

Growing Trends of Privatization

Outline

1) Introduction

Thesis statement: Growing trend of privatization is undeniable, but there are pros and cons of privatization as well. However, by balancing efficiency, social responsibility, accountability and transparency can make positive impact on growing trend of privatization.

2) Pros of Growing Trend of Privatization.

- i) - Reduce Fiscal Deficit and Debt.
- ii) - Develop and Deepening domestic financial market.
- iii) - Government Burden Reduce
- iv) - Conversion from loss to profit making
- v) - Provide quality services
- vi) - Produce more career choice
- vii) - Attract new investment

3) - Cons of Growing Trend of Privatization

- i) - Risk of Private monopolies increase
- ii) - Unemployment Increase
- iii) - Social obligation Ignored
- iv) - Labour pay and benefit reduce

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- v)- Difference in Standard
- vi)- Lack of flexibility
- vii)- Expanding bridge between rich and poor.

4)- Way Forward

- i)- Balancing Efficiency with social responsibility.
- ii)- Stake holder engagement and Transparency
- iii)- Knowledge Sharing entity
- iv)- Create Social Impact
- v)- Work on sustainable development goals

5)- Conclusion

Nowadays privatization is common and trend of privatization is growing day by day. Both developed and developing countries are directing toward privatization. Growing trend of privatizing is undeniable but it has pros and cons as well. The pros are, It will reduce the fiscal deficit and debt by revenue generating. Develop and Deepening domestic financial market through building investors confidence. The burden on government will automatically reduce. Main focus of privatization is working to convert it from loss making to profit. Privatization provide good and quality service. It will produce more career choice by creating job opportunities. Through invest in infrastructure will attract the new investment. But there is cons as well, like the risk of private monopolies increase. It create job security and social obligation will be ignored. Labour pay and benefit reduce and not provide same standard as public entity. It will also expand bridge between Rich and poor. However, by balancing efficiency with social responsibility, stake holder engagement and transparency can make positive impact on growing trend of privatization.

The main pros of privatization is it reduce the fiscal deficit and debt through creating new innovations and technique. Enhance economic growth by generating revenue. It create suitable and sustainable environment that attracts the new investors. It work on the infra-structure that attracts the consumer, the more consumer there will be more profit. Therefore it reduce the fiscal deficit debt.

As like reducing the fiscal deficit and debt, it also work on develop and deepening domestic financial market by building confidence of investors. Therefore investor mostly took part in private entities due to their financial structure and their investment create positive impact on domestic financial market.

By shifting toward privatization the government burden is reduce. The government can freely work on their core goals. If the private entity creates loss then the no burden on government shoulder. They have to look that condition on their own.

Privatizations mainly focus on profit making, as public sector are somehow non profit making. Due to negligible strategic decision making and no transparency there. Privatization main focus on their efficiency, for that they always take strategic decision making to increase their profit. Therefore, privatization are profit making entities.

Privatization don't compromise on their quality. Their main or mostly focus on invest in infra-structure to attract consumers.

By maintenance of their infra-structure they provide quality services. They also show flexibility in providing quality services.

Growing trend of privatization create more career choice by giving training and investing in development programs. They support entrepreneurship, so talented men and women come forward and they show their hidden skills. It create diverse job opportunities by investment in multi sector programs. Therefore, there is more privatization the more job opportunity will create.

Privatization attracts the new investment because they are always profit incentive. They create environment that gives the certainty to investor to invest more. Due to growing market competition they work repeatedly and make improvement in their infrastructure. That's why they are able to attract new investment.

As like pros, the main cons of privatization is the risk of private monopoly increase. By using money they manipulate the market. They show significant control over market and it produce barrier to the entry of beginners. Also manipulate market by price growth or decrease. Conclusively, privatization create private monopolies.

There is no job security in privatization. In this modern era all industries are shifting toward Tech-driving. Automation has created too much unemployment. slowly and gradually, restructuring their working condition and shifting them on artificial intelligence.

Therefore, it causes the unemployment and job security of workers.

Social obligation is also ignored in privatization. Their motive is only profit making. To gain profit they increase cost that cause the ignorance of social obligation. There is also lack of accountability, due to that they have freedom to make decision; by that social obligation ignored.

Labour pay and benefit are reduced in privatization. They give job on temporary bases. Due to competitive pressure they offer low wages to workers. They provide work in shift or short time that cause to low pay and benefit. They give contractual base jobs, after a time period they have to look for another job. Therefore privatization is a cause to low benefit.

Huge difference in standard between public and private entities. Privatization has no standard because they don't provide subsidies to consumers. Their motive is only profit incentive. Lot of difference

in behaviours of private sector because they prefer those who has money. Therefore, it can be said that difference in standard is present there.

Moreover, privatization is also show less flexibility. Due to investor pressure and their commitment to investors they avoid flexibility and focus on profit expansion. Afterward investor pressure, they also face market competition, pressure and commitment. That's why they show less flexibility.

The expansion of bridge ~~the~~ between rich and poor is common in privatization. Private sector mainly focus on, how to do quality better, due to that they want higher charges from the consumer. They don't make policies, that give profit to both poor and rich. Therefore, poor avoid to go private sector and rich is always found there at private sector. The gap between poor and rich is expanding day by day.

To create positive impact of privatization, they have to maintain balance efficiency with social responsibility. They have to maintain fair practices in their domain. Easy accessibility of things, to the consumer by insisting, transparency and accountability environment; they can balance efficiency.

Stakeholder's engagement is also necessary for positive impact of privatization. Stake holder have to engage its employees and community as well. Allow them to address their concern. It is necessary to make part them of decision making. Positive impact also require interest of all parties. Therefore, stake holders engagement is must.

Private entity is to be knowledge sharing entity. They have to create that platform where expert share their experience to new comers. They have to organize sessions for the betterment of society. Stake holder must create educational and vocational training centers to share knowledge.

Privatization is also responsible for creating social impact in society. Privatization's basic goal is to provide more benefit to the community. It has to work on economic growth by improving efficiency and create innovative environment. Job creation is also a social responsibility of a private entity. It give easy access to their service for local being.

Working on sustainable development goals is a must thing to do. Investment required in infrastructure development like energy, transport, health and education to support sustainable development goals. These goals only acquire by working on economic growth, job creation and easy access to the services.

conclusively, It can be said that growing trend of privatization has positive, as well as negative impact. Positive impact are, by revenue generating, it decrease the fiscal deficit. moreover, through building confidence of investors it deepen & develop domestic market. Furthermore, It reduces government

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burden, provide quality service, create job opportunities and attract the new invest. In a contrast, It has negative impact as well. Firstly, It increases the private monopolies. Second; Job losing risk is also increase. Third, major issue is ignorance of social obligation. However, despite these challenges, by knowledge sharing, working on sustainable development goals, transparency and accountability its effect on positive side will increase.