

- Module Name: 'Difference between Private and Public Administration'
- Module No: 02
- Course Code: POD103
- Course Title: DSE Public Administration

### **Private Administration and Public Administration**

Public Administration- is the organisation of human and material resources to achieve the purposes and goals of government. (eg. ONGC, BHEL, BSNL)

Private administration - is the operation, management and organisation of affairs of the business enterprise. (eg. Reliance Industries Ltd)

### **Similarities**

Max Weber, Henri Fayol, Mary P. Follet and L. Urwick do not make a distinction between Public and Private Administration.

All Administration is one and exhibits the same fundamental characteristics and the difference between them is one of degree rather than of kind.

Public and Private administration manifest common features at several points.

Many of the managerial techniques are common to both like, accounting, statistics, purchases, (**stocking**) etc .

**Influence each other-** In the recent times business practices and standards have exercised a profound influence upon Public Administration specially in matters like office management and running of commercial enterprises.

Private Administration too have been influenced by governmental practices, like staff welfare, (**superannuation** ) benefits etc.

**Administrative set up-**certain kind of hierarchy and administrative set up in both.

**Research and improvement-** is carried by both to improve upon quality of products and services.

**Public Relations-** both believe that there should be maximum contact with the public.

### **Differences**

Paul H. Appleby, John Gaus, Peter Drucker, Herbert Simon etc are of the opinion that there are crucial differences between Public and Private Administration.

Paul H. Appleby was the leading advocate of the view that Public Administration basically differs from the Private Administration.

- Breadth of scope.
- Public accountability.
- Political character

**Political Direction-** Public Administration is subject to political direction in most policy matters. Unlike Public Administration, Private administration is not subjected to political direction except in gravest cases.

**Profit motive-** Public Administration- is conducted with the motive of **service**. In Public Administration there is no correlation between income and expenditure. Private Administration – the motive is **profit** making.

**Service and Costs-** In Public Administration only such amounts of money is raised by (taxation,) which is necessary for the rendering of service. In Private Administration income often exceeds expenditure.

**Nature of functions-** Public Administration is more **comprehensive** and carries out functions which are **vital** for the very existence of the people- defence and maintenance of law and order. Private Administration is concerned with **less vital** functions.

**Public Responsibility-** Public Administration has to face the criticism of the press , public and political parties. Private administration is not responsible to the public in the sense public administration is.

**Uniformity in treatment-** Public Administration should be **consistent** in procedure and uniform in dealings with public. Private Administration need not pay much attention to uniformity in treatment.

**Legal Framework-** Public Administration operates within a legal framework. Adherence to law brings in degree of rigidity in operation in the public sector. Private Organizations or Private enterprises are subject to less legal constraints. There are of course general law regulating business.

**Monopolistic-** Many services rendered by the Public Administration to the society are of a (**monopolistic** ) character. Example railways. In Private Administration there will be many enterprises competing to supply the same commodity.

**Prestige-** Public Administration enjoys high prestige and social status as compared to Private Administration especially in the third world countries. This is due to power vested in governmental machinery .

### **Conclusion**

- Today, the gap between the Public and Private Administration is narrowing.
- Private business is also regulated and controlled by the law of the land and profit is not its sole aim.
- Public Administration also cannot ignore the needs of efficient management.