

English essay

Is privatization of public service beneficial or detrimental to developing countries?

Outline

(i) Introduction:

Thesis Statement: Privatization of public service institution is beneficial to developing countries; it brings prosperity to institutions; helps in bringing economic stability and also helps in governance.

(ii) Privatization of Public Service institution brings prosperity to institution and public also:

(a) Privatization of public service institution would be beneficial to public also.

(b) Privatization would end corruption in institutions.

(c) Privatization of public services would

enhance progress.

(d) It would rebuild trust of public and bring back integrity of public service institution.

(iii) Privatization of Public Service would bring economic stability:

(a) Privatization of public service would generate revenue.

(b) It would lighten burden over National Treasury.

(c) Privatization would enhance the capitalistic environment.

(d) This will also bring foreign support too from capitalistic world.

(iv) Privatization of Public Service institution would help in governance:

(a) The government focus would shift toward major issues.

iv) Conclusion.

Pakistan International Airlines was considered as the most reliable and secure air travel option in 1950s and 1960s. In 2023, tragically, Pakistan government tried hard to privatize it due to its lost integrity and burden over state treasury. As Pakistan's three times, Prime Minister Nawaz Sharif said 'Government's are made to govern the state; not to run the business'. Privatization of public services institution is beneficial to developing countries because developing countries have less resources to run those institutions and due to weak plus corrupt governance these institutions become burden on state economy. Moreover, due to bad governance these institutions fail to provide required results and contribute less on public good. For this reason, it is in far better interest of developing countries to privatize public institutions for state good as well as for public good too.

Furthermore, privatization is beneficial in such a way that developing countries can get support from international actors because much of international world specifically western world is capitalist. That is why, Privatization of public service institution is beneficial to developing countries; it brings prosperity to institutions; helps in bringing economic stability and also helps in governance.

To begin with, privatization of public service institutions would bring fruit to public. State owned public institutions like schools and colleges have become very inefficient. That is the reason of increasing number of students in private institutions. This is not only case in education sector but in other state owned public service institution too. Their progress is very low and have become unable to meet with public demands. That is why it is in best interest of state as well as public for the privatization of public

service institutions.

In addition to this, the rampant corruption in public service institutions has led to their downfall. Corruption in state owned institution is not new. According to World Economic Survey report, corruption in state owned enterprises in Russia and China is 40 percent more than in non state owned enterprises. Privatization of such institution would end this corruption. The private investor save every penny to get his investment back therefore it has observed that in private institution there exist a strong check and balance system. Therefore, privatization would end corruption in public service institutions.

Moreover, privatization would enhance institutional progress in developing countries. Privatization of institution would increase environment of competitiveness. This would yield better outputs. For example, the private space programs like SpaceX have brought cheap ^{space} flight and space missions because it have to counter Jeff Bezos's

space program and NASA too. Even though space x was not owned by state at first but because space programs existence started a competition and ultimately resulted in progress. Therefore, privatization of state owned (private) public institution would bring progress in developing countries.

Moreover, private party owned institutions would bring integrity to institution and rebuild the public trust. Due to bad management the public trust over state owned institution is often tarnished. Private party work hard to rebuild the institution so that it can get profit. This results in public help as they get better results and facilities for the money they pay. For example, privatization of Zain Tawqiyati Bank has helped public through its new banking schemes that were unable till it was owned by state. Reason for this definitely include new staff which was and is certainly trained in its field. Therefore, state owned enterprise privatization rebuilds

trust of public and bring back integrity of public service institution.

Despite the benefits ^{gained} provided by privatization of public service institutions, privatization of public service definitely bring economic stability.

To begin with, initial economic gain that third world countries can get by privatization of these institutions is revenue. State owned institutions like steel mills, air lines, banking institutions and construction firms sell, generate high revenue. This is beneficial for third world countries as this can solve their money problems. They do not have to rely on foreign debts. Money achieved through such procedure can be spent on other major programs like education and health sectors. This would bring prosperity to the country and would definitely raise their status. That is why, privatization of public service institution would generate higher revenue.

Moreover, National treasury burden is reduced by privatization of institution. State owned public institutions burden the national treasury in two ways. Firstly state has to suffer the losses and secondly state has to continuously pay the staff or employers. By privatization of these institutions, state would get relief from these two burdens.

For example, before the PIA privatization state has to pay 500 workers and also was bearing the losses of PIA. Relieved from these burdens state works for better economic plans. Therefore, it is in best interest of developing countries to privatize the state owned public service institutions.

Moreover, privatization would enhance capitalistic environment. The environment of fear of being robbed by state in developing countries is one of the factors in their progress ^{decline.} Privatization would create a sense of environment suitable for investors. This can be observed in past

cold war Europe. For developing countries capitalistic environment is need and it can be achieved by privatization of state owned public service institution.

Furthermore, this will bring foreign support from capitalist bloc. It has been a fact that socialist world/bloc can not support as it is not that much of powerful economically. Therefore, developing countries should privatize their institution so that they can get support from capitalistic bloc. This has been proved during cold war as Marshall plan aid further US support has been crucial for resurrection of European economy. That is why, privatization is beneficial to developing countries.

In addition to this, developing countries have been facing governance crisis. Nepotism and corruption in the governing institution and false policy making has been a major issue of developing countries.

By privatizing these institutions government focus would shift toward major issues such as defense and etc. Therefore for developing countries privatization is best option.

In order to conclude, running a business is not state job but to provide an environment for people to run is the state job. That is why, for developing countries privatizing is best and most beneficial option.

As it (would be) is suitable for public and for institution as well. Moreover, the economic burden is also reduced by privatization, governance issues are resolved and better environment for investors is created. Above all mentioned arguments are crucial for proper working and development of developing countries. Especially, like countries like Pakistan need privatization for its public as well as economy.