



GLOBAL PRIVATIZATION

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INTRODUCTION :

It is important to recognize that human development must be central in development planning of a country or a world effective empowerment of human resource is not only desirable in itself, but also raises productivity for development. To development has to be people centered which development is differed in term of human welfare it means that people are put first. Human empowerment is ultimately and primarily about self empowerment by the individual in relation to the social group of which that individual is a member individual empowerment is indirectly involved empowerment of the group. Human empowerment for people to achieve it through education employment and to gain access to greater control over resources along with increased responsibility in the utilization of their resources.

Our earth system is about sixty millions old scientist have estimated six or seven earth but the earth which we all live very large planet covering about 51 million sq. miles which consisted of six content about 200 nations. It has a population over 7 billions the modern civilization to which we belong is also about 1 lakh year old. Developing from treble culture this human civilization has reached the stage the globalization today that is why the concept of global village is becoming popular now. There are two type of nation all over the world. First one is developing country another one is develop country.

Privatization may simply be defined as diversion of ownership of industries owned by the government to private entrepreneurs. It is one of the two most important aspects of liberalization,

the other one being debureaucratization or deregulation. It is a technique which reduces involvement of public sector in the economic activities of the nation. It becomes inevitable when tension in the course of economic development threatens the economy in the form of runaway government expenditure deficit budgeting and poor performance of the state owned enterprises (SDEA).

Privatisation rather than a new concept is an old which dates back to 1776 when Adam Smith said, "In every monopoly in Europe the role of crownlands would produce a very large sum of money when the crown lands had become private property they would in the course of a few years, become well improved and well-cultivable In the words of G.D.H.Cole" there is no reason why a firm of

production socialized at first should not be handed back under proper safeguards of private enterprises if socialization does not yield good results. Similarly, Lord Keney's expressed indirectly the significance of Privatization in 1926 when he said, the important thing for government is not to do things which individuals are doing already."

So far as theoretical concept of Privatization is concerned it is misconceived very often as socialization or publicisation. Actually the important features of Privatization consist in denationalization of existing SOES, premising private sector in areas exclusively reserved for public sector, liquidation of SOES leasing of SOES to the private sector and so on. Socialization or publicisation, on the other hand, are quite contrary to it.

In recent years during the 80's a new world wide wave started heralding privatization of economic activities more out of sheer economic compulsion viz miserable failure of public sector enterprises, high pressure on government budgets, slow rate of economic growth, growing unemployment and so on. In many developing countries as well, the privatization programmed has spontaneously gained ground as also in India. In a paper on "Privatization" A viable policy the confederation of Engineering industry (CEI) has said that privatization could be seen as a panacea for accumulating resources and their

effective deployment.

While privatization is supposed to create competition, efficiency and wealth, it may also substitute insensitive privately owned monopolies for equally insensitive public owned ones. In fact the global wave of privatization has become so sweeping and overwhelming a process that it will be perhaps no exaggeration to term it as a "Socio-economic resolution in the making, coming as it does the form of countering the precious wave of nationalization which was perused vigorously in Great Britain.

It is now increasingly felt that privatization for all its flaws offer a better future for most countries than the state corporations. In India's context the need for privatization arises from the failure of the state-owned enterprises in generating resources for the economy. India must welcome privatization as many countries have immensely benefited by doing so. Privatization will not in any way weaken the government as many crucial activities will remain in its hands. Privatization could actually help achieve wider share ownership, introduce more competition, improve performance of public sector, reduce political meddling so on. As a policy prescription, it has been successfully adopted in countries like Great Britain, Japan, Malaysia, Philippines, Chile, Mexico, Australia, Thailand, Singapore, Hongkong, Korea etc.

However, privatization in India

may not ensure economic efficiency considering that there is a growing number of private sector lameducks which have locked up a huge amount of investment. As such privatizations a mixed blessing. In fact, it is a way of raising revenue. But the opportunity to raise revenue may also tempt a privatizing government to keep some of the nationalized monopolies intact. It is, therefore, doubtful that the objective of creating competitive conditions may not be achieved through privatization.

The term globalization refers to free and unrestricted flow of products and services all over the world. The first impact of globalization as we will soon see is that unregulated world markets influence almost all businesses directly or indirectly. Management will thus have to raise its vision to global level in resource utilization. Due to competitive conditions, there will be a competitive pressure on the downward trend in prices and increase in quality and productivity

in general. Economic development will be accelerated in all parts of the world. Even business will be looked to as an agency of economic development and people will watch it carefully in terms of development. Business will become more service oriented. Free flow of technology will make it possible to increase the use of technology in business and, therefore, influence the scale of businesses in human terms. All such developments will influence management.

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