

Private sector's productivity

In private organizations there are strict rules and discipline and so there is no chance for politics, getting salary without performing responsibility and unnecessary clash

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A country's overall development depends on agriculture, industry, health, service-sector, communication, housing, technology and their simultaneous improvement. To fulfill human being's basic need food, cloth, education, health, accommodation, entertainment and many more things are needed. To produce these things government and private sectors ought to come forward. In some cases both government and private sectors work together. In this modern age we can see that for the development of life and living quality, Gross Domestic Product (GDP) and development of Net National Product (NNP) all these statistically depend on the production and productivity of private sector. The development of the standard of living depends on the successful initiative of private business sectors. Many countries in the world, like China, Russia, East European countries, South Korea, Taiwan, Indonesia, Brazil, Nigeria, Turkey, Egypt, Israel, Malaysia and some parts of India as Delhi, Mumbai, Chennai are taking part in private industrialization coming out of unproductive feudalism. The main reasons for the expansion of private sector are as follows:

The owners of a private industry can be individual entrepreneurs, one or more

than one person, an institution or society, a private organization and so on. If there are very few owners of a company, this is called a limited company. If the number of owners is large, we call it a public limited company. Government organization can be of different types such as government, semi-government and autonomous body. Every thing is in one way or another is controlled by government, productive or service-based, whatever it is in reality. The owner of government institutions is the government. In the innate sense there is no owner of a government institution. In private organizations there is one or more than one individual owner.

The basic idea of production and productivity of different organization is to take and carry on the risk. It is said that, the higher is the risk, the higher is the return. Owners of private organizations are the most risk-takers. They try their best to cover risk and gain success in business. In private sector, a successful individual is called a "Risk Lover". Government organizations are also not free from risk but there is no intention and responsibility for covering a risk in business. The problem is the lack of real owner because government ownership means no ownership. There is no business without a risk. In public sector nobody takes the responsibility to cover the risk.

This problem is called "Free Riders Problem". If anyone buys a horse, the others can also ride on it. That is, every one does not need to take the risk of buying horses and taking care of them. Adam Smith is called the father of economics. According to the invisible power and selfishness theory of Adam Smith, we are by birth selfish. For being selfish, we try to work hard for the overall welfare of our own wives, children and our families. As a result, our neighbours, society, country also get the benefits. My organization is my child, whose welfare depends on my care and hard work. No government organization takes a care of our children. In this sense, any government organization is like an orphan. Here, there is no opportunity to apply the selfishness and invisible power theory. Because of the lack of care, government institutions perform as less productive. These organizations very often face danger. If there is bankruptcy in a government organization, it doesn't hamper anyone. But if a private organization goes under lock and key, it hampers a number of owners. That is why, the owners of private organizations invest their capital very carefully and take care of it. The qualities that contribute for the development and success of the private sectors are skillful and productive management, law, rules and discipline, appoint-

ment of eligible people, liability and so on. Management and keen care are limited to some owners who can take large risk on industrialization. They are very rough and tough for the timely and fruitful implementation of their plan.

In private organizations there are strict rules and discipline and so there is no chance for politics, for getting salary without performing responsibility, unnecessary clash, hampering the organization by corruption. This is why, though the motion is very slow, private sectors are productive and long lasting. Only skilled and eligible people are appointed in private sectors. Nothing is wasted for unnecessary corruption. Private industries are profitable, that's why officers and workers get congenial environment to work hard and different types of incentives are offered to be much productive. In private sectors officers and workers feel socially secured by getting high payment, festival bonus, promotion, regular increment and they consider the organization as their own organization and in return company gains profit. In government organization there is a lack of these positive qualities. Moreover the employees in private organization get better knowledge and education, experience and skillful training than in government organization. One employee can do various works. For these

reasons the private employees have many incentives. For example, the managing director of a private bank gets taken ten lacs or more for salary where as in government bank a managing director never gets rid of his own relative poverty.

"People do not work" - this proverb is not suitable for private organizations. Private institutions make people work hard under a close supervision. The employees and workers who want to increase their skill and productivity, promotion, better salary, financial security for family and social security and want to stay in a higher position in the society with their wives and children ensuring better food, education for them, work sincerely and seriously for the organization. For example, though bamboo and wood are very valuable, we cannot use them directly. For the necessity of life, we make valuable stuff, like furniture with the help of skilled workers. Their market price is very valuable. The additional price from the price of raw material is called "Value Addition". A large part of this "Value Added" credit should go to the workers. So they should not be deprived from this added value which can only be ensured by private sectors.

From the above discussion it is understood that ownership does not matter. It does not matter whether the owner is government or private. Our

national and economic objective is to increase income, development and for distributing national income and removing poverty by paying tax regularly and thereby increasing government tax revenue. In this way the living quality can be increased and a happy and enriched society can be built. Its real source is the development of private sectors. The western countries like America has better living quality as they have developed their private sectors. The main reasons for this, as mentioned above, are the risk taking and risk loving environment of private sectors. According to the invisible hand and self-interest theory of Adam Smith, it is important to consider the real ownership, skillful management, contribution of labours, high payment, appointment of eligible people, dignity of labor, responsibility, environment free from corruption and politics, careful supervision and discipline in the work place. All these make the workers in private sectors work hard, gain productivity, contribute in total national production and develop the national welfare. These are very important and these can be successfully achieved by the productivity of private sectors.

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