

Q10 → what do you mean by mixed economy  
what is the impact of mixed economy  
in India?

Ans → Mixed Economy :-

Mixed economy is an economic system that includes a mixture of capitalism and socialism. This type of Economic system includes a combination of both 'Private Economic freedom' and 'centralized Economic Planning & government Regulation'.

In a mixed economy, a part of economy is left to the 'Free market' and part of it managed by the government. All modern economic are mixed where the means of production are shared between the 'Private' and 'Public sectors'. It is also called dual Economy.

Mixed economies start from the basis of allowing 'Private Enterprise' to run most business. Then, the government ~~intervene~~ intervenes in certain areas of the economy, such as providing 'Public services' like health, education, waste management. And the regulation on private business. 3

## Impact of mixed Economy in India

Before Independence, Indian economy was a 'laissez faire' economy. But Post - independence, she adopted the mixed economy system.

Thus, it is clear from the following arguments - that our economy is a mixed economy.

### (i) Coexistence of Public & Private sectors:

The coexistence of large Public sector with big Private sector has transformed ~~that~~ the economy into a mixed economy.

### (ii) Planned development:

India has a poor industrial base at the time of Independence. A long period of economic stagnation under British rule had weakened the Indian Economy. Hence 5-year Plan have been adjusted along with the Directive Principles of State Policy to rebuild the rural economy.

4ii) Plan objective:

In 1951, Five year Plan was started in India and we are going with the eleventh Five year Plan.

The basic objective of these Plans are summarised as:

- (a) Economic growth
- (b) modernisation
- (c) self-reliance
- (d) social-justice