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## Case Study - 25: Privatization of public services vs Welfare of workers

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The Government has planned the strategic disinvestment of State Road Transportation Corporation in a phased manner by allowing some private companies to ferry buses on marked routes. The outraged workers have called for a strike against the move. You are the head of the workers union of the transport corporation. In a meeting with State officials, they have informed you about the circumstances of inefficiency, corruption and deteriorating quality of service to commuters. You have also presented the worker's viewpoint and their complaints of low payscale and non-payment of salaries from the past few months. A deadlock has occurred between the two parties where no-side is willing to lose. To break the deadlock, the officials offer you a bribe and other perks to comply with the decision of privatisation in a phased manner. State transport services are in a state of peril and there is a huge outcry among the common masses.

(a) Identify the moral dilemma faced by you.

(b) Analyse your role and duties, also suggest your course of action.

### Solution

The given case highlights a common problem with state-run public services and the ongoing privatization of public services.

Facts of the case

Stakeholders involved

Ethical values

- Strike by workers against privatization move.
- Structural problems in the state transport corporation.
- Workers not getting a timely salary.
- Commuters facing hardship as transport services in peril.
- Bribe offered to negotiate.

- Workers
- Transport department officials
- Commuters or the general public
- Self (as head of worker union)
- Political leaders

- Leadership
- Courage
- Fortitude
- Empathy
- Efficiency
- Spirit of service

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## The moral dilemma faced

- **Personal v/s professional ethics:** As an employee of the State transport corporation, one should adhere to the orders of superiors. On the other hand, as a leader of worker union, one should support the demands of fellow workers and even motivate them to continue the strike.
- **Personal interest v/s Community interest:** One may accept the bribe for monetary and personal gains or show conviction towards the duty to uphold the rights of fellow workers.

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## Role and duties of the head of the worker union

- **Upholding the interest of workers:** As a leader of worker union, one must show courage and fortitude to fight for the rights of workers and negotiate with the transport officials. It is the opportune moment to put pressure on the management to address the grievances of the workers.
- **Showing moral righteousness:** Deontological approach of Immanuel Kant suggests that it is immoral to take the bribe and one must adhere to his duty towards the interest of the fellow workers. The worker's faith and trust must not be broken for petty material gains.
- **Showing administrative leadership:** One should be accommodative enough and should even make the workers realize the problems faced by commuters due to the strike. Hence, they must look for early resolution of the problem.

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## The course of action

- **Negotiating with the transport officials:** Good governance can be ensured only by accommodative nature of negotiations without viewing it as a loss of personal prestige. All leaders should engage for a faster and meaningful resolution of the dispute.
- **Ensuring peaceful and legitimate protest:** Everyone has a right to protest in a democracy. However, leaders must ensure that protests are done in a peaceful manner without any unethical means.

- **Attitudinal change by moral suasion:** Workers should be persuaded to call off the strike so that public services can be restored at the earliest.

### Long term measures:

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- **Welfare of workers:** The political leaders should empathize with the employees. All legitimate needs of the workers should be accepted like timely payment of wages, providing basic insurance facilities, etc.
- **Resolving state budget constraints:** Arrangements must be made to augment the transport department budget through alternate means considering its importance for the general public.
- **Regulation of services:** Privatization is needed to increase efficiency. However, privatisation of transport services, unless well regulated, can lead to unhappy outcomes such as a rise in accidents, and unruly driving and behaviour. Hence, if the sector is privatized, it must be duly regulated.