H. Malcolm. *Public Services through Private Enterprise: Micro-Privatisation for Improved Delivery*. New Delhi: Vistaar Publications, 2000. 371 pages. Hardbound. Indian Rs 450.00.

The book begins with a comparison of the availability of public and private goods: "Cigarettes and soft drinks are available in just about every village but clean water, primary education or health services are not". (Page 13). This thought-provoking statement by the author focuses the reader's attention directly on the main subject of the book: the issue of private versus public management.

The public sector is responsible for providing public services, i.e., delivery of those goods and services which the private entrepreneur is reluctant to provide. Consequently, the supply of those services is grossly inequitable and irregular, particularly in developing countries. One can find understaffed and ill-managed schools, polluted water, poor and unsafe means of transport and communication in such countries. People who are really in need of such services are deprived of them. For instance, often state primary schools are located in places where most of the population send their children to private schools. Public health units are available in areas where most of the people use private clinics. Electric power may be cut off for an hour in the richer parts of a city, but in the rural areas it is available for much shorter periods of time.

The above divide between the rich and the poor areas can be attributed to "the injustice of the system", where poorer people are the least well-served. The underlying reasons are the social, economic, and cultural distance between the poor, on the one hand, and the decision-makers sitting in government, on the other. These decision-makers protect their own interests by following an inequitable and irrational distribution of resources. It is scarcely believable that they would deprive themselves of the use of heavily subsidised services, particularly when their real wages are falling due to inflation. One popular solution to the crises in public service is privatisation. Private enterprises are believed to be more efficient than public enterprises. But the results of privatisation are very unclear. However, the author does not consider privatisation as the sole measure for improving financial performance. He introduces the concept of "Micro Privatisation" and views it as a better approach to improving the delivery of public services. In his opinion, a nation's economy should be under the control of the state for technical, economic, financial, and political reasons. However, in micro privatisation, the government body hands over a part of its services to a private intermediary. This not only creates efficiency in the system but also ensures timely delivery of services to the public.

The author presents 24 case studies on micro privatisation to defend his argument. These case studies form the core of this book. These are classified in 7 categories, i.e., urban services, utilities, agricultural services, health, welfare, parking services, transport, and education. Each case study attempts to illustrate the human side of the transition from public to private provision. Out of 24 cases, micro-privatisation has proved to be profitable in 18 cases; while in 6 cases marginal costs are recovered and the remaining 5 cases were running in losses.

From these 24 case studies the author deduces some important implications. The findings of these case studies imply that an activity needs to be micro-privatised due to management difficulties, social and physical outreach, and lack of finance. The public service providers can initiate the process of micro privatisation with the help of Non-government Organisations (NGOs), donors, or the community. After the micro privatisation of any activity, the role of the public provider is to regulate and monitor the activities of the enterprise, provide subsidies and loan guarantees, and supply goods, equipment, and other facilities. This lightens the management burden of the public service providers, increases cost effectiveness, and ensures better outreach. All these elements improve the image of the public service providers. For an enterprise, micro privatisation brings more job opportunities, increased income, improved skills, and job satisfaction to its employees. Therefore, clients enjoy more choice, effective accessibility, and delivery of services.

Thus, the case for micro privatisation seems to be undeniable for many activities. When the state fails even to maintain the law and order situation in a country, how can it efficiently manage its other responsibilities such as telephone services or garbage removal? So, one can say that micro privatisation is an alternative: to reduce cost, improve services, and create jobs.

The introduction of micro privatisation may face opposition from the public sector. The public sector is an institution which is judged by its size and power rather than its profitability. It would never like to give up any of its activities which curtail its power or size. Those who want to introduce micro privatisation must recognise this reluctance and find solutions to deal with it effectively.

The author also points out the ways for increasing the effectiveness of micro privatisation. He suggests the maximum involvement of the community or clients in the process. Moreover, the process should be transparent and able to create competition between enterprises. By following this path, the development of local monopolies can easily be avoided. Micro enterprises should be allowed to cover their costs and make a reasonable profit, and public services should be marketed rather than provided free of cost. The users of these services must be regarded as customers regardless of whether the services are subsidised or free.

In short, the book is an effective effort to assemble and present the material on micro privatisation. It is written so that the readers can quickly grasp the main idea or theme. Some financial information on the side-effects of privatisation is also given in the book. The states of Orissa and Andhra Pradesh in India are over-represented with reference to micro privatisation just because of the presence of existing contacts. The inclusion of examples from Europe and the United States shows that this strategy is practised far and wide and is not confined to developing countries only. However, the book covers a very small range of public services. As the services vary from country to country, some readers may get the impression that micro privatisation is unnecessary in their country, but the application of the method can be broadened.

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