

STEPS Students Report

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At Graduate School of Management (GSOM) in Saint-Petersburg University, I studied the concept of public management in depth. In this report, I will summarize the contents of the Public Management class, and give my opinion.

Before I have been to the GSOM, I thought that public sectors are so ineffective, and they should use some methods or ideas of private ones. Indeed it is a very common idea and actually a lot of public organizations collaborate with private companies on public projects, for example, Public-Private Partnership (PPP) projects. However, through the public management class I understood it is not easy for the public sectors to start to use the business model of private ones for the following reasons.

First of all, public services are very important for the society for the following reasons. First, the term "public services" can be defined as the services which satisfy common interests of society. Even if these services are related to individual needs, they meet general needs at the same time. For example, public schools provide the students with education and also contribute high educated human resources to the society. Second, only public services can compensate for the market failure and so people have no choice. Because of these points, public sectors have a greater deal of responsibility than the private ones and so public managers have less discretion and freedom.

Second, in general, because public projects are larger-scale than private ones, most public organizations are divided into some groups and each of them deals with only a part of the whole project individually. So, because it is very difficult that employees understand the product of their labor clearly, they are less motivated. In addition, the bigger the project is, the more it requires firm rules and procedures since the project is so complex that staffs cannot imagine the whole structure. It is inevitable that the public sectors are very bureaucratic and less flexibility.

Third, because most public services are funded by taxes, the public sectors should pay attention to more points than private ones. Before they start a new project or even a new method, they should discuss it in various respects, for example social equity or openness

to citizens, very carefully, and so it is difficult to pursue efficiency.

Finally, public sectors are effected by the political authorities strongly and the structure of political power is not so simple. Public sectors should obey the political decision, however the political hierarchies are so unstable. The top of the hierarchies often change in some years and also the policies change easily. In addition, the hierarchies are multiple. There are a lot of political units such as nation, prefecture and city. And so the public sectors cannot take enough time to improve their system or method.

The invariable characteristics of public sectors mentioned above strongly prevent them from changing their conventional methods. In my opinion, the problem of insufficiency of public organizations is unavoidable, because the fundamental features of them cause the problem absolutely. Nowadays many public sectors are privatized or outsource a part of their service to private companies to make it more effective. However, I definitely believe that this tendency is very dangerous and we will face more serious problems soon.