

GLOBAL ENTERPRISES

- Global enterprises are the companies which functions all around the world. they are characterized by their huge size, large number of products, advance technology, marketing strategies and network of operations all over the world.
- Global enterprises thus are huge industrial organizations which extend their industrial and marketing operations through a network of their branches in several countries.
- example--- MNCs

Features of Global Enterprises

1. Huge capital resources– issue of equity shares, debentures, bonds, financial institutions and international banks.
2. Foreign collaboration
3. Advanced technology
4. Product innovation
5. Marketing strategies
6. expansion of market territory
7. Centralized control

JOINT VENTURES

- A joint venture is a project or enterprise in which multiple companies or individuals invest.
- A joint venture is the pooling of resources and expertise by two or more businesses, to achieve a particular goal.
- The risk and rewards of the business are also shared.
- The reason behind the joint venture often include business expansion, development of new products or moving in to new markets, particularly in another company.
- Example – Sony-Ericsson

Benefits of joint ventures

1. Increased resources and capacity
2. Access to new markets and distribution networks
3. Access to technology
4. Innovation
5. Low cost of production
6. Established brand name

CHANGING ROLE OF PUBLIC SECTOR

Following points highlight the changing role of public sector:-

1. Development of infrastructure
2. Regional balance
3. Check over concentration of economic power
4. Import substitution—Its government trade and economic policy which advocates replacing foreign imports with domestic production. Example- replacement of some agricultural or industrial imports to encourage local production for local consumption.

5. Government policy towards the public sector since 1991: _

- a. Reduction in the number of industries reserved for the public sector from 17 to 8 (and then to 3):-
 - In 2001, only three industries were reserved for the public sector. These are atomic energy, arms, and rail transport.
 - This meant that the private sector could enter all areas (except the three) and the public sector would have to compete with them.

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b. Disinvestment of shares of a select set public sector enterprises:-

- Disinvestment involves the sale of the equity shares to the private sector and the public.
- The government had taken a decision to withdraw from the industrial sector and reduce its equity in all undertakings.

c. Policy regarding sick units to be the same as that for the private sector:-

- All public sector units were referred to the Board of Industrial and Financial Reconstruction to decide whether a sick unit was to be restructured or closed down.

d. Memorandum of understanding:-

- Improvement of performance through a MoU system by which management are to be granted greater autonomy but held accountable for specified result.
- Under this system, public sector units were given clear targets and operational autonomy for achieving those targets.