

## **Abstract**

This research focusses to understand the broad domain of the free and open source software. The term 'free' is often wrongly understood in this context, it doesn't not refer to a free of cost software, 'free' means a software where user has all kind of freedom with the source code, user can see it, modify it, customize it, add features to it and even can distribute freely. The free software have existed since beginning and were shared like a recipe which you can try, modify and pass to next person. The concept got formalized in the 1985 with the start of free software foundation by Richard M. Stallman and since had made a significant contribution to the domain free and open software. In 1998, Eric Raymond cofounded Open source initiative, which was an organization with nearly similar objectives, mission and vision. The open source initiative is often stated to have pragmatic approach towards the market. They have a business friendly approach towards free software and named it open source software.

To an outsider, the whole concept of free and open source software looks startling where developers connected by internet freely contribute to enhance the software without expecting monetary incentive. This study tries to understand the dynamics and basic economics of free and open source software and how does the whole concept fit into the economic theory. This research also take a look at motivations to all stake holders of free and open source software viz. developers, corporates and users.

Now many corporates have come into the business of providing an assured and guaranteed support to the free and open source software and a whole business model has been developed around it. Governments across the world have realized the potential of free and open source software and the benefits accruing out of its use and adoption. Since then many governments have been proactively advocating the use of free and open source software in their efforts to reach their citizens through e-governance programs.