

# Gradual privatization

[Business, Management](#)



Actors Nancy Martins: Is the newly elected mayor of the central town and holds the mantle to restoring its socio-economic and political identity. She is a foresighted politician with the ability to move the mass through tactical economic strategies that seeks to ease the burden on the people. Her participatory decision making approach and relentless determination is critical in reforming this town through sound economic plans.

Salvatore Pavone: He is a strong and reliable mouthpiece of workers Union and commands significant voter numbers due to the interest of the public employees he seems to fight for. In that respect, it would be important for the mayor to convince him and seek amicable approach towards the public job cut if the proposal is to sail through.

Claudia Alvaro: Is a professional in public financial management with sound knowledge on macro and micro-economic policies. This means Alvaro holds a central role in evaluating and assessing the best alternative among the proposals that will be raised towards economic streamlining of central town.

#### Pertinent facts

The pertinent issue, in this case, is the crumbling economy of the central town as a result of the mass immigration of its residents. This means that the tax size has significantly reduced and can barely support the town in terms of public workers wage bill and efficient provision of essential services. The mayor is making efforts to restore economic sanity by proposing privatization with subsequent job cuts among public workers. This has drawn mixed reactions from the town with workers through their union opposing

the move while the public support.

### Problems/Issues

Primary problems/issues; The primary issue is how to successfully implement the privatization of public services amidst protest and opposition from public workers union

Secondary problems; the second problem is how to award privatization tender to the firms which have different merits and demerits in terms of cost versus quality of service.

Sources or causes of each problem; Privatization is seen as possible public employment cut down with a considerable economic loss to the workers and this is the point of concern. On the issue of awarding the tender, the mayor seeks to reconcile quality with cost hence the critical evaluation process.

### Analysis

There are potential obstacles for the central town political leadership in its effort to implement the macro-economic proposal of privatization and public job cut. The legal battle is likely to work against it since the workers union seems strong and ready to drag the authorities to court in this matter. The financial and budgetary allocation procedures require the support of other political leaders who are likely to support different factions to the dispute in question. Laying off workers will paint the government on the wrong side of being unethical in considering the welfare of the job cut victims. This will, in turn, degenerate to possible political undertones that may threaten the success of the Mayor's privatization implementation plan.

Courses of action

- A. Seek the support of the public workers through a compensation scheme for the retrenched
- B. Partial and gradual privatization so that people slowly adjust to the changing socio-economic policy
- C. Use the political process of seeking votes among the assembly members in respect of the privatization procedure and overall plan