# Our Views

## Privatisation: India's equivalent to DOGE for Government efficiency and for job creation!

India's economic growth has recently shown signs of slowing down, with GDP growth dropping to **5.4% in the July-September quarter**, the lowest in seven quarters. The **Reserve Bank of India (RBI)** has also revised the GDP growth forecast for **FY 2024-25 from 7.2% to 6.6%**.

Economists warn that this slowdown is accompanied by falling wages and reduced corporate expansion, signalling a deeper economic challenge. With India needing to create **10 million jobs annually between 2024 and 2030** to sustain a **6.5% annual GVA growth**, urgent policy interventions are required.

### Privatisation: A Dual Engine for Growth and Job Creation

Given the current slowdown, a **strategic reset** is necessary to revitalize the economy. This requires **large-scale government investment**, followed by private sector participation to sustain long-term growth. However, with **limited scope for increasing taxes** and the government already tightening tax compliance, unconventional methods of revenue generation must be explored. One of the most effective solutions is **aggressive privatisation**.

This approach was successfully implemented in **1999 under the Vajpayee government**, which expanded **economic liberalization**, privatized **several state-owned enterprises**, and focused on **infrastructure development**, including the **Golden Quadrilateral project**. The time has come to **revive this strategy** on a much larger scale.

### The Economic Case for Privatisation

Privatisation offers **a dual benefit**—it not only makes businesses **more efficient and competitive** but also frees up government resources to **reinvest in nation-building projects** such as highways, railways, smart cities, and energy infrastructure. These sectors, in turn, create a **multiplier effect on job creation**.

This is already the stated policy of the government; what's needed now is **rapid, large-scale execution**.

Globally, private sector investments have proven to **boost productivity and innovation** while generating **direct and indirect employment**. A **government-run enterprise** often suffers from inefficiencies due to **bureaucratic constraints** and **political interference**. In contrast, a **privately managed enterprise** operates on **commercial principles**, leading to:

- **Higher efficiency and better resource utilization**
- **Better service quality for consumers**
- **Increased job creation through expansion and innovation**

### Case Study: Air India's Transformation

The **privatisation of Air India** is a prime example of how the shift from government control to private management can lead to **exponential growth and job creation**.

Before privatisation:

- The airline was a **financial burden**, costing taxpayers **USD 1 billion annually**
- It operated on **80% loss-making routes**
- It struggled with **inefficient resource utilization**

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After privatisation:

- Air India **placed India's largest aircraft order—470 new aircraft**
- This generated **70,000 direct jobs** and thousands of indirect jobs in **aviation, airports, and tourism**
- The airline is now **better utilizing bilateral aviation rights**, allowing international travellers to fly **directly to more destinations**

A similar transformation was seen in the **banking and insurance** sectors with private sector entry. Services became more **customer-centric, innovative, and technologically advanced**. The **privatisation of Maruti** also revolutionized India's auto industry, making **car ownership accessible to millions**.

These cases illustrate that **privatisation unlocks the full potential of resources**, allowing the same assets to generate **greater wealth, employment, and economic growth**.

### Privatisation: India's equivalent to DOGE for Government Efficiency

In the United States, the government has launched the **Department of Government Efficiency (DOGE)** to optimize public sector performance. While this initiative focuses on **improving government operations**, privatisation in India could **eliminate inefficiencies altogether** by transferring control to **result-driven enterprises**.

By reducing the **government's financial burden**, privatisation enables a shift towards the Government's stated principle of **"Minimum Government, Maximum Governance."** Extending private sector involvement to **municipal corporations, township management, and local bodies** can significantly improve **service quality**, reduce inefficiencies, and enhance overall governance.

### Conclusion: A Roadmap for Economic Acceleration

A **well-planned, large-scale privatisation strategy** can help India **break free from slow growth**, create **millions of new jobs**, and build a **more efficient, competitive, and prosperous economy**. By embracing **private sector efficiency**, the government can focus on **policymaking, infrastructure development, and long-term economic planning**, ultimately accelerating India's journey toward becoming a **global economic powerhouse**.

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