
Privatization: Good or Bad?

Segment Length: 4:55 minutes; 4:42 minutes

Videos:

“Robert Reich: The Truth About Privatization”

<https://www.youtube.com/watch?&v=0wYHRWo2Ins>

“Stossel: \$2 Million Bathroom”

<https://www.youtube.com/watch?v=XfAE5emMCs8>

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. Robert Reich says that the goal of private corporations is to maximize profits, not serve the people. John Stossel observes that government projects cost more. How might the relatively low cost of private projects be used to undermine Reich’s assertion?
2. Reich’s first rule of thumb for when public services shouldn’t be privatized, citing the example of postal services in remote areas, holds that some people might be left out by private services. What examples might John Stossel produce as evidence that private services can bring Americans together?
3. Reich’s second rule of thumb – don’t privatize when the service is less costly when paid for by taxes – seems to address John Stossel’s main concern. Why might Stossel still remain opposed to making such services into government services?
4. Looking at Robert Reich’s third and fourth rules of thumb, why would the government offer a better solution than the private sector? Why might for-profit corporations, in contrast with Reich’s video, offer a better way for poor quality services to improve?
5. John Stossel complains of how slow government projects can be. How might this actually be a good sign?
6. Robert Reich uses defense contractors as an example of private companies operating where there is not enough competition to keep prices under control. Why might it be notable that Reich cites businesses whose customer is the U.S. government?

7. John Stossel says that government services are slow and costly because of rules concerning “minority outreach,” “wheelchair access,” and “zoning rules.” How might Robert Reich see these rules differently?
8. Robert Reich brings up the example of colleges to show that public is better than for-profit, but not all private universities are for-profit. How might someone like John Stossel use this fact to argue against Reich’s point?
9. John Stossel’s critique of public services is that they are too costly and slow. Granting Stossel’s argument, Robert Reich might still feel that the government should provide certain services, even at a higher cost. What goals could override efficiency and justify a government service, according to some?