

## Public Sector Enterprises

### Comparative View of Public Sector Enterprises

<b>Sr. No.</b>	<b>Departmental Undertaking</b>	<b>Public Corporations</b>	<b>Government Companies</b>
Establishment	By Ministry	By Parliament	By Ministry with or without private participation
Legal status	No Separate entity	Separate entity	Separate corporate existence
Capital	Provided out of budgetary appropriation	Provided wholly by Government	Part of it provided by Private entrepreneurs
Management	Government official from ministry concerned	Board of Directors	Board of Directors may include private individual
Control and Accountability	Minster and Ministry concerned	Parliament	Government
Autonomy	No Autonomy	No Governmental interference	Some freedom from governmental interference
Suitability	Defense, Public utilities	Heavy industries and service providing enterprise	All types of industrial and commercial enterprises

*COMPARATIVE VIEW OF PUBLIC SECTOR ENTERPRISES*

Table title: Comparative view of Public Sector Enterprises

Table description: Showing table of comparative view of Public Sector Enterprises

## Importance of Public Sector Enterprises

- Government establishes its enterprises only for some selected areas for a balanced development of the economy and promote public welfare.
- Obtained only after a long period as in case of generation and supply of electricity, machine building, construction of dams, etc.
- Private businessmen hesitate to establish their enterprises in these areas but they cannot be disused in public interest.
- Help in balanced regional development by promoting industries in every part of the country.

For example, with the establishment of Bhilai Steel Plant in Madhya Pradesh, several new small industries have come up in that state.

- Industrial progress is of utmost importance for the development of the country.
- Production of heavy electrical goods, etc are to be fully developed.
- Development of public enterprises also prevents concentration of economic power in the hands of an individual, or a group of individuals.
- Help in reducing inequalities with the help of various policies like utilizing the earned profits in public welfare activities.
- Necessary for the economic progress of the country.
- Public enterprises also ensure promotion of such industries.
- Major goals achieved through public enterprises:
  - Public welfare
  - Planned economic development of the country
  - Regional balance
  - Import substitution
  - Checking concentration of economic powers

## Current Scenario:

- Public sector enterprises occupy an important place in the Indian economy.
- **At the time of independence:** Very few public sector enterprises in our country.
- **After getting independence:** Government felt that if the country needs to speed up its economic growth, then state's intervention in all sectors of the economy is inevitable.
- **First five-year plan (1951):** Government's investment was Rs. 29 crores in 5 central public sector enterprises.

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- **During 2004-05:** Their contribution to the central exchequer was Rs. 1,10,599 crores.
- **On 24 July 1991:** Government of India announced its Industrial policy to improve the performance and portfolio of public sector enterprises.
- **In July 1997:** Government identified nine central public sector enterprises as 'Navaratnas'.
- **In October 1997:** Government granted enhanced autonomy and delegation of financial power to some other profit making public sector enterprises.
- **Till 30 March 2006:** Government has approved revival plan of 15 cases