

SECTION – 3

QUESTION-1.

ANSWER:-

Role of Private sector and Public sector in Business environment:-

Public sector and **private sector** plays significant **role** in achieving **economic** growth of a nation. An effect of their **function** is noticed on the achievement of country's socio-**economic** development. However, both the **sectors** are still under developed in terms of financial, human resources, efficiency and management.

Role of Private Sector:-

The private sector is a key stakeholder in both urban and economic development, being a major contributor to national income and the principal job creator and employer. The private sector provides around 90% of employment in the developing world (including formal and informal jobs), delivers critical goods and services and contributes to tax revenues and the efficient flow of capital. Further, it will undertake the majority of future development in urban areas. It is increasingly being encouraged to help leverage the opportunities, and mitigate the challenges, of rapid urbanisation (see Topic Guides on State Business Relations, Sen 2015; and Inclusive Growth, Alexander, 2015). Private sector actors are perceived as playing a role in urban governance: they influence whether urban areas develop in inclusive and sustainable ways, and they affect poverty reduction and drivers of fragility and conflict such as unemployment, exclusion and instability.

develop and maintain infrastructure and services;

promote and expand existing businesses;

address inefficiencies in the local economy;

promote human capital development, to help vulnerable groups especially to participate in the labour market;

encourage community development by promoting community business and co-operatives, local exchange systems and informal credit etc.;

promote small, micro and medium enterprises (SMME) through supply-side measures (training, provision of space and facilities for commercial activity etc.) and demand-side measures (reforms to procurement policy to ensure access for SMMEs to contracts);

attract investment in the city.

Roles of Public Sector:-

The role of the public sector includes the following;

It oversees the economic development of the country

It provides employment in the power sector and also acts as a model employer in terms of staff welfare matters.

It encourages balanced regional development as government services are available in remote areas

The public sector provides the necessary infrastructure in terms of roads, railway, airports, and hospitals which are necessary to support the economic development of the country.

The sector provides public services to the society and it is not driven by the profit motive.

It is responsible for keeping economic development on the right course and therefore it can take corrective action in case need arises,

Socialism:-

Socialism is a political, social, and economic philosophy encompassing a range of economic and social systems characterised by social ownership of the means of production and workers' self-management of enterprises. It includes the political theories and movements associated with such systems.

Example of Socialism:-

The former Soviet Union is an **example** of a **socialist** system. Cuba is an **example** of a **socialist** nation. Its economy is state run and it lacks a stock exchange. The country of North Korea is a **socialist** state, lacking a stock exchange, supporting many social programs, and the economy is state-run.