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FEATURES OF PUBLIC ENTERPRISES

(i) Financed by Government:

Public enterprises are financed by the government. They are either owned by the government or majority shares are held by the government. In some undertakings private investments are also allowed but the dominant role is played by the government only.

(ii) Government Management:

Public enterprises are managed by the government. In some cases government has started enterprises under its own departments. In other cases, government nominates persons to manage the undertakings. Even autonomous bodies are directly and indirectly controlled by the government departments.

(iii) Financial Independence:

Though investments in government undertakings are done by the government, they become financially independent. They are not dependent on the government for their day- to-day needs. These enterprises arrange and manage their own finances. An element of profitability is also considered while pricing their products. It has helped the enterprises to finance their growth themselves.

(iv) Public Services:

The primary aim of state enterprises is to provide service to the society. These enterprises are started with a service motive. A private entrepreneur will start a concern only if possibilities of earning profits exist but this is not the purpose of public enterprises.

(v) Useful for Various Sectors:

State enterprises do not serve a particular section of the society but they are useful for everybody. They serve all sectors of the economy.

(vi) Direct Channels for Using Foreign Money:

Most of the government to government aid is utilised through public enterprises. Financial and technical assistance received from industrially advanced countries is used in public enterprises.

(vii) Helpful in Implementing Government Plans:

Economic policies and plans of the government are implemented through public enterprises

(viii) Autonomous or Semi-autonomous Bodies:

These enterprises are autonomous or semi-autonomous bodies. In some cases they work under the control of government departments and in other cases they are established under statutes and under Companies Act.

Role Of Public Sector Enterprises

1. Capital Formation: The Public Sector has been one of the biggest reasons for the generation of capital in the Indian economy. A large amount of the money generated in the economy is because of the public sector.
2. Employment Opportunities: The Public Sector has brought about a significant change in the employment sector of the economy. It provides the citizens with many employment opportunities in

various sectors of the economy. These opportunities help in the upliftment of the citizens and the economy.

3. Development of Regions: Public Sector Undertakings majorly consist of factories and plants that can boost the different regions' socio-economic development. The inhabitants of the parts benefit from the establishment of these.
4. PSUs. They benefit in ways like facilities like electricity, water supply and township.