

## Essay On Privatization :

Privatization - The course of action that transfers the tenure of a company, business, enterprise, agency from a public division to a private division.

Privatization in India was initiated after independence. The process was adopted in the urbanized countries and they were thriving.

In India, it is neither victorious nor a stoppage. Privatization is a mixed result in India.

"Privatization is a bitter pill, but it is a pill that will cure". The process of privatization initiates encumber of the government and debit of the government are abridged. Improved services are provided and enhance the general customer occurrence.

### Causes of Privatization :

Develop public finances

The burden on the government is reduced

Infrastructure growth

Enhanced services

Increase in Shareholders

Regimented human resources

Privatization can be classified into 3 types.

**Delegation:** Responsibilities are in use by the government utterly. Private sectors hold the liberation of items for consumption and services either completely or partially.

**Divestment:** Responsibilities are capitulated by the government.

**Displacement:** Private sectors inflate and progressively dislocate the public origin of the firm.

Privatization has both rewards and drawbacks to society.

Advantages of Privatization

Privatization advantages and disadvantages are listed and explained.

**Enhanced Efficiency:** The process of privatization has primarily moved out to a private sector from a public sector. It is under an efficient hand and the profit gained is shared. When the industry is under government, profits are not shared. Since the private firm is interested in making profits, it is likely to be efficient. This leads to high profits and benefits.

**Amplified Competition:** Many opportunities arise as more stiff penetrates the diligence. This leads to an increase in the competition and the process will be the supreme incite to the improvement inefficiency.

**Lack of Political Interface:** Government always has poor economic managers. Political pressure is imposed on them rather than profitable and business skills. Because of lack of enthusiasm implicated, they exonerate the workers and make them job victims. So, public sectors often employ many workers increasing inefficiency.

**Associates:** They are the shareholders. A private sector will have demands from the associates to perform efficiently. An inefficient firm will be conquest. When it is under a public sector they will not have any pressure so they will easily be inefficient.

Short Term view: Government will invest only during the time of elections. They invest only in short-term view, the forward movement for the improvement of infrastructure on long term basis is not taken. They wait for earnings and revenue projects that approach during the time of elections. This leads to a gargantuan venture.

### Disadvantages of Privatization

Privatization disadvantages are as follows:

Ownership is only privileged to some people.

Lack of Social Responsibility.

Workers will be imposed rules and regulations without any clemency by the owners.

Outlay and lack of knowledge aspect.

Conquest hazards.

Long-term loss, Short term-profits.

Amplify in Unemployment.

Pay no heed to the national importance.

Raise in inequality.

Higher potential for corruption.

Taxes are high.

### Conclusion:

"Liberation of thoughts,

Privatization of belief,

globalization of execution".

The process of privatization can help India grow in a better way. Privatization may have pros and cons but can be managed by proper rules and regulations. Both Public and Private sectors are essential for the growth of the nation. The development of the nation is in the hands of society.