

#### 14. Why are advocates of the Update saying that privatization of public goods harms our democracy by exacerbating lack of trust in government?

The privatization of public goods should be a HUGE issue for all League members because it demonizes government — endlessly preaching 3 false narratives over the past thirty-forty years:

- govt doesn't work — it costs too much and achieves too little
- govt serves someone other than you — it serves "them"
- the free market and competition give us better, cheaper, and faster

**These are wrong. The math doesn't work — and they destroy trust in democracy.** When Americans believe that government doesn't work and costs too much, they support slashing government services, firing public servants with deep expertise and decades of experience serving the public, not partisan agendas.

When people speak of corporate capture — through campaign contributions and revolving doors between corporate and government jobs — they are speaking of corporations whose profits (and sometimes their business models) depend on maintaining their ability to feed on tax dollars with almost no auditing, no accountability, and no transparency. 1

#### 15. Concurrences are intended to address concerns too urgent for a national study.

Distrust in government is an urgent issue. Our government has allowed privatization to harm too many Americans. Visibly predatory corporate actions have fostered serious and endemic distrust of government. Voters see politicians from both parties as captured by corporate interests, thanks to Citizens United, dark money, and SCOTUS opinions erasing barriers between PAC funds and party funds. The Update is one small step in a long program to remedy decades of damage.

**DOGE serves as an object lesson** for what happens when distrust of government celebrates ruthlessly slashing government budgets, violating civil service protections, erasing federal regulations, and firing public servants by the tens of thousands. DOGE did not save the money and did not result in greater "efficiency" but, initially, slashing basic research, the IRS, Social Security, was met with enthusiasm.

Update to Privatization Position  
(LWV PWM/NYS, VT, and 90 more state & local Leagues)

## FAQ & Fact Sheet — Parts B & C

### B. What unforeseen issues might this Update entangle us in?

#### 7. Would the Update prevent Leagues from supporting the ACA (ObamaCare) or Medicaid Expansion?

**No.** Leagues use judgement to prioritize what legislation they will support or oppose. Expansion of Medicaid expands privatization of a public good but it also expands how many people have access to affordable health insurance. The privatization position (current or updated) does not (will not) require opposing privatization — but the updated version will allow opposing privatization that harms the public or excessively drains the public purse.

#### 8. Will the Update force (small) physician practices out of business?

**No.** While the Privatization position — and the Update — is about ownership of public goods, like healthcare, it will not harm physician practices who serve the public good.

In 1980 nearly 80% of physicians worked in small (or even medium-sized) physician practices; today about 80% work for corporate or hospital-owned entities. They are being driven to sell out to corporate interests because hospital and insurance consolidation has created anti-competitive local monopolies (which negotiate higher reimbursement, lower costs, and customer networks to exclude small players). Huge entities control the market, focusing on revenue and profits, not health.

Dr. Welby-type practices are unlikely to return to America until single-payer health care comes to pass and segmentation of "customers" is replaced by a "public good" model.

#### 9. Is the Update against all privatization? Will it force League members to oppose privatization?

**Not at all.** League positions do not require Leagues or League members to advocate for things they disagree with. The Update allows but does not require Leagues to advocate to insource

control of public goods when the private entity is failing its fiduciary duty to the public — not serving those who need it most, such as marginalized populations (who are poorer, more rural, less able, or of color). League positions are tools for determining what can be supported or opposed, not requirements to act.

### 10. Will the Update mean I must advocate for something I disagree with?

No League member is EVER required to support something they disagree with. They are required NOT to publicly oppose, in the name of the League, adopted League positions. This means that if the Update's adopted — your League will have the **option** to advocate, not a **mandate** saying you must. And you may oppose de-privatization if the private entity is serving the public well (not failing to serve the public).

### 11. Why doesn't the Update address nonprofits as well as for-profit entities?

It does. Nonprofits are private corporations, just like for-profits. Should a nonprofit fail in its fiduciary responsibility to the public, the Update would allow remedy — unlike the current position.

### 12. Does the Update mean we would have to advocate for an entirely PUBLIC healthcare system, like the UK has?

Not at all. In fact, the language of the current position stands against that, and the Update changes none of the current language. Updates never change the original language of a position.

## C. Why do Update advocates keep mentioning racism and democracy?

### 13. What's the argument for saying privatized public goods exacerbate structural racism and classism, harming everyone — and democracy?

When public goods are controlled by the public, they are typically offered at the lowest possible cost for everyone, and the controlling entity makes outreach efforts. Privatized entities controlling public goods seek returns to investors, segmenting customers by profit and cost to serve:

a) **Public libraries have one-class of service** — engaging in high-cost/low-margin services to maximize the public good— e.g., sending book mobiles to home-bound residents, grade schools, and rural residents — versus **privatized libraries** that charge subscriptions, and/or focus collections narrowly (e.g., best sellers, not classics), and offer AI-type “customer service” rather than trained librarians.

b) **Publicly-owned utility companies (electric, water, internet)** offer a single price that gives enough access for a family while keeping costs of production, distribution, and connection low, perhaps increasing rates for high-volume corporate users — versus **for-profit utilities** that segment customers into those they would happily lose (low-margin) with expensive “basic” plans, and those they want to attract (high-margin, high-volume, cheaper to serve) who buy enhancements (proliferating products to gain share).

c) **“High-deductible” health insurance** — Recently promoted insurance plans provide the barest bones of routine and preventive care, with no additional care covered until a 5-digit deductible has been paid. The premiums are low, so marginalized people choose them, but a single trip to an emergency room could put them into medical debt. These plans do not actually protect Americans against expensive medical risk the way most of us think insurance should, but they are hugely profitable.

d) **Democracy?** — When private companies segment customers and products to maximize profits, their products — even if essential needs — become too costly for the low-margin segments of the public, most typically, poor people, rural residents, and people of color, but also disabled people and those who are homebound.

Americans who cannot afford “public goods,” for their “essential needs” know their government (and democracy) is failing them. Any resulting cynicism or distrust is rational.