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Essay from Federickson, Book Eight: Ethics and Privatization

Both public and private organizations use resources to provide people with goods and services. Only the different purposes can discriminate between them. Business is for profit while public sectors are more concerned with the social service and welfare. In providing such public services, public officials will be expected in accountability from people that the policies they make are responsible to the society: They must have an answer and hold responsibility when things go wrong. In the article, Ethics and Privatization by Federickson, ethics between public and private sectors was brought up to be a critical idea presenting through David Hare's new play "The Permanent Way". It is a story about what most British believe to be the negative effect of the privatization of the British railroad system under the administration of Margaret Thatcher and John Major in 1990s, and into the present prime minister Tony Blair. To review this article, I will briefly describe the article Ethics and Privatization, discuss the main idea, and then explain how it relates to public management in both theory and practical. Finally, I will critique it from my personal perspective.

Federickson presents the ethical problem of the privatization through David Hare's new play "The Permanent Way". In the play, privatizing the railroad system was the main target for policy makers in the early 1990s. They claimed that British Rail was overly expensive, poorly managed, undercapitalized, and technologically out of date. To lower the

public cost plus the thought of business approach, which is likely to give more profit and better management for the rail, therefore, the privatization was the better way to improve its system. After the privatization, there occurred four rail accidents that claimed 53 lives and injured hundreds, and above all nobody took responsibility. Both public and private actors claimed that they were only accidents, but in fact it was the lack of the railroad safety maintenance. Concerned with the profit, the contractors cut off the budget for rail safety, employed inexperienced engineers and managers, and even bribed every official involved to ignore rules and regulations for the rail safety. In *The Permanent Way*, it summarized that the problem of the privatization is that nobody commits responsibility to provide the public service for people.

To discuss the main idea, we have to look back at the meaning of the privatization and ethics. The privatization is the use of non-governmental agencies to provide goods and services previously provided by government. And the ethic is the process through the use of reasons, and social moral experiences to clarify the action right or wrong. Usually, the main ethics can be divided into two categories: Teleology is the approach, which focuses on the results and then decides on the way that gains more benefits. It emphasizes the end or goal as the ultimate purpose of the moral action. Deontology is the approach, which focuses solely on the belief of the general moral principle. It believes in rightness or wrongness that can be defined by the moral standard. In this case, the government made a decision in privatizing the rail concerned with the result that it would give better management and services for people, based on teleology. However, the government is for

people as a whole. They also have to provide such service with equity and accountability, based on deontology.

Ethics and Privatization article aims to criticize ethics between public officials and private providers in the privatization. The author's main idea is to present ethical problems from the privatization. Public officials avoid responsibility while private providers are only concerned about maximizing profits. After the privatization, public officials who formerly take responsibility as service providers might feel that the burden was shifted to the other side. They might give up the accountability and responsibility for people, and assume that the private sectors would take whole responsibility to provide best services for people. Nevertheless, for private sectors, the matter of concern is more profit. As a result, when public officials give up their duty and private providers ignore the general moral principal to provide the best service, it is the people who sacrifice their lives from the lack of responsibility and morality of public and private sectors.

In this story, the privatization aim of the British railroad system is to transfer responsibility to provide services from the government to the private sectors since the private firms can operate more efficiently. Its decision based on the ethical approach of the utilitarianism that the government expected the better result from the privatization.

However, the British government ignored the fact that the private organization is motivated by concern for profit. Immediately after the privatization, the contractors reduced the cost to gain more benefit and even worse ignored the moral standard for their own good. Basically, the rail is the most reliable transportation. It should be on time and safety. For a big mass transportation, the contractors should be concerned with the public

safety that the rail would do no harm to people. The play demonstrates the way that the contractors tried to earn more benefits by cutting off the budget for rail safety, employing inexperienced engineers and managers, and even bribing every official involved to ignore rules and regulations for the rail system. These incidents point out the unethical practices from private sectors that they can ignore morality for their own benefits. As a result, when money is the motivation, private sectors would sacrifice the people's interest for their own goods.

From the story, it also presents the lack of ethics and responsibility from elected and public officials to take care of the public service after the privatization, and even after four big accidents that claimed 53 lives and injured hundreds. After the privatization, the government has to supervise the contractors that they provide the best service to people. But the public officials avoided responsibility to serve the public by allowing the contractors to do whatever they wanted for profit. They ignored ethics by covering the rail safety deficits and saying that these four disasters were only accidents. These behaviors can tell us the lack of ethics from elected and public officials involved at that time.

In my opinion, I agree with the author that ethics is very important for both public and private sectors. Even though the government privatizes the organization, it doesn't mean we can ignore responsibility for serving people. The government still retains authority to supervise and hold contractors for quality, quantity, and cost of work.

This article concerns me about the business approach in the government sector. Since the goal for the government is to serve people, if we turn to use all business-like ways, we might ignore the responsibility to people. The primary aim between business and public is different. The business purpose is concerned with making profits while the public goal is

concerned with delivering services and regulating individual or group behaviors in the public interest. Therefore, we have to focus on the theme of democracy that everybody deserves services equally because they are the owner of the government, not the customers. This is the subject that the authority who wants to completely change the public sector must deeply realize that even though the government chooses the privatization, still the accountability and responsibility to provide services remain unchanged.

In sum, I discuss the main idea of the article Ethics and Privatization, explain how it relates to public management in both theory and practical, and then critique it from my personal perspective. As I have shown, the way to privatizing organizations should be transparent and honest. And both public and private sectors have to share responsibility to serve people even after the privatization. (1,278)