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Public services

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Public services is a term usually used to mean services provided by government to its citizens, either directly (through the public sector) or by financing private provision of services. The term is associated with a social consensus (usually expressed through democratic elections) that certain services should be available to all, regardless of income. Even where public services are neither publicly provided nor publicly financed, for social and political reasons they are usually subject to regulation going beyond that applying to most economic sectors. Public services is also a course that can be studied at college and/or university. These courses can lead entry in to the: police, ambulance and fire services.

It is also an alternative term for civil service.

Sectors

Public services tend to be those considered so essential to modern life that for moral reasons their universal provision should be guaranteed, and they may be associated with fundamental human rights (such as the right to water). An example of a service which is not generally considered an essential public service is hairdressing.

In modern, developed countries the term public services often includes,

- Broadcasting
- Education
- Electricity
- Fire service
- Gas
- Health care
- Military
- Police service
- Public transportation
- Social housing
- Telecommunications
- Town planning
- Waste management
- Water services

Characteristics

A public service may sometimes have the characteristics of a public good (being non-rivalrous and non-excludable), but most are merit goods, that is, services which may (according to prevailing social norms) be under-provided by the market. In most cases public services are services, i.e. they do not involve manufacturing of goods such as nuts and bolts. They may be provided by local or national monopolies, especially in sectors which are natural monopolies.

They may involve outputs that are hard to attribute to specific individual effort and/or hard to measure in terms of key characteristics such as quality. They often require high levels of training and education. They may attract people with a public service ethos who wish to give something to the wider public or community through their work and are prepared to work harder for less pay as a result. (John Kenneth Galbraith has looked at the role of such "public virtue" in economic growth.)

History

Historically, the widespread provision of public services in developed countries usually began in the late nineteenth century, often with the municipal development of gas and water services. Later, other services such as electricity and healthcare began to be provided by governments. In most developed countries such services are still provided by local or national government, the biggest exceptions being the U.S. and the UK, where private provision is more significant. Nonetheless, such privately-provided public services are often strongly regulated, for example (in the US) by Public Utility Commissions.

In developing countries public services tend to be much less well developed. Water services, for example, may only be available to the wealthy middle class. For political reasons the service is often subsidized, which reduces the finance available for expansion to poorer communities.

Nationalization

Main article: Nationalization

Nationalization really took off following the World Wars of the first half of the twentieth century. Across Europe, because of the extreme demands on industries and the economy, central planning was required to ensure the maximum degree of efficient production was obtained. Many public services, especially electricity, gas and public transport were products of this era. Following the second world war, many countries also began to implement universal health care and expanded education under the funding and guidance of the state.

Privatization

Main article: Privatization

There are several ways to privatize public services. A free-market corporation may be established and sold to private investors, relinquishing government control altogether. This essentially ends the public service and makes it a private service. Another option, used in the Nordic countries, is to establish a corporation, but keep ownership or voting power essentially in the hands of the government. For example, the Finnish state owns 49% of Kemira, the rest being owned by private investors. A 49% share doesn't make it a "government enterprise", but it means that all other investors together would have to oppose the state's opinion in order to overturn the state's decisions in the shareholder's meeting. Regulated corporation can also acquire permits on the agreement that they fulfill certain public service duties. When a private corporation runs a natural monopoly, then the corporation is typically heavily regulated, to prevent abuse of monopoly power. Lastly, the government can buy the service on the free market. In many countries, medication is provided in this manner: the government reimburses part of the price of the medication. Also, bus traffic, electricity, healthcare and waste management are privatized in this way. One recent innovation, used in the UK increasingly as well as

Australia and Canada is public-private partnerships. This involves giving a long lease to private consortia in return for partly funding infrastructure.

Public services versus Services of General Interest

At the European level, some countries use the name service of general interest, while other prefer public services. It has been a discussion, for instance during the writing of the European constitution (the word services of general interest has been used). Many people feel this way.

Also most see the two names as synonyms, the services of general interest doesn't imply that the "public services" are delivered by public servants, but can also be delivered by a private company. ETUC named its petition "for high quality public services" but explains "Public services are known as Services of general interest (SGI) and Services of general economic interest (SGEIs) in European Union terminology."

Vocabulary:

| | |
|-------------------------------|---|
| central planning ▶ | |
| fundamental human rights ▶ | |
| government enterprise | vládní podnik/podnikání |
| merit goods | nadřazené statky |
| municipal | městský, komunální, obecní |
| nationalisation | zestátnění, znárodnění |
| nationalise | zestátnit, znárodnit |
| natural monopoly ▶ | |
| non-excludable ▶ | |
| non-rivalrous/non-rival ▶ | |
| overturn | zvrátit, změnit |
| privatisation | privatizace |
| privatise | privatizovat |
| a public good | veřejný statek |
| public service ethos ▶ | |
| reimburse | refundovat, finančně nahradit |
| relinquish government control | vzdát se vládní kontroly |
| service of general interest ▶ | |
| subsidise | dotovat, subvencovat |
| subsidy | dotace, subvence |
| under-provided ▶ | |
| universal provision | univerzální poskytování (<i>např. služeb</i>) |