

Section - 3

3-1

- Public sector is that portion of an economic system that is controlled by national, state or local government.
- The composition in most countries it includes, defence, public health, public, education etc.
- The main intention of the public sector is to provide quality services and product to the citizens.

Ex:- SAIL, INDIAN OIL CORPORATION, COAL INDIA

Private Sector

- The private sector is part of a country's economic system that is run by individual or group of individuals.
- The most private sector organizations are run with the intention of making profit.
- The capital are arranged by the owners.
- It is managed without any government participation.

Ex:- TATA CONSULTANCY SERVICE, ICICI BANK LIMITED.

Role of Public Sector

- Helps in rapid economic growth.
- To earn return on investment.
- For the development of infrastructure.
- To Act as effective competition to other private sector.

Role of Private Sector

- To provide adequate competition.
- To generate more employment opportunities.
- To reduce political interference.
- To increase the standard of living of the people.

Socialism

Socialism is an economic system where everyone in society equally owns the factors of production.

The ownership is acquired through a democratically elected government.

- Mantra - "Each acc. to his ability, to each acc. to his contribution"