

Privatisation and India: A Brief History

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Abstract:

The transfer of ownership, property or business from the government to the private sector is termed Privatisation. Privatisation is considered to bring more efficiency and objectivity to the company, something that a government company is not concerned about. India went for Privatisation in the historic reforms budget of 1991, also known as 'New Economic Policy or LPG policy'. In the event of globalization privatisation has become an order of the day. Privatisation can be defined as the transfer of ownership and control of public sector units to private individuals or companies. It has become inevitable as a result of structural adjustment programmes imposed by IMF. Privatisation is the biggest controversial matter in the sector of Indian Economy.

Keywords: Privatisation, History, Disinvestments, Public Sector, Government Sector, Economy.

Introduction

The transfer of ownership, property or business from the government to the private sector is termed Privatisation.

The process in which a publicly-traded company is taken over by a few people is also called Privatisation. The stock of the company is no longer traded in the stock market and the general public is barred from holding stake in such a company. The company gives up the name 'limited' and starts using 'private limited' in its last name.

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Analysis

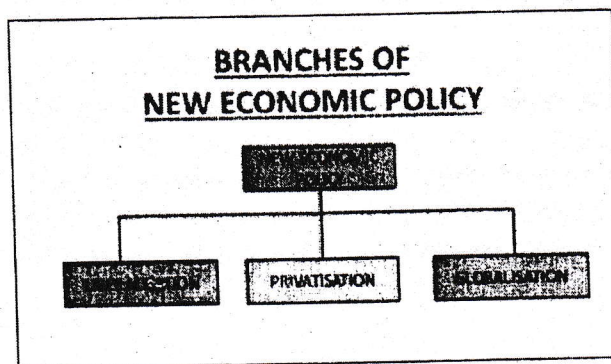


Fig.1: Branches of new economic policy

Privatisation

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