

- 5) Export promotion and Foreign Exchange Earnings: —
Some public enterprises have done much to move India's export. The State Trading Corporation (STC), The Minerals and Metals Trading Corporation (MMTC), Hindustan Steel Ltd., The Bharat Electronics Ltd. The Hindustan Machine Tools, etc. have done very well in export promotion.
- 6) Import Substitution: — Some public sector enterprises were formerly imported and thus to save foreign exchange. The Hindustan Antibiotics Ltd., The Indian Drugs and Pharmaceuticals Ltd., The Bharat Electronics Ltd., etc. have saved foreign exchange by way of import substitution.
- 7) Promotion of Research and Development ⇒ As most of the public enterprises are engaged in high technology and heavy industries, they have undertaken research and development programmes in a big way. Public sector has laid strong and wide base for self reliance in the field of technical know-how, maintenance and ~~wide base~~ operation of sophisticated industrial plants, machinery and equipment in the country. Expenditure on research and development reduces the cost of production.

* problem of public sectors: -

→ poor policy making and its execution.

→ over staffing.

→ wastage of resources or, under utilization of resources.

→ Higher operating cost.

→ Lack of motivation for self improvement.

→ Lack of proper price policy.

* conclusion: -

The expansion of the public sector was aimed at the fulfillment of our national goals i.e. The removal of poverty, the attainment of self reliance, reduction in inequalities of income, expansion of

of employment opportunities, removal of regional imbalances, acceleration of the pace of agriculture and industrial development, to reduce concentration of ownership and prevent growth of monopolistic tendencies by acting as effective countervailing power to the private sector, to make the country self-reliant in modern technology and create professional, technological and managerial cadres so as to ultimately rid the country from dependence on foreign aid. But these motives could not be achieved up to the desired extent. That is why government is on the spree of privatization of these enterprises.

The end
Ravi Shanker Ray