

Six types of public service

The crude public sector good private sector bad which dominates much opposition party thinking is no reflection of the reality of life.

Some years ago I wrote about how we could better characterise and assess public services. I proposed assessing each with three main questions:

Are they competitive or monopolies?

Are they owned and run by the state or by private individuals and companies?

Do they charge customers for their service or are they offered free to users?

These questions reveal that there is more to life than an all public or an all private service.

The two types that get closest to what the public v private thinkers have in mind are

1. A public sector provided monopoly service provided free to users using public sector employees and equipment Defence is the nearest to this model
2. A private sector competitive service delivered by many, charging customers for their use and using private sector employees and equipment.. This is the most common model of public service covering things like food supply and mobile phone services

There are then the following

A private monopoly provided free to users – a free local newspaper, a local radio station

Private competitive services provided free to users Much social media, independent tv

Public monopolies charging customers – Planning services, much licensing activity like passports and driving licences

Public near monopolies using substantial private sector competitive contractors – the NHS buys in all its drugs and contracts out various hotel services to private sector staff

Competitive services delivered in part by public sector owned institutions – Council leisure services that charge, Public sector transport

“Free” competitive services provided by state organisations and financed from taxes BBC, state museums

You could add to this analysis the provision of services by the third or charitable sector, where their provision may be free to users or may be

subsidised competition to the private sector as with charity shops and leisure offerings.