

Political Economic Digest Series 8

Dear Political Economic Digest Series participant,

Welcome to the eighth series of the Political Economic Digest. We hope you have not been bogged down by the readings so far. In the last series we discussed about the principles of sound public policies and their role in economic progress. We discussed what role policies play in the economic well-being of a country and about the characteristics of sound public policies. We hope the series helped you be equipped to analyze public policies more carefully and critically.

In this series, we'll be discussing about the concept of limited government and why it is needed for the development of an economy. Wikipedia defines limited government as, "a government in which anything more than minimal governmental intervention in personal liberties and the economy is generally disallowed by law, usually in a written constitution." As discussed in the earlier political economic digest series (Public Choice and Sound Public policies), having an expansive and intervening government is disastrous for an economy and civil liberties. Government is the non-productive sector of the economy as it produces nothing and hence, the larger the government spending larger is the amount of resources that go to waste.

We also learned earlier that, knowledge in the society is dispersed among its members. No central body can ever accumulate all the information required to formulate decisions in the society let alone process or execute them. When the government intervenes in the economy (even with good intentions) it usually results in unintended consequences. Liberalization and privatization are the major tools that can be used to limit the role of government in an economy.

First reading for these series is an introduction to limited government, excerpted from Samriddhi, The Prosperity Foundation's pocket book on facilitating role of the government.

Second reading for the series is the Nepali translation of Ayn Rand's article "Nature of the government". In this article, the author has explained the nature of government and its origin along with the reasons why its roles and powers should be limited.

Third is, a video of the Nobel Laureate economist Milton Friedman arguing for limited government. The video can be found at the following link:

<http://video.google.com/videoplay?docid=6813529239937418232#>

Third is an article about privatization process of Nepal. The author has outlined the history of privatization around the world and the scenario of Nepal. The author has explained why the state owned enterprises like Nepal Oil Corporation, Janakpur Cigarette Factory perform so poorly.

Please scroll down to find the readings and the questions to think about.

Introduction to Limited Government

There cannot be a second opinion when we say that human civilization has profited immensely by opening up markets and fostering the spirit of entrepreneurship. Before the last two centuries, almost every human kind lived in poverty. Suddenly everything changed. After the industrialization in United Kingdom and capitalist approach in United States of America, the globe witnessed increase in wealth of people along with the rise in their life expectancy rate. But how was this suddenly possible? Maybe the answer is quite relevant and required for our country.

Since the beginning of the civilization, the governments have always tried to suppress their citizens and treat them as slaves and lower form of social beings. Everything was under the control of the state and liberty was nearly non-existent. After centuries of poverty and almost nil economic progress, public policy advocates started debate on the economic reform. This shift of debate played a crucial role in providing freedom to the market and as a result, industries started to boom and entrepreneurship blossomed.

More people started to get jobs, new ventures opened and wealth creation increased in dramatic and unthinkable pace. People started enjoying richness. But this feeling of becoming wealthy was limited in certain countries whereas other countries, mostly African nations and East Asian countries were still considered poor or in popular terms, third world countries. The secret of the western countries becoming rich and the others remaining poor was open to all – limited power of the government. The basic concept of limited government is a government that cannot interfere into any persons' freedom and rights. If done so, it will be against the law!

1. Introduction of Limited Government

After seeing the authoritarian rule of the Kings for centuries, people learnt the importance of different model of a government that had very less powers or authority. This emerged from the concept that every individual has certain rights that no one can take away or interfere, not even the 'almighty' government. The Magna Carta was the first to establish the concept of limited government in England. The Bill of Rights was designed to limit the role of state in America. Its basis was: "To preserve individual liberty and protect private property" although the recent policies of this country in the last couple of decades are threatening this foundation and the government is taking more powers in its hand.

10th Amendment to the American constitution restricts the government's power by saying that the power of the government is delegated by the people. And to protect people from making wrong decisions it says that the people cannot delegate the powers that they themselves do not possess. It clearly defines the power of the people – Life, Liberty and Property. This means that the people can elect the government only to protect their powers.

Policy makers and other individuals have different approach in defining the concept of limited government. Still the very common interpretation of limited government is the one that tax only enough to ensure national security in borders and provide police protection to the citizens as well; in other times, the government should not interfere with the peoples' affairs.

Others define limited government as a system that is not concerned with the matters of wage rates that is dealt between the employees and employers, their welfare etc.

Therefore, the role of government is:

- To limit the interventions in our day to day lives.
- To ensure that the government is the servant of the people not the ruler.
- To know that people should make decisions, not them.
- To make the delivery of governmental services be efficient and effective.

The opposite of limited government is an unlimited government or interventionist government. In unlimited government, the people who govern have all the powers which is above the law. Dictators, autocrats etc. entertain such powers. We can see such examples in the countries like Cuba, North Korea and most recently in Libya. And it is in our hands to decide what kind of government we need, a limited government where every individual has the right to decide for oneself and no one including government interferes in your life; or an unlimited government or interventionist government (as we would like to call) where the government takes every decision of every individual including what they should eat, wear or where they should live or how much one should earn and what they should do or not do.

So the question arises. What are the components of a limited government? Before entering this, we have to understand the idea of constitutional government because Nepal is in the process of writing its constitution and is more likely to have a constitutional government.

What is constitutional government?

A constitution is written to protect the rights of the citizens of any country. To write constitution, people elect the representative of their respective regions. This selected representative come together with other representatives from all over the country and sit together to write the laws and customs but not forgetting the demands and requirement of the public they are elected from. And the government formed after the writing of the constitution is constitutional government. In such governments, constitution is supreme.

Constitutional governments are limited in nature. Since it is established with the idea of protecting the life, liberty and property of the people, it helps to limit the power of government and eventually prevents from interfering into the life of the people. Whenever the government misuses the power, then such step is recognized as unconstitutional because it interferes in the freedom of people or creates hindrances to the market economy.

2. Components of Limited Government

Principle of Subsidiary

One of the very important components of limited government is the principle of subsidiary. It is an idea that defines the strength of the individual or small group that can perform and conduct activities in lesser cost and quickly than a large number of people or huge organizations like government bureaucracy. It also says that if an activity can be conducted by small group, larger bodies should not exercise functions; but rather the larger body can help to coordinate activities.

The principle of subsidiary assumes that humans are social beings by nature whose underlining activities are emphasized in the significance of their family, religious inclinations, voluntary involvements etc. Such human action helps these individuals become 'members' of the society. It is based on the independence and self-respect of individuals who exist in different forms of society like family etc. and explains the state as a model that should serve these entities. In other words, it means that state should only intervene or act when the objectives cannot be attained by the individuals or the communities. This also means that policies have to be made at the lower lever and followed and regulated by the higher lever or the state.

This principle is the wall of limited government and personal freedom. It largely protects the society from the state intervention and the bureaucracy characteristic of welfare state. (Welfare state intervenes directly into the responsibility of the society, creates loss in human energy, and the public organizations are increased which is accompanied by enormous increase in government spending.) In the harmony with subsidiary, real democracy is a product of local bodies and institution and autonomy. The period of 1980s can be seen as a good example of the success of principle of subsidiary where United States of America progressed with the triumph of free market economy. In the other hand, the centralized planning of the USSR was doomed because of its contradicted principle of subsidiary.

Lean Management

"The secret of getting ahead is getting started. The secret of getting started is breaking complex overwhelming tasks into small manageable tasks, and then starting on the first one."

- Mark Twain

The people now seek innovative and responsible reaction from the government employees. They now want to see proper use of their funds and have started seeking accountability; anything less is intolerable. Even the governments are taking small steps to change the way the work and are trying few experiments. One of the experiments is lean management.

The idea of lean management in government is to innovate in the way they produce and increase value into their service. A lean government solves peoples' problems by looking at the facts and implementing scientific method. Such governments provide their people with best quality of life possible at lowest price possible as quickly as they can.

Lean management emits waste of government; government's expenditures are mostly spent into waste. Even in our country, many people go to their office or jobs that have the skill of preventing their organization from spending in unproductive and unnecessary sectors. But our government somehow seems to be spared from such people.

The business of the government is to spend the tax money to serve people in the most effective way possible. Lean government comes in the picture at this point. Lean management protects government from making wrong choice of expenses.

Lean management helps government keep concentrated focus on operations. It helps to focus on the work of the government agencies. It measures the impact of the agencies on time, facility and satisfaction of the customers. It helps to cut the unproductive time from the employees who are actually working three hours in a ten hours working day. It means that an employee is working only for three hours and the rest of the time is spent in lunch time, chatting, stretching, Facebook, etc. Lean eliminates these barriers and helps bring the most out of the employees.

Decentralization

Decentralization in governance means to transfer the authority and responsibility of central government to different subsidiary governmental organizations or the private sectors in the local level. This concept is complex but very important component of a limited government and immensely significant in the facilitating role of government in enterprise building.

Political, administrative, fiscal and market decentralization can also appear in different forms and combinations across countries, within countries and even within sectors.

Political decentralization gives citizens and their elected delegates more power in decision making. This helps the decisions made with larger participation at local level to be improved information and relevant than decisions made centrally.

Similarly, administrative decentralization redistributes authority, accountability and economic resources for providing communal services among different levels of governance. It transfers the responsibility of planning, financing and managing of public role from the centrally planned government and its agencies to local governments.

If the local governments and private institutes are to accomplish decentralized purposes effectively, they must have enough resources raised locally or transferred from central government and the authority to use and spend it. Fiscal decentralization therefore takes many forms like self financing and expanding local revenues through taxes, co-financing by monetary or labor assistances, transfer of revenues from central government to the local governments and public borrowings and mobilization of national or local governmental resources through loan or credit assurances.

It is argued that the complete forms of decentralization of power from central government are privatization and deregulation. It helps to shift the responsibility of public entities to the private sector. This generally allows functions carried out by government to private businesses, cooperatives, voluntary organizations, community groups, etc. In Economic decentralization (also called Market Decentralization), privatization allows private enterprise compete in the sectors previously monopolized by the state. Similarly, government can sign contracts with private sector while working for the public welfare like infrastructure. Likewise, deregulation helps to lessen the legal constraints on private share in service market that is generally regulated monopoly of the government. Studies have shown that privatization and deregulation have become smart alternative to governments in developing countries. Even local governments in such countries are bringing in private companies to look for their administration!

If played safely, all these forms of decentralization can play pivotal role in expanding political, economical and social participation in the developing countries like ours. It helps to minimize bureaucratic hassles and decrease governmental expenditures. Likewise, it helps the national government reach in diverse political, ethnic and cultural faction of the society. It also helps the people experimenting their ideas and be more creative and innovative to the programs launched by the local governments. More importantly, it immensely helps to increase political stability and gives stronger control of public programs to the citizens at their locality.

But in the other hand, weak capacity of the local administration might help the services' delivery poor and ineffective. It can sometimes make the process of coordination of national policies complex and result in lack of confidence between private and public sectors. So while developing plans for decentralization, ones must figure out what functions should be carried out by what part of the government at what level; and the functions that should not be the headaches of the state should be left to the private sector.

In a centralized nation, the decision making, operating authority and the operation at lower level are all planned centrally. Or in other words, what people living in Jumla wants are decided by the policy makers

living in Kathmandu. On the other hand, decentralization is systematic division of authority to different levels of the society where authority is delegated to the middle level like regional government and lower level like communities, etc. of the society.

Government Spending

A growing government is always contrary to the economic interest of any country because any government is financed by taxes, borrowing and printing money which has negative effect in any growing economy. But if there is no government spending at all then the economic growth will be almost extinct because it will be difficult to enforce contracts, protect property and develop infrastructure, some of the most important elements of economic growth.

Government cannot spend money before taking it from someone. And this someone is almost always the citizens. Taxes in Nepal are discouraging because of high tax rates on productive behaviors like work, saving, investment, etc. Again, the expenditure of the state welcomes harmful interventions. Even other (not state) regulatory organizations with low budget have strong negative impact in the growth of private sector. Dr. Daniel J. Mitchell says, "The direct expense to taxpayers of membership in organizations such as the International Monetary Fund (IMF) and Organization for Economic Co-operation and Development (OECD) is often trivial compared to the economic damage resulting from the anti-growth policies advocated by these multinational bureaucracies."

Most of the times, the government spending subsidizes economically undesirable decision. It promotes welfare programs which encourages people to choose leisure over work, unemployment insurance which adds incentive to stay unemployed, discourages savings by subsidizing retirement, housing, education etc. and so on.

In the 1930s, John Maynard Keynes said that government expenditure - mainly rises government spending and boost growth by adding purchasing power into the economy. According to Keynes, state could overturn economic downturns by borrowing money from the private sector and then returning the money through various spending programs. Dr. Mitchell says, "This "pump priming" concept did not necessarily mean that government should be big. Instead, Keynesian theory asserted that government spending - especially deficit spending - could provide short-term stimulus to help end a recession or depression."

But this Keynesian theory fell apart when it was known that government spending stagnates economic growth. Even though this theory has been discarded by the economists, politicians and some journalists still believe that spending is good for the economic growth.

Privatization of State owned enterprise

Privatization of the state owned enterprises has become an irreversible trend globally and it has helped shape economies positively everywhere. Privatization means the transfer of role of performing economic activities from state ownership to the private sector. This has become quite popular in developing as well as developed and industrialized countries.

It is seen that governments usually run businesses poorly due to lack of incentive, competitiveness and professionalism. And people working in state owned enterprises show signs of improvements when it becomes a matter of interest politically. Even in Nepal, we have witnessed countless times that the

governments often commence efforts to privatize politically-run state enterprises to switch into a market economy or in other times to accomplish other political development objectives.

After Second World War, many developing and developed countries favored protectionism and constructed immense number of state owned enterprises. But today, privatization and deregulation are seen as the important components of economic growth. Most of the world now knows that privatization of the state owned enterprises is the best way to develop competitive industries. Governments have started to realize that privatization not only helps economic transformation but also helps to structure a nation's political and social situation.

The critics of privatization of state owned enterprises are mostly labor unions and employees of such enterprises. They fear that many workers will be laid off because of use of principle of subsidiarity in privately owned organization. Also the people who are getting artificial gains from the government subsidies oppose the idea since government will no longer spend to subsidize which may result in rise in price for a short period of time. Some foes of privatization believe that privatization will lead to low standard of service industry, slash in salaries and increase in income distribution gap.

Most of the beneficiaries of state owned enterprises are the ones sitting in the executive level who have political connections. They too may oppose privatization because if done so, they may lose their political connection and their means of profiting from their positions will be gone.

Such adversaries of privatization are much higher in our country where we are observing economic slump for a long period of time. And for privatization to win in this situation, Nepal government should be alert before reformation of economic difficulties and privatizing state owned enterprises.

सरकारको स्वरूप

सरकार एउटा संस्था हो, जोसँग निश्चित भौगोलिक क्षेत्रमा सामाजिक आचरणका नितिनियमहरू लागु गर्ने शक्ति हुन्छ। के व्यक्तिलाई यस्तो संस्था आवश्यकता पर्छ? पर्छ भने किन?

व्यक्तिको मस्तिष्क उसको जीवित रहन चाहिने आधार भूत साधन हो । यसको माध्यमबाट उसले ज्ञान प्राप्त गर्छ जसद्वारा उसका सबै कार्य निर्देशित हुन्छन् । तर यसका लागि आधारभूत शर्त यो हो कि ऊ स्वतन्त्र रूपमा सोचन सकोस् र आफ्नो विवेकपूर्ण निर्णयशक्ती अनुसार काम गर्न सकोस् । यसको अर्थ यो होइन् कि व्यक्ति एकदम एकलो रहनुपर्छ र उसका आवश्यकताका लागि एकान्त ठाँउ नै सर्वोत्तम स्थान हो । मानिसले एक अर्कासँगबाट थुप्रै लाभ लिन सक्छन । उसले असल प्रकारले जीउनका लागि सामाजिक वातावरण सबैभन्दा उत्तम हो तर केही शर्तहरू सहित...।

समाजमा रहेर मानिसले ठूलो महत्वपूर्ण मूल्यहरू सिक्छ ती हुन -ज्ञान र यसको आदान-प्रदान । मानिस एकलो यस्तो प्राणी हो जो पूस्ता -दर-पूस्ता मा आफ्नो ज्ञानको खजाना आदान -प्रदान गरेर यसमा वृद्धि गर्न सक्छ । प्रत्येक मानिस अरुद्वारा अनुसन्धान गरिएको ज्ञानबाट असिमित लाभ लिन सक्छ । कुनै पनि व्यक्ति आफ्नो पूरा जीवन अवधिको दौरानमा जति पनि कुरा शुरुदेखि सिक्न कोसिस गर्छ त्यसभन्दा धेरै उसको लागि पहिलेदेखि नै उपलब्ध हुन्छ । दोस्रो महत्वपूर्ण लाभ हो -श्रमको विभाजन । यसले गर्दा प्रत्येक व्यक्ति कुनै निर्धारित क्षेत्रका मानिसहरूसँग यसको आदान-प्रदान गर्दछ । यस तरिकाको सहयोगबाट व्यक्ति आफ्ना प्रत्येक आवश्यकताका लागि आफू एकलै सबै काम गरेर एकान्त स्थानमा रहेर प्राप्त गर्नेभन्दा अत्यन्त धेरै ज्ञान र कौशल आर्जन गर्छ । तर यसबाट यो कुरा पनि पत्ता लाग्छ कि यस्तो किसिमको सहयोग मुल्यवान ब्यक्ति र समाजबिच कसरी हुन सक्छ -त्यो हो केवल विवेकपूर्ण क्रियाशील एवं स्वतन्त्र समाजका विवेकपूर्ण क्रियाशील एवं स्वतन्त्र व्यक्तिहरूको बीचमा । (The Objective Ethics)

त्यो समाज जस्तै व्यक्तिको आफ्नो प्रयासबाट आर्जिएको सबै कुरा लिन्छ , उसलाई दास बनाएर राख्छ, उसको मस्तिष्कको स्वतन्त्रतामा प्रतिबन्ध लगाउँछ र व्यक्तिलाई उसको विवेकपूर्ण निर्णय शक्तिको विरुद्ध काम गर्नको लागि बाध्य गराउँछ र जस्तै व्यक्तिका आवश्यकता र आफ्नो आदेशबिच संघर्ष पैदा गर्छ, निश्चित तौरमा त्यो समाज नभएर अव्यवस्थित जनसमुह-भीड हो जो अपराधिक नियमद्वारा संस्थापित हुन्छ । यस्तो समाजले मानिसको सह अस्तित्वको सबै मुल्यमान्यतालाई नष्ट गरिदिन्छ । योसँग न त कनै औचित्य हुन्छ न प्रतिवेदन र ननै भलाईको कुनै साधन । यीनीहरू मनुस्यका ठुला दुश्मन हुन्छन् । सोभियत रुस वा नाजी जर्मनीमा भन्दा त वीरानो ठाउँमा नै जिन्दगी ज्यादा सुरक्षित हुन्छ ।

व्यक्तिगत अधिकारको सिध्दान्त

यदि व्यक्ति शान्तिपूर्ण, क्रियाशील र विवेकपूर्ण समाजमा आपसी हितका लागि साथ रहन चाहन्छ भने उसले केही आधारभूत सामाजिक नियमहरु अवश्य मान्नु पर्छ। यस विना कुनै नैतिक वा सभ्य समाज को कल्पना पनि गर्न सकिदैन।

व्यक्तिगत अधिकारलाई मान्यता दिनुको अर्थ यो हो कि व्यक्तिलाई जीवित रहनका लागि चाहिने समाजिक आवश्यकताहरुलाई मान्यता दिनु र स्वीकार गर्नु व्यक्तिका अधिकारहरुको उल्लंघन केवल शारीरिक बल प्रयोगद्वारा मात्रै गर्न सकिन्छ। शारीरिक बलको प्रयोगले नै एउटा व्यक्तिले अर्को व्यक्तिको जीवन समाप्त गर्न सक्छ वा उसलाई दास बनाउन सक्छ वा लुट्न सक्छ वा उसलाई आफ्नो लक्ष्य सम्म पुग्न बाट रोक्न सक्छ वा उसको विवेकपूर्ण निर्णय शक्तिको विरुद्धमा काम गर्न वाध्य तुल्याउन सक्छ।

एउटा सभ्य समाजको अनिवार्य शर्त यो हो की समाजिक संबन्धहरुमा शारीरिक बल प्रयोग नहोस् ताकि व्यक्ति यदि एक- अर्कासँग संबन्ध राख्न चाहन्छन् भने उनीहरु यस्तो गर्न सकून तर विचार-विमर्श स्वेच्छ राजीखुशी र इच्छार्पुर्ण सहमतिबाट मात्रै।

व्यक्तिलाई जीवनको अधिकार मार्फत मिल्ने सबैभन्दा महत्वपूर्ण अधिकार आत्मरक्षाको अधिकार हो। सभ्य समाजमा बल प्रयोग केवल जवाफी कारवाही का लागि वा उनीहरुको विरुद्ध गर्न सकिन्छ जसले यस्को शुरुवात गर्छन। ती सबैकारण जस्का आधारमा शारीरिक बलको प्रयोगको शुरुवात हुन्छ गलत हुन्छन्। यहाँ शारीरिक बलको प्रयोग नैतिक अनिवार्यता बन्न जान्छ।

यदि कुनै शान्तिप्रिय समाज कसैद्वारा बलको प्रयोग हटाँ पनि उसको विरुद्धमा कारवाही गर्दैन भने उक्त समाज अनैतिक कार्य गर्नेहरुको दयामा र असहाय हुन्छ। यस तरिकाको समाजले खराब कुराहरुलाई अन्त्य गर्नुको साटो यसको विपरित हासिल गर्छ। यसो गरेर उसले खराबलाई बढावा दिएरखेको हुन्छ खराबलाई समर्थन गरिराखेको हुन्छ। यदि कुनै समाज कुनै बलको विरुद्धमा नागरिकहरुलाई संगठित सुरक्षा प्रदान गरिराखेको छैन भने यसको अर्थ यो हो की उसले प्रत्येक नागरिकलाई शस्त्र उठाउन र आफ्नो घरलाई मोर्चाबन्द गर्न वा कुनै अजनबी उसको ढोकामा आइपुग्छ भने मारिदिनको लागि वा बदला लिनका लागि बनेका नागरिकहरुको संरक्षक समुहमा शामिल वाध्य तुल्याइरहेको हुन्छ। यसको नतिजा स्वरुप समाज को पतन हुन्छ र अपराधिहरुको शासन हुन जान्छ र अपराधि समूहको बीचमा युद्धको स्थिति बन्न पुग्छ।

शारिरिक बलको प्रयोगलाई पनि व्यक्ति विशेषको विवेकको भरमा छोड्न सकिन्न। यदि व्यक्ति लगातार बल प्रयोगको भयको बीचमा बसीरहेको हुन्छकी उसको विरुद्ध कुनै पनि छिमेकीले कुनै पनि समयमा प्रयोग गर्न सक्छ भने यस्तोमा शान्तिपूर्ण सहयोग असंभव हुन्छ। चाहे छिमेकीको उद्देश्य असल होस् या खराब चाहे उसको निर्णय

विवेकपूर्ण होस् या अविवेकपूर्ण चाहे उ न्यायले प्रेरित होस् या अज्ञानताबाट चाहे उ पूर्वाग्रहबाट ग्रसित होस्, कुनै व्यक्तिको विरुद्धमा बलको प्रयोग अर्को व्यक्तिको इच्छाको भ्रमा छोड्न मिल्दैन ।

कल्पना गर्नुस् त्यस स्थितिको ,यदि कुनै व्यक्तिको पर्स हरायो र उ यस निस्कर्षमा पुग्यो कि उसको पर्स चोरी भएको हो । उ एक-एक गर्दै छिमेकीहरूको घरमा पसेर आफ्नो पर्स खोज्छ र बेइमान देखिने पहिलो ब्यक्तिलाई गोली ठोकि दिन्छ किन कि उसलाई त्यो व्यक्ति दोषी लाग्छ ।जवाफि कारवाहीका लागि बलको प्रयोगमा पनि पहिले वस्तुगत मानानंकको अनुरूप साक्षीहरबाट अपराधको पृष्टि हुनुपर्छ साथमा यो पनि साबित हुनुपर्छ कि अपराध कसले गरेको हो । यसको अलावा सजायलाई परिभाषित गर्नुको साथै यसको प्रवर्तनका नियमहरू पनि जरूरी हुन्छन् ।यदि व्यक्ति यस तरिकाका नियमहरू विना अपराध निर्धारित गर्ने प्रयास गर्छ भने यसको मतलब साबित नभइकनै अपराध मान्ने काम भयो । यदि कुनै समाज बदला लिनका लागि बलको प्रयोग गर्ने छुट एकलो व्यक्तिकोहातमा दिन्छ भने उक्त समाज अपराधिक शासन तथा रक्तपातपूर्ण दुश्मनी-झगडमा अवनति हुन्छ ।

यदि सामाजिक संबन्धहरूमा शारिरिक बल प्रयोगलाई समाप्त गर्नुछ भने व्यक्तिलाई एउटा यस्तो संस्थाको आवश्यकता पर्छ जो सँग वस्तुगत मानानंक एवं नियमहरूको आधारमा व्यक्तिहरको अधिकारको रक्षा गर्ने जिम्मेदारी होस् । एउटा सरकार-एउटा उचित सरकारको यो उसको न्युनतम कर्तव्य हो।व्यक्तिलाई सरकारको आवश्यकता किन छ -यहि त्यो कारण हो र नैतिक औचित्य पनि ।

निष्पक्ष नियंत्रणमा आधारित शारीरिक बल बदलाको कारवाही गर्ने साधन हो । यो कार्य उसले वस्तुगत तरिकाबाट परिभाषित नियमहरूको आधारमा गर्दछ ।

निजी कारवाही र सरकारी कारवाही बीचको प्रमुख भिन्नता-जसलाई आजकल वेवास्ता र पन्छाउने गरिन्छ-के हो भने शारीरिक बलप्रयोग गर्नमा सरकारको एकाधिकार हुन्छ ।सरकारको लागि यस प्रकारको एकाधिकार अनिवार्य पनि छ किनकी बलको प्रयोग रोक्न र यसको विरुद्ध कारवाही गर्नको लागि उ नै अधिकृत हो ।र यिनै कारणहरू गर्दा सरकारी कारवाही पूर्ण तरिकासँग परिभाषित सीमाबद्ध एवं नियन्त्रित हुनुपर्छ ।उसलाई आफ्नो काममा मनमानी गर्ने छुट हुनुहुँदैन ।उ शक्तिले भरिपूर्ण यंत्रमानव सरह हुनुपर्छ । यदि स्वतन्त्र समाज चाहिन्छ भने यसको लागि सरकारलाई नियंत्रित गर्नु आवश्यक छ ।

उचित सामाजिक व्यवस्थामा, एउटा व्यक्ति आफ्नो इच्छाको अनुसार जे पनि गर्नको लागि कानूनी तौरमा स्वतन्त्र हुन्छजबसम्म उ अर्काको अधिकारहरू हनन् गर्दैन जबकि सरकारी अधिकारीले गर्ने प्रत्येक काम कानूनी दायरा भित्र हुनुपर्छ। एउटा व्यक्ति ती सबै कुरा गर्न सक्छ जुन कानूनी रूपमा प्रतिबन्धित छैनन् र एउटा सरकारी अधिकारी त्यो बाहेक अरु केही पनि गर्न सक्दैन जसका लागि कानूनी रूपमा अनुमती छ ।

यो अधिकार लाई सामर्थ्यको दाजोमा बढी महत्वपूर्ण बनाउने तरिका हो ।यो अमेरिकी अवधारणा हो-"कानूनको सरकार , ब्यक्तिको होईन "

स्वतन्त्र सामाजका लागि उपयुक्त कानूनको स्वरूप र सरकारलाई यी कानूनहरुले दिएको अधिकारको श्रोत -दुबै को उत्पत्ति उपयुक्त सरकारको प्रकृति र उसको उद्देश्यबाट हुन्छ ।दुबैको आधारभूत सिध्दान्तलाई स्वतन्त्रताको घाषणापत्रमा निर्देशित गरिएको छ ।यी नै अधिकारहरुको रक्षाका लागि ब्यक्तिहरुबिच सरकारको गठन गरिन्छ र सरकारको अधिकार शासित हुनेहरुको अनुमतीबाट आउँछ ।

किनकी केवल व्यक्तिगत अधिकारहरुको रक्षा गर्नुनै सरकारको सही उद्देश्य हो कानूनको उचित विषय पनि यहि हो ।यसैले सबै कानून व्यक्तिका अधिकार र तीनको रक्षा गर्ने उद्देश्य राखेर बनाइनु पर्छ ।सबै कानून अनिवार्य रुपमा निस्पक्ष -वस्तुगत रुपमा सही ठहराउन योग्य हुनुपर्छ ।कुनै कारवाही गर्नुभन्दा पहिले नै व्यक्तिलाई यस कुरामा स्पष्ट रुपमा जानकारी हुनुपर्छ कि कानूनले उनीहरुलाई के गर्नबाट रोक्छ र उक्त कार्य गरेमा उनीहरुलाई के सजाय हुनसक्छ भनेर ।

सरकारको कानूनी अधिकारहरुको श्रोत हो -शासित हुनेहरुको अनुमती यसको अर्थ यो हो की सरकार शासक हैन बरु नागरिकहरुको रक्षक वा अभिकर्ता हो ।यसको अर्थ यो हो कि सरकारलाई एउटा विशेष उद्देश्यका लागि नागरिकहरुले दिएको अधिकार बाहेक अन्य कुनै अधिकार हुदैन ।

यदि व्यक्ति स्वतन्त्र एवं सभ्य समाजमा रहन चाहन्छ भने एउटै आधारभूत सिध्दान्त छ जसमा उसको सहमती हुन अनिवार्य छ -शारीरिक बलको प्रयोग समाप्त गर्ने र आफ्नो शारीरिक आत्मरक्षाका लागि सरकारलाई अधिकृत बनाउने सिध्दान्त ताकि उसले यसलाई सुव्यवस्थित निस्पक्ष एवं कानूनी तरीकाबाट परिभाषित रुपमा लागु गर्न सकोस् ।यसलाई अर्को तरिकाबाट यसो पनि भन्न सकिन्छ कि उक्त बल प्रयोग एवं मनोमानीमाथि रोक अवश्य स्वीकार गर्नुपर्छ-कुनै पनि तरिकाको मनोमाजी जसमा उसको स्वयं को मनोमानी पनि शामिल छ ।अब यदि दुई व्यक्तिहरुको बीचमा कुनै कारोबार हुन्छ जसमा दुवै संलग्न छन् फेरी यदि यसमा असहमति सृजनाभएमा के हुन्छ त?

एउटा स्वतन्त्र समाजकम दुवैलाई एक -अर्कासँग सम्झौता गर्नको लागि वाध्य पारिदैन ।सम्झौताहरु स्वेच्छीक सहमति को आधारमा वा अनुबन्ध मार्फत गर्छन । यदि एउटा व्यक्ति मनोमानी तरिकाले अनुबन्ध तोड्छ भने यसबाट अर्का व्यक्तिलाई वित्तिय हानी हुनसक्छ र क्षतिपुर्ती स्वरुप दोषी पक्षको सम्पत्ति जफत गर्नुको अलावा अरु कुनै विकल्प हुदैनतर फेरि पनि यहा पनि बल प्रयोगको निर्णय कुनै ब्यक्तिको भरमा छोड्न मिल्दैन । र यहा सरकार को अत्यन्त महत्वपूर्ण एवं जटिल काम आउँछ - एउटा मध्यस्तकर्ताको भूमिका जसले निस्पक्ष कानून अनुसार दुवै व्यक्तिहरुको झगडाको समाधान गरोस् ।

कुनै पनि सभ्य समाजमा अपराधि अत्यन्त कम सख्यामा हुन्छन् तर शांतिपूर्ण समाजका लागि कानूनको अदालतद्वारा अनुबन्धको संरक्षण र प्रवर्तन सबैभन्दा महत्वपूर्ण आवश्यकता हो । यस तरिकाको संरक्षणबिना कुनै पनि सभ्यतालाई विकसित हुनवा रहरहन संभव हुँदैन।

मानिस पशुसरह आफ्ना तत्कालका आवश्यकताका लागि काम गरेर मात्र जीवित रहन सक्दैन उसलाई विभिन्न समायवधिमा आफ्नो उद्देश्यलाई निर्धारित गर्न र तिनलाई प्राप्त गर्नका लागि काम गर्नुपर्छ । व्यक्तीलाई आफ्नो पुरै जीवनको लागि आफ्ना कार्य र योजनाहरूको लेखा-जोखा तैयार गर्नुपर्छ । व्यक्तीको मस्तिष्क जति असल र उसको ज्ञान जति उतकृष्ट छ उसका योजनाहरूको श्रृंखलात्यती नै लामो हुन्छ । कुनै सभ्यता जति कुलिन र जति जटील छ उसलाई त्यतिनै लामो गतिविधीको श्रृंखलाहुन जरुरीछ र यसै प्रकारले व्यक्तिहरूबीच अनुबन्धका सम्झौताहरू जति धेरै हुन्छन्त्यस्ता अनुबन्धका सुरक्षाका लागि संरक्षणको आवश्यकता पनि त्यती नै हुन्छ ।

यहाँसम्म कि कुनै अपरिष्कृत समाज पनि यसरी काम गर्न सक्दैन-मानौ कुनै व्यक्ति केही अण्डाको सट्टामा आलु दिने व्यापार गर्न सहमत हुन्छ । ऊ अण्डा लिन्छ र आलु दिन अस्वीकार गरिदिन्छ । कल्पना गर्नुस् यसै तरिकाको मनोमानी यदि कुनै औद्योगिक समाजमा हुन्छ भने यसको अर्थ के रहला जहाँ व्यक्तिहरू खरबौं डलरको समान उधारोमा या अनुबन्धका आधारमा दिन्छन्-करोडौं डलर पर्ने संरचना खडा गर्नका लागि या ९९वर्षका लागि लिजमा सम्पत्ति दिन्छन् ।

यि अनुबन्धहरूको एकतर्फी उल्लङ्घनमा शारीरिक बलको अप्रत्यक्ष प्रयोग भइराखेको हुन्छ । यदि कुनै व्यक्तिबाट सामान लिन्छ र त्यसको सट्टामा पैसा दिन अस्वीकार गर्छ र त्यस सामानमाथि दबाब -शारीरिक दबाब बनाई राख्छ जसमा उसको मालिकको सहमति छैन । धोखादारीमा यसै प्रकारको बलको अप्रत्यक्ष प्रयोग हुन्छ । यसमा मालिको सहमतीबिना व्यक्तिले सामान लिन्छ -झुठो आश्वासन दिएर, धम्कीमा पनि बलको अप्रत्यक्ष प्रयोग हुन्छ । यसमा सामाजको बदलामा केही पनि दिइदैन बरु धम्की र जबरजस्ती गरेर लिइन्छ ।

यस प्रकारका कुनै पनि कार्य निश्चित रूपमा अपराधिक हुन । अनुबन्धको एकतर्फी उल्लंघन अपराधबाट प्रेरित पनि हुनसक्छन् तर ती गैरजिम्मेदारीपूर्ण वा अविवेकी व्यवहारका कारणले पनि हुनसक्छन् । केही यस्ता मामला पनि हुन्छन् जहाँ दुवै पक्ष न्यायको गुहार मागी राखेका हुन्छन् चाहे कुरा जे नै होस् । यस तरिकाका सबै मुद्दा निष्पक्ष रूपमा परिभाषित कानूनका विषय हुनुपर्छ र यिनको समाधान निष्पक्ष मध्यस्तकर्ता र कानूनी प्रशासकहरू वा न्यायधीशहरू जोबाट उचित हुन्छ उसैद्वारा हुनुपर्छ ।

यी सबै मामलामा न्यायलाई निर्देशित गर्ने आधारभूत सिध्दान्त माथि नजर गर्ने हो भने यो सिध्दान्त हो कुनै पनि व्यक्ति अर्को व्यक्तिबाट कुनै पनि मुल्य उस्को सहमतिविना प्राप्त गर्न सक्दैन र एउटा व्यक्तिको अधिकारलाई एक व्यक्तिको एकतर्फी निर्णय अविवेक या मनमानी स्वेच्छाचारिताको भरमा छोड्न सकिदैन ।

सार रूपमा सरकारको यही नै उपयुक्त उद्देश्य हुन्छ कि उसले व्यक्तिको सामाजिक अस्तित्वलाई सम्भव बनाओस् उसको हितको रक्षा गरोस् र ती गलतीहरूलाई नियन्त्रण गरोस् जसद्वारा एक व्यक्तिले अर्कोलाई हानी पुर्याउन सक्छ ।सरकारका महत्वपूर्ण कार्यलाई तीन श्रेणीमा बाँड्न सकिन्छ जुन सबैमा शारीरिक बल र व्यक्तिका अधिकारहरूको रक्षाका मामिला शामिल छन् ।

पहिलो हो-प्रहरी अपराधीहरूबाट व्यक्तिहरूलाई रक्षा गर्नका लागि हुन्छ , दोस्रो-सशस्त्र सेवाहरू विदेशी आक्रमणकारीहरूबाट रक्षा गर्नका लागि, तेस्रो-कानूनी अदालतहरू जसले व्यक्तिहरूको आपसी झगडालाई निरपेक्ष कानूनद्वारा सुल्झाउन ।यी तीन श्रेणीहरूमा अरु पनि केही चीजहरू जोडिएका हुन्छन् जुन लागु गर्ने समयमा हुने व्यवहारिक समस्याहरू र कुनै विशेष कानून लागु गर्दाका जटिलतासँग सम्बन्धित हुन्छन् ।यो विशेष विज्ञानको क्षेत्रसँग संबन्धित हुन्छ जसलाई कानूनको दर्शन भन्दछन् । कानूनलाई लागु गर्ने समयमा थुप्रै गलती र असहमतीको सम्भावना हुन्छ ।तर लागु गर्नेपने अनिवार्य सिद्धान्त हो कानून एवं सरकारको उद्देश्य व्यक्ति को अधिकारहरूको रक्षा गर्ने हो ।

आजकल यो सिद्धान्तलाई बिसिईएको छ , यसको अवहेलना भइरहेको छ यसबाट बच्ने कोशिश गरिन्छ यसकै नतिजा हो - विश्वको वर्तमान अवस्था ।क्रूर शक्तिहरूद्वारा बर्बरतापूर्ण तरिकासँग कानूनहरू लागु गरिदैछ ।मानवताको अवनति यस हदसम्म भईसकेको छ कि कानूनको शासन समाप्त भएको छ तानाशाहीको अवस्था उत्पन्न भएको छ ।

यी सबै मामलामा न्यायलाई निर्देशित गर्ने आधारभूत सिद्धान्तमाथि नजर गर्ने हो भने यो सिद्धान्त हो -कुनै पनि व्यक्ति अर्को व्यक्तिबाट कुनै पनि मूल्य उसको सहमतिविना प्राप्त गर्न सक्दैन र एउटा व्यक्तिको अधिकारलाई एक व्यक्तिको एकतर्फी निर्णय अविवेक या मनमानी स्वेच्छाचारिताको भ्रमा छोड्न सकिदैन ।

स्मरण रहोस् , व्यक्तिमाथि बलपूर्वक नियन्त्रण नै एकमात्र सेवा हो जुन सरकारले दिन्छ । आफैलाई सोधिहेर्नुस बलपूर्वक नियन्त्रण गर्ने कुरामा प्रतिस्पर्धाको के अर्थ हुन्छ ।

कसैले पनि यस सिद्धान्त वा शब्दलाई विरोधाभासी भन्न सक्दैन किनकि स्पष्ट छ यसमा प्रतियोगिता र सरकारको भिन्नताको ज्ञानको अभाव छ । न नै यसलाई कुनै अमूर्त बहाव भन्न सकिन्छ किनकि यसको वास्तविकतासँग कुनै सम्बन्ध वा संपर्क छ न यसलाई कुनै निश्चित रूप दिन सकिन्छ । यसलाई एउटा उदाहरणले नै स्पष्ट पारिदिन्छ - मानौं श्रीमान् स्मिथ जो सरकार ए का उपभोक्ता हुन्लाई शंका लाग्यो कि उनीकहाँ श्रीमान् जोन्सले जो सरकार बी का उपभोक्ता हुन् चोरी गरे । प्रहरीको समूह जब श्रीमान् जोन्सको घरमा जान्छन् त उनीहरू प्रहरी समूह बी लाई ढोकामा पाउँछन् जो श्रीमान् स्मिथको शिकायतलाई वैध मान्नबाट अस्वीकार गर्छन् र सरकार ए को प्रशासिनलाई मान्यता दिदैनन् -तब के हुन्छतपाईं आफैं अन्दाजा लगाउन सक्नुहुन्छ ।

सरकारको अवधारणाको उत्पत्तिको अत्यन्त लामो एवं जटिल इतिहास छ । सबै सभ्य समाजमा सरकारद्वारा सही तरिकाले काम गरेका केही उदाहरणहरू छन् । यो आफूले आफैँलाई सरकार र लुटेराहरूको समूहको बीचमा केही अन्तरहरूको मान्यताको परिघटनाको रूपमा व्यक्त गर्छ सरकारलाई "कानून एवम् व्यवस्था को रक्षकको" रूपमा सम्मान एवं नैतिक अधिकार सुनिश्चित गरियो ।

तथ्य यो हो यहा सम्म कि अनैतिक सरकार पनि केही हद सम्म न्याय एवं व्यवस्था कायम राखिराख्न अनिवार्य सम्झन्छ या त स्वभाव वा परम्पराको कारण या आ७३टजद्धणसना अधिकारहरूको केही हदसम्म नैतिक औचित्य ठहर्याउनको लागि जस्तै फ्रान्सका सम्राटले राजाका ईश्वरीय अधिकार को स्तुति गरेका थिए र त्यस्तै गरि सोभियत रुसका आधुनिक तानाशाहहरूले आफ्नो शासनलाई आफ्ना अधीनस्थहरूको नजरमा उचित ठहर्याउनका लागि धन खर्च गरेका थिए ।

मानव जातिको इतिहासमा सरकारको उचित कार्यप्रणालीको ज्ञान हालैको उपलब्धि हो । यो केबल दुईसय वर्ष पुरानो हो र यसको शुरुवात अमेरिकी क्रान्तिको समयबाट भयो । अमेरिकाका संस्थापकहरूले समाजको आवश्यकता र स्वरूपको पहिचान मात्र गरेनन् बरु ती साधनहरूको पनि खोजी गरे जसबाट यसलाई व्यवहारिक रूप दिन सकियोस् । एउटा स्वतन्त्र समाज अन्य कुनै मानविय उत्पादन सरह यादृच्छिक साधनहरूबाट वा केबल इच्छामार्फत वा असल मनसाय भएका नेताहरूबाट प्राप्त गर्न सिकंदैन । स्वतन्त्र समाज बनाउन र यसलाई स्वतन्त्र बनाइराख्नका लागि एक वैध सिद्धान्तहरूमाथि आधारित जटिल न्याय व्यवस्थाको आवश्यकता पर्छ । यस्तो व्यवस्था जो प्रेरणा नैतिक चरित्र वा कुनै निश्चित अधिकारीको इच्छामा निर्भर नहोस् यस्तो व्यवस्था जसमा निरंकुशता फस्टाउने गरि कुनै कानूनी कमीकमजोरी नहोस् ।

अमेरिकाको नियन्त्रण एवं संतुलन व्यवस्था यस्तै एउटा उपलब्धि थियो र यद्यपि संविधानका केही विरोधाभासले आधुनिक राजनीतिक व्यवस्थालाई फस्टाउने केही मौका दियो सरकारका अधिकारहरू सीमित एवं नियन्त्रित गर्ने साधनका रूपमा संविधानको अवधारणा विलक्षण उपलब्धि थियो ।

आज जब यस विषयलाई समाप्त गर्ने सामूहिक प्रयास हुन्छ पर्याप्त रूपमा भन्न सकिइराखिएको छैन कि संविधानले सरकारलाई सीमित गर्छ निजी व्यक्तिलाई होइन । यसले निजी व्यक्तिको आचरणहरूलाई निर्धारित गर्दैन केबल सरकारको आचरणहरूलाई मात्र । यो सरकारी अधिकारहरूको चार्टर होइन बरु सरकारको विरुद्ध नागरिकका लागि नागरिकको संरक्षणको चार्टर हो ।

अब सरकारका आज प्रचलित विचारहरूमा नैतिक र राजनैतिक अवनतिको अधिकतम सीमा माथि विचार गरौं ।

व्यक्तिका अधिकारहरूको रक्षक हुनुकोसाटो सरकार तिनको सबैभन्दा खतरनाक उल्लंघनकारी बनिरहेको छ स्वतन्त्रताको रक्षा गर्नुको साटो दासता स्थापित गरिरहेको छ शारीरिक बल प्रयोग गर्ने वालाबाट रक्षा गर्नुको साटो सरकार आनो मर्जीको कुनै मामलामा कुनै तरिकाले शारीरिक बल र जोर जबरजस्तीको प्रयोग गरिरहेको छ । मानव संबन्धहरूमा निस्पक्षताको उपकरणको रूपमा काम गर्नुको साटो सरकार अनिश्चितता र भयको घातक शासकको रूपमा काम गरिरहेको छ । यसका लागि उसले ती अस्पष्ट कानूनहरूको प्रयोग गरिराखेको छ जसको व्याख्या अधिकारीहरूको स्वेच्छामा छोडि दिइएको छ । व्यक्तिको उच्चखलताले गर्दा हुने अन्यायबाट व्यक्तिको रक्षा गर्नुको साटो सरकार स्वयं पनि अन्यायपूर्ण तरिकाले अधिकार ज्ञापन गरिरहेको छ । यसप्रकारले हामी तीव्र गतिमा उच्चतम अवनति तिर पुग्दै छौं -त्यस्तो अवस्था जहाँ सरकार आ७३टजद्धणसो इच्छाले जे पनि गर्न स्वतन्त्र हुन्छ जबकि व्यक्तिले भने जे पनि गर्नका लागि सरकारको अनुमति लिनु परोस् । यो व्यक्तिको इतिहास सबैभन्दा अन्धकारमय समय हो त्यो अवस्था जहाँ बर्बर शक्तिको शासन हुन्छ ।

प्रायः यसप्रकारको टिप्पणी गरिइन्छ कि आफ्नो भौतिक प्रगतिको बावजुद मानवजातिले त्यसको तुलनामा नैतिक प्रगति गरेका छैनन् । यसप्रकारका टिप्पणीमा मानवप्रकृतिको बारेमा केही निराशावादी निष्कर्ष निकालिन्छन् । यो साँचो हो की मानवजातिको नैतिक अवस्था लज्जाजनक स्तरमा पुगिसकेको छ । तर यदि सरकारहरूको विकराल नैतिक उलटपुलट - परोपकारी सामूहिकतावादी नैतिकताद्वारा सम्भव बनाइएको जस अन्तर्गत मानवजातिले आफ्नो प्रायः इतिहास गुजारेका छन माथि विचार गर्ने हो भने आश्चर्य हुन्छ कि कसरी मानिसले आफ्नो सभ्यतालाई बचाइराख्यो र आफ्नो दिशामा कदम बढाउन जारी राख्यो ।

व्यक्ति राजनीतिक सिद्धान्तहरूको स्वरूपलाई पनि अझ स्पष्ट रूपमा हेर्न शुरु गर्छ जसलाई व्यक्तिको बौद्धिक पुनर्जागरणको संघर्षको हिस्साको रूपमा स्वीकार र समर्थन गरिनुपर्छ ।

Privatization: Need of the hour

Public Enterprises evaluation commission formed by the government to study about the performance of the state owned enterprises presents the dire state of these enterprises. Majority of our public enterprises are running on losses and are burdensome for the state. This state of affairs is an irony to the very objective of establishing such enterprises i.e. provide public with the goods and services at affordable prices and contribute in the economic growth of the nation. Not only these state owned enterprises running on losses are having negative impact on nation's growth but the goods and services they are producing are far from satisfying consumer needs. The commission has rightly advised for different measures for the improvement of these enterprises ranging from selling shares to adapting the private public partnership management to closing down some of them.

Once upon a time

Once upon a time, people all over the world, mostly in the communist countries and the Third world countries used to think, state operated enterprises are the panacea to all the needs of the society. The advent of the cold war saw a massive wave of creation of huge state owned and operated enterprises as well as nationalization of major industries all over the world. However, these ventures disregarded some basic principles of markets and human behaviors and were bound to fail. The basic human nature that says people are self-interested, they care for what they own and whatever belongs to no one falls into disrepair was violated when tax payers' money was used to establish these ventures. As for the people who worked in them, had little or no incentive at all to sustain and grow these enterprises.

Another violation was the principle of markets - for an enterprise to be profitable or sustainable for that matter, it has to work under the law of supply and demand. It has to respond to the signals of the various market forces. Failing to heed to market forces would eventually result in losses and shifting of resources to more efficient sectors. State owned enterprises violated this principle because they were supposed to run on bureaucratic codes and regulations rather than by responding to market signals.

Another major principle violated was the natural tendency of corruption to breed wherever political affairs are involved. State owned enterprises being under the political control no wonder became the breeding grounds for corruption. The result, SOEs all over the world became the breeding ground for corruption and epitome of inefficiency, financial disasters.

However, during the 1980s, under the leaderships of Margaret Thatcher in the UK and Ronald Reagan in the USA, privatization of state owned enterprises gained worldwide momentum. The general trend over a period of time has been lower prices, improved quality, more choices, less corruption, less red tape, and quicker delivery of services. The general trend all over the world has been of liberalization and privatization of most of the public enterprises.

Once in a place

Nepal had its own fair share of public enterprises established during the Panchayat era. During the mid sixties to early eighties, the government invested large sums of money in the establishment and expansion of public enterprises (PE's) in all sector of the economy from banking to trading, public utilities to manufacturing and social service. The concept of privatization came into focus in the sixth

plan review on PE's which showed a bleak picture of the return on the investments done on public enterprises leading to the decision of selling some of the public enterprises. During the 1990s a limited liberalization was done and a number of public enterprises privatized.

Some of the results were increase in choice and living standard of consumers, cheaper and better airlines, better banking services and spurts of various private endeavors. Behind the scene too, the administrative and fiscal burden of the government was reduced to some extent. However, the privatization of some public enterprises such as Raghupati jute mills, Bansbari Tannary Industry, Bhrikuti Paper factory were marred with political controversy generated mostly due to ideological conflict and lack of proper convey of information.

The failure of the then proponents of liberalization to highlight the gains of privatization and the politically controversy made the process come to a halt and hasn't been able to move very far since then.

Current time

More than half of the 36 public enterprises that we have now are operating under losses and the amount of accumulated loss is alarming. Except for a few of them, public enterprises are epitome of corruption, inefficiency and financial disasters. More than 30 percent of the government's initial investment of 86 billion rupees has already been lost. In the fiscal year 065/066 alone, only 4 of the public enterprises paid dividend of Rs. 3 billion and 470 millions to the government which is just about 4.3 percent return on the investment. Some of the public enterprises have even negative net worth owing to the continuous losses over a long period of time. The scenario is a kick on the face of any fiscal prudence.

As most of the functions of these enterprises are being taken up by private sector which is performing pretty well, the dire state of public enterprises is surfacing even more clearly. Take for example the case of state run Janakpur cigarette factory versus private Surya tobacco. Janakpur Cigarette Factory has an accumulated loss of more than a billion rupees and has been operating on loss for almost two decades now. It has more than 1100 staffs. Compare it to Surya tobacco which is one of the largest taxpayer of the country which has about 900 staffs. The scenario is not very different in the case of many of our public enterprises.

The future

As suggested by the Public Enterprises evaluation commission, privatizing and changing the ownership of the ailing public enterprises is the only practical solution for the government. With all the political instability going on and the ineffectiveness of the state being heightened in crucial areas like law and order, justice administration and infrastructure development, reducing the administrative burden of the government is a must for proper functioning of the government. Similarly, reducing the economic burden of public enterprises from the ailing economy of ours could be an important step towards reviving our economy.

As the commission has advised different ways to improve the performances of public enterprises including privatization, public private ownership, cooperative ownership, merging of two or more public enterprises and introducing them to PPP and shutting down, it's very important that the government act on the suggestion quickly and effectively. If the government decides to keep owning and running them

based on some dogmatic ideological principles or pressurized by the vested interest of the group that benefits from the poor performing public enterprises, they will continue to be a drain on our economy.

-Surath Giri

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Question to think about:

Privatization process of Nepal is mired with controversy. However, most of the criticisms of privatization and liberalization are ideological rather than fact based. Do you agree? What your views on it?

Ayn Rand says government is there to protect citizens from harming each other and nothing else. What do you think about this viewpoint? What are the proper roles of an ideal government?

What's your general perspective about the government's intervention in the economy?

Do you agree that state owned enterprises are the breeding grounds of corruption and nepotism and a drain on our economy? What do you think can be done to solve this problem except privatization? Can there be other ways of saving them and make them more efficient?