

Industrial Restructuring And Disinvestment Issues; Experience And Agenda

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Since industrial restructuring in India is at its cross-road, the entire programme needs critical analysis in all its ramifications; with a view to this, the present paper begins with a comparative analysis of the relative performance of the public and the private sector enterprises - the two planks of industrialisation. Subsequently, the tenability of the entire restructuring - programme is tried to be reviewed in the context of some policy options, like : 'partial disinvestment', 'remunerative pricing policy', so and so forth.

The much propagated structural reforms associated with New Economic Policy 1/ (NEP) of the Government of India are in line with the conditionalities of the IMF -World Bank structural - adjustment loans which intended to assist most of the Third World nations in restructuring their economy to generate adequate surplus in their balance - of - trade so as to pay back their debt and initiate a process of economic recovery [Chossudovsky, 1991]. But this global process of macroeconomic adjustment with a 'menu' of some homogeneous policy measures cannot be the grand panacea for all the nations of the Third World. Thus, while adopting such structural - reform - policies in the industrial - sector in India, cautious examinations of different pitfalls and performances of this sector are necessary to examine the feasibility of "by now, much talked - about and controversial" disinvestment cum exit policy - our period of study being 1975 and onwards. How-ever, it is very much difficult to compare Public Sector Enterprises (PSEs) and Private Sector Enterprises (PRSEs) - the two wings of the industrial sector, on the same footing because the basic objective of the some PSEs is to supply non-traded public utility goods (e.g., power, transport and communication etc.) on a non-profit basis. Thus, we shall mainly consider the "Non-Departmental Non-Financial Enterprises" (NDNFE) of the public - sector as the basis of our comparison. 2/. In the subsequent analyses, the performance of the relevant sectors (Section II), and the scope of the disinvestment - option (s) are put to scrutiny (Section III). Lastly, a critical analysis of the ongoing debate regarding the restructuring of the industrial - policy is attempted in the light of the above study (Section IV).