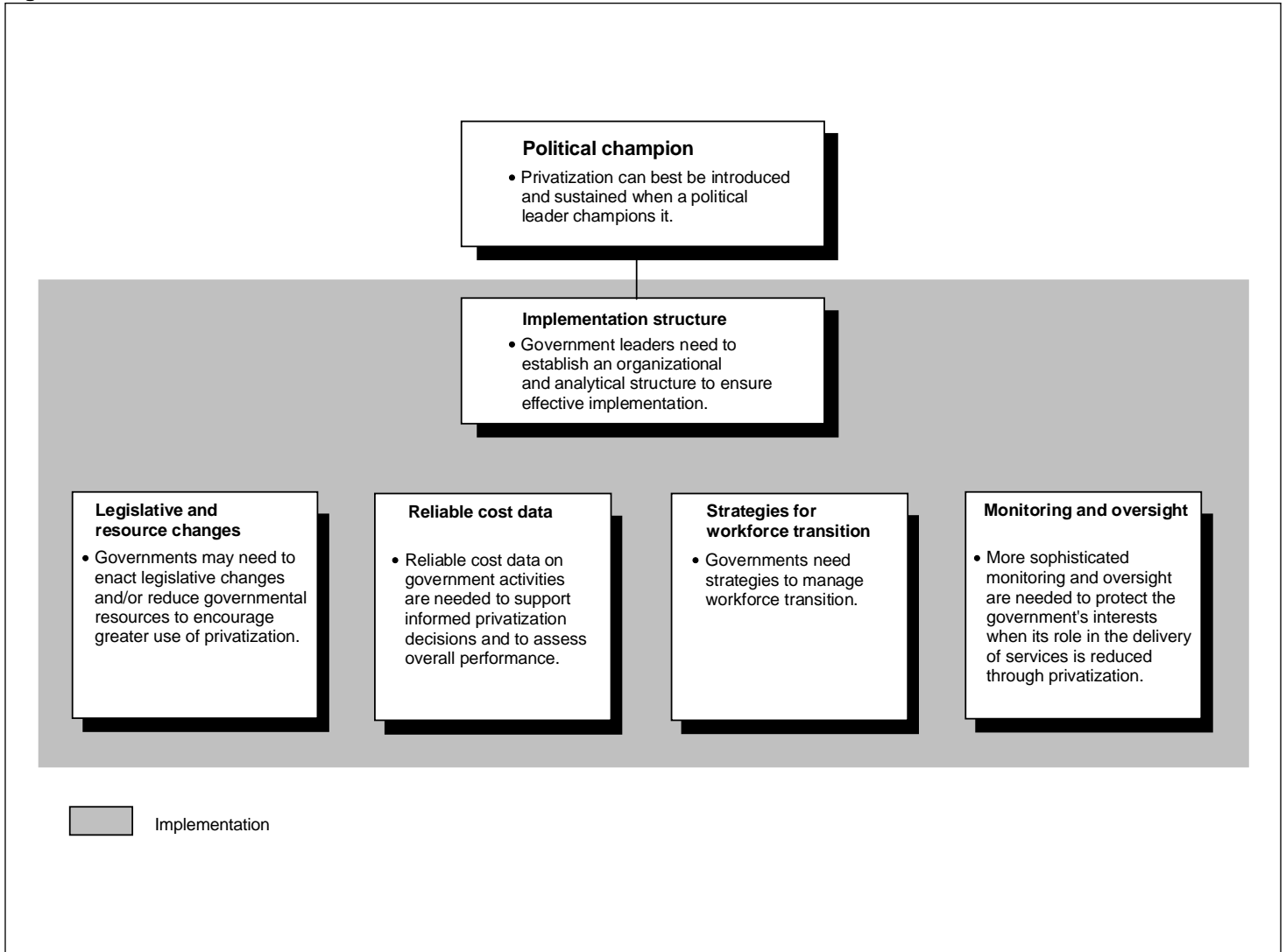

March 1997

PRIVATIZATION

Lessons Learned by State and Local Governments



Figure 1: Lessons Learned From Our Review of State and Local Privatization Efforts



Source: GAO analysis.

First of all, privatization can best be introduced and sustained when there is a committed political leader to champion it. In the six governments, a political leader (the governor or mayor), or in one case several leaders working in concert (state legislators and the governor), played a crucial role in introducing privatization. These leaders built internal and external

**Appendix I
Forms of Privatization and Frequency of
Use in State Programs and Services**

Agencies' frequency of use						Average by form of privatization
Education	Health	Mental Health/ Retardation	Social Services	Transportation		
81.29%	69.57%	64.67%	71.32%	83.51%	78.06%	
8.63	14.13	15.63	12.48	4.50	8.48	
0.72	4.89	5.35	9.31	0.43	4.11	
1.44	3.26	3.64	2.98	5.35	3.32	
5.04	5.43	3.85	2.23	2.57	2.95	
0.72	.00	2.57	0.19	1.28	0.96	
1.44	1.09	1.71	0.37	1.50	0.91	
0.72	1.09	0.86	0.74	0.43	0.58	
.00	0.54	1.50	0.37	0.21	0.46	
.00	.00	0.21	.00	0.21	0.17	

Source: State Trends and Forecasts: Privatization, Council of State Governments, 1993.