APPENDIX - I
QUESTIONNAIRE
A STUDY ON DISINVESTMENT AND PRIVATISATION OF NON-STRATEGIC CENTRAL PUBLIC SECTOR UNDERTAKINGS IN INDIA
(Administered to General Public)

A. PERSONAL:
A.1. Name :_____________________
A.2. Gender : Male □ Female □
A.3. Age (in Years) : (i) Below 25 years □ (ii) 26 years – 35 years □
(iii) 36 years – 45 years □ (iv) Above 45 years □
A.4. Qualifications : (i) Graduate □ (ii) Post graduate □
(iii) Professional □
A.5. Occupation : (i) Employed □ (ii) Self-employed □ (iii) Business □
(iv) Others □ (specify) ________

B. GOVERNMENT POLICY AND REFORMS:
B.1. Do you agree with the present industrial policy of the Government? SA A N A/D DA SDA
B.2. Do you agree with the present economic policy of the Government? SA A N A/D DA SDA
B.3. Do you agree with a perfect parity between present industrial and economic Policies? SA A N A/D DA SDA
B.4. Do you agree with economic reforms have resulted in economic and industrial development post liberalization? SA A N A/D DA SDA
B.5. Do you agree with the second-generation reforms? SA A N A/D DA SDA
B.6. Do you agree with LPG (Liberalization, Privatization, Globalization) is an important component for economic reforms? SA A N A/D DA SDA

C. DISINVESTMENT AND PRIVATISATION:
Do you agree with / whether disinvestment will
C.1. Do you agree with the disinvestment policy of CPSUs? SA A N A/D DA SDA
C.2. Do you agree with government withdrawal from chief entrepreneur of the CPSUs? SA A N A/D DA SDA
C.3. Do you agree with promote industrial growth? SA A N A/D DA SDA
C.4. Do you agree with increase private investment? SA A N A/D DA SDA
C.5. Do you agree with lead to unemployment? SA A N A/D DA SDA
C.6. Do you agree with result in slowing down economic progress? SA A N A/D DA SDA

SA – Strongly Agree; A – Agree; N A/D – Neither Agree nor Disagree; DA – Disagree; SDA – Strongly Disagree
C.7. Which of the following CPSUs should be disinvested? (Tick and rank)
   (i) Profit making as well as non-profit making units.
   (ii) Only non-profit making units.
   (iii) Only loss making units.
   (iv) Only sick units.
   (v) Only non-core, non-strategic units.
   (vi) Only units referred to BIFR.
   (vii) Units recommended by BRPSE/DPE (Board for reconstruction of public sector enterprises/Department of public enterprises)
   (viii) Non- economical and non-social units.

C.8. Government owned enterprises could be allowed with foreign investments. Yes/No

C.9. The limit of disinvestment in CPSUs should be
   (i) Below 10%  (ii) 10% - 25% (iii) 25% - 75%  (iv) Above 75%

C.10. Whether the disinvestment should be allowed in
   (i) Non-profit making units  (ii) Loss making units
   (iii) Only sick units  (iv) Non strategic units
   (v) Units in need of technical support

C.11. Do you agree with the long-term objectives of disinvestment strategy of the disinvestment commission?

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<thead>
<tr>
<th>Particulars</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neither agree nor Disagree</th>
<th>Disagree</th>
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<tr>
<td>To strength PSU</td>
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<td>To Protect employee interest</td>
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<td>To facilitate broad based ownership</td>
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<td>To augment receipts for the Govt.</td>
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C.12. Which of the following disinvestment techniques you recommended as the best? (Please tick and rank) Rank
   (i) Through public offer enroute capital markets
   (ii) Through strategic sale
   (iii) Through warehousing with FIs
   (iv) Through reducing the equity
   (v) Through trade sale
   (vi) Management-employee buy-out
   (vii) Through cross sale
   (viii) Demerger or spinning off
   (ix) Asset sale and winding-up
C.13. The disinvestment should be recommended & approved by
(i) Standing committee on public enterprises (SCOPE)
(ii) Department of Public Enterprises (DPE), empowered group of secretaries & Cabinet committee on Economic affairs
(iii) Disinvestment Commission on the recommendations of the above
(iv) Cabinet Committee on Disinvestment, Core Group of Secretaries on Disinvestments & Inter-Ministerial Group
(v) Both the houses of parliament with recommendation of (iv)
(vi) On recommendation of Board for Reconstruction of PSE & approved by (iv) & (v)

C.14. The equity capital and ownership of CPSUs should be with the Central Government in the following structure (rank according to your perception)
(i) Majority with the Govt. and minimum percentage to be disinvested
(ii) Majority with Govt. and balance with Govt. banks /departments/FIs.
(iii) Majority with Govt.and balance with small investors.
(iv) Majority with Govt.and balance with private partners.
(v) Minority with Govt. and majority with private partners.
(vi) Minority with Govt. and majority with small investors.
(vii) Minority with Govt. and majority with Govt. departments/banks/FIs.
(viii) Minority with Govt. and majority with small investors, private partners, banks, Govt. departments and FIs.

C.15. Government should minimized its role in controlling of CPSUs
Yes/No

C.16. Which of the following powers should be delegated to MDs/CEOs of CPSUs?
(i) Not delegated
(ii) Administrative
(iii) Decision Making
(iv) Financial
(v) Administrative and Decision Making
(vi) Administrative and Financial
(vii) Administrative, Decision Making and Financial

C.17. Rank the causes of lower efficiency in CPSUs
(i) Ambiguous objectives
(ii) Financial constraints
(iii) Managerial problems
(iv) Human resource incompetence
(v) Poor capacity utilization
(vi) Excessive control

C.18. Which of the following privatization is the appropriate? (Tick)
(i) Complete privatization.
(ii) Partial privatization.
(iii) Privatization of management.
(iv) Privatization to the extent of competitive environment.
(v) Privatization to the extent of deregulation or liberalization measure.
C.19. The creation of National Investment Fund (NIF) from the sale proceeds of CPSUs is an appropriate device to fund social sector projects.  

Yes/No

C.20. The managing of NIF by public sector mutual funds with 75% of earnings going to poor and 25% to CPSUs will be the appropriate objective of disinvestments and for eliminating poverty through investment in social schemes.  

Yes/No

☺☺☺☺☺
APPENDIX - II
QUESTIONNAIRE
A STUDY ON DISINVESTMENT AND PRIVATISATION OF NON-STRATEGIC CENTRAL PUBLIC SECTOR UNDERTAKINGS IN INDIA
(Administered to Employees of Central Public Sector Undertakings)

A PERSONAL

A.1 Name: - A1.1 Personal : 
A1.2 Organisation : 

A.2 Position: (i) Supervisory (ii) Technical (iii) Non-technical (iv) Clerical (v) Others specify ____________

A.3 Qualification: (i) Postgraduate (ii) Graduate (iii) Higher secondary/SSLC (iv) Others specify__________

A.4 Age (in years): (i) Below 25 years (ii) 26-35 years (iii) 36-45 years (iv) 46-55 years (v) Above 55 years

A.5 Nature of Employment: (i) Permanent (ii) Temporary

A.6 Experience: (i) Below 5 years (ii) 5-10 years (iii) 10-15 years (iv) 15-20 years (v) Above 20 years

B WORKING ENVIRONMENT PARTICULARS
Do You Agree With

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<tr>
<th>Particulars</th>
<th>SA</th>
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<tr>
<td>B.1 the present recruitment policy and service conditions?</td>
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<td>B.2 present quota of reservation?</td>
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<td>B.3 the compensation and other benefits?</td>
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SA – Strongly Agree; A – Agree; N A/D – Neither Agree nor Disagree; DA – Disagree; SDA – Strongly disagree

B.4 How do you feel on work culture prevailing in your organization? 
(i) Very good (ii) Good (iii) Satisfactory (iv) Poor (v) Very poor

B.5 Are training and development programmes organized by your organization? 
(i) Highly adequate (ii) Adequate (iii) Satisfactory (iv) Needs improvement (v) Inadequate
B.6  The integral part of training and development programmes is to
(i) Improve technical skills
(ii) Develop adequate generalist
(iii) Upgrade and professionalise conventional generalist
(iv) Re-orient public services to modern management practices
(v) Change attitude and behaviour patterns
(vi) Provide proper appraisal environment

B.7  Your opinion on Government’s labour policy
(i) Stringent
(ii) Inadequate
(iii) Satisfactory
(iv) Adequate
(v) Liberal

B.8  Poor work culture of public enterprises is attributed to
(i) Excess job security
(ii) Time bound promotions
(iii) Inadequate reward system and punishment
(iv) Short tenure of CEO
(v) Any other reasons

B.9  Should uniform promotion policies should be laid down by Central Government for employees of Public Sector Enterprises? Yes/No

B.10 Promotion should be made
(i) By the officers in their own capacity
(ii) On the recommendations of departmental committee or selection board
(iii) On the recommendations of the public service commission
(iv) On the basis of seniority irrespective of qualifications
(v) On the basis of seniority and recommendations of selection Board/PSC

B.11 How do you agree with the following promotion programme?

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<td>On the basis of merit, efficiency and good conduct</td>
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<td>Based on judgment by the superior</td>
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<td>Based on confidential reports</td>
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SA – Strongly Agree; A – Agree; N A/D – Neither Agree nor Disagree; DA – Disagree; SDA – Strongly disagree
C  PARTICIPATION IN MANAGEMENT
C.1 Which of the following factors will make workers participation in management WPM) effective?

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<td>Boosting psychological and emotional feelings of workers</td>
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<td>Consultation of management with workers in purchase of machinery/equipment</td>
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<td>Mutual understanding between workers and management</td>
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<td>Removal of communication gap establishment of industrial democracy</td>
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<td>Improving human relationship</td>
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<td>Participation in decision making instill confidence and faith</td>
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SA – Strongly Agree; A – Agree; N A/D – Neither Agree nor Disagree; DA – Disagree; SDA – Strongly disagree

C.2 Which of the following forms of WPM will ensure highest productivity and production (Rank according to your Perception)

(i) Participation in equity capital
(ii) Adapting collective bargaining
(iii) Participation at Board levels
(iv) Participation in shop and joint councils
(v) Participation of Trade Union leaders

C.3 The fundamental problem of WPM is

(i) Conflict of interest between labour and management
(ii) The belief that worker is inferior to management
(iii) The system is management dominated
(iv) Managers averse to share authority
(v) Its mechanism is at micro level
(vi) Non-participative attitude of superiors

D  POLICY OF DISINVESTMENT/PRIVATISATION
D.1 Do you agree with the disinvestments/privatization of the Central Government on non-strategic CPSUs? Yes/No

D.2 Do you agree with the long-term objectives of disinvestments strategy of disinvestments commission?

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SA – Strongly Agree; A – Agree; N A/D – Neither Agree nor Disagree; DA – Disagree; SDA – Strongly disagree
D.3 Whether the shares of CPSU’s should be offered to employees at a higher rate of discount than that to other investors?  
- Yes/No

D.4 Do you believe that privatization will result in retrenchment of workforce?  
- Yes/No

D.5 Whether you agree with the Voluntary Retirement Scheme of the disinvested/privatized PSU?  
- Yes/No

D.6 Whether the Government policy fully protects the interest of employees in divested PSUs?  
- Yes/No

D.7 Employees Mutual Benefit Fund created based on stock option scheme for holding shares by employees of divested CPSUs is  
(i) More beneficial  
(ii) Beneficial  
(iii) Less beneficial  
(iv) Not beneficial  
(v) No idea

D.8 The stock option scheme offer made for employees/workers of the divested CPSUs on the paid up capital should be  
(i) Less than 5%  
(ii) 5% to 10%  
(iii) 10% to 15%  
(iv) 15% to 20%  
(v) Above 20%  
(vi) not at all

D.9 The stock option scheme offered to employees of divested CPSUs should be issued at a discount of  
(i) 0%  
(ii) 15%  
(iii) 20%  
(iv) 25%  
(v) 50%

D.10 Employees of divested CPSU allotted shares under stock option scheme should be allowed to sell the shares  
(i) Only to mutual benefit trusts  
(ii) Only to Government  
(iii) Only to other employees  
(iv) Only to retail investors  
(v) All of the above

D.11 In which of the following category of CPSUs the disinvestments should be made?  
(i) Profit making  
(ii) Core sector  
(iii) Loss making  
(iv) Heavily loss making  
(v) Referred to BIFR  
(vi) Only sick units  
(vii) Only non-viable  
(viii) Recommended by BRPSE/DPE  
(ix) Only non-economical  
(x) Only non-social

D.12 In which of the following sector CPSUs should disinvestments/privatization made?  
(i) Strategic  
(ii) Non-strategic  
(iii) Core

(iv) Non-core
D.13 Which of the following methodologies you prefer for disinvestments
   (i) In capital market (ii) Through strategic sale (iii) Sale of units
   after restructuring (iv) Leasing contracts (v) To MNCs (vi) Through FDI

D.14 The equity capital and ownership of CPSU should be with the Central Government in
   the following structure. (Rank according to your perception)
   (i) Majority with the Government and minimum percentage should be
       disinvested
   (ii) Majority with the Government and balance with Government banks/FIs
   (iii) Majority with the Government and balance with small investors
   (iv) Majority with the Government and balance with private partners
   (v) Minority with Government and majority with private partners
   (vi) Minority with Government and majority with small investors
   (vii) Minority with Government and majority with Government dept./FIs/banks
   (viii) Minority with Government and majority with small investors, private partners,
         banks, government departments and FIs.

D.15 Which of the following privatization forms is the best?
   (i) Complete privatization
   (ii) Partial privatization
   (iii) Privatisation of management
   (iv) Privatisation to the extent of competitive environment
   (v) Privatization to the extent of deregulation or liberalization measure.

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APPENDIX- III
INTERVIEW SCHEDULE
A STUDY ON DISINVESTMENT AND PRIVATISATION OF NON-STRATEGIC CENTRAL PUBLIC SECTOR UNDERTAKINGS IN INDIA
(Administered To Experts)

A. PERSONAL:

A.1. Name (optional) : __________________________

A.2. Field of specialization : __________________________

A.3. Gender : □ Male □ Female

A.4. Age (in years) : (i) Below 30 years □ (ii) 30 years – 40 years □ (iii) Above 40 years □

A.5. Occupation : (i) Employed □ (ii) Professional □ (iii) Business □

B. OPINION ON DISINVESTMENT:

B.1. Disinvestments of Central Public Sector Undertakings is essential for
   (Rank according to your opinion) Rank
   (i) Economic progress and industrial development. □
   (ii) Earning revenue for the exchequer/ budget considerations. □
   (iii) Reviving the potential and viable CPSUs. □
   (iv) Closing down the non-economical and non-social units. □
   (v) Allowing participation of private sector. □
   (vi) Eliminating the loss making, non-core, and non-strategic and non-revivable units. □
   (vii) Minimizing the entrepreneurial role of Government. □
   (viii) Bringing capital infusion into these sectors. □
   (ix) Modernization and technological up gradation. □
   (x) Reinvestment in social and infrastructure sectors. □

B.2. Disinvestments strategy for CPSUs should be through (tick)
   (i) Strategic sale. □
   (ii) Trade sale. □
   (iii) Bidding offer to MNCs / FIs / QIBs / HNI. □
   (iv) Direct sale to MNCs / FIs / Private Sector / Others. □
   (v) Bidding offer in capital market to all investors. □
B.3. The present procedure for disinvestments is (tick)
(i) Simple and direct
(ii) Moderate and accurate
(iii) Cumbersome and confusing
(iv) Stringent and complex
(v) Indirect and biased.

B.4. The procedure of disinvestments for unit is/should be through
(i) Direct sale of shares at a fixed price or by a book building process.
(ii) Strategic sale to buyers/partners.
(iii) Sale after corporate restructuring.
(iv) Leasing and management contract.
(v) Retailing shares to small investors and employees.
(vi) Selling to High Net worth Individuals or/and FII on competitive bidding.

B.5. The decision on disinvestments should be taken by (tick)
(i) The Central Government on the recommendations made by Disinvestments Commission/BRPSE.
(iii) A constituted independent body on the recommendations of Disinvestments Commission/BRPSE.
(iv) The Board of the respective CPSUs on the recommendations of Disinvestments Commission/BRPSE.
(v) A constituted independent body on the recommendations made by the parliament.
(vi) The Central Government at the discretion with or without considering the recommendations of Disinvestments Commission/BRPSE.

B.6. The disinvestments should be made in which of the CPSUs. (Rank)
(i) Non-core and non-strategic.
(ii) Non-viable and non-economical.
(iii) Loss making and non-core.
(iv) Loss making and non-viable.
(v) Loss making and non-economical.
(vi) Loss making and non-strategic.
(vii) Profit making but non-core/non-strategic.
(viii) Profit making but non-economical.
(ix) Profit making but non-viable.
(x) Loss making but revivable.
B.7. Which of the following disinvestment techniques you recommended as the best?  
(Please tick and rank)  

- Through public offer enroute capital markets  
- Through strategic sale  
- Through warehousing with FIs  
- Through reducing the equity  
- Through trade sale  
- Management-employee buy-out  
- Through cross sale  
- Demerger or spinning off  
- Asset sale and winding-up  

B.8. In the case of disinvestments technique through capital markets which of the following is best privatization form? (Please tick & rank)  

- Offer to public at a fixed price  
- Offer to public through book building process  
- Secondary market operation  
- International offering  
- Private placement  
- Auction method  

B.9. The disinvestments of CPSUs should be (tick)  
- Below 10%  
- 10% to 25%  
- 25% to 75%  
- Above 75%  

C. OPINION ON PRIVATISATION:  

C.1. The disinvestments should be coupled and carried out with privatization. Yes/No.  

C.2. The disinvestments strategy should be based on privatization perspective. Yes/No.  

C.3. Rank the following measures suitable for disinvestments of CPSU vis-à-vis privatization in present scenario  

- Operational measures – X  
- Organizational measures – Y  
- Ownership measures – Z  

C.4. Disinvestments without privatization is (tick)  
- Highly advisable  
- Advisable  
- Neither good nor bad  
- Not advisable  
- Not at all advisable  

C.5. For economic reforms, disinvestments at moderate level and privatization of certain CPSUs is (tick)  
- Very necessary  
- Necessary  
- Neither essential nor not essential  
- Unnecessary  
- Not at all needed  

iii
D. OPINION ON IMPROVING EFFICIENCY:

D.1. Which of the following approaches is considered good for judging the efficiency of CPSUs? Rank
   (i) Profit & loss approach
   (ii) Balance sheet approach
   (iii) Fiscal approach
   (iv) Employment rate approach
   (v) Productivity approach
   (vi) Cost volume benefit approach
   (vii) Development & stability approach

D.2. The efficiency of management of P.E can be judged on the success of
   (i) Realisation of non-financial objectives
   (ii) Maximization of profits within governments’ directive both in financial and non-financial matters
   (iii) Improvement in quality of products
   (iv) Economy in use of resources

D.3. The creation of National Investment Fund (NIF) from the sale proceeds of CPSUs is an appropriate device to fund social sector projects. Yes/No

D.4. The managing of NIF by public sector mutual funds with 75% of earnings going to poor and 25% to CPSUs will be the appropriate objective of disinvestments and for eliminating poverty through investment in social schemes. Yes/No

D.5. What is your suggestion to improve efficiency of CPSUs?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

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INTRODUCTION

The basic objective of investment in public enterprises is to build infrastructure, promote rapid economic growth and industrialisation. Apart from it, the investment by central and state governments aim at securing balanced regional development, to create opportunities, to prevent concentration of economic power and to reduce disparities in income and wealth. Public enterprises (P.E) have played a pivotal role and serve a significant purpose in developing as well as developed economies. In the former PE operate in the public interest, social infrastructure, economic growth and industrialization and the later it serve in the sectors like supersonic travel and communication, atomic energy, defence etc.

MEANING OF PUBLIC ENTERPRISES

A public enterprise can be defined as an activity of a business character, managed and owned, 51 % or more by the government to say, central, state or local in providing goods and services for price. There are two dimension to the above, one, public ownership and two, public enterprise. Public ownership implies that major decisions rest on distinctive social criteria, not to private individuals but as a social accountability. Public enterprises imply that government expects a return on the capital invested from the goods and services that are available for a price. Public sector and public undertaking are used as a synonym of public enterprises.

In India Parliamentary Committee on Public Undertakings has jurisdiction over all Central Government Companies and some Statutory Corporations. The nodal agency for the Government of India is Department of Public Enterprise.

THE ENVIRONMENT

The environment of public enterprises is a complex phenomenon and not adequately conceptualized. A former chairman of British Airways, Lord Beeching states, "In a nationalised industry objectives are more numerous, more ambiguous and less distinguished from qualifying contributions, they fluctuate in order of priority". Public enterprises forms a significant part of the economy of a country (like India) and its problems must be considered with reference to its interface with various other institutions and the environment as a whole in which it operates. Three decades
ago, a former chairman of Hindustan Steel stated, “public enterprises operate in a special milieu where a number of external forces are continuously impinging upon and affect the internal logic and motivation of the enterprises. The interplay of these forces being continuous and changing does not bring about a state of static balance but one of dynamic equilibrium. The continuum in which these enterprises operate is more Einsteinian than Newtonian”.

THE INDIAN CLIMATE

The constituent of external environment of public enterprise is more complicated and cumbersome. The President of India is vested with sole power and all formal directives to public enterprises/government companies are issued in his name as prescribed by the Articles of the enterprise/company. For statutory corporations directives are issued by the Central Government. The cabinet is the final arbiter in matters like capital expenditure beyond laid down limits, grouping or regrouping of public enterprises, floating of a government company, board level appointments, disinvestments and privatization. Planning commission is responsible for project appraisal and clearance of capital projects. Then comes the Ministry of Finance for necessary financial clearance. Central Vigilance Commission and Central Board of Investigation plays a critical role in influencing decision-making and morale. The Labour ministry regulates employment policies; provide general guidance and good industrial relations.

The projects with capital investment of Rs.1 00 crore or more have to be approved by Public Investment Board through Inter-Ministerial Committee. Despite MP's, in addition play a formal role on the floor of legislature/parliament. The parliament is an important constituent of the public enterprise environment. The Parliamentary Committee on Public Undertakings (COPU) has direct and substantial role, in interaction with public enterprises. The other part of it is shared by Parliamentary Committee on Welfare of SC/ST, Committee to lay papers in Lok Sabha and Rajya Sabha and concerned subject Committee of the parliament. The Comptroller and Auditor General of India influence on public enterprises are substantial and reckoning followed by Trade Unions and Officers Association.

Managing public enterprises becomes more difficult due to many power centers like the Ministries, Parliament, bureaucracy, finance, and Department of Public Enterprise, CAG, CVC, and Supreme Court and not at the least MPs. The management team, the CEOs, MDs, Chairman and et al of public enterprises devote much of their time in coping with different power centers, is at the cost of performance. The mockery dialogue version stated by Praxy Fernandes in his book "control
systems in public enterprises in developing countries" explains the poor performance of public enterprises from the pernicious influence of power centers, in private enterprises, where 1/10 of the mistake affects only the concerned individual, it is quite disastrous for public enterprises. The public enterprises focus greatly on public interest and are expected to set high standards of integrity and behaviour. They have higher level of ethical contents and a greater burden of social responsibility. The environment of public enterprises encompasses a gamut of governmental policies and practices. Any question of commercial freedom in decision-making may lead to fear of individual criticism. Public interest in various forms and shapes are necessary for decision-making process. Public enterprises have greatest public interest orientation as against the logic of profit. Public enterprises are expected to take into account wider implications, which form part of the state policy, even if not specifically imposed by law.

GOVERNMENT POLICY ON PUBLIC ENTERPRISES, SINCE INDEPENDENCE

The Union Government of India in its Industrial Policy Resolution of 1948 stated the steps to be taken by the government to remedy the hurdles in the way of state management and ownership of the industry and subsequently the Industrial policy Resolution of 1956 said speedy decision and willingness to assume responsibility are essential for success and decentralization of authority' and management should be on business lines. Public enterprises should be judged by total results and given freedom to materialize the ideals. The Industrial Policy Statement of 1980 emphasized the need for improving public enterprise management and referred the government to decide on a drive to revive efficiency through developing management cadres in functional fields such as operation, marketing, information systems etc. The Industrial Policy Statement of 1991 promised a much greater degree of autonomy and to run public enterprise on business lines. In 1996, the government contemplated public enterprises "as essentially commercial enterprises" through its Common Minimum Programme. In 1999, the Ministry of Public Enterprises said the government is committed to reforms and restructuring to suit with the best of its kind in the world. At the CEOs Conference of Public Enterprise in the year 2000, the government assured greater autonomy and faster technological up gradation to meet global challenges and increased competition.

The promises made in Industrial Policy Resolution of 1948, 1956 and 1991 have never got implemented and situation continues in same sphere and the government has to go a long way in achieving these objectives and in fulfilling the promises.
THE PROBLEMS IN MANAGEMENT STRUCTURE AND ADMINISTRATIVE FREEDOM

Public enterprises utilize the approach, system and procedures of the government rather than of the business world. They are the subsystems of larger governmental system, which is having constant interaction with the government and operates in a broader environment. This places constraints and makes various demands. The managerial performance of public enterprise is affected by burdensome legacies, turbulent and unpredictable environment, imprecise, rigid and ever changing objectives, undefined social obligation and political and bureaucratic interference.

The public enterprises being part and parcel of main governmental system will continue to suffer the system, unless political situation improves with uniformity in policies irrespective of the political parties which reins the country. The performance of public enterprises is difficult to improve without proper standard consensus with all political parties who take power. Democratic socialism is and inherently difficult path and one cannot expect easy solution for complex problems. Public enterprises have failed to produce the required financial results due to extraction of many social and non-commercial benefits at various stages.

MEASURES

Numerous policy statements, committees and expert bodies have emphasized the enterprising dimensions of public enterprises. The following efforts and actions need to be executed to streamline the functioning of these enterprises with high managerial competency and efficiency.

- The objectives should be defined in unambiguous terms.
- Long-range corporate plans are to be developed.
- Performance budgeting should be introduced.
- To strengthen management through stable and competent leadership.
- Intensive and effective training programmes to be introduced.
- De-politicalising public enterprises in decision-making and top-level appointments.
- Avoiding bureaucratism in functioning.
- Moralizing accountability.

CONCLUSION

The heterogeneous group of public enterprises in terms of size, nature, social contents, legal forms and public expectation, should follow certain methods and techniques of private enterprises. Public enterprises are transformers of our economy. They have played a vital role in the development process and national development. Their contributions are manifold. A few good public enterprises
are less affected by political and bureaucratic environment in product development, market positioning, dynamism, consistent leadership and management development. It is quite possible for other public enterprises also to follow the footsteps of successful public enterprises ignoring the bureaucratic and political environment and bringing competence in managing the enterprise. Management philosopher Peter F. Drucker stated, "good organization structure does not by itself produce performance- just as a good constitution does not guarantee great president or good laws a moral society. But a poor organization structure makes good performance impossible no matter how good the individual managers may be".

Reference:
1. Narain Laxmi, Public Enterprises Management and Privatisation
2. Praxy Fernandes, Control Systems in Public Enterprises in Developing Countries.