

## DIFFERENCES BETWEEN PUBLIC ADMINISTRATION AND PRIVATE ADMINISTRATION

Public administration and private administration are two species of the same genus, namely administration. But administration exercises great power, more in public administration. Public administration is often compared with private administration with a view to finding out similarities and dissimilarities between the two. Both the 'classical organisation theory' and 'human relation theory' first originated in private administration.

The management of affairs by private individuals or body of individuals is private administration while management of affairs by central, state or local government is public administration. There are some points of similarity between public and private administration. However, there are some basic differences between the public and private administration. The following are the important differences between the two types of administration.

### **(a) Political Direction**

In public administration there is political direction. The administrators under public administration have to carry out the orders which they get from the political executive with no option of their own.

### **(b) Profit Motive**

Public administration is conducted with the motive of service while the motive of private administration is profit making. If private administration is useful to the public, its service to it is a by-product of profit making. Private administration will never undertake a work if it does not bring profit.

### **(c) Service and Cost**

In public administration there is an intimate relationship between service rendered and the cost of the service charged from the public. Only such amount of money is raised by taxation, which is necessary for the rendering of service. In private administration income of funds exceeds expenditure because there is usually an attempt to extract as such money as possible from the public.

### **(d) Nature of Functions**

Public administration is more comprehensive. It deals with the various types of the needs of the people. In a socialist State the scope of State is still larger. Private administration does not cover so many aspects of human life. It is mostly concerned with the economic needs of life.

### **(e) Efficiency**

It is considered by many that in public administration efficiency is less. Because of extravagance, red tapism, and corruption, which may dominate in public administration it, may not be in a position to function in an efficient manner. But in private administration the level of efficiency is superior to public administration. The incentive of more profits impels the individuals to devote themselves more to work.

### **(f) Public Responsibility**

Public administration has responsibility to the public. It has to face the criticism of the public, press, and political parties. The private administration does not have any great responsibility towards the public. It is only responsible to the people indirectly and that too for securing its own ends and not for the welfare of the people.

### **(g) Public Relations**

The public and private administration also differs on the principles of public relations. Public relations have a narrower content in public administration than in private administration.

### **(h) Uniform Treatment**

Public administration is consistent in procedure and uniform in dealings with the public. In such a system a civil servant cannot show favour to some people and disfavour to others. But private administration need not bother much about uniformity in treatment.

### **(i) Monopolistic**

In the field of public administration, there is generally a monopoly of the government and it does not allow private parties to compete with it. For example, no person can establish post and telegraph, railways etc. But in private administration, several individuals or organizations compete with each other to supply the same commodity or meet the same needs. Thus there is no monopoly in private administration.

### **(j) Financial Meticulousness**

Public administration has to be very careful in financial matters. Public money is to be spend meticulously and according to the prescribed procedure. It is the legislature, which exercises financial control over executive. But there is no difference between finance and administration in private administration. There is no external financial control.

### **(k) Social Prestige**

Public Administration carries a greater social prestige than private administration. Service to the community is the basic characterizing public administration.

## **(I) Social Consequence**

The social consequence of public administration will be great because a defect in it will do more harm to the public. But in private administration this will be less. Even if any harm is done by it will be of less significance and thereby may be negligible.

The Public Administration has certain distinctive features, which differentiate it from private administration. Public Administration is far more closely tied up with the constitution and formal laws of a country than private administration. It is thus closest to political science and emphasizes elements such as equality, fairness and rule of law in decision-making. Private administration, on the other hand, stands by profit, effectiveness, cost- benefit analysis. The difference between the two is more apparent than real. Both respond to the environment differently' which inevitably produces consequences for the functioning of organisation and their management. It can be concluded that public and private administration are the two species of the same genus, but they have special values and techniques of their own which give to each its distinctive character.