

Is privatisation of Public services beneficial or detrimental to developing Countries

I Introduction.

II Benefits of privatisation of public services to developing countries.

1. Fosters economic growth.

Case in study: Privatisation of Banks like UBL, MCB increased the growth of financial sector

2. Brings foreign investment to a state

Case in study: Etisalat group invested in Pakistan when PTCL Ltd. was privatised.

3. Increase effectiveness of services provided

Case in study: Japan prioritised its railway operations and observed efficiency post privatisation.

4. Increased taxes increase
tax State's revenue

Case in study: MCB recently
deposited rupees 200 billion
in taxes

5. Fulfills the condition of
financial institutions

Case in study: one of conditions
of international monetary fund
is to privatise the public services

~~6. Meritocracy is largely practiced
in privatised services~~

6. Brings fairness and justice
to society

Case in study: Meritocracy is
practiced in privatised organisations

7. International Investors bring
technology to developing state

8. State could focus on critical issues
by lifting off its' burden

9. Improves level of poverty in developing state

III. Privatisation is not detrimental to developing state.

1. Enterprises providing public services are not undervalued.

Case in study: PSM bid of Rs.17 billion was turned down ~~to~~ when it's losses stood at Rs.230 billion

2. Privatising public services is not against state's interest

Case in study: Successful operations of air blue and fly Jinnah

3. Privatisation does not lead to unemployment
Case in study: Post privatisation MCB's employees increased to 14000 from 13000

IV. Conclusion: