


THE SIGNIFICANCE, ROLE, AND NEED FOR PUBLIC SECTOR ENTERPRISES IN ECONOMIC GROWTH

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 26 September 2022</p> <p>Accepted 25 November 2022</p>	<p>Purpose: The purpose of this article is to investigate the role that the public sector plays in the process of creating financial resources for economic growth and employment opportunities.</p> <p>Theoretical framework: One technique to envision the public sector is as an ascending ring of institutions, with the central government at the center, followed by agencies and public corporations. Companies that are either directly or indirectly affiliated with the government and are publicly traded surround the ring.</p> <p>Design/methodology/approach: This is descriptive based study. In this research paper we survey on random sample of private sectors companies data.</p> <p>Findings: As a result, it offers job prospects, which adds to the increase of a nation's financial resources. The public sector is the component of the global economy responsible for supplying important services such as infrastructure, public transit, education reform, and security services such as the military and law enforcement.</p> <p>Conclusion: The scope of government action can now be described in relation to the whole economy. Just one example of the various ways in which the public sector can contribute to economic development is the provision of health and educational services by the public sector, which combined make up a large percentage of the Human Development Index.</p>
<p>Keywords:</p> <p>Public Sector; Economic Growth; Global Economy.</p> <div data-bbox="172 891 480 1137" style="text-align: center;">  </div>	<p>Doi: https://doi.org/10.26668/businessreview/2022.v7i5.e582</p>

O SIGNIFICADO, PAPEL E NECESSIDADE DAS EMPRESAS DO SETOR PÚBLICO NO CRESCIMENTO ECONÔMICO

RESUMO

Objetivo: O objetivo deste artigo é investigar o papel que o setor público desempenha no processo de criação de recursos financeiros para o crescimento econômico e as oportunidades de emprego.

Estrutura teórica: Uma técnica para visualizar o setor público é como um círculo ascendente de instituições, com o governo central no centro, seguido por agências e empresas públicas. Empresas que são afiliadas direta ou indiretamente ao governo e que são negociadas publicamente rodeiam o anel.

Design/metodologia/abordagem: Este é um estudo de base descritiva. Neste trabalho de pesquisa, pesquisamos uma amostra aleatória de dados de empresas do setor privado.

Descobertas: Como resultado, oferece perspectivas de emprego, o que contribui para o aumento dos recursos financeiros de uma nação. O setor público é o componente da economia global responsável pelo fornecimento de serviços importantes, como infra-estrutura, trânsito público, reforma educacional e serviços de segurança, como os militares e a aplicação da lei.

Conclusão: O escopo da ação governamental pode agora ser descrito em relação a toda a economia. Apenas um exemplo das várias maneiras pelas quais o setor público pode contribuir para o desenvolvimento econômico é a

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prestação de serviços de saúde e educação pelo setor público, que combinados constituem uma grande porcentagem do Índice de Desenvolvimento Humano.

Palavras-chave: Setor Público, Crescimento Econômico, Economia Global.

LA IMPORTANCIA, EL PAPEL Y LA NECESIDAD DE LAS EMPRESAS DEL SECTOR PÚBLICO EN EL CRECIMIENTO ECONÓMICO

RESUMEN

Objetivo: El propósito de este artículo es investigar el papel que desempeña el sector público en el proceso de creación de recursos financieros para el crecimiento económico y las oportunidades de empleo.

Marco teórico: Una técnica para visualizar el sector público es como un anillo ascendente de instituciones, con el gobierno central en el centro, seguido por las agencias y las empresas públicas. Las empresas directa o indirectamente afiliadas al gobierno y que cotizan en bolsa rodean el anillo.

Diseño/metodología/enfoque: Se trata de un estudio descriptivo. En este trabajo de investigación se realiza una encuesta sobre una muestra aleatoria de datos de empresas del sector privado.

Resultados: El sector público es el componente más importante de la economía nacional, ya que ofrece perspectivas de empleo, lo que contribuye a aumentar los recursos financieros de la nación. El sector público es el componente de la economía global responsable de suministrar importantes servicios como las infraestructuras, el transporte público, la reforma educativa y los servicios de seguridad como el ejército y las fuerzas del orden.

Conclusión: El alcance de la acción gubernamental puede describirse ahora en relación con el conjunto de la economía. Un ejemplo de las diversas formas en que el sector público puede contribuir al desarrollo económico es la prestación de servicios sanitarios y educativos por parte del sector público, que combinados constituyen un gran porcentaje del Índice de Desarrollo Humano.

Palabras clave: Sector Público, Crecimiento Económico, Economía Global.

INTRODUCTION

PUBLIC SECTOR

The public sector is a segment of the economy that includes all organisations owned & operated through the government. This sector includes schools, hospitals, & other public services. This covers all public buildings, such as classrooms and hospitals, as well as bridges and roadways. The main goal of the public sector is to provide services that are deemed to be important for a society's health & prosperity. The majority of the time, these services is offered at no cost or at a cost that has been reduced. (Lopes & Farias 2022) The public sector is increasingly turning to collaborative innovation as a strategy for tackling difficult problems and boosting its overall efficiency. The role that the public sector plays in ensuring the efficient operation of our society is of the utmost importance. It offers vital services that are important for the continued health of our communities and is therefore crucial. Additionally, a significant contribution is made by the public sector toward the promotion of economic growth and security. The purpose of the public sector has changed dramatically over history. A trend toward privatisation and the outsourcing of publicly provided services has emerged over the course of the past few years. This has resulted in a reduction in the size of the public sector while simultaneously leading to a rise in the number of organisations in the private sector that are

delivering services that were before regarded as belonging to the public sphere. The public sector is the part of the economy that has all government levels & government-controlled firms. Households, non-profit organisations, and private businesses are not included in this study.

The common definition of the public sector involves government ownership or control rather than mere function, & as a result, it involves activities like exercising public authority & implementing public programmes. It is evident how the public & private sectors vary in terms of employment relationships and the right to exercise public power. This contrast can be seen the public sector is legally required to provide certain services. The next ring contains a variety of quasi-governmental agencies, all of which are, nevertheless, situated outside of the direct chain of accountability inside the government. Funds for social security and regional development are two examples of this type of organisation. State-owned businesses, which are typically identified by the government's ownership of the company or by the government's ownership of the majority of the shares, populate the outermost circle. The provision of essential goods & services to individuals, the encouragement of economic growth, and the defence of the rights and interests of more vulnerable members of society are the primary goals of the public sector. (Kapila 2009) The government sector, micro and small businesses, shifting agrarian structures, advances in agricultural technology, and recent economic developments are all topics that will be covered.

PUBLIC SECTOR REFORMS IN INDIA

PSUs, which stand for "public sector undertakings," are organisations that play an essential position in the economic growth & modernization of every nation. (Roushan& Ahmad 2018) When we talk about "the public sector," we're referring to any business that's owned by the government, whether it's a corporation or an institution or organisation that's been nationalised. Common names for India's public sector include Public Sector Undertaking, Public Sector Unit, and Public Sector Enterprise. These establishments or organisations may be wholly or partially controlled by either the state or central governments of India. If it is controlled by the government, it is referred to State Public Sector Undertaking or State Public Sector Enterprise. If it is held by the central government, it is referred to as a CPSU, which stands for Central Public Sector Undertaking, or CPSE (Central Public Sector Enterprise). Motivation to serve the public, job security, & a pleasant working environment were cited as the top three reasons for Indian leaders' decision to remain employed in PSUs (Gupta et al., 2018). There have been four positive developments in regard to the reform of India's public sector firms during the course of the past six years. The Governor of the RBI, Dr. Bimal Jalan,

believes that the partial disinvestment of equity in a chosen group of businesses is going to be the most important development for the foreseeable future. However, in the vast majority of instances, the level of disinvestment is rather minor (less than even 20 percent of equity). However, there is little question that this is a significant first step in the process of commercialising businesses and making them subject to the scrutiny and accountability of the public. Second, businesses in the public sector, such as commercial banks, are being urged to seek new equity funding directly from members of the general public rather than relying on financial assistance from the government. (Madray 2020) PSUs, which stand for public sector undertakings, are organisations that play a key role in the expansion & economic development of any country. Motivation to serve the public, job security, and a pleasant working environment were cited as the top three reasons for Indian leaders' decision to remain employed in PSUs. (Lad &Ghorpade 2022) the Indian banking sector contributes to the country's capital formation, innovation, and money supply. (Ali 2022) banking sector is one of India's most fundamental and important service industries, and it currently attracts the largest investment market in Asia. (Alam et al., 2021) When it comes to the expansion of a country's economy, the banking industry is absolutely essential. Today, the banking industry focuses more on providing efficient services to clients. The Indian banking system is comprised of public sector, and financial institutions whose mission is to fulfil the financial and economic requirements of the people. If this strategy is implemented correctly, the ability of businesses to raise money from the general public will determine the extent to which those businesses can grow in the future. The degree to which this is determined by their financial performance is something that is, of course, an open question. Thirdly, public sector monopolies, often known as "natural monopolies," are being pushed to compete with emerging private businesses in most industries as a result of increased market competition. According to Dr. Jalan, "A competitive environment is a required, though not necessary requirement for efficient resource utilization by firms." However, this requirement alone is not sufficient. Fourthly, there are moves being made to make the institutional link between the government and commercial businesses more contractual and less ad hoc. These moves are being made in order to strengthen the partnership between the two. Over the course of the last few years, the Central Government has signed a memorandum of undertaking with more than one hundred different business enterprises. The Indian PSU goes through the revolutionary change management process, and it is up to the reader to assess the success of the company's approach & strategy in this area. (Lather et al., 2021) fact should be taken into consideration. There is no question that a formal and contractual relationship, as opposed to an informal and ad hoc system of supervision and control, is more

favourable to improved levels of performance. (Awasthi et al., 2022) use the concept of institutional elasticity to explain institutional reversion & explain the 3 boundary conditions—the rate of change, the scope of change & the field-level artist constellations—that have impacts for the association among governmental elasticity & institutional reversion. (Baa 2022) Reforms of public-sector firms have influenced industrial expansion and organisational performance. Currently, the Indian public sector and markets require digitalization. (Garg & Agarwal 2022) Digital India initiatives have changed the Indian market into a digitally empowered knowledge economy. The increasing productivity of government organisations has been the subject of much debate, criticism, & controversy. (Mohan& Varughese 2009) It is a well-known fact that good administration and development of government-owned public sector enterprises in India can significantly contribute to the economic progress of the nation. (Vartak 2018) commercial dynamics of today's market have shifted, necessitating a greater emphasis on business transparency, and elevating the importance of corporate governance across all sectors, including government organisations. (Mathew et al., 2015) following economic changes, the government has granted increased financial autonomy to a number of PSUs. These corporations are "public sector companies with comparative advantages," meaning that the government has granted them greater autonomy to compete on the global market in order to assist them in becoming global behemoths (players). This degree of financial independence is currently classified into 3 categories: i) Maharatna, ii) Navratna, and iii) Miniratna. It is interesting to note that the principles, techniques, and application of financial management that have been discussed earlier in this volume are equally applicable to all sectors, regardless of whether they are private or public. This is something that can be applied to both public and private organisations. Only a few of the characteristics that largely result from state/government control and ownership will be highlighted in this particular study. In the majority of instances, organisations that are part of the public sector do not have the fundamental structure that is required to implement effective financial management. A significant proportion of public sector undertakings do not have a mechanism for the compilation and management of accounts; as a result, their internal audit systems are of a very low quality. For the aim of conducting accurate evaluations, even some businesses do not keep any kind of systematic cost record or adhere to any kind of inventory management systems. (Vijayalakshmi et al., 2009) a comprehension of the organisational culture modifications that are occurring within a PSB that is undergoing fast transformation In many instances, the system for collecting credit is broken, and a significant amount of money is stuck in receivables and inventories. As a result of this, working capital is not being used properly. It was commonly

assumed in the early 19th century, during the Industrial Revolution, that the development of human personality & economic prosperity could be best assured by leaving the individual to himself or herself. This belief is no longer held and has lost all of its meaning entirely. The proliferation of social ills that accompanied the Industrial Revolution was the single most important reason that led to the engagement of the state in economic & industrial domains during this time period. Because of the Industrial Revolution, "Private Capitalism" came into being, which was detrimental to his safety, his welfare, and potentially his entire future. The inexorable rules of the laissez-faire economic policy began to operate, resulting in action & reaction, luxury & distress, plenty & starvation, nakedness & richness. As a result, these laws became so obvious that the intervention of the state became a historical necessity. Today, the state has established itself as a significant player in the commercial & manufacturing sectors of the economy. In today's world, there is barely any aspect of human endeavour that is not subject to some form of state supervision and oversight. Nearly every nation's national government is involved, both directly and indirectly, in the process of establishing and overseeing the operations of commercial and industrial businesses.

TYPE OF PUBLIC SECTOR ORGANIZATIONS IN INDIA

(i) Departmental Undertakings

The departmental undertaking is the public sector organisation that has been around the longest and is the most traditional in its form. It is comparable to any other government institution in terms of how it is organised, how it is financed, and how it is governed. A minister, who is answerable to the legislature, maintains control of the organisation and oversees its operations.

(ii) Public Corporation

A legal corporation is a legal entity established by a special act of parliament or by either the national or state legislature. The government foots the bill for the entirety of it. The act of the legislature not only decides its powers, but also its objects, constraints, and other parameters. Companies such as Indian Airlines, Air India, SBI, LIC, FCI, the Oil & Natural Gas Corporation, and many others fall under this category.

(iii) Government Companies

Government Company refers to a business in which either the central/state government holds at least 51% of the paid-up share capital, or when either the central/state government holds at least 50% of the paid-up share capital. The provisions of the Firms Act of 2013 control and rule over the government companies in the same way they

govern and rule over other registered company. As an illustration, there is the Steel Authority of India, the State Trading Corporation, and Hindustan Machine Tools.

ROLE AND SIGNIFICANCE OF PUBLIC SECTOR IN ECONOMIC GROWTH

(i) Building Infrastructure

Without first building up the necessary infrastructure, economic growth is impossible to achieve. The public sector's investments in infrastructure, such as power, public transit, connectivity, basic and intense industries, water management, education, & specialized training, have paved the way for the agricultural & commercial development of the country, which has led to overall economic growth. These infrastructure services were generated via the public sector of the country. (Kateja 2012) significance of a well-developed physical and social infrastructure to the maintenance of a rapid rate of economic expansion is so obvious that it scarcely needs to be stated. The infrastructure bottleneck has always been a significant cause for concern, and with strong development, the demand on infrastructure that was already inadequate has increased even worse. As the development of infrastructure of world-class standard that is in tune with the growing needs & that is also for reinforcing & supplementing the existing services of infrastructure is a massive undertaking for governments alone, particularly because of budgetary austerity & other monetary liabilities, it is important to note that the development of infrastructure of world-class standard is in tune with the growing needs. (Naim 2022) it is difficult for a country to experience economic growth if it does not have the facilities necessary for supporting that growth. There has never been a private entrepreneur who could afford to construct infrastructure facilities, and it is not in the mindset of private businesses to engage in economic activity simply because it is beneficial to the country as a whole. The purpose of this brief research is to provide a historical context for the expansion and development of public enterprises in India and to demonstrate how these businesses have contributed to the largest economy in the world. (Baru 2005) shifts that have taken place in the public sector as well as the Indian economy and society during the past forty years. (Nayak et al., 2021) expenditures of the government are directly related to the expansion of the economy, which is the primary motivator in every nation. As a result of India's exposure to the dynamics of the world economy in the era after the liberalisation of its economy, India has seen a considerable impact that government expenditure has had on the growth of its own economy.

(ii) Strong basis in the industrial sector:

Another key contribution made by the public sector is the successful construction of a solid industrial base across the country. These are the industries that are principally responsible for the growth of others, particularly those in the private sector. Public's efforts to establish a stable industrial framework for the nation, the foundation for the rapid industrialization of the country has been laid. In addition, the public sector has established itself as the dominant player in numerous important industries, including those involving petroleum products, coal, iron, and hydro & steam generators. (Slack & Singh 2018) described importance of decoding & comprehending the organisational culture of public sector organisations on both the surface and deeper levels in order to direct interference tactics & promote sustained organisational change. (Saini & Giri 2022) the creation of new physical infrastructure is an absolute necessity for any economy that aspires to expand into a more developed one. The Global Competitiveness Index places India at position number 70 out of a total of 140 countries ranked for the quality of their infrastructure. According to the most recent estimates, in order to turn the dream of a \$5 trillion economy into a reality, \$4.51 trillion would need to be invested by the year 2030 in the construction of the nation's infrastructure. If we want this ambition to become a reality, we will need to put in a lot of work and make a significant amount of money available for investments in infrastructure. The Government of India's most current budgetary expenditure for the infrastructure sector is 100 lakh crore, which is planned to be spent in infrastructure within next five years and would help the country's economic development. Furthermore, there will be about 6,500 initiatives. The term "infrastructure industry" refers to a broad category of businesses that includes not only social & commercial infrastructure but also communication, transportation, & water sanitation industries. India is predicted to be one of the top three economic forces in the globe within the next 10-15 years due to its superior democratic system and powerful organisations. India has become the important economy that is growing at the fastest rate anywhere in the world. The economy of India is a mixed one, with elements of public sectors present; yet, the country is still in the process of industrialization (Tailor et al., 2022).

(iii) Possibilities for employment:

Redistribution of resources can also come through the employment opportunities provided by the public sector. When governments, for example, create additional positions in the public sector in less prosperous places with high unemployment & low

wages, they may unintentionally drain resources from more wealthy sectors of the economy to help support those jobs. This is because unemployment is higher in less prosperous areas. This occurs when tax collection is standardised & earnings in the public sector become more comparable to one another. In addition, the expansion of employment opportunities in the public sector has important ramifications for the compositional makeup of the various parts of the economy. There are opportunities for employment in the public sector in the areas of government administration, the military, and other government services. (Bewley 2006) that there was insufficient evidence of the government's commitment to the conventional idea of a good employer. A consistent model of employment practise was not being promoted by the public sector, and there was little evidence of this happening. (Noy 2020) successful in obtaining compensatory employment were able to follow the increasingly prevalent objectives of the middle class and experience a significant degree of social mobility. As part of an effort to combat the widespread issue of unemployment in the country, the public sector created a number of new positions. It has been a significant contributor to the improvements in working circumstances, as well as the living conditions of workers, which have resulted from these changes. In India, the public sector firms have taken the initiative to spearhead development in important industries that contribute positive externalities to the country's economy. It has arranged a strong and extensive platform for the nation to become self-sufficient in the areas of maintenance, technological know-how, machinery, cultured industrial strategies, and more. In India, public sector organisations have dispersed their numerous branches across the country in order to better serve their constituents. Certain facilities have been established by public corporations in an effort to bring about a basic shift in the social & economic circumstances of workers.

(iv) Capital formation

To a great extent, the nation's gross domestic product of capital can be attributed to the contributions of the public sector. The percentage of the country's gross domestic capital formation that is contributed by the public sector has increased in India from 3.5% during the 1st 5-Years Plan to 9.2% during the 8th 5-Years Plan. Comparatively, the country's proportions of public sector gross capital formation shifted from 33.67% under the 1st Plan to 50% under the 6th Plan, before declining to 21.9% in 2005-06. This transition occurred over the course of the country's planning cycles. (Fischer et al., 2002) in order for public research organisations to function effectively in this new environment, the guiding principles and strategies for intellectual property management

and income production are defined, as well as the necessary capacity building in public research organisations. It has been determined that in order for the public sector to function, it would require the development of new talents as well as a new culture. (Vijaya 2010) Even though health tourism has the potential to be a source of cash, it also poses a threat to the local health industry and may cause some of the problems that exist in the developed world with regard to medical care to be transferred to the developing world. (Akber 2022) the most important factors in India's agricultural expansion is the role that public investment plays, thanks to the long-term benefits it provides. Despite the fact that public sector investment in Indian agriculture has decreased over the years, many experts believe that rising input subsidies are the primary reason for this trend.

(v) Encouragement of exports and substitution of imports:

The public sector firms in India have made significant contributions to the effort to increase the country's exports. Earnings in foreign currency by publicly owned companies increased from 35 crores of rupees in 1965–1966 to 5,831 crores of rupees in 1984–1985 and then to 34,893 crores of rupees in 2003–2004. As a result, the overall performance of the public sector firms in India in terms of exports is pretty excellent. The government-owned companies Hindustan Steel Limited, Bharat Electronics Ltd., State Trading Corporation, & Metals & Minerals Trading Corporation are examples of those that played a significant part in this regard. Some of the public sector firms have demonstrated commendable records of success in attaining import substitution and have, as a result, conserved the country's valuable foreign exchange. Bharat Heavy Electricals Limited, and the Oil & Natural Gas Commission are some companies that come to mind while thinking about this topic (ONGC). Companies like Hindustan Antibiotics Ltd. (HAL), for example, have been instrumental in making import substitution in the country a viable option.

(vi) Makes a contribution to the growth of the community

The central exchequer is supplied with a sizeable quantity of cash from companies that are part of the public sector. Profits, excise duty, corporate taxes, and other sources contribute to this revenue. The following is a list of the various ways in which the public sector adds to the improvement economic development of a nation. The majority of the assets that are found in the public sector are owned by the government, which also offers a wide range of services for the advantage of the general population. Companies that are owned by the GOI include both the Steel Authority of India & the Indian Oil

Corporation. The Indian government owns a number of financial institutions, including the SBI & Canara Bank. While, large-scale development projects are typically undertaken by the public sector. (Provan & Milward 2001) stated community-based organisations that primarily get funding from the government in the fields of public welfare, human services, and health care. This is consistent with the demands to perform well that come from a wide range of critical stakeholders. Despite the fact that the three levels are connected, each must be evaluated according to its own unique set of effectiveness criteria. (Robles 2015) nation building also necessitates sound administration and national ideals that prioritise serving the common good. The development of political will in neighbourhoods, towns, municipalities, and states, as well as the formation of a robust national commonwealth, is directly correlated to the degree to which citizens have confidence in their government and participate in value-driven civic activities. (Agarwal et al., 2021) advancement of technology and the adoption of novel economic practises are unquestionably beneficial to the Indian economy. Any nation's future success is directly tied to its capacity for innovation. It is essential to have the suitable mind for the notion and to utilise it in the appropriate direction in order to be innovative, and Asia is turning into the place that fulfils both of these requirements.

(vii) Examining the Effects of Income & Wealth Concentration:

The expansion of public sector firms in India has aided in preventing the concentration of economic power in the hands of a select few, and as a result, the country is making progress in tackling the issue of income & wealth inequalities that plague the economy. As a result, the problem of inequality can be mitigated by the public sector through the redistribution of profits for the betterment of the underprivileged, the implementation of policies to improve the welfare of workers, and the manufacturing of goods for widespread consumption. (Joe et al., 2018) concentration index is generated in order to characterise socioeconomic-rank-related relative disparities in institutional delivery, & decomposition is utilised in order to evaluate the donations of public sectors to overall socioeconomic inequality. If the government wants there to be a balanced growth of trade and commerce, it should not leave the entire field of trade and commerce up to the private sector. This practically invites an uneven distribution of resources within the country, which also affects the promotion of export trade with other countries. Ensure a balanced development of trade and commerce, the government should refrain from doing this. We are aware that the basic goal of any endeavour undertaken by the public

sector is to provide social services for the advantage of the biggest possible population segment and to provide the greatest possible amount of good to the greatest possible number of people. At the same time, it is critical to strengthen the state's overall position. Giving India's public sector a large role in industrial growth during the country's development planning era was a brilliant idea. Because of this, it was also possible to prevent a concentration of both the total wealth and the. Everyone had an equal opportunity to earn a living through the public sector. In addition, the earnings made by the PSUs are returned to the government, where they are then put to use for the benefit of the residents of the nation.

(viii) Generation of Income:

Finance is extremely popular and is used virtually everywhere. It's likely that just a small percentage of people grasp the true meaning of finance. It is not simply a matter of cash, funds, or capital. It refers to the movement of monetary resources within a society, specifically from those who give to those who seek. In the case of translating and carrying out this work, a variety of processing methods are available in India (Rao 2021). There is no question that India's public sector has been contributing significantly toward the expansion of the country's economy through the generation of revenue. At today's prices, the percentage of the nation's net domestic product (NDP) contributed by the public sector has more than doubled from its level in 1950-1951 (7.5%) to its level in 2003-2004 (21.7%) The percentage of the NDP that comes from public sector firms alone climbed from 3.5% in 1950-1951 to 11.12% in 2005-2006, despite the fact that this percentage does not include government administration or defence spending. (Keefer & Khemani 2005) different nations, policymakers have different pressures and motivations to alleviate poverty and offer a range of public goods. Even in democracies, politicians are frequently incentivized to redirect resources toward political rents and private transfers, which are to the advantage of a smaller number of individuals but come at the price of a larger number. Policy as well as calls for reforms to increase the supply of public goods and to eliminate poverty. (Weqar & Haque, 2020) examine the impact of intellectual capital on the financial outcomes of central public sector organisations in India, as well as the contribution of each element of intellectual capital to the organization's overall economic success.

DISCUSSION

The public sector of an economy is responsible for basic services like infrastructure, public education, health care, and security services like the military & police. The public sector is made up of governments and other publicly managed or sponsored agencies, enterprises, and organisations that provide public programmes, goods, or services. However, it is not always clear if a certain organisation should be included under that umbrella. As a result, specific criteria must be developed to properly define the limitations. It is possible for the commercial sector and the not-for-profit sector to connect with the public sector, which comprises more than simply the central government. One way to think of the public sector is as a rising ring of institutions, with central government in the centre, followed by agencies and public firms. This ring is surrounded by a grey zone made up of government-sponsored contractors and publicly traded enterprises that are either in or out of the public sector. Public agencies include the police, public roads and transit systems, public schools, & public libraries. Public companies and non-governmental organisations, like government organisations, develop software, manufacture products, or provide services; but, they are not under government control and may accept funding from sources other than the government. Economic development mostly depends upon industrial development. Raw materials cannot be supplied to smaller businesses without the participation of heavy and fundamental industries such as iron and steel production, shipping, mining, and so on. Establishing such heavy and fundamental businesses calls for a significant investment of capital, the public sector is able to readily and easily make available the money that is necessary for these businesses, whereas the private sector is not even close to being able to operate these sectors practically at all.

CONCLUSION

As a result of this, it is now feasible to map out the scope of the government's action within the framework of the economy as a whole. The provision of health and educational services by the public sector, which combined account for a large amount of the Human Development Index, is only one example of the various ways in which the public sector can contribute to the expansion of a country's economy. Furthermore, the government contributes to people's well-being via acquiring food grains from farmers at a "fair price" & guaranteeing that power, water, & postal services are affordable. These actions help to ensure that people have access to a good standard of living. This is made possible by the organisation receiving financial aid in the form of grants as well as money from taxes. As a direct result of this, it is

absolutely necessary for the existing level of human development in a country to serve as the foundation for the nation's economic development.

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