A. MAIN THEME AND NEED FOR THE STUDY:

Over the past fifty years of planned development of many developing economies as in India, public sector assumed greater importance with more emphasis on macro economic planning, policy analysis and use of deterministic and management techniques at micro and macro levels all being incorporated into plan modelling with a strategy or alternative strategies of development as to fulfill ordered set of social and economic goals. Government interventions of states and center in terms of direct and indirect planning measures to evolve and assume entrepreneurial and management functions as to form state monopolies in critical strategic, key and basic sectors, particularly in industry (basic and capital goods) and capital intensive, infrastructural sectors as engines of growth and development of nation and states or regions through rapid pace of commanding heights of public investments and nationalisation of industries and of financing and promotional bodies / corporations and of development banking, insurance and many economic and social overheads sectors.

During the latter half of the period of 1970's onwards the states and centre led to evolve joint sector concept in promotion of and financing of many industries in backward regions in India, while management of them is left to private sector entrepreneurs and to distinct specialized managerial skills of private and public limited companies and to cooperatives.

However, since mid-1980s the earlier trends towards raising
more of public investments, ownership, management and such other interventions have been seriously questioned, replacing them by liberalization of imports, industrial policy instruments monetary and fiscal instruments too, particularly 1991 onwards strengthening, widening and intensifying many of these economic reforms. This led to a widespread debate about the merits of privatization, public-disinvestment as against public ownership and management of erstwhile activities. Privatization which occurs by way of transfer of assets or service functions from public to private ownership and control attracted greater attention of researchers all over the world.

Privatization, in general is practised in different activities with the following objectives.

a) to improve the economic performance of the assets or service functions,

b) to depolitize economic decisions,

c) to generate public budget revenues through sale receipts of public assets,

d) to reduce public outlays, taxes and borrowing requirements,

e) to reduce the power of public sector unions, and

f) to promote popular capitalism through the wider ownership of assets.

Developing economies have been embracing and practicing economic reforms of varied kind of realizing the cited objectives of privatization which is the central issue or the main theme
focussed in this study. While liberalization of industry trade, monetary and financial rigidities are also examined to the extent relevant to the issue of privatization specific and reference to its major objective i.e, to contribute for the improvement in economic performance of enterprises. Hence, privatization and liberalization have been mutually reinforcing and exhibit a complementary role to play in developing countries. Development of capitalistic institutions in privatization and liberalization process would bring in improvements in economic performance. Privatization is drawn for implementation by statutes of public authorities and by interplay of market forces. Privatization and liberalization are expected to ease out bottlenecks and shortages. Further, privatization and liberalization are expected to facilitate and promote the trade with bearing on industrial activities directly or indirectly as lubricants and have a function of catalytic agents for industrial development that further provokes for privatization in all other activities / services.

B. OBJECTIVES OF THE STUDY:

Thus the study examined the issues of privatization and the commitment of liberalization schemes in the development process of developing countries and India with the following sequence of objectives of the study,

a) To trace, the role of dependency school of thought and of institutions such as Bretton woods. International Monetary Fund (IMF), World Bank (IBRD) for development of developing economies.
b) To examine, the commanding heights and role of public sector for rapid pace of development of developing economies and to present a case for privatization with the relevant theoretical explanations and to lead for different forms of privatization in developing countries.

c) to trace, the All India govt. initiative of economic reforms and to examine their impact that brings forth privatization successfully for development in India.

d) to trace, the requisite economic structures, structural adjustments and stabilization policies for privatization programmes, and

e) to examine the sale proceeds of public assets and other forms of dis-investments in public sector with the growth of other forms of privatization and their inter linkages in selected developing economies, as outcomes and evaluation of privatization.

C) HYPOTHESES:

1) Privatization in developing economies is expected to resolve their economic problems caused by the commanding heights of public sector.

2) Relevant and requisite economic structures, institutions structural adjustments and stabilization policies to the individual developing countries concerned are a pre-requisite for the success of privatization in developing countries.

3) Privatization can best be regarded as a medium-term supply side economic-policy, a logical complement to a broad strategy of private sector development rather than a "Panacea" - for the
multitude of ills endured by the developing countries.

D) DESIGN OF THE STUDY:

This study involves the critical survey of literature covering the concepts, historical development and pattern of development of the privatization and liberalization in developing economies namely Jamaica, Trinidad & Tobago, Kenya, Malawi, Papua, New Guinea, Sri Lanka, Malaysia and India.

It takes into consideration of the theoretical background and empirical content for a comparative verification and analysis of development, trend and pattern leading policy implications for development in general and industrial development in particular of developing economies with emphasis on India too. This study is classified according to themes as demonstrated and analyzed in the respective chapters with a contribution to evolve an overall synthesis of inter-relationships and role of privatization and liberalization in selected developing economies. The analysis and synthesis as supported by empirical evidences in practice will be relevant and fruitful for future development programmes of developing economies, is a comprehensive and critical review (survey) based research study with a empirical data tabulated and analyzed wherever is needed for an relevant much reliance is placed on the availability of literature and data from secondary sources, which are authentic and reliable from the accessible libraries and research organizations and their reports published or unpublished, but authentic and reliable as they are suited to the present study.
E. CHAPTERISATION SCHEME:

This thesis is based on the following ten chapters.

The first chapter is an introduction dealing with main theme, focus, need for the study, objectives, hypotheses and design of the study.

The chapter two probes into the "Dependency school of thought" in terms of the development of dependency, reasons for under development and irrelevance or relevance of dependency for development in developing economies.
Chapter three explains the role of Brettonwoods Institutions for developing countries and the I.M.F and World Bank in the development of developing economies.

Chapter four gives an overview of public sector development in the selected economies viz., India, Malaysia, Sri Lanka, Kenya, Malawi, Jamaica, Trinidad & Tobago and Papua New Guinea.

Chapter five presents and examines theoretical explanations for privatization in developing economies.

Chapter six draws insights regarding privatization outcomes and evaluations in selected countries (excluding India) of developing world form earlier reports.

The Seventh chapter continues to examine the privatization outcomes and evaluation further.

Chapter eighth traces the requisite economic structures of those selected countries and spells out specifically the structural adjustments and stabilization needed in those economies as to pursue privatization and liberalization packages.

The ninth chapter traces the initiatives and impact of economic reforms in India particularly about privatization and liberalizations.

The last chapter provides findings and policy implications, suggestions of the study.