

Navaratnas, Left and disinvestment 'Americai' V. Narayanan

"As a card-carrying Congressman, I feel the UPA should not only join the Communists against the disinvestment of navaratnas or profit-making PSUs, but also beat them at their own game."

'Americai' V. Narayanan THE COORDINATION committee of the United Progressive Alliance and Left was started with the main intention of getting the Left inside the policy-making apparatus of the Government, which depends on them for the outside support. Lately, the Communists have been making a lot of noise on petrol and diesel prices, among other things; these noises are focussed more on votes than on sound economic principles that will assist the country. The spat between the Left and the UPA in general and the Congress in particular has come to the fore, with the Communists announcing that they were not going to attend the UPA coordination committee meeting over the disinvestments of navaratnas. Leaving aside the Left and Right leanings of the UPA and politics out of it, I as an American-trained senior finance executive see the logic in the Left's argument.

Unfortunately within the Congress we do not have a formal forum that is active, to air our views on the formation of economic policies. I do not always agree with the Left. Several times they will oppose the Congress and others when they propose or do exactly what their own Government in West Bengal or other places has done. Sometimes Indian Communists in opposition are more "loyal to the king" than the birthplace of Communism or Communist-ruled countries like China. Leaving this aside, I applaud the recently elected Communist Party of India (Marxist) general secretary Prakash Karat's principled stand opposing privatisation of profit-making public enterprises. There are a lot of leeches in the public sector that are draining taxpayers. These should be the target of disinvestment or liquidation by the exchequer. However, the smart and well-meaning Finance Minister P. Chidambaram's insistence on disinvestment of the profit-making public sector defies logic. The contention that after disinvesting, the money will be used for social security programmes or other investments needed for PSUs is more of rhetoric. This does not augur well for the well-managed PSUs and above all for navaratnas. We all know that he who pays the piper will call the tune. The time will not be far away when a repetition of the demand made by Suzuki on Maruti Udyog will be made on navaratnas. The current well-intentioned UPA Government is buckling under, and planning to disinvest in the profit-making navaratnas. It may not be far-fetched for the private investors who have their foot in, thanks to the UPA Government, to break the door open easily in the future, when someone not so people-friendly and socially oriented as the Congress is in the Government. 'Create level-playing field' In addition, it is better for the economy to create a level playing field where the private sector can compete with the navaratnas. This will make the navaratnas more efficient and effective. We already have a good case history of similar nature in India. Look at what is happening to BSNL. Imagine even partly privatising BSNL. I wonder if the mass of consumers in India will have had the benefits they are enjoying today. I have no doubt that most BSNL subscribers today feel that they are getting the best service they ever had with the public sector after the advent of private mobile and landline operators. This has helped not only the consumers, but also the economy by creating more direct and indirect jobs and deeper penetration of telephones than what would have happened had we privatised the BSNL. The competition introduced among airlines is another recent experience from which lessons can be learnt. I feel the major reason for the Left opposing this move is to take care of their perceived vote bank, public sector employees. As a card-carrying Congressman, I feel the UPA should not only join the Communists against the disinvestment of navaratnas or profit-making PSUs, but also beat them at their own game. The Congress and the UPA should encourage the private sector, which will create new jobs for us and create competition for the navratnas. This will also make the navratnas more efficient and customer friendly. (The writer is a chartered and management accountant and a management specialist trained in the U.S. He is a member of the Tamil Nadu Congress Committee.)

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