Is the Public Interest Really In the Public’s Interest?
Ethan Yang

Summary

The term public interest is a vague term but a significant one. It’s usage carries much rhetorical weight as whatever it describes is automatically assumed to be in the interests of the general public. It is described to be in stark contrast to private interests and corporate interests which are allegedly malign agendas that run counter to the wellbeing of the many in favor of the few. In short, whatever is the public interest must be a legitimate and worthy cause that ought to be seen to fruition. So necessary in fact that the government ought to enforce it. In this paper I discuss the ambiguity of the term public interest and how the meaning of what constitutes the public interest is unclear. What is clear about the idea of the public interest is that it seeks to advance particular agendas with the force of government and views the political process as an appropriate tool to solve societal issues. Furthermore, I explore the history and current application of the public interest in the legal profession where it is clearly rooted in a deep skepticism of markets. It is biased to a particular political agenda and excuses the exercise of arbitrary power that works to the interest of the few. I explain why such skepticism fundamentally blinds public interest advocacy to market based solutions which oftentimes work to the benefit of the public. Lastly I explain how economics, particularly the ideas of Public Choice Theory, The Knowledge Problem, and the Socialist Calculation Problem, expose the technical shortcomings of acting in the name of the public interest. All factors considered, it is clear that the idea of the public interest is not only vague and meaningless, it leads to suboptimal outcomes.

The Idea of the Public Interest
Around September of 2020, a non-profit known as the U.S. Public Interest Research Group (US PIRG) called for the reimplementation of non-essential business closures and other social restrictions to contain the Covid-19 pandemic. They issued an open letter signed by many public health experts who supported such a policy.¹ A couple months later, another document was produced known as the Great Barrington Declaration, which called for the exact opposite: return society back to normal as fast as possible while protecting the vulnerable. That document also

boasts its fair share of reputable scientists and public health officials. Regardless of which policy is correct, it is still curious why an organization that calls itself the US Public Interest Research Group could advocate for a policy so hotly contested. Specifically what is the “public interest” and who decides it? In a society as diverse as the United States, how could all our competing interests and preferences be amalgamated into one simple term? Doesn’t a system of representative democracy with constitutional checks on power assume that the public will never have such cohesive interests? The short answer is that the public interest is a political buzzword that serves to further nothing more than uninformed warm feelings. It describes a set of political and social agendas that belong to specific interest groups, not the general public. Furthermore, the notion of a public interest insists that the issue in question must be solved by the political process which is an epistemically limited and unwieldy mechanism. The notion that there is a coherent and clear public interest that serves the general welfare of the public should be dispelled. Agendas that claim the backing of the public interest should be labeled as simply political advocacy that is not inherently productive or counterproductive without further examination.

**Difficulty Defining the Public Interest**

The term public interest is another nice phrase in the pantheon of vague buzzwords favored in political discourse. It shares company with phrases such as “The Common Good” and “The National Interest”. Claiming that one’s objective forwards these particular ends provides little to any contribution to the merits of the proposal. According to Dictionary.com the definition of public interest is “the welfare or well-being of the general public; commonwealth”\(^3\). This definition does little but to introduce even more uncertainty to defining the public interest as such terms such as “welfare” are also quite vague as there are plenty of competing ideas on how to promote the general welfare of all.

Professor of Communications and Public Relations Jane Johnston writes, “the “public interest” is a political concept that’s regularly trotted out along with other democratic principles such as transparency and accountability. And, like transparency and accountability, it’s difficult to pin down exactly what it means”.\(^4\) It is worth noting that transparency and accountability may

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be vague terms but there is a general idea of what those terms mean. The notion of the public interest is even less well defined and potentially more problematic in its implications.

**The Public Interest Concerns Politics and Power**

Johnston writes that “centuries of scholarship examine the public interest alongside the “common good”, “common interest”, and “public good”, associated with some big names in political philosophy. Common among their thinking was the idea that governments should serve the people, and the people should be the beneficiaries of governing.”

The public interest is inherently about political power and social change. On its face, it is about enforcing a particular agenda through the force of government. That could be a universally popular one such as individual rights or it can be more controversial such as abortion access or regulatory policies. Claiming something to be in the public interest is to claim that the government should enforce it, which is why the primary function of public interest groups is lobbying governments or engaging in litigation. This raises an essential question of who defines the public interest if it is to be labeled as such?

Edwin Rekosh, a public interest legal scholar, writes on this question by stating “now we’re back to the question of “Who defines the public interest?”. In a liberal society, maybe the answer is: you and me. We all participate in defining what is – and what is not – in the public interest. And the public interest is worked out in the resulting contest of values and opinions.”

If we are to use this definition then the notion of the public interest is effectively a democratic contest of the majoritarian variety. Whatever the majority of people are convinced is the most optimal policy is crowned the public interest. This is problematic in a variety of ways that will be discussed later in this essay concerning topics such as epistemic burdens and good intentions as opposed to good outcomes. However, one of the most immediate problems with the public interest is outlined by Bruce Gregory who writes “the concept of the public interest in its established meaning is not at all identical with the common good...Not only is there the question of the moral ambiguity of majoritarianism, there is also the problem of the moral “minimalism” of the subjectivist view of the public interest.”

Majoritarianism seldom results in positive outcomes and the politics of anything goes is a recipe for disaster. If a majority of the population wishes to ignore the rules of economics and impose price restrictions during the Covid-19 pandemic, as

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some public interest groups advocate for, shortages of affected products will happen regardless of the wishes of the majority.

Public Interest in Practice

Perhaps one of the best ways to ascertain what ideas are considered in the public interest is to peruse the list of professions promoted by law schools where public interest is an explicit area of practice. Regardless of the fact that most law schools and academia in general are unrepresentative of the general population, they undeniably control the human capital to which public interest groups have access to. According to Yale Law School, “public interest law firms are distinguished from private firms in that their primary mission is to assist underrepresented people or causes, rather than to make money”\(^8\). Generally speaking this can be seen as a universal definition that defines what public interest work is in practice. It is non-profit driven and motivated by an explicit goal of assisting a perceived marginalized constituency rather than attempting to generate revenue as a primary objective. However, it must be said that Yale Law School recently made a decision on what types of public interests that it endorses when it made a decision to cut intern scholarships for those working at non-secular organizations. This blanket policy was made specifically to cater to “a group of protestors that called for the school to implement policies that would make it more difficult for students to work at “discriminatory” organizations, like those promoting religious liberty”.\(^9\) This is just one example of how fragile and dubious the notion is that the public interest is actually so.

Harvard Law School provides an extensive list of issue areas that are covered by public interest law which includes topics most people can agree on such as civil liberties and representation for disadvantaged individuals. There are also many topics where disagreements are frequent such as environmental protection, labor unions, reproductive rights, and gun control. Finally there are niche topics that sound good on the surface but often in practice simply end up being a part of left wing identity politics such as gender and race specializations.\(^10\) Although these are all fine areas to practice law, the problem comes from insinuating that they are all in the public interest. For example, there is fierce debate on how to best protect the environment with many self proclaimed public interest groups calling for the banning of plastic

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\(^8\) “Public Interest Law Firms”, Yale Law School, 2020, https://law.yale.edu/student-life/career-development/students/career-guides-advice/public-interest-law-firms


and other strict regulations\textsuperscript{11}. However, there is a also a case for exactly the opposite which is less government control and more freedom to the market to work out these issues as proposed by intellectuals such as Professor Walter Block\textsuperscript{12}. Professor Block has made the case that privatization of various public goods such as bodies of water can provide far superior environmental protection than the regulations that many public interest groups advocate for.

Furthermore one can easily make the case that stricter environmental protections did not make the world cleaner, better technology did. We have fuel efficient cars produced by the genius of companies like Toyota made available to the masses through free trade. Energy companies derive cleaner fuel sources by moving away from coal to more advantageous fuels such as natural gas and nuclear power. If one says they stand for the public interest because they have a petition to ban fossil fuels, they may do a better job protecting the Earth by simply working at any of the companies mentioned. Furthermore, one can make the argument that deregulation creates a better economy and more innovation so attorneys that help companies lobby for such policies are contributing to the public interest. However, such titles are usually reserved for those involved in consumer litigation against companies and lobbying for stricter regulations. With this in mind, it can be argued that it is in the public interest to have a well functioning financial system so therefore Wall Street CEOs actually contribute more to the public interest than most self proclaimed public interest warriors.

\textbf{The Inherent Bias of Public Interest}

Of course the main purpose of public interest activism is to serve underrepresented groups so the comparison is flawed. However, that does not mean that those who work for money are not contributing to the public. When there is a need for a service that is not adequately met the price of that service will be high. With this in mind, those who pursue profit rather than some charitable goal are still meeting an important need in society. Society desperately needs profit hungry individuals to create the inventions of tomorrow and perform extremely complicated financial transactions to keep the economy moving.

The answer to this discrepancy is that the term public interest, especially in the legal profession in the United States, is fundamentally skeptical of capitalism. Edwin Rekosh writes, “the origin of the term comes most directly from the notion of counter-balancing the influence of powerful economic interests in the legal system, and regardless of their objective, public interest

lawyers in the United States continue to be infused with the ethic of “fighting for the little guy”\textsuperscript{13}. I will call this the social conception of public interest law”. Therefore, the entire purpose of the field of public interest is to draw talent away from perceived large economic interests to work for those that often work in opposition to those interests. Rekosh furthers this idea by citing George Soros when he writes “as Soros has pointedly argued, the market alone will never address many important aspects of the public interest”\textsuperscript{14}. This notion of a flawed private sector that must be corrected by the public sector is the core of the idea of the public interest in practice. Although the private sector may contribute greatly to the common good so to speak, public interest activists must mobilize to bring certain issues under state control to correct certain perceived injustices. Rekosh writes “At least in Justice Marshall’s understanding of public interest law, enlarging and strengthening the public sphere is an important public interest law objective in the United States as well”\textsuperscript{15}. Rekosh also notes that the late Justice Brandeis also made similar comments noting a desire for more public intervention to pick up where he perceived the market lacked.

With this in mind, it is clear that the idea of the public interest is fundamentally skeptical of the market in favor of the state. It requires that issues must be politicized and brought out of the private sector into the public sector in order in order to solve it.

**The Problem With Using the State to Solve Problems**

The public interest and public interest activism is fundamentally about using the power of the state to correct perceived market failures. It would be reasonable to assume that the public interest ultimately wishes to allow people to live healthier, freer, and more comfortable lives in a system that primarily serves individual citizens, not itself. If that is so, then there are a number of critical shortcomings about this strategy that jeopardize its intended purpose.

The first and most basic issue is that the political process and the state is not an impartial servant to the public or its perceived interests. An article in the Journal of The Royal Society of Medicine outlines the basic truth that “people who work for public sector institutions regard themselves (and are often regarded) as being neutral, disinterested, and unbiased supporters and defenders of the public interest. There is, however, a large literature by economists and political scientists known as ‘public choice theory’ (that even has its own scholarly journal, Public Choice) that demolishes this pretension. Public institutions and the individuals that work for them are found to be self-interested, much like private institutions and

\textsuperscript{13} Rekosh
\textsuperscript{14} Rekosh
\textsuperscript{15} Rekosh
their employees".\textsuperscript{16} Lobbying for the Environmental Protection Agency to enact stricter regulations to protect the environment does not automatically result in a better environment. The government, especially when it is given permission to expand will likely act in its own self interest. That could mean that it finds the most inefficient way to solve an issue to make sure it can hire and pay the most employees possible or it can create special rules that benefit well connected private interests. Both of these scenarios are not remotely close to any definition of the public interest yet could likely be a result of actions taken to further it. Not to mention that the problem remains unsolved if not worse. Just because the majority of the public demand something does not mean that the government can accomplish the objective.

The Knowledge Problem in the Public Interest

Another essential flaw with the use of the political process to further the interests of the public is the knowledge problem most commonly associated with economist Friedrich Hayek. In an essay titled The Use of Knowledge in Society, he wrote "the "data" from which the economic calculus starts are never for the whole society "given" to a single mind which could work out the implications and can never be so given"\textsuperscript{17}. The essence of the knowledge problem is the fact that all the preferences and circumstances in society cannot be consolidated or known by one particular entity. How can the state possibly understand how a particular piece of financial regulation will affect every single bank every single day? Does the state actually understand the consequences of banning cigarettes ranging from economic disruptions to the emergence of black markets? This is why central planning in countries like the Soviet Union failed miserably to produce a prosperous society. It is impossible for a central agency, the state, to possibly comprehend how to run all interactions in society.

The market allows individual decisions to be made at the most micro level possible with the greatest amount of rapidity and discretion possible. Dwight Lee writes about Hayek’s insight when he notes “the market is essential precisely because it allows people to benefit from widely dispersed knowledge when no one has more than the smallest fragment of that knowledge, not even government planners. Every time a government plan restricts market exchange, ignorance is substituted for knowledge”. Bringing the state into the equation in the name of the public interest oftentimes leads to more problems than it solves. In the name of the public interest, the state may ban cigarettes leading to a number of unforeseen consequences such as economic


\textsuperscript{17} Friedrich Hayek, “The Use of Knowledge in Society”, Foundation for Economic Education, May 1, 1996, \url{https://fee.org/articles/the-use-of-knowledge-in-society/}
disruption and the emergence of a dangerous black market. A market based approach has proved much more effective. Some examples of the market in action include the many organizations that promote education regarding the dangers of cigarettes as well as the emergence of profitable alternatives such as e-cigarettes and nicotine patches. All these forces work independently from one another, oftentimes driven by profit.

Attempting to "correct" the market process with government intervention in the name of the public interest will likely lead to misinformed decisions that work contrary to such a goal. That is because it is impossible to make completely informed decisions from a central location. In a different essay I cover the work of Scott Scheall who expands upon Hayek’s knowledge problem. I note that in context of policies taken to contain the Covid-19 pandemic that “when we empower governors to lock down their economies and implement phased reopening measures, we must also understand that those in power physically lack the ability to truly understand what they are attempting to control. Scheall explains,

“Policymakers are not gods. They are neither omniscient nor omnipotent. Their knowledge or relevant facts and theories is limited, as are their powers.”

Nobody, not even supercomputers can even begin to comprehend the countless moving parts in society. This is why there have been disastrous unintended consequences from failing to understand informational limits”.18 Politicians and activists cannot possibly begin to comprehend what is uniformly in the public’s interest nor do they likely have the tools to effectively forward such a goal.

The Absence of Economic Calculation

Similar to Hayek’s observation regarding the epistemic burdens of the political process is the Socialist Calculation problem outlined by economist Ludwig Von Mises. In the absence of prices and private ownership, which is a situation inherent to the political process, the optimal allocation of resources is impossible. Mises explains this when he writes, “exchange relations between production goods can only be established on the basis of private ownership of the means of production. When the “coal syndicate “provides the “iron syndicate “with coal, no price can be formed, except when both syndicates are the owners of the means of production employed in their business”.19 In order to perform economic calculation there must be prices and

private property. Without such mechanisms in place it is impossible to conduct negotiations or weigh options based in any sort of universal measurement. Without this sort of analysis, it is impossible to make decisions that maximize the wellbeing of all parties involved.

To illustrate the importance of economic calculation and the necessity for exact measurements such as prices Mises writes “it is quite a different matter when the choice lies between the utilization of a water-course for the manufacture of electricity or the extension of a coal mine or the drawing up of plans for the better employment of the energies latent in raw coal. Here the roundabout processes of production are many and each is very lengthy; here the conditions necessary for the success of the enterprises which are to be initiated are diverse, so that one cannot apply merely vague valuations, but requires rather more exact estimates and some judgment of the economic issues actually involved.” This scenario shows the complicated calculations that take place everyday in society that can have consequences on the wellbeing of countless people. How does one decide whether it is more productive to use a river to generate electricity or extend a coal mine? If we simply did what was in the public interest, which is to say we either let politicians argue over the issue or listen to some activists, we will effectively have no intelligent analysis of the matter. What is more important: creating more electricity or mining more coal? How can anyone be sure which answer is correct?

However, a profit driven approach, which is supposedly antithetical to the public interest, can solve this problem rather easily. The river should go towards whatever project is more profitable. If one output is more profitable than the other, that typically means that there is a greater desire in society for that resource. Therefore providing electricity or coal based on which is more profitable would be fulfilling the service most desired by the most amount of people in society. This sort of economic calculation would be impossible through a public interest model where value would be determined by an inappropriate calculation system such as the political process.

The Public Interest is Simply Just an Interest

The idea that there is a coherent public interest that not only reflects the true will of the people but actually leads to optimal outcomes that makes society better by some objective metric is questionable. For one, advocates of the public interest admit that there is no defined public interest. Furthermore, the use of the political process to address certain issues oftentimes leads to adverse outcomes. Such subjective value judgements enforced by the coercive arm of the state can seldom lead to widespread benefits. Furthermore, so called advocates of the
public interest tend to label their opposition as “corporate interests” which conveniently encompasses initiatives such as deregulation and lower taxes. The problem is that there is no inherent damage to society if something is done in the name of public or corporate interests. Oftentimes it’s the “corporate interest” whether it be free trade or less intrusive regulatory codes that actually lead to better outcomes for the most people.

Christopher Coyne writes on such an instance when he describes efforts to regulate ride hailing firms such as Uber in London. He writes “The public interest view of regulation holds that government regulators will implement rules which improve the welfare of consumers. From this perspective, regulations are meant to protect consumers from harm resulting from irresponsible, greedy, or fraudulent producers”. The regulation in question is a mandatory five minute wait time which doesn’t seem to make sense from a consumer standpoint. Chris notes that government regulators reason that the regulations will raise standards. However, Chris notes that by ditching the public interest lens and using a political economic perspective, we can see that “they are not intended to protect private consumers but, rather, are meant to protect black cab drivers who are threatened by the competition introduced by Uber and who have tried to bring London to a standstill with their protests. Uber tends to be much cheaper (see table) but also provides a variety of service levels”. Simply calling something a public interest does not make it in the interest of the public. As mentioned before, the notion of the public interest is often rooted in anti-capitalist and government intervention ideologies. To label such agendas as in the public interest would be highly misleading. They are in fact simply another set of political interests in a sea of many. If anything, union busting in opposition to taxi cartels might be more in the public interest, but such an activity will never receive such a title.

What Do We Do With the Phrase Public Interest?

When it comes to what should be done about the phrase “public interest” I offer two solutions. The first is inspired by constitutional interpretation which I feel is appropriate as The Constitution of the United States is a vague document that the beholder must impart meaning into. I believe that the current interpretation of the public interest is very much akin to the idea of a living constitution. That is that society may impart whatever values it sees fit and the idea of the public interest is always changing. That is an inferior interpretation because not only does

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that mean that the public interest will follow public sentiment even when it turns for the worse
but it can then be twisted to mean anything. A better model would be an originalist approach,
that is attempting to apply the original intent of those that crafted the law. Of course for the
public interest this would be an imperfect analogy as I am advocating for a universal intent and
not that every polity create its own definition. This definition being that the public interest is that
the government protect life, liberty, and property. Effectively the term public interest would only
apply to initiatives that promote a limited set of goals. One of those being an accountable
government such as watchdog groups. Another goal would be the protection of civil liberties and
rights which would encompass groups such as those that provide accessible legal
representation. All other agendas such as environmental protection, labor union activism, or
animal rights would fall under political causes, which is essentially what they are. As laudable as
those goals are, it cannot be appropriate to unilaterally claim those are in the interest of the
public.

It is unlikely that the alternative interpretation outlined above will become mainstream
and the phrase public interest will likely continue to be used as a decorative title for a political
agenda. Furthermore, its usage in the private sector to describe work that is different from or
directly adversarial to perceived economic powers further biases the idea towards a political
agenda. A political agenda that is often fundamentally skeptical of market forces which
regardless of public opinion, play a critical role in organizing society. Even if pro-market
agendas are included into the tent of the public interest, that effectively renders it a collection of
competing public policy ideas that speaks for no one. The current interpretation of the public
interest renders it simply a meaningless phrase that is used to give credence to a specific
interest group’s agenda. If this definition is to remain in continued use then we would be best
served to ditch this thin veil of legitimacy and call the “public interest” what it really is, political
advocacy.

https://lawreview.jmls.uic.edu/constitutional-interpretation-an-overview-of-originalism-and-living-constitutio

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