

## Privatization

The transfer of ownership property of business from the government to the private sector is termed privatization.

The government ceases to be the owner of the entity or business.

The process in which a publicly-traded company is taken over by a few people is also called privatization.

Privatization is considered to bring more efficiency and objectivity to the company is not concerned about. ~~It is~~ something that government company is not concerned about. India went for privatization in the historic reforms. Budget of 1991, also known as "NEW Economic Policy or LPG policy.

Socialism is an economic system where everyone in society equally owns the factors of production. The ownership is acquired through a democratically elected government.

- Mantra - "Each acc. to his ability, to each acc. to his contribution"

### Advantages of Socialism

- Under socialism, workers are no longer exploited.
- All profit are spread equitably among all workers, acc. to contribution.
- The system eliminates poverty.
- Everyone works at what one is best at and what one enjoys.

### Disadvantage of Socialism

- It relies on the cooperative nature of humans to work.
- It negates those within society who are competitive, not cooperative.
- It doesn't reward people for being entrepreneurial and competitive.
- It won't be as innovative as a capitalistic society.
- Gov. set up to represent the masses may abuse its position and claim power for itself.