The world war II which concluded in 1945 left the economies in complete ruins and shambles, except the United States of America (USA). The State-Owned Enterprises (SOEs) came into existence to fuse together economic rehabilitation and social welfare. The model was adopted all over the world irrespective of the state of economic development. The inflation of 1980's made it necessary for the government to prune its public expenditure and revitalise the market economy. The developed countries took the lead in curtailing the role of public enterprises (PEs) by disposing them off to private entrepreneurs. Since Uruguay Round Talk of GATT put a seal on the fate of the State-Owned Enterprises (SOEs), the norm of market economy and liberalisation in trade became the patent motives of economic reforms. At international level World Trade Organisation (WTO) has come into existence for unimpeded development of the world trade and investment.

Different methods have been adopted by the countries to implement privatization Programme ranging from outright sale of assets to Build-Operate Own (BOO) and Build Operate Transfer (BOT) techniques.

In Bangladesh, Privatization Programme has offered remedy to serious problems emanating from independence of Bangladesh in 1971. A number of industrial units were abandoned by Pakistanis; skilled labour and managers have fled the country. The government had no option but to take them over. In 1980, it became clear that the State-Owned Enterprises (SOEs) were not profitable and commercially viable. The loans to commercial Banks amounted to$ 47 billion as of June 1993 and cumulative loss $500 billion in 1994. The correctives for basic economic reforms led the government of Bangladesh to the conclusion
that instead of doling out public money to the State-Owned Enterprises (SOEs), privatization would be more effective step in the interest of economic progress and development. As a result, in 1982, Industrial Policy was adopted for privatization of the State-Owned Enterprises, denationalization of abandoned industrial units and disposal of shares in multinationals. The Industrial Policy of 1991 was the comprehensive programme for all out privatization including Communication, Power, Transportation and Social and Industrial Infrastructure. In 1991, international tenders were also invited directly and through the Stock Exchange. It also incorporated provision of employees-workers buyout.

The present thesis is premised on the hypotheses as follows:-

a. That the Private Enterprises perform more efficiently than Public Enterprises.

b. That the State-Owned Enterprises (SOEs) have considerably improved their performance after they were privatized.

c. That an appropriate strategies are needed to be evolved for further privatizing State-Owned Enterprises (SOEs) in Bangladesh to obviate the obstacles and stumbling blocks confronted during the privatization process.

The facts of the study substantiate the hypothesis that Private Enterprises are run efficiently, economically and productively more than the Public Sector Enterprises. The Private Sector Enterprises have surpassed the Public Enterprises in terms of profitability, labour productivity and value addition.

Privatization has favourable effects on the privatization of State-Owned Enterprises (SOEs) in terms of both physical and financial performance. The reason for better performance of the privatized State-Owned Enterprises (SOEs) is complete autonomy, accountability and commercial targets as objectives of the management. These findings prove that the State-Owned Enterprises (SOEs) have given good account
Privatization programme should not be an adhoc measure. It must be a comprehensive strategy to strengthen privatization programme in future in Bangladesh. The hypothesis has been proved on the basis of the findings that reveal that Disinvestment Board (DB) has been created to formulate plan and policies regarding privatization programme of the State-Owned Enterprises (SOEs) in future. The Board works under the Ministry of Industries and implements the programme approved by the Cabinet. The Board is assisted by the Executive Committee and the Working Committee. However, all the Committees have been dissolved in 1993 following establishment of the Privatization Board (PB) which is empowered to initiate requisite measures for privatization programme. Later on, the study reveals that there have been certain snags in the privatization programme accounting for slow and sluggish progress. The Research Scholar is of the view that the privatization programme has been upset by the lack of consistent strategies. The absence of the appropriate methods of valuation of assets, absence of transparency and lack of proper policy for selecting capable buyers have come in the way of privatization programme.

There is opposition to privatization from politicians, trade union and bureaucrats. A strategy to properly educate the public is the prerequisite of successful privatization programme besides a mechanism for proper co-ordination between different ministries. There is conspicuous absence of political commitment to privatization, proper regulatory framework, enabling environment and a developed capital market. There is not any Master Plan (MP) to evolve right kind of strategy and Action Plant (AP) for privatizing State-Owned Enterprises (SOEs). As a consequence, the privatization programme has made a slow progress in Bangladesh. The following recommendations are worth considering to make privatization programme effective in Bangladesh:

There must be a clear-cut political mandate involving both the ruling and opposition parties to implement the privatization programme.
The government must have a clear vision on the direction of privatization. It must lay down specific details for privatizing the industries in future.

There must be sound method for the valuation of the assets of the State-Owned Enterprises. The experts must be employed to undertake the job. The transactions must be transparent both for investors and the public at large. A mechanism for proper screening of tenders must be evolved without coming under the political pressures and influences.

Regulatory environment is of paramount importance to take care of countervailing forces which can render the whole exercise of privatization useless. Malaysian model is recommended by the Research Scholar for taking trade union into confidence for privatization programme. In this context, Employee Stock Ownership Plan (ESOP) is recommended as an effective plan. It is equally important to mobilise public in support of the privatization programme. Mass media must be employed to educate the public.

The post privatization monitoring programme is also strongly recommended to evaluate performance of privatized State-Owned Enterprises (SOEs). In case of any evidence revealing privatization harmful to public interest, it is recommended that the government should retain the authority of management for sometime.

A set of modalities is recommended by the Research Scholar in place of limited modalities including employee buyout, share market operations, management contracts, Build-Operate-Own and Build-Operate-Transfer (Boo-BOT), Private participation in sectors of state monopoly, joint public private ownership etc. The techniques should be employed in the light of the prevailing circumstances of a particular industry. For instance, marginalisation and quiet liquidation techniques are suitable for privatizing politically powered State-Owned Enterprises (SOEs). Liquidation is considered the only way out for sick public enterprises. The existence of developed capital market, removal of bureaucratic red tapism, liquidation and bankruptcy laws are the measures which must precede privatization in Bangladesh.
The pace of privatization would gain momentum if the industries cooperate with the Ministries and the Privatization Board (PB). In order to make the Privatization Board (PB) effective, the Research Scholar recommends more autonomy for the Board. The Research Scholar also strongly recommends that monopoly and oligopoly must be broken by creating conditions of competition including freedom of trade and investment both for private and foreign entrepreneurs. Finally, it should be time bound programme as done in Malaysia, Singapore, Philippines, South Korea, Japan, Sri Lanka, Thailand etc.

The Research Scholar has recommended the short term intensive programme to be arranged by Privatization Board (PB) for conducting the schemes along the lines adopted in other Asian countries. However, the Research Scholar is of the view that State-Owned Enterprises (SOEs) must be given a "perform or perish" mandate before disinvestment or privatization. It is the firm opinion of the Research Scholar that the erosion of net worth should serve the real justification for privatizing any State-Owned Enterprises (SOEs).

Looking at the complexities and complexion of privatization, the timetable of privatization must be flexible to allow for smooth transition from state ownership to private ownership. However, no privatization would serve any purpose without evolving sound business policies for market development and product management. The success of the programme hinges upon the stable micro and macro economic environment including trade liberalisation, price liberalisation, financial sector reform, fiscal reform and monetary reform in Bangladesh. It should be put into Master Plans (MP) for proper and effective implementation of privatization in Bangladesh.

In essence, privatization can be meaningful if it is combined with other reforms in Bangladesh including institutional reforms and right kind of strategies as recommended in the foregoing paragraphs.