityGovernment validation of ID

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Integrating state and private platforms

Rate My Professors, http://www.ratemyprofessors.com

Opt In

OpenID

GOVERNMENT VALIDATED

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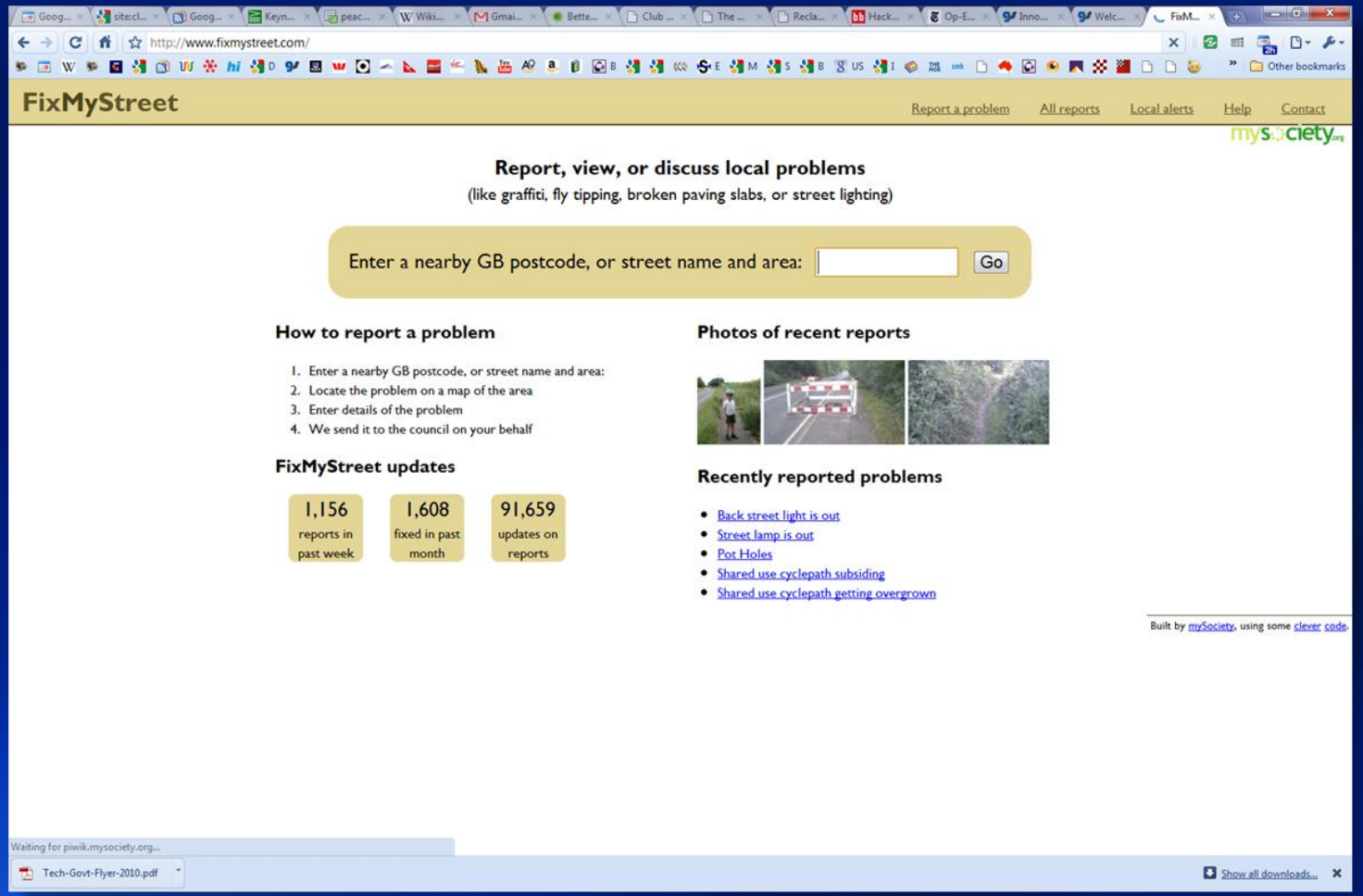

FixMyStreet, http://www.fixmystreet.com

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Reconfiguring state boundaries: Government as wholesaler

- Utility reform shrank natural monopoly aspects of utilities
- Government 2.0 involves governments ‘wholesaling’ core services and opening up retail.
- Utility reform opened space for for-profit competition
  - Motive is economic
- Government 2.0 energy can come from for-profit or not-for-profit
  - Motives economic, social and democratic

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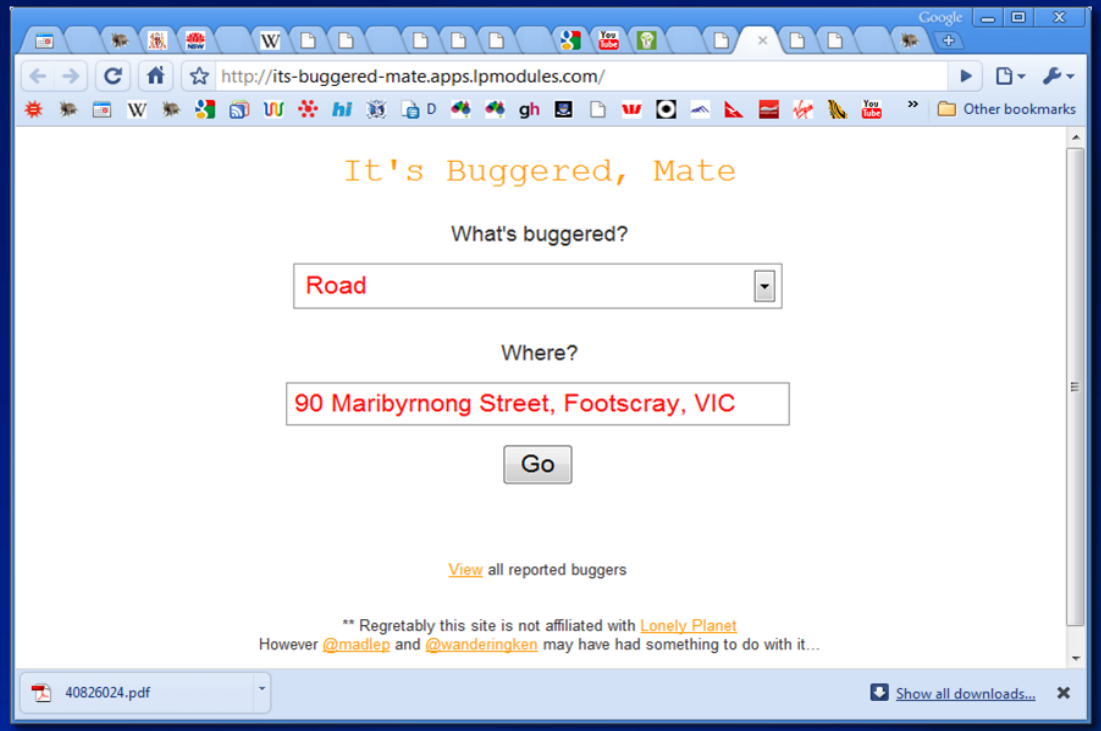

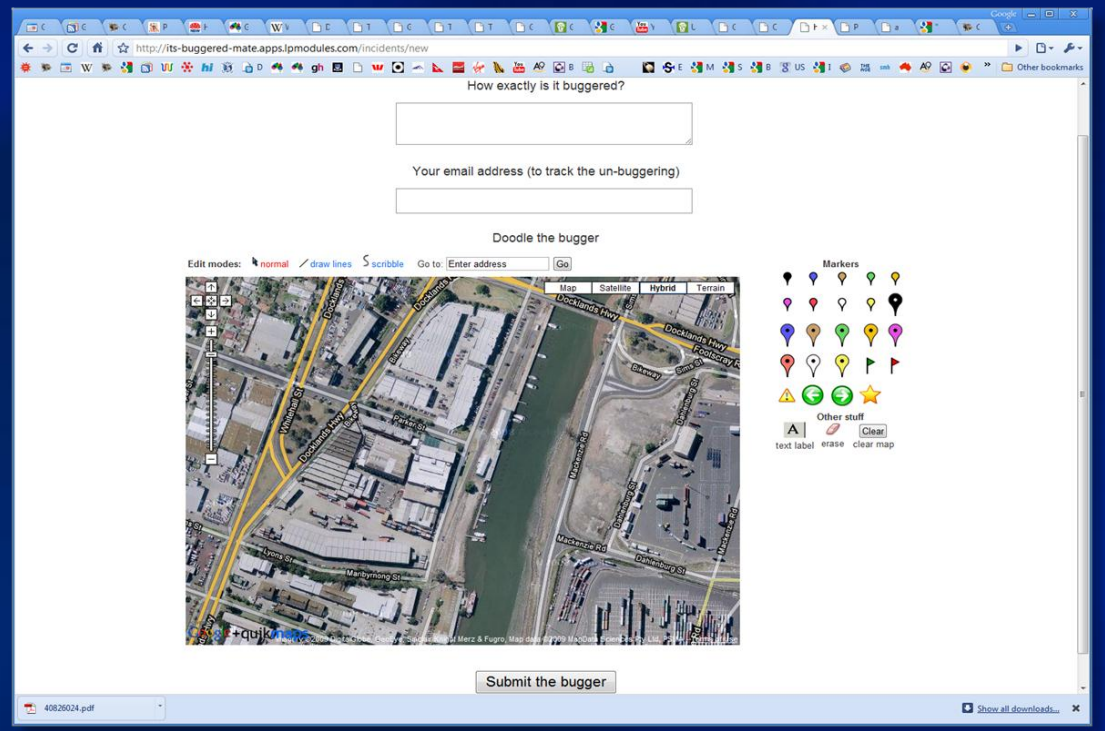

It's Buggered Mate, http://its-buggered-mate.apps.lpmodules.com

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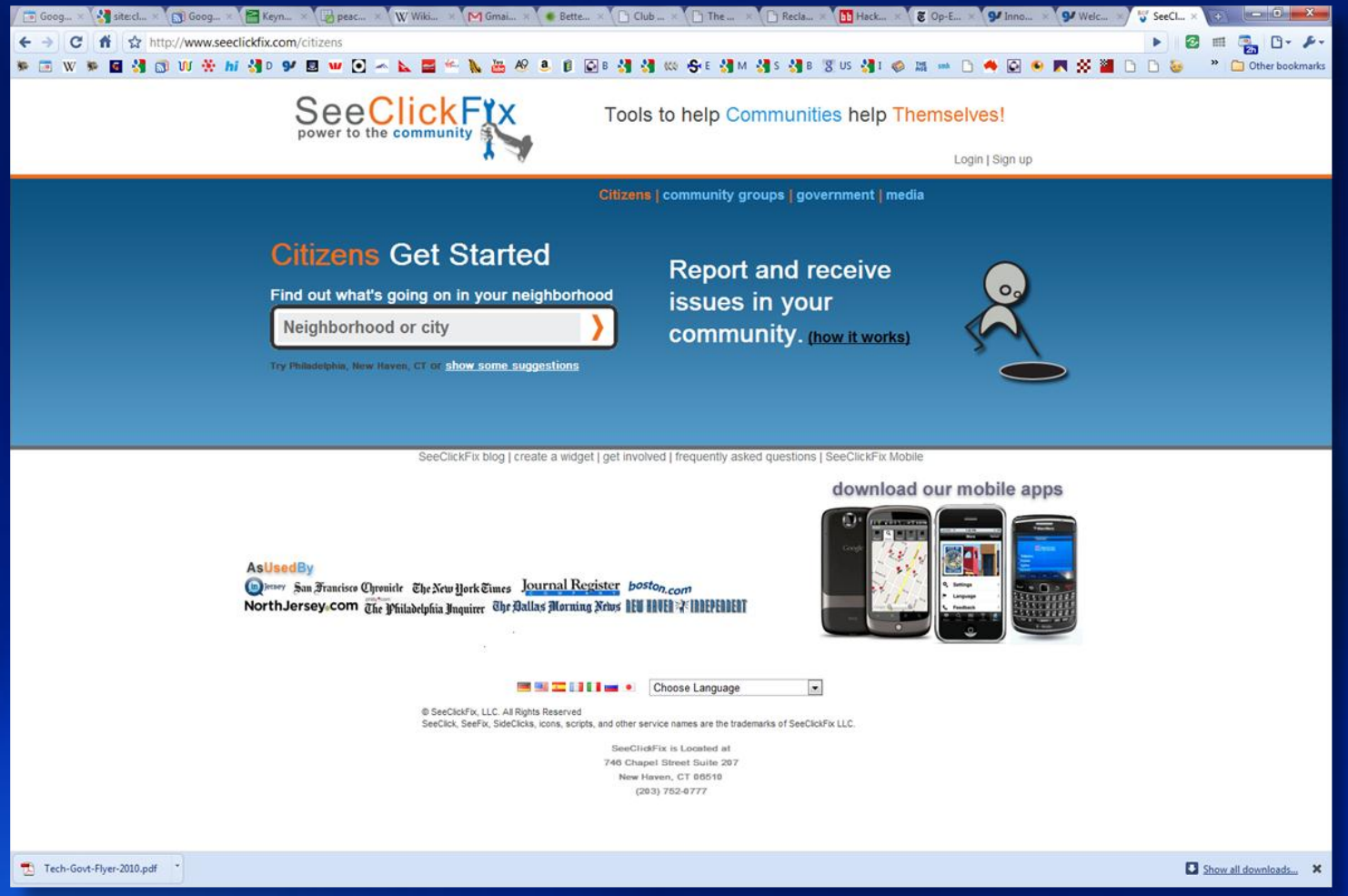

SeeClickFix, http://www.seeclickfix.com

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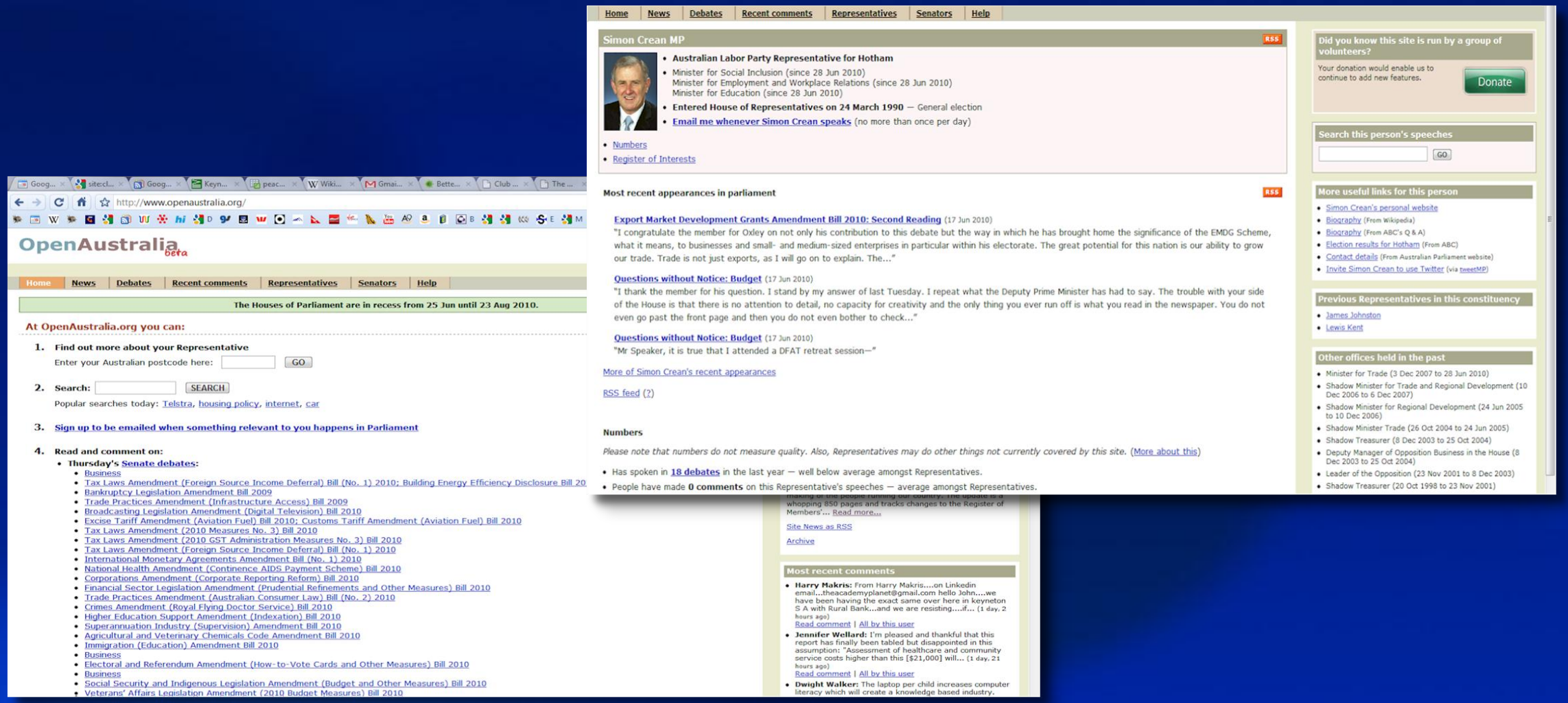

OpenAustralia, www.openaustralia.org/

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Conclusion: the ecology of public private partnership

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