

PRINCIPLES OF ECONOMICS

B.Com Hons Part-I

TOPIC - Meaning and features of Mixed Economy

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* Meaning And Features of Mixed Economy :-

In a mixed economy private and public sector operates as complementary to each other. In mixed economy, the government does not control and regulate the private sector but it also plays a vital role in the actual production of commodities. In mixed economy there is co-existence of public and private economy. In this system, we find the characteristics both of capitalism and socialism. Mixed Economy is based on the democratic principles. In a mixed economy, the government is in charge of the economic activities. The allocation of resources of the economy are determined by the direction of planning authority. It adopted economic planning as the means of growth and social justice.

• Features of mixed economy :-

- (1) Co-existence of Public and Private Economy:
In this economy both Public and Private sector function together.
- (2) Democratic system -
This economy is based on the democratic principles. In such an economy, all the economic decisions such as division of

economic activities between private and public sector, formulation of policies, determination of objectives, allocation of resources etc, are taken by the representatives of the people.

(3) Economic planning :-

In a mixed economy, the government is in charge of the economic activities. Mixed economy adopted economic planning as the means of growth and social justice.

(4) Economic freedom :-

Like socialism, mixed economy does not put an end to the economic planning.

(5) Economic equality and social justice :-

In a mixed economy the government tries to reduce economic inequalities for promoting social justice and social stability and social welfare, increasing production and for providing equal opportunities for all.