

In where the private
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made



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In telecommunications, the Bharat Sanchar Nigam continues to lead from the front leaving many big and reputed private players such as Bharti Mobile, Bharti Telenet, BTA Cellcom, Escotel Mobile Communication, Tata Internet Services and Hutchison Telecom East far behind.

Where the private players have even made losses, the Bharat Sanchar Nigam has made huge profits. In the banking sector, too, public sector undertakings remain far ahead vis-a-vis most of the private players in the business. In the finance sector, predominantly banking, public sector undertakings have accounted hugely for the aggregate net profits compared to private sector undertakings. The situation remains somewhat same even now. So, are public sector undertakings not the proverbial white elephants? Public sector undertakings are not wholly loss-making ventures and many, in fact, are miles ahead of their private counterparts. However, the situation, on the whole, is somewhat different, and private sector undertakings, being overall more competitive and profit-oriented are still better for the growth of Indian economy. What tilts the balance of fortune in favour of private players is the fact that majority of big private players—from Reliance to Tata group of companies, from Infosys to the Oberoi group—are freely competitive and driven by the passion of adding cutting-edge technology to their ventures.

Besides, the private sector scores over the public sector undertakings in management, administration and other departments. A majority of executives and other employees in public sector companies lack the needed professionalism and the desire to excel in their respective organisations. Business/ marketing heads in public sector undertakings may not be periodically monitored the way they are in most of the private sector

undertakings, where if one is not performing on expected lines over a period of time, he or she is shown the door.

Perhaps, this is the main reason why companies such as Infosys, Oberoi group of hotels and Reliance are continuously registering impressive performances and setting high benchmarks in net profits. Where the important questions of social welfare and job security are concerned, most of the private players perform rather miserably as compared to the public sector undertakings. Few private companies are much concerned with the welfare of society, their main motto being to make as much profit as possible. While employees in a public sector undertaking derive a whole range of benefits, the ordinary employees are usually given the rough end of the stick in private sector undertakings. This is the main reason why the left parties oppose privatisation of an organisation or a group of organisations when such a proposal comes to light. The left parties have been against the privatisation of big airports in Delhi and Mumbai for that reason. The privatisation efforts in areas such as airports have been opposed by many in order to protect the interests of the workers. Under pressure from such quarters, the government has also been keeping sick public sector undertakings alive.

But then the infrastructure and performance of the public sector undertakings continue to remain sub-standard and it has a retarding effect on the overall growth of the Indian economy. In this matter, here, the private sector organisations score heavily over public sector undertakings. An organisation or a company managed and run by private players is either overhauled completely, or shut down if it does not perform well or is

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continuously making losses. But then, private sector undertakings do often crush the consideration for welfare and security of employees with a view to making profits.

The need of the hour is to maintain a delicate fine balance between the private and the public sector undertakings in India. Capitalism is as much necessary for India as socialism. While the kind of blatant capitalism practised by many Western nations may not be equally good for India, the socialist mode of development as practised by many East European nations, China and Russia may also not be suitable for the Indian economy. Suffice to say, maintenance of a fine balance between the two could prove to be an ideal solution for the Indian economy.