

Privatization: successes and failures



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Privatization has negative effects on the public sector employees who lose not only their jobs after their organizations and companies are taken over by the private sector (which already has its own employees) but they do so without their full retirement or retrenchment benefits and other packages as most of these public sectors by the time they are being privatized are already bankrupt. This has been experienced in states like California, Pennsylvania and even New York.

With the increase in privatization, unemployment, therefore, began to increase as can be seen in the Bureau of Labor Statistics data in the graph.