

Policy Memo

February 2026

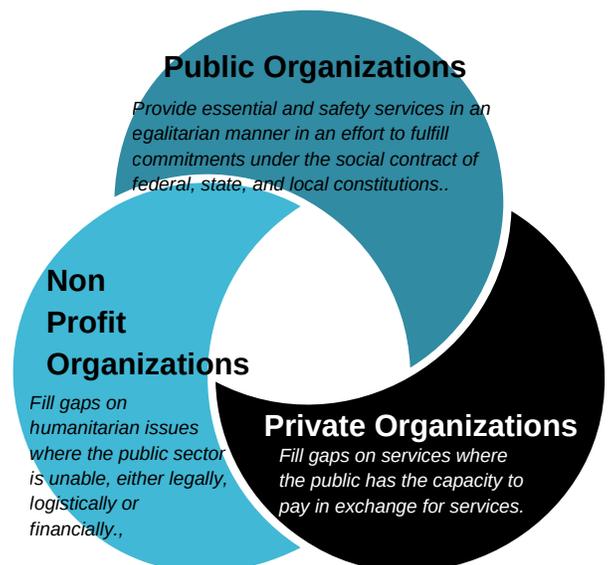
“That’s Private”

Considerations On Common Practices in Privatization of Public Service

OVERVIEW

A defining characteristic of organizational theory is in the concept of public versus private designations, and the relationship had between the public, non profit, and private sectors. Though in recent years, a trend has emerged wherein it has become more common practice to privatize public service. This is not exclusive in practice, either - where governments turn to contract out traditionally public agencies (e.g. policing, utilities, and other services) to either other public, or even privatized, service delivery providers. Rather, it also includes the consideration of who even qualifies as the public, in a world where special interest groups and political donors increasingly earn more consideration by public officials than those outside their social and economic sphere. It also extends to public organizations that run operations more as a business, viewing the public in line with consumers rather than in a system where the entire public is viewed through an egalitarian lens.

This policy memo will outline traditional versus contemporary understandings of “the public” by evaluating factors that contribute to the varying viewpoints. It will then evaluate the deeply consequential affects or viewpoints that have resulted from the privatization of public services, specifically the re-categorization of members of the public as “consumers” and other unequal, by nature, designations. Finally, policy considerations for consideration to combat the privatization of public service will conclude the policy memo.



“THE PUBLIC”

TRADITIONAL

Traditional views of the public involve the application of a top-down service provider approach, with recipients of services traditionally being citizens of the area of occupancy, taxpayers, and passive beneficiaries. A traditional model of public service involves comingling all recipients into one, generalized or monolithic group, and focus primarily on administrative and bureaucratic processes meant to fulfill the social contract on a level access field.



CONTEMPORARY

NPM (New Public Management) and NPG (New Public Governance) have significantly transformed views of how public is viewed, aligning recipients of public services with various philosophies, including:

- Public as consumers,
- Public as equal partners in resolving community issues,
- Public as special interest groups and supporters of policymakers (elected and appointed)

CONSUMER-CENTRIC GOVERNANCE IS A DOUBLE EDGED SWORD

Numerous studies have evidenced the complexity of consumer-centric governance. Some studies have indicated that by viewing the public as consumers, service delivery times - in particular in local/regional government - improve. Consumer-centric governance is similarly tied to an improvement in public trust, though this is contingent on correlative improvements in accessing local services. Still yet, consumer-centric governance at state and federal levels has mixed reviews, with experience survey participants indicating a diverse level of satisfaction, evidencing flaws in the modality. As technological advances in digital service delivery and AI-integrated programming increase, digital divisions also present inequities in consumer-centric governance, over time resulting in systemic inequality in receipt of public goods. Other structural, infrastructure-related, and accessibility barriers create obstacles for members of the public in a consumer-centric governance model.

PUBLIC AS PARTNERSHIP

More recent shifts in ideological framework for governance views the public as partners in solving community issues. This modality is limited in its application, though, as the complexity and expertise required to deliver on public goods so as to provide for the full spectrum of public needs is complex. Federal, state, and local regulatory frameworks similarly complicate the process and liability involved in allowing the public to partner on at least some solutions to complex societal problems. Nevertheless, there are areas where public as partnership is a framework for gathering community input, as well as resolving surface-level issues (such as street clean ups, graffiti abatement, and community safety).

SPECIAL INTEREST GROUPS AND THEIR IMPACT ON PUBLIC DEFINITION

With the rise of spending in political campaigns, as well as the impact special interest groups have on elections and their subsequent policymaking and implementation, the impact of this on views of the public can not be understated. Pervasive to all levels of government, the belief that the public is narrowly defined as supporters or those in ideological agreement based on interest group classifications has grown so rapidly, little research exists evidencing the certain, detrimental implications of this framework. Nevertheless, the application of such a narrowly defined public qualifying for policy considerations and services will certainly, and soon enough, prove deeply consequential to government agencies at every level. Public trust, safety and quality of life, resiliency of infrastructure and against natural disasters, and other factors - all quickly become negatively impacted in all models scenarioing a “pay to be public” view of governance.

Policy Considerations

1

Developing and routinely updating a formalized Mission Statement for any public organization or agency acts as a culture-defining rubric by which the many parts within may have clarity on to whom they serve. One which emphasizes a commitment to equal delivery of public goods and services to all qualifying members of the public, and clarifies exclusionary practices that must be avoided, is the gold standard for organizational missions. Elected and appointed officials and public managers should routinely update, revise, and provide clarifications to organizational Mission Statements in the interest of preventing misunderstandings of the definition of public.

2

Simplifying processes, reducing fees and permitting requirements, and improving regulatory requirements for efficiency are all practices directly tied to both improved outcomes and an egalitarian view of the public. By eliminating “pay to play” structures that unfairly prohibit certain members of society from participating in certain activities, offering robust programming that reduces or eliminates costs for business and development activity sets more equitable standards within the organization.

3

Perhaps the most well-tested strategy against problematic viewpoints within the organization is in the implementation of what is commonly referred to as a whole of government approach. A WGA draws on numerous agencies, partnerships, and strategies to address community issues so as to address problems at the granular level to prevent reoccurrence. As this relates to views of defining the public, the WGA eliminates bias by creating checks and balances through the integration of numerous stakeholders in delivering goods and services, and solving problems. In a similar vein, public organizations may implement numerous strategies to define the public simultaneously, for example leaning on public as partners for certain functions, while considering NPM and NPG standards for others.



DISCLOSURES

HEATHER CHRISTENA SCHMIDT COMMUNITY CONSULTATIONS, and no individuals within it, were paid by any individuals or organizations in the creation of this Policy Memo.

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