

* Objectives :- The public sector aims at achieving the following objectives: —

To promote rapid economic development through creation and expansion of infrastructure —

- To generate financial resources for the development.
- To promote redistribution of income and wealth.
- To create employment opportunities.
- To promote balanced Regional growth
- To encourage the development of small-scale and ancillary industries.
- To accelerate export promotion and import Substitution.

* Role of the public sectors in the development of the country is explained below:—

- 1) public sector and capital formation \Rightarrow the role of public sector in ~~total~~ collecting savings and investing them during the planning years has been very important. During the first and second five year plan it was 54% of the total investment, which declined to 24.6% in the 2020-11.
- 2) Employment generation \Rightarrow public sector has created millions of jobs to tackle the unemployment problem in the country. The number of persons employed in the as on March 2011 was 150 lakh. public sector has also contributed a lot towards the improvement of working and living condition of workers by saving as a model employer.
- 3) Balanced Regional Development \Rightarrow public sector undertakings have located their plants in backward

parts of the country. These areas lacked basic industrial and civic facilities like electricity, water supply, township and manpower. public enterprises have developed these facilities thereby bringing about complete transformation in the socio-economic life of the people in these regions. Steel plants of Bhilai, Rourkela and Durgapur, fertilizer factory at Sindri are few examples of the development of backward regions by the public sector.

4) Contribution to public exchequer \Rightarrow Apart from generation of internal resources and payment of dividend, public enterprises have been making significant contribution to the government exchequer through payment of corporate taxes, excise duty, custom duty etc. gross internal Resources generation in 1990-2000 was 36000 cr which rose 111000 cr in 2008-09, while net profit was 92077 cr in 2010-11.

- 5) Export promotion and Foreign Exchange Earnings: —
Some public enterprises have done much to move India's export. The State Trading Corporation (STC), The Minerals and Metals Trading Corporation (MMTC), Hindustan Steel Ltd., The Bharat Electronics Ltd. The Hindustan Machine Tools, etc. have done very well in export promotion.
- 6) Import Substitution: — Some public sector enterprises were formerly imported and thus to save foreign exchange. The Hindustan Antibiotics Ltd., the Indian Drugs and Pharmaceuticals Ltd., the Bharat Electronics Ltd., etc. have saved foreign exchange by way of import substitution.
- 7) Promotion of Research and Development \Rightarrow As most of the public enterprises are engaged in high technology and heavy industries, they have undertaken research and development programmes in a big way. Public sector has laid strong and wide base for self reliance in the field of technical know-how, maintenance and ~~wide base~~ operation of sophisticated industrial plants, machinery and equipment in the country. Expenditure on research and development reduces the cost of production.