

Teacher - Ravi Shankar Ray Sub-Economics

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Class - B.A-II

Public Sector in Indian economy

In India, a public sector company is that company in which the Indian Government or state Government or any Territorial Government owns a share of 51% or more.

Currently there are just three sectors left reserved only for the government i.e. Railways, Atomic energy, and explosive material. Private sectors/players are not allowed to operate in these sectors.

Before the independence of the India, there were only few public sector companies in the country. This includes, Indian railways, The posts trusts, the post and telegraph, All India Radio and the ordinance factory are some of the major examples of the country's public sector enterprises.

However, post Indian independence, some policies, for the development of the socio-economic status of the country were planned out by the then visionary leaders, where the public sector were used as ~~the~~ a tool for the self-reliant growth of the nation's

economy.

— This was the reason of the second five year plan of India was solely based on the development of the different industries; Till 1990s, major sectors of the economy were reserved only for the Government, this caused the great loss of our precious natural resources and the whole country trapped into the great economy problem. From the very first five year plan till 1980s, our country grows ~~with~~ with the average rate of 3.5% per year (which is called Hindu rate of growth by prof. Rajkrishna)

But later on the in 1991, July, our new economic policy was launched under the leadership of MR. Manmohan Singh & P.V. Narasimha Rao.

* The main objectives of this new economic policy were —

1. To maintain a sustained growth in productivity.
2. To enhance gainful employment.
3. To achieve optimum utilization of human resources.
4. To transform India into a major ~~partner~~ partner and player in the global arena.
5. To take out Indian economy from the vicious circle of poverty.
6. Open the India economy to interact openly with the rest of the world.

The main result of this new policy was that reserved sectors were opened for the private players. public sectors were not able to operate at its optimum pace.