INTRODUCTION

Research is an art of scientific investigation. It is a voyage of discovery. Redman and Mory defines research as a “systematized effort to gain knowledge.” Research is, thus, an original contribution to the existing stock of knowledge making for its advancement.

Research topic is based on the study of impact of privatization on public sector enterprises with reference to MTNL (MUMBAI). Public sector has played a vital role in the development of our economy. There are about 250 PSEs are working under the control of central government. All these PSUs are working in different parts of the country and operating in different sectors of the economy. It covers a large sector of industrial activities.

Many key sector of the economy are today dominated by the public enterprises that have successfully expanded production, opened up new areas of technology and built up a reserve of technical competence in a number of areas. Over the time the public sector enterprises have grown. Growth of investment in central govt. have increased from 5 in 1950-51 to about 280 in 2005-06. At the same time, the capital investment has increased from Rs 29 crores to Rs 345790 crores during the same period.

During the last 50 years, public sector employed 70% of the workers in an organized sector. There are two categories of public sector employment. One is in government administration and defence and the second is in public sector proper. The total number of workers employed in the organized sector has increased from 71 lakhs in 1971 to 194 lakhs in 1977. Thus, the public sector has provide large employment opportunities to the people in India. Public sector has also played an important role in increasing the GDP of
the country and help to increase cross domestic saving and capital formation. The gross domestic saving has increased from 10.4 percent of GNP during the first five plan to 23.3 percent during the eight plan. In relative terms the share of public sector improved marginally from 1.7 percent to 4.6 percent and thereafter declined continuously and touched a low of 1.4 percent during the eight plan.

Public sector enterprises have been one of the greatest paradoxes of the Indian industry. There has been a great debate whether they have succeeded in their objectives. In the context of Globalization the need for such industries has been questioned. After the initial experiences the public sector entering new areas of industrial and technical competency, a number of problem began to manifest themselves in many enterprises. Problems were observed in terms of low productivity, poor project management skill, lack of technological upgradation, in adequate attention to research and development and low priority to human research development.