

## Lesson 1

# PUBLIC POLICY: MEANING, NATURE, SCOPE AND IMPORTANCE

### Structure:

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Definitions of Public Policy
- 1.3 Concept of Public and Policy
  - 1.3.1 The Notion of Public
  - 1.3.2 The Notion of Policy
- 1.4 Meaning of Policy
- 1.5 Nature of Public Policy
- 1.6 Scope of the Public Policy
- 1.7 Importance of Public Policy
- 1.8 Conclusion
- 1.9 Model Questions
- 1.10 References

### 1.0 Objectives:

1. Students would know about the definition, meaning and nature of public Policy.
2. Students would be able to learn about the scope and importance of public policy.

### 1.1 Introduction:

The lives of the citizens everywhere are formed by public policies, whether we are aware of them or not. The dream for improved life while its achievement rest on our own efforts, will probable to contain public policies to aid the result of it. Public policy is a subject or field of inquiry has a long past, though the current public policy analysis have a specific American and 20<sup>th</sup> century fragrance. The public policy seeds were sown in 1940s and made a significant influence on the government and academic organizations over these years. In the early1950s public policy has developed as academic search and from then it has been securing new measurements and is stressed tough to attain the position of a discipline in the area of Social science. As a study of 'products' of government, policy forms a significant

component in many a course and academic programme in various disciplines like political science, public administration, economics and business management.

## **1.2 Definitions of Public Policy:**

Dye, says that,...institutional studies usually described specific government institutions...without systematically inquiring about the impact of institutional characteristics on policy outputs...However, the linkage between institutional arrangements and content of policy remained largely unexamined. The definitions of public policy are as follows:

According to Thomas Dye, defines public policy as “whatever governments choose to do or not to do”.

Dimock, stated public policy as “deciding at any time or place what objectives and substantive measures should be chosen in order to deal with a particular problem”.

According to Chandler and Plano, who define public policy as “the strategic use of resources to alleviate national problems or governmental concerns”.

Freeman and Sherwoods, stated that it is the public answer to the interest in refining the human circumstances. In these definitions there is deviation between what governments agree to do and what they essentially do. Public policy is a controller which government has planned for direction and practice in certain problem areas.

In the current times, the study of public policy has evolved into what is virtually a fresh branch of social sciences called as, ‘policy sciences’. In 1951, Harold Lasswell, for the first time, the concept of policy science was framed. Presently, the policy sciences have departed far away from immature ambitions for societally applicable information.

## **1.3 Concept of Public and Policy:**

In the literature of academics, the term ‘public policy is regularly utilized in our present day life and we regularly refer to the policies which are implanted like, national, education policy, agriculture policy, health policy, wage policy so on. In fact this is the area where public are involved. The concept of public policy is assumes, that there is domain of life which has totally individual and is not private, which is believed in collective.

### **1.3.1 The Notion of Public:**

It is very significant to recognize the notion of ‘public’ for a discussion of ‘public policy’. We regularly use the words such as ‘public interest’, ‘public sector’, ‘public opinion’, ‘public health’, and so on. The public policy, has to do with which are labelled as the public, as

contrasting to scopes concerning 'private'. The measurements of public is usually mentioned as, 'public ownership' or governor for 'public purpose'. The term public contains all the measurements of human action observed as needing governmental involvement or social directive. Though, there has been battle between what is 'public' and what is 'private'.

### **1.3.2 The Notion of Policy:**

The notion of 'public', the idea of 'policy' is also not exactly defined. Policy signifies, between other things, 'guidance for action'. It might take the procedure of:

1. Commanding conclusion,
2. Principle or value
3. Purposive course of action,
4. Method of governance
5. Manifestation of considered judgment
6. Look of political rationality and
7. Declaration of common goals.

In a Machiavellian sense, policy is the base of power. While bureaucracy derived its legitimacy from its claim to "State", the politician claimed that their authority rested on the approval of their policies by the electorates. Hogwood and Gunn specified ten usages of the word policy as:

1. A label for the field of activity
2. An expression of desired state of affairs
3. Specific proposals
4. The decision of governments
5. Formal authorization
6. A programmes
7. Output
8. Outcome
9. A theory or model

10. A process.

### **1.4 Meaning of Policy:**

The meaning of the term 'policy' is varying like other concept of social science. Unluckily, the policy itself is somewhat which take diverse procedures. David Easton defined policy as the 'output' of the political system, and 'public policy' as 'the authoritative allocation of values for the whole society'. The measures of this alteration in the methods of the accepted from other definitions progress by the scholars in this field.

Henry defines public policy as, "A script (course of action) adopted and pursued by the government". Anderson stated, that policy be observed as "Purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern". According to Sir, Geoffrey Vickers, policies are judgments giving way, unity and steadiness to the course of act for which the decision making body is accountable.

Friedrich look policy as, ...a proposed course of action of a person, group, or government within a given environment providing obstacles and opportunities with the policy was proposed to utilized and overcome in an effort to reach a goal or realize an objective or purpose.

According to Parsons, who stated about it as, "A policy is an attempt to define and structure a rational basis for action or inaction". In present terminology a policy is broadly defined as a course of action or plan, a set of political purposes.

It might well be sufficiently defined "policy" as a purposive development of act taken or accepted by those in power in chase of convinced goals or objectives. It must be added here that public policies are the policies accepted and executed by government bodies and officials. They are framed by what Easton appeals the 'authorities' in a political system. Namely, "elders, paramount chiefs, executives, legislators, judges, administrators, councilors, monarchs, and the like". He stated as, these are the persons who "engage in the daily affairs of a political system", are "recognized by most members of the system as having the responsibility for these matters" and take action that are "accepted and binding most of the time by most of the members so long as their act within the limit of their roles".

### **1.5 Nature of Public Policy:**

It is very much evident that policy might take different procedures like legislation, executive orders or the official acts. They actually comprise of a set of intentions or objectives a combination of devices or means for attainment of intensions, a description of governmental

or non-governmental units indicted with the accountability of transporting out the intensions, and distribution of resources for the necessary tasks. To recognize public policy, it is very much needed to examine the nature. A policy may contain with specific or general, broad or narrow, simple or complex, public or private written or unwritten explicit or implicit, discretionary or detailed and quantitative or qualitative.

Public policy is in fact a skill because these tasks regularly some information about the social sciences and in this case the stress is on the 'public policy' which is known as 'government policy', selected by a government as a 'direction for action'. From the perspective of public policies, actions of government could be put broadly into two groups and they are:

1. Definite or Specific policies and
2. General, vague and inconsistent policies.

In reality a government rarely will have a fixed of supervisory values for all its actions and in fact the significant public policies are frequently made more clear specifically where the issue of law, regulation or strategy is involved. The Supreme Court can give its decisions, by new interpretations to some of the articles of the Constitution which can be develop into new policy.

These policies may be too unclear or too broad and may not be reliable to each other, in turbulent atmospheres like the current ones government has to make regular actions without reference to any particular policy, sometimes government announces some sort of policy for political convenience or for some reasons, in such cases, government will not have any intention to carry it successfully. Hence, it is likely to have a policy without action or it can have action without policy. Public policies alive only in set of practices and precedents. The public policies are embodied only in an unwritten Constitution of United Kingdom is the best instance of this form of a public policy.

Public policy contains major segment of actions, like, development policy, economic growth, socio-economic growth, equality, social justice, or any other such policy may be accepted by national policy. Hence, it can be observed a single policy in various written documents, it may be narrow, covering a particular action, like family planning which is reserved to certain division of the people or it can be for extensive range of the people in the country, for instance, government can accept that, no child is adult unless he attains the age of 16 years (recent amendment). Public policy is an area commonly defined by policy areas like health, education, housing, economic, environment, transport and social and it is mostly set that interdisciplinary and intergovernmental relations taking place. These policies can be

developed either by the central government or state government, or sometimes 'mega policies' act as a kind of master policy. This word mega policy is coined by Yehezkel Dror. The broad policies which are an expression of national aims are the instances for the mega policies, eg. Economic growth, social justice etc.

It is very much important to understand the nature of the policy means, it must contain an objective, an aim or a goal, or a purpose because a policy is a guidance for action. In fact all the mega policies are purposive and are object oriented but it is conceivable that a government can have policy without any recognizable objectives or purpose. It can accept any policy without any particular goals. The significant regarding the goals and objectives is that, while studying the policies of government collective as a total, the multidimensional nature of goals and objectives, as well as the presence of several irregularities and even ambiguities becomes observable. Government can accept vague, inconsistent or even contradictory policies so that to gratify all the pressure groups and political parties.

The public policy can be a positive or negative one, in its positive form, it can contain some system of evident government activity to treat a specific problem. Whereas, in the negative form, it might contain a decision by a public servant not to take action on some sort of matter on which the government action is required. These policies sometimes will have legally coercive so that people can adopt it legally for instance all the people will pay the taxes in order to stay away from the fines. These public policies makes public organizations different from private organizations.

### **1.6 Scope of the Public Policy:**

It is a noteworthy discipline examination and practice, meanwhile, the appearance of public policy as a field of investigation, it has extended in theoretical scope and application. A noteworthy amount of the study of public policy contains of the growth of situations of current styles. In several developing countries, there is excessive burden on the governments to speed up the growth of the nation, make usage of modern and applicable technological inventions, accept and enable essential institutional alterations, upsurge the production of the nation, make total usage of human and other sources, and advance the level of living standards. These tendencies and growths have hence, improved both the magnitude and possibility of the public policy. Michael Teitz, pronounces the outreach of public policy in term of the citizen's life cycle as follows:

"Modern urban man is born in a publicly financed hospital, receives his education in a publically supported school and university, spends a good part of his time travelling on

publically built transport facilities, communicate by the post offices or quasi-public telephone system, drinks his public drinking water, disposes of his garbage through a public removal system, reads his library books, picnics in his public parks, is protected by public police, fire, and health systems. Ideological conservatives notwithstanding his daily life is inextricably bounds up with government decisions on these various public services”.

Public policy stress on the problems of the public, according to Heidenheimer, the public policy is the study of “how, why and what effect governments pursue particular courses of action and inaction”. Dye, stated about it as, “what government do, why they do it, and what difference it makes”.

According to Lasswell, policy orientation is multi method, multi-disciplinary, problem which emphasizes worried to plan the context of the policy procedure.

### **1.7 Importance of Public Policy:**

It is evident that the public policy is the significant factor in the democratic government and it emphasizes on the public and its problems, in fact it is a discipline which is branded as public. The concept of public policy assumes that there is an area of life which is totally individual but said in public. Likewise, public policies have a significant purposes to work in the society where the democracy is prevails. The important role of the public policy is to make the society to lead a better life and to maintain the delivery of the goods and services are significant, it is regarded as the mechanism for developing economic-social system, a procedure for determining the future and so on.

### **1.8 Conclusion:**

It is evident that the area of public policy has an important role in the public domain, it can upsurge the growing density of the society. Public policy is not only worried about the explanation and extension of the reasons and concerns of the government actions. It also has the development of scientific information about the services determining public policy. The examination of public policy aids us in determining the social ills of the matter under the examination.

Policies do more than effect alteration in the situations of the society, they bring the people together to follow the uniformity in the state. These public policies are the main devices for any democratic nation and they improve the social and economic procedures from the present of the future. Hence, the examination of the public policy has become a significant element of the academic society as well.

## 1.9 Model Questions:

1. Describe about the meaning, nature and definition of the Public Policy?
2. Write in detail about the Scope and importance of the public policy in the society and role of government in making public policy?

## 1.10 References:

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## Lesson 2

### THE PIONEERS: HAROLD D. LASSWELL

#### **Structure:**

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Vision of Lasswell of Policy Sciences
- 2.3 Definition
- 2.4 Multidisciplinary Perspective
- 2.5 Contextual and Problem Oriented Perspective
- 2.6 Policy Analysis
- 2.7 Policy Process
- 2.8 Explicitly Normative Perception
- 2.9 Nature, Scope and Utility of Policy Sciences
  - 2.9.1 Concept and Meaning
  - 2.9.2 Nature
  - 2.9.3 Ideology
  - 2.9.4 Scope for Expansion
- 2.9.5 Evaluation
- 2.9.6 Implementation
- 2.10 Policy Sciences and Emerging Crises
- 2.11 The Normative Values in Policy Sciences
- 2.12 Criticism of Policy Sciences Methods and Substitutes
- 2.13 New Direction and Perspective
- 2.14 Conclusion
- 2.15 Model Questions
- 2.16 References

#### **2.0 Objectives:**

1. Students would know about the definition of Policy Sciences, vision of Lasswell of Policy Sciences and perspective
2. Students would be able to learn about the scope, utility and nature of the policy science
3. Students would be able to understand criticism of policy sciences method and substitutes

## 2.1 Introduction:

Policy science can be regarded as the area of investigation it is the modern edition of the common method to public policy. Though it has the presence since the starting of the civilization but the current policy sciences have emerged from the 20<sup>th</sup> century. In fact, it was in 1940s it came into existence and Harold Lasswell is considered as the founder or the father of the 'policy sciences'. This has developed and increased as a remarkable victory by changing and persuading the viewpoint of social scientists and the public institutions in the entire world. This success is due to the hard work of Lasswell and the person behind the movement of the policy science. His significant work which was in 1951, by name "The Policy Orientation", the articulation and subsequent practice of the policy sciences have been rested upon the multifaceted communications of the social scientists and socio-political dealings.

## 2.2 Vision of Lasswell of Policy Sciences:

In 1951, when Harold Lasswell, published his essay 'The Policy Orientation', policy science as a social science subject and practice, in the book titled, 'The Policy Sciences', coedited by Daniel Lerner. He labelled policy sciences as, the result of work to define a discipline for making and relating "society relevant knowledge".

## 2.3 Definition:

Lasswell defined, Policy Sciences as, "The disciplines concerned with explaining the policy making and policy executing process, and with locating data and providing interpretations which are relevant to the policy problems of a given period".

The vision of Lasswell, about the policy sciences is as follows:

1. It has multidisciplinary
2. It contains the contextual and problem oriented and
3. It is explicitly normative

The awareness of these aspiring objectives became the apprehension of the policy science community in 1940s, because each objective signifies diverse stresses on diverse social features and has an open influence on the progress and approval of the policy sciences.

## 2.4 Multidisciplinary Perspective:

The notion of Lasswell on policy orientation as, multidisciplinary in nature, and he stated it as, "A policy orientation has been developing that cuts across the existing specialization. The orientation is twofold. In part, it is directed towards the policy process, and in part, towards the intelligence needs of policy". He also described as, policy sciences must not be compared with 'applied social sciences' or with 'applied social and psychological sciences'. The stress in this approach is upon the fundamental problems of man in society.

Lineberry, who is a social scientist, who claims that, the roots of the policy sciences rest upon the economics and not on the political sciences, which means, even though cost-benefit analysis, systems analysis, Programme Planning Budgeting System (PPBS) and the quantitative show off developed the collective code word for policy analysis, the necessity to lessen all policies to a fixed economic or quantitative pointers became omnipresent. For instance, PPBS, as experienced in the department of Defense in USA, was extended to Health, Welfare and Education departments in 1966.

It might be eminent that these disciplinary stresses were deemphasized, and according to D.A Stone, his, notion about it that, the broad inclination of the theories and programmes to exclude the normative thoughts like equity, was not suitable to the makers of the political policies. It is evident that the, disaster of PPBS and the restrictions of cost-benefit analysis were the hands-on facts of public policy difficulties which were not answered due to their complex and altering nature. The mounting consciousness and feelings to these difficulties directed the policy analysts to advise a fresh conceptual models and procedural methods in public policies.

According to Dror, who stated about policy sciences as, "Policy Sciences must integrate knowledge from a variety of branches of knowledge into a supradiscipline focusing on public policy making". It is not that these struggles were gently given up by makers of the policy because of, two reasons. The first one is, this budding arena as a discipline not have the theoretical base and empirical material to upkeep such an enterprise. Secondly, there was a difficulty of a consensual group of single-mindedness as to the definition and objectives of the policy sciences. And lastly, the metatheory of Dror, at this phase would take to rebounded the policy sciences from the vital features.

## 2.5 Contextual and Problem Oriented Perspective:

A different viewpoint of the policy sciences, is problem oriented according to Lasswell. This difficulty mainly stresses on subject which targets to be multidisciplinary and contains in the

creation of ideas and techniques by accepting methods of broad context. The notion of Lasswell about the problem oriented and contextual policy orientation has two folds, in the firstly, it looks, directed towards the process of policy and in the second, towards intelligence requirements of the policy. After that, in 1971, Lasswell, recognized two different methods to the policy sciences, the first one caters, by stressing the knowledge of the process of the policy and the second one, stressing the knowledge for the utilization in the policy process. He defined with a phrase as, 'the policy sciences of the democracy'.

The outlook of scientific process and democratic humanism, has been proved functionally problematic because the policy sciences moved to understand position and acknowledgement in 1960s and 1970s. Therefore, policy sciences has been separated into two methods like process and content, these methods are:

1. Policy Analysis: It is apprehensive using knowledge in and for the policy
2. Policy Process: It is apprehensive using knowledge about the making and execution of the public policy.

## **2.6 Policy Analysis:**

The models of policy analysis have been noticeable amongst operations research, public administrationists and economists who expected that the difficulties of the policy and their clarifications might be defined with balanced correctness and exposed to analytical accuracy. The analyst models and techniques are been delivered by E. Stokey and R. Zeckhauser, which are extending from differential equations to queuing models to linear programming and cost-benefit analysis. It was formulated as the pursuit for the best option or choice. These policy techniques also extended to management practice by the innovations like PPBS and Management Information System (MIS). Edward Quade, has recognized five types of features of policy analysis and they are as follows:

1. Identification of Objectives
2. Specification of Alternatives
3. Recommending Policy Action
4. Monitoring Policy Outcomes and
5. Evaluating Policy Performance.

## 2.7 Policy Process:

Dahl and Lindblom has condemned the policy analysis, because it being 'unworkable and dangerous', and they stated that it had the pressures of the human and specifically organizational rationality which stops legal prerogatives to deliberate all likely substitute answers or being able to guess particular policy effects. They in fact recommended democratic and pluralist norms instead of rational and scientific standards and the scientific rationality was substituted by broader theory of reason the society.

According to, J. May and A. Wildavsky, in contrast to Quade's model, they stated a policy method cycle which contained, "agenda setting, issue analysis, implementation, evaluation and termination. Even though both the methods of policy analysis and policy process have their own utilizations and restrictions it might be an impractical and dangerous to separate them. Herbert Simon, who drawn a theory of decision making confined by ideas of 'satisficing' and 'bounded rationality'. Amitai Etzioni, stated that these two methods are essential, in the current times, pains have been completed to influence a blend of the two characterized by a phrase called as 'positivism'. In reality the methods leak into and apprise each other. At the same time, Greenberg and others, stressed that the, "public policy, is almost never a single, discrete, unitary phenomenon. Indeed, the appeal of public policy studies...lies precisely in its richness'.

## 2.8 Explicitly Normative Perception:

According to the outlook of Lasswell, policy sciences are characterized by normative components, he stated it as, and they are normative in their concern with the human value. Lasswell and Kaplan defined the policy sciences as offering, "intelligent pertinent to the integration of values realized by and embodied in interpersonal relations", one which prizes "not the glory of a depersonalized state or the efficiency of a social mechanism, but human dignity and the realization of human capacities".

Regardless, of these explanations normative features of the policy sciences were ignored because of the following reasons.

1. Some of them, claim that the programmes of the government are mainly kept in check normative positions.
2. Some of them argue that, quantitative techniques, like operation research, were basically value free and not anything to do with the apprehensions of morals or values. Unequivocal

dogmas in practicalities of Dewey and bureaucracy of Weber underlay's this kind of supposition.

3. Some of the policy analysts claim that, the principles were the select area of the maker of the policy and that, for analysts, to interrupt their principles would be uncalled for and against their professional capabilities. These claims have some sort of merit.

Lasswell also fixed the goal, state and method of the policy sciences in his writings he stated as, "It is probable that the policy science orientation...will be directed towards improving the knowledge needed to improve the practice of democracy. In a word, the special emphasis is upon the policy sciences of democracy, in which the ultimate goal is the realization of human dignity in theory and practice".

## **2.9 Nature, Scope and Utility of Policy Sciences:**

### **2.9.1 Concept and Meaning:**

The coedited work of Lasswell, "The Policy Science" is considered as the first systematic effort to construct a fresh area of enquiry to treat with social problems. Lasswell attributed to having made positive changes to the study of public problems and politics in the works of 1930 and in 1948, which concluded in the publication of Lerner and Lasswell volume on The Policy sciences of 1951, for instance, in his work of 1948, Lasswell stated "sciences of policy sciences when they clarify the process of policy making in the society, or apply data needed for the making of rational judgment on policy question".

Lasswell, in essay of 1951, 'The Policy Orientation', recognized Dewey as a policy scientist involved in "evaluating and reconstructing the practices of society than in higher ratiocination about the higher abstractions from which his values are derived".

Brooks adds: "policy science is the most recent, and certainly the most explicit manifestations of this quest for an independent vantage point, above the political fray, affording objective criteria upon which policy decisions can be made".

At the same time, V. Subramaniam characterizes policy sciences as, 'the practical application of all relevant knowledge in the social, physical and natural sciences, to specific policy problems identified well ahead of time.

The rationalist ideal includes a, "commitment to scientific planning". This means are pair of the customary approaches to make decisions. Hence, the spectre of Duncan MacRea, recommended that the policy analysis philosophy be ended in order to attain grater wisdom

in policy making. This analysis, principles has three chief aspects as seen in Dror's innovative writings:

1. Technical experts who are sensitive to the ethical implications of decisions
2. Close cooperation among researchers in government
3. An informed citizenry to fend off the antidemocratic specter of an expert ruling class

### **2.9.2 Nature:**

It is evident that from Lasswell to Dror, the central idea in policy science is that, it involves a, "theory of choice" a method to the purpose of policy choice. As S.S Nagel states about it as, "social science does more analysis of hypotheses, prediction, causation, and optimizing, there develops a body of potential premises that can be used in deducing conclusions, just as chemistry was able to deduce the existence of new elements before they were empirically discovered".

Lasswell mentioned that the policy sciences must contain the procedures by which policy procedure is examined. Dror, stresses that the policy sciences are "not directly concerned with the substantive content of discrete policy problems but rather with improved methods of knowledge, and systems for better policy making". In the same way, Lasswell also emphasized, "knowledge of the decision process implies systematic and empirical studies of how policies are made and put into effect'. Whereas, number of authors on the subject looks to accept on the principle objects of policy sciences.

The empirical features of policy sciences have also highlighted by Lasswell, hence, "to insist on the empirical criterion is to specify that general assertions are subject to the discipline careful observation. This is fundamental distinction between science and non-science".

Similarly, other sciences, a policy sciences is also not a strict science because practical science is apprehensive with the hunt of the reality which pursues to know and forecast. It is simply a method which is apprehensive with enhanced approaches of information and schemes for improved policy making; a technic which aid the decision maker to take the decisions with enhanced approaches of knowledge. It is, hence, anxious with further operative management of the actual world, parting exposed the option of not accepting the phenomena.

Carol Weiss stated the policy science as, "a decision driven model of research use". This ideal has different phases and they are as follows;

1. Definition of the social problems

2. Identification of missing knowledge
3. Acquisition of relevant data using social research techniques
4. Interpretation of a problem solution and
5. Policy choice

Therefore, the policy sciences can be a method which is guided towards the enhancing the knowledge required to improve the performance of democracy.

### **2.9.3 Ideology:**

It is understood that, policy sciences are loaded with useful expectations. Tribe claims that the policy sciences target at applause of useful and self-centered individualism, efficacy and maximize production. Anyhow, these descriptions of the notion of use of policy sciences as a method to the selection of policy choice stays dynamic. The policy sciences chiefly contains the growth of the professional analysts who are specialists in lucid decision making they are an interdisciplinary method which is planned to give these analysts, an goal criteria by which decisions of the policies can be made.

### **2.9.4 Scope for Expansion:**

From the beginning of the notion of the policy sciences activists of Harold Lasswell and community of policy sciences have been stressed to increase its scope and usages. From the 1970s and 1980s, the way of the development of policy sciences was influenced by:

1. Policy scientist who struggled to expand the scope of the policy sciences, and by
2. The social and political events of the period.

The community of policy scientists shaped during the late 1960s and they acknowledged both the limits of and the chances for their knowledge and skills. Lasswell set out the perspectives on policy sciences, and they are as follows:

1. "The methods by which the policy process is investigated"
2. "The results of the study of policy, and
3. "The findings of the disciplines making the most important contribution to the intelligence needs of our time".

### **2.9.5 Evaluation:**

The policy analysis evaluation is regarded as, 'sine qua non' as it aids in learning from the public programmes and taking steps for enhancement. According to Rossi and Freeman who stated about evaluation as, "In the modern era, commitment to the systematic evaluation of programmes in such fields as education and public health can be traced to efforts at the turn of the century to provide literacy and occupational training by the most effective and economical means, and to reduce mortality and morbidity from infectious diseases".

### **2.9.6 Implementation:**

The attention of policy analysts in mid 1970s, was moved to the policy failure, it was thought that the failure was due to the administrative delivery structure. In the breakthrough study of Pressman and Wildavsky, establish that, no antecedent research on implementation. In reality there are number of difficulties in the execution of policy because of the federal structure of the nation like India. After identifying the dilemmas posed by policy execution, Williams suggested execution tactic that would aid makers of the policy rise execution difficulties. These makes can select the most effective policies and programmes.

## **2.10 Policy Sciences and Emerging Crises:**

It is observed that in 1990s and in the beginning of 21<sup>st</sup> century, the policy sciences reexamined old themes in a struggle to resolve long standing struggles. Since then, the policy looks to be shifting from a simple theory of rational choice to a 'theory of reason in society', from policy sciences to policy inquiry.

## **2.11 The Normative Values in Policy Sciences:**

The chief apprehension of agenda was not whether policy sciences contain principles, rather, it was how it to be proficient. Dunn examined: "if policy analysts are expected to produce ethical as well as empiric-analytic knowledge, what methods should be employed to asses competing knowledge claims".

It was recognized that there are four kinds of general methods to ethics and principles in the policy sciences looks to have gained significance during the 1980s and early 1990s. These methods are as follows:

1. Social philosophical and political theory
2. Ethical issues and social morality

3. Professional and administrative ethics and
4. Meta-ethics and ethical analyses.

## **2.12 Criticism of Policy Sciences Methods and Substitutes:**

The method of the policy sciences is also similar to that of rational method, which suffers from several restrictions. Lindblom and Cohen have been criticized the analytical method to policy formulation and their criticism is in threefold. It is as follows:

1. Analysis is but one method to treat with social problems
2. The policy procedure is too shapeless to permit for the rational ideal of policy making which is suggested by policy sciences.
3. The information created by the policy relevant social research is relies on 'ordinary knowledge' to an extent unacknowledged by the policy sciences.

Lindblom and Cohen have equated the analytical and imperative methods to social problem resolving and recommends that the latter is often more suitable.

They also condemned the analytical method to policy formulation on its supposition of the presence of decision makers. Analytical problem solving means, the reorganization of managerial decision makers whose selections are pivotal. Dror, also supported a decentralized network of policy sciences centers and thoughtful advancement of a policy science philosophy. They also recommended that the policy analysis method is deceptive in that it recognizes difficulties accepting as both essential and preceding to problem answering, and it instructs out the part of communicating and social learning methods to social problem resolving. Fairly, they recommended that interactive and social learning methods are more suitable to the actuality of the policy procedure.

Lindblom and Cohen criticism denies that the policy contains a different and greater way of treating with social problem. They claim that, the information created by policy relevant social research is reliant on ordinary information that is grounded on "common sense, causal empiricism or thoughtful speculation and analysis". D. Cohen and C. Weiss stated as, "(If) the results of the scientific improvement in some aspects of physical science is convergence- at least for a time, within important conceptual limits- the results of improvement in the social science is a richer, more diverse picture of things".

Jantsch and Vickers are criticized the analytical methods to policies claiming that they are informed by an unrealistic segregation among regulators and the system being regulated.

Jantsch, stated the human system can be understood simply as networks for processing information and formulating decisions. This method to human systems have two connected misrepresentations and they are:

1. It emphasizes technological answers to social difficulties, with the exclusion of cultural design that is, social change over value adoption.
2. It is reductionist in that it denies that the human systems are 'more than the sum of individual expressions of their members'.

### **2.13 New Direction and Perspective:**

The pragmatism of John Dewey as the basis of the policy sciences which remains to be resounded presently in all policy text. Presently, the policy sciences have gone past immature ambitions for 'societally relevant knowledge'. The steady move from policy science to policy design is neither immediate nor comprehensive; only that, it gives an outlook of the future. The policy research endures to develop the most systematic and critical analysis of complex problems and recognized several emerging issues in the improvement of policy sciences like:

1. Continuity of relevance
2. Focus on policy inquiry
3. Democratization of policy sciences.

### **2.14 Conclusion:**

In this it was analyzed how in the present times, the scientific rationality has been substituted by a participatory policy analysis and which has a positivist model. This is very much concern for principles as they are present. In the current times of the 21<sup>st</sup> century, much consideration is also being paid to public involvement in the policy procedures. It seems that, it is very essential for the policy sciences to attain the objectives of Lasswell's "Policy Sciences of Democracy" because the situation of the human is regularly unreliably outside the quantitative seizure. Whereas, the post-positivist method, mixes with participatory policy analysis is not deprived of faults, though it promises a novel outlook for future. Hence, it can be sated that inspite of mixed outcomes and extensive criticism policy sciences stays logically feasible and common political plan.

### **2.15 Model Questions:**

1. Describe about the definition, vision and perspective of Lasswell towards the Policy Sciences?
2. Write in detail about the scope, nature and utility of the Policy Sciences?
3. Discuss about the criticism of policy sciences method and substitutes?

### **2.16 References:**

1. Joyee M. Mitchell & William C. Mitchell, Political Analysis & Public Policy: An Introduction to Political Science, Thomson Press limited, New Delhi, 1972.
2. R.K. Sapru, Public Policy, Art and Craft of policy Analysis, PHI learning private limited, New Delhi, 2011.
3. Brian W. Hogwood & Lewis A. Gunn, Policy Analysis for the Real world, Oxford University, Press, 1986.
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### Lesson 3

# THE PIONEERS: YEHEZKEL DORR

## Structure:

3.0 Objectives

3.1 Introduction

3.2 Characteristics of Policy Making

3.3 Development of Policy Science

3.4 Model of Optimal Policy Making

3.5 The Chief Characteristics of Optimal Model

3.5.1 Stages in Meta Policy Making Phase

3.5.2 Stages in Policy Formulating Stage

3.5.3 Stages in the Post Policy Formulating Stage

3.6 Recommendations to Enhance the Quality of Public Policy Formulation

3.7 Conclusion

3.8 Model Questions

3.9 References

## 3.0 Objectives:

1. Students would know about the characteristic aspects of Policy Making, development of policy science
2. Students would be able to learn about the optimal policy making model
3. Students would be able to understand recommendations to enhance quality of public policy making.

## 3.1 Introduction:

It is very obvious that Dror, is very eminent personality in the area of policy sciences, and can be regarded as the pioneer in this discipline. He has funded for the upliftment of this subject. He was very strong his struggles to ensure that it develop into a complete and totally new discipline with different aspects of public policy formulation and vital in resolving the multifaceted difficulties challenged by modern societies in the world. Based on this concept Dror, tried to grow a policy sciences by the route of developing many concepts and ideals. He mainly stressed in describing the fundamental aspects of public policy making and recommended for the enhancement in the quality of policy making. He was very much considered to develop an optimal model which can give an efficient standard to evaluate the

result of public policy formulation. This model become the eminent theoretical model in the area of public policy.

### **3.2 Characteristics of Policy Making:**

Dror, viewed Public Policy making as the procedure which contains complex and dynamic, he defined it as, “process decides major guidelines for action directed at the future, mainly by governmental organs. These guidelines (policies) formally aim at achieving what is in the public interest by the best possible means”. He recognized some characteristics of public policy procedure and they are:

1. The system of policy making contains of many components which are interconnected by the aid of communication and feedback. Some of this can be visible but other part may be covered and it is not possible to recognize such elements.
2. Policy making is an active procedure because it has continuous actions inside the society and alters according to the altering conditions.
3. It contains of many sub systems and their involvement differs in the amount depending on the times, nature and problems of the societies.
4. Each sub system a different contribution to the procedure of public policy it in fact relies on its characteristics which can differ from different societies.
5. It can be regarded as a kind of decision making procedure, therefore, it accepts many models planned in the area of decision making.
6. Public policy proposes overall directions instead of complete commands concerning the orders to be pursued because it is not a plan to give complete guiding principle.
7. The similar action can be observed in Public policy formulating, in certain times it also focused to carry the alterations in its own edifice and device or in the policy maker himself.
8. Policy making is future oriented, means, it targets at altering the future, and it deals with the futuristic improvements. It also concerns with actions in the future and their outcomes.
9. It is chief apprehension with activities taken by the governmental organizations. Whereas, some of the public policies can be treated by the private persons and NGOs as well.
10. The most important aspect of this in the modern political systems is that it targets at attaining in the interest of the public. Therefore, it makes the policies for the sake of public interest.

11. It not only targets at attaining the public interest, but also involves to get the best out of it. It tries to spend less money and to get maximum benefit.

These characteristics of public policy formulation are also pooled by other concerned procedures such as planning and decision making.

### **3.3 Development of Policy Science:**

The development of policy science as a separate discipline treating with the diverse components of the public policy making was the main anxiety of Dror. He actually suggested number of claims to defend his proposal, he stated that there is huge amount of information is with the literature of social science on various components of the public policy making. It is most important that this sort of information must be assimilated with the real policy making procedure so that to upsurge the connection between information and power. But the answer to this difficulty is likely because of the enhancement in the science. He states that the modern sciences can make a problem and it can have the ability to resolve it as well if it is utilised in a proper manner. He also stated that the social problems can be easily resolved by the use of scientific information. He also claims that, this information must treat with the key procedures and structures of public policy making. By assimilating the scientific information in it will actually will improve the quality of the public policy. Dror, stressed the need for the improvement of policy sciences and it must grow in order to solve the vital difficulties challenged by the modern society.

### **3.4 Model of Optimal Policy Making:**

The most important contribution of Dror, in relation to public policy making is the optimal model. He actually established this model as a standard device to analyze and assessing the public policies. This model provides standard for the assessing the quality of the policies and it also recognizes the essential criteria to gauge the space between the attained quality and the optimal quality of the policy.

This optimal model is mainly depends upon a serious assessment of normative models of public policy like pure rational models, increment models, economically rational models and gratifying or satisfying model etc. he claimed that these models obviously suffered from many restrictions and spaces, because the overemphasize the significance of the rational components of the policy formulating procedures they also deprived of applicability and relevance to the present actualities. They are unable to resolve the actual difficulties challenged by the current society. Therefore, it becomes very necessary to know these factors totally in the procedure of policy formulating. Based on these factors he developed

the optimal policy model to control and a devise for a total accepting of the procedure of the policy making. He recommended that his model of optimum, is a blend of rational and extra rational components and it develops the essential circumstances which will permit these two diverse components to perform together.

### **3.5 The Chief Characteristics of Optimal Model:**

In optimal model he recognized three important phases in the evolution these are, Meta policy making, Policy making and Post policy making. These three are interlinked by communication and feedback channels. He also recognized different stages in every phase.

#### **3.5.1 Stages in Meta Policy Making Phase:**

This phase contains the following stages and they are:

1. Processing containing values
2. Processing containing actual conditions
3. Processing containing difficulties
4. Surveying, processing and mobilization of resources
5. Designing, assessing, and redesigning of policy formulating method
6. Identification of difficulties, principles and resources
7. Determining tactic for policy formulation

#### **3.5.2 Stages in Policy Formulating Stage:**

This phase contains the following stages and they are:

1. Sub division of resources
2. Fixing up of operational aims in a proper way
3. Setting a group of other important principles depending on directive
4. Making of substitute policies
5. Predicting of significant welfares and cost of different substitute policies
6. Relating the recognized welfares and cost of the different substitute and recognizing the healthy ones.
7. Assessment of welfares and cost of the healthy substitutes and determining whether they are better or not

#### **3.5.3 Stages in the Post Policy Formulating Stage:**

This phase contains the following stages and they are:

1. Inspiring the implementers of public policies

2. Implementation of public policies
3. Assessment of the yields of public policies after the implementation

Apart from the above mentioned stages in the various phases of optimal policy formulation, Dror, also recognizes the last stage in this procedure and they are as follows:

1. Fixing up of communication and feedback channels to link all the various stages in the public policy formulation

Hence, Dror, recognizes totally 18 stages in the optimal policy formulation procedure.

### **3.6 Recommendations to Enhance the Quality of Public Policy Formulation:**

Dror has shown lot of interest in enhancing the modern procedure of the policy formulation, for that he in fact recommended several measures for the enhancement of modern policy formulation and the significant recommendations made by him are as follows:

1. Determination of the primary characteristics of the policy formulating method
2. Information or knowledge about the feedback procedure
3. Orderly and unambiguous determining of tactic in the policy formulation
4. Give details of functioning aims in perfect terms
5. Dynamic quest for policy substitutes
6. Founding of cut off vanishing point, which must shelter an extended period of time.
7. Growth of rational aspects
8. Growth of extra rational aspects
9. A cautious modification of the organizational and social spaces present in between units that make and implement policies
10. Touching modifications in the characteristics, roles and contributions of the major features of the policy formulating method
11. Selection of competent employees with essential experience and abilities for formulating policies and
12. Providing required apparatus to the policy formulators

Hence, he recommended various enhancements in the current policy formulating method so as to attain the targeted goals.

### 3.7 Conclusion:

Dror has contributed a permanent improvement for the public policy making as a different area of study and practice. He identified the increasing uses and significance of public policy as a device to solve the difficulties of the society. The contribution made by him in this area actually shows his intentions for the enhancement of quality of public policy formulation procedure by giving a scientific approach. Based on these ground he established an optimal model of policy making which is totally different from other such models. Dror, correctly emphasized the actualities not on the nonconcrete rational features in the procedure of the policy making. The outcome of this model derived very nearer to truth and hence, has lot of relevance, specifically to the developing societies. In fact Dror, actually shown a new path and style in the study and practice of the policy making. He established an everlasting position in the policy sciences.

### 3.8 Model Questions:

1. Evaluate critically the contribution of Dror to the enhancement of policy sciences?
2. Discuss critically about the optimal policy making model suggested by Dror?
3. Discuss the recommendation made by Dror, for enhancement of quality of public policy formulation?

### 3.9 References:

1. R.K. Saprú, Public Policy, Art and Craft of policy Analysis, PHI learning private limited, New Delhi, 2011.
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## Lesson 4

# POLICY FORMULATION MODELS

## Structure:

4.0 Objectives

4.1 Introduction

4.2.1. System Model

4.2.2 Group Model

4.2.3 Elite Model

4.3 Conclusion

4.4 Model Questions

4.5 References

## 4.0 Objectives:

1. Students would know about the system model
2. Students would be able to learn about the group model
3. Students would be able to understand elite model.

## 4.1 Introduction:

Policy making includes a variety of backgrounds, the focus of these each background is different from each other. For decision or policy formulating by persons or groups, no single background can perhaps explain the whole thing. The one manner to examine the policy formulation is by the aid of power approach. The power method sights policy formulation as somewhat which is prejudiced and firm by the edifice of power, class, power groups, bureaucratic and political planning so on.

In this we discuss about the three important models like:

1. System Model
2. Group Model and
3. Elite Model

### 4.2.1. System Model:

The work of David Easton, though not considered as basically concerned with 'public policies', but it establishes a significant input to the development of policy method. It gives a model of the political system that has an impact on the examination of policy tended to

concentrate on the relationship among the policy formulation, policy results and its broader atmosphere.

The important characteristics of this system is that, the policy procedure in relation of conversion from inputs into policy outcomes. The formulating of the policy procedure is considered as 'black box', which changes the demands of the society into policies. Easton in his, "Analysis of Political System" claims that, the political system can be treated as the portion of the society which is involved in the 'authoritative allocation of values'. The system of political system view of Easton is as follows:

1. Inputs can be regarded as the social, economic, physical and political harvests of the surroundings and they are established in the political organization in the procedure of demand and support.
2. Demands are the privileges which are created by the political system by persons and groups to change some features of the surroundings. Demands happens when persons or groups in reply to environmental situations, perform to result public policies.
3. The environment is any type of situation or happening defined as outside to the limitations of political system.
4. The cohorts of political system contains rules, customs and laws which gives a ground for the presence of a political community and authorities. These cohorts are rendered when persons or groups adopt the decisions or the laws.

In any political system they have organizations and employees involved in formulating the policy. These can be of, legislature, executives, judges, and bureaucrats in the system who in fact interpret inputs into outputs.

5. The outputs, then are commanding principle sharing of the political system, and these sharing establish public policy. The systems theory describes a public policy as "an output of the political system".
6. The main idea of concept of 'feedback' suggests that the public policies might altering power on the surroundings and the demands created from there. And perhaps would have an effect on the character of the political system. Policy outputs perhaps create fresh demands and fresh followers, or withdrawal of the old followers for the system. These 'feedbacks' have a significant part in creating appropriate atmosphere for future policy.

### **Restrictions of System Approach in Policy Analysis:**

It is obvious that the systems theory is fruitful help to know the policy making procedure. According to Dye, 'the value of the systems model to policy analysis rests on the query that it poses'. The usefulness of the model to examine the public policy is limited having many reasons. It is claimed that this input-output seems to be too simplistic to perform as a useful help to know the policy formulating procedure. It is blamed of employing value-laden techniques of welfare economics which can be said as, 'social welfare function'.

The other criticism of this is, customary input-output model, which overlooks the fragmented nature of 'black box'. The missing components of this system method are, "power, personnel and organizations" of public policy making.

This model also overlooks, a significant feature of the public policy procedure like, that the makers of the public policy have also substantial potential in persuading the surrounding inside which the perform. According to F. Cortses, The customary input-output model would observe the decision making method as 'facilitative' and value-free instead of 'causative', that is, as totally neutral structure. At the same time, J. Stonecash, claimed that both the political and bureaucratic elite way the mass view, more than the masses natures the opinion of the leader. The concept of 'with inputs' as opposed to inputs has been generated to explain this point.

Lastly, the extent to which the atmosphere including external and internal is regards to have an effect on the public policy making procedure, is influenced by the values and ideologies held by the decision makers in the system. The values held by the policy makers are fundamentally assumed to be crucial in knowing the policy substitutes that are made. Easton's input-output black box gives a overriding 'macro' framework inside which the formulation of policy procedure will be outlined in 1960s and 1970s.

#### **4.2.2 Group Model:**

This is one of the important theories in policy formulation, this public policy formulation model is demonstrated on the "hydraulic theory of politics" and this was stated by L. Harmon Zeigler and G. Wayne Peak. It was observed that the polity is observed as a method of forces and pressures, forceful against each other in the formulation of public policy. This theory initiates with the proposal that interaction among sets is the key point of politics. For an ordinary citizen the pressure group is surely an essential network of influence and power. A group, whose associates have some mutual interest, presses its demands on the government. In this way, a assemblage becomes an imperative bond in between the

government and individual. Truman, stated about an interest group as “A shared attitude group that makes certain claims upon other groups in the society”, and such a group become political, “If and when it makes a claim through or upon any of the institutions of government”.

Used for the utmost portion an interest pursues to effect the policy decisions of the government. The set which impact in power is an overriding aspect of all democratic nations. Politics really a tussle of power amongst dissimilar groups, while some are further possible than others to be worried with politics power.

### **Forces for Group Equilibrium:**

Advocate of the group theory claim that the public policy is the ‘equilibrium’ which is firm by the group tussle or comparative impact of any interest groups. The impact of group is resolute by its number, wealth, and strength of the organization, leadership, access to the decision makers and inside unity. The public policy will change in the way wanted by the group which has grown more influence. From the group theory lookout, and Latham, stated about the public policy as, “What may be called public policy is actually the equilibrium reached in the group struggle at any given moment, and it represents a balance which the contending factions or groups constantly strive to tip in their favour...the legislature referees the group struggle, ratifies the victories of the successful coalition, and records the terms of the surrenders, compromises, and conquests in the form of statutes”.

The vital point of group theory is political action in relation of the group tussle. Policy formulators in this theory are observed as answering to group forces (negotiating and compromising) amongst opposing the demands of influential groups. Politician and the political parties ‘effort to practice a mainstream coalition of groups. In doing so, they may choice the groups, which have the varied interests, to form a majority coalition. The group theory grip that, numerous forces back to uphold equilibrium in the total interest group. Firstly, a big dormant group in the society backs the constitutional system of the nation. Secondly, overlying group membership aids to uphold the equilibrium by stopping any one group from violating the constitutional method and prevalent standards. The point is that the, persons belongs to further than one groups curbs the demands of the groups who should evade upsetting members of other group associations. And thirdly, equilibrium outcomes from group competition. The influence of one group is tested by the influence of other rival groups.

### **Focus in Groupthink Theory:**

The research on influence of groups on persons has revealed how influential the group can be misrepresenting rulings and decision making. Persons in groups are under pressure to follow to group standards and insight of information. But the cohesiveness of a group is a main issue in the attainment of jobs. In the setting, Janis has advocated groupthink theory; “the physiological drive for consensus in cohesive decision making groups”.

### **Faults in the Group-Decision Making:**

Janis claims that because the associates of a group are faithful to a group’s lookout accord shades decision makers to the certainties. A great level examination into the ‘challenger’ disaster of 1986, did plug out the five types of mistakes in NASA’s decision making process. And they are:

1. Apparent pressure to crop a wanted approval (some members initially opposed to the launch):
2. An obvious reluctance to intrude upon supposed roles
3. A doubtful design of reasoning amongst main managers
4. An unclear use of language
5. Failure to ask vital questions.

### **Measures for Combating the Groupthink Process:**

From the instances of the group decision with two case studies of Marshall Plan and the Cuban missile crisis Janis, derived a sum of measure to fight the groupthink decision making procedure and they are as follows:

1. Leader has a role in boosting serious assessment in all followers and the manifestation of suspicions and protests
2. Main leaders state partiality when handover policy planning and analysis
3. Decision making necessity be led through the setting up of numerous policy planning and assessment groups
4. Since time-to-time the group which brands the policy should separate into subgroups and see under dissimilar chairpersons

5. Associates of the policy formulating groups must deliberate with reliable members' outer group
6. Experts and other not from the policy making group must come and in and be inspire to challenge the group.
7. Substitutes must be assessed at the very meeting
8. If the issues of policy are tangled a rival nation or organization, much of the time should be given to surveying the signals and intension of opposition
9. After coming to the assumption a second meeting must be summoned to permit the expression of doubts

### **Criticism of Groupthink Theory:**

The important objections to the groupthink theory are as follows:

- 1 .The shortages of the case study procedure for the hypothesis examination, the menace of choosy care to indicate and entice to apt untidy historical truths into essential theoretical groups.
2. The doubtfully flawless connection among reliability of procedure and the goodness of result (the risk of hindsight)
3. The all or nothing assignment of decision making affairs into the groupthink and watchful classes (the threat of moderating variance inside a grouping and of overstating variance between groupings)
4. Theoretical misspecification of the model (inspiring the unplanned movement from two of the ancestor situations –group cohesiveness and challenging condition- to agreement pursuing)

### **4.2.3 Elite Model:**

The elite theory of public policy procedure is grounded on the plan that power is focused with small number of people. According to this theory, Public policy formulation, is a procedure which performs according to the benefits of the elites, the theory grips that, in the actual world, there are some people at the top with the power and the mass without power at the bottom. The theory deal with that the elite who has more money and these members have common values, education power, rules the masses who are unconcerned in ill-informed about the public policy. In the surrounding, the elite will have an impact on the mass views on the issues of the policy more than the impact of the masses influence the elite opinions.

In this procedure, the policy flows downward from the elite to the mass. According to Thomas R. Dye and Harmon Zeigler, who stated about public policy as, 'the preferences and values of the governing elite'.

In fact the theory has the origins in the work of Mosca and Pareto, who are the Italian theorists, claimed that, dissimilar to Marx, elitism is unavoidable and that classless society is a myth. After that, Mosca, altered his opinion and claimed that democracy can be opined as a system of politics in which elite contest for the vote of the people so as to obtain legality for the elite rule. Portrayal on the notions of Mosca, Robert Michels in a study of political parties claimed that there was an iron law of oligarchy which functioned in organizations.

### **Propositions of Elitism:**

The important propositions of the elite theory are as follows:

1. The society is separated into elite who actually rules and have the power to decide on the public policy and the masses are ruled by them and do not have any power to decide on public policy.
2. These elites share common values and contain money, education and power than the masses who actually are apathetic and ill-informed. These elite associates are drawn excessively from the developed socio-economic sections of the society.
3. The public policy does not reproduce the demands of masses, instead the likings and values of ruling elite.
4. The ground of elites, who share consensus on the primary values of the social structure, are the sanctity of private property, restricted government and personal freedom.
5. These elites form opinion of the masses on policy issues more than masses shape elite opinion.

### **Lasswell and Mills' Contribution to Elitism:**

In the development of elite theory the contribution of Lasswell cannot be overlooked, he opined that the, "the study of politics is the study of influence and the influential...The influential are those who get the most of what there is to get...those who get the most are elite, the rest are mass".

Lasswell agreed to the notion of Pareto, and he claimed that, different 'skill group' had arose from the class tussle in the democracy. These skill groups contain: those skilled in the

practice of violence, those with communication publicity skills, those with business and commercial skills, technocrats, who have exceptional technical skills, and bureaucrats with administrative skills. He was apprehensive that the, mixture of these two new elites pretended a risky menace to democracy and elevated the scene of the development of the 'garrison-state' in which military, bureaucratic and technocratic elites govern. Lasswell, said policy science will have a significant role in improving democracy by looking to promote an extensive distribution and pluralism of power.

### **Implications of the Elite Theory:**

This elite theory identifies the drive of elite mass struggle, it has definite implications to know the policy analysis. Michels claimed that there was an iron laws of oligarchy which operated in organisations. The organizational elites generate their own interests and aims which are different from those masses.

### **4.3 Conclusion:**

Policy making includes a variety of backgrounds, the focus of these each background is different from each other. For decision or policy formulating by persons or groups, no single background can perhaps explain the whole thing. The three important models like: 1.System Model 2.Group Model and 3. Elite Model.

The work of David Easton, though not considered as basically concerned with 'public policies', but it establishes a significant input to the development of policy method. The important characteristics of this system is that, the policy procedure in relation of conversion from inputs into policy outcomes. The formulating of the policy procedure is considered as 'black box', which changes the demands of the society into policies.

This is one of the important theories in policy formulation, this public policy formulation model is demonstrated on the "hydraulic theory of politics" and this was stated by L. Harmon Zeigler and G. Wayne Peak. It was observed that the polity is observed as a method of forces and pressures, forceful against each other in the formulation of public policy.

The elite theory of public policy procedure is grounded on the plan that power is focused with small number of people. According to this theory, Public policy formulation, is a procedure which performs according to the benefits of the elites, the theory grips that, in the actual world, there are some people at the top with the power and the mass without power at the bottom.

#### 4.4 Model Questions:

1. Critically analyse the system model and its restrictions?
2. Discuss in detail about the group model, faults in the group decision making, forces for equilibrium, measure to combat and criticism of groupthink theory?
3. Write about the elite model in public policy procedure?

#### 4.5 References:

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## Lesson 5

# THEORIES OF DECISION MAKING

### 5.0 Objectives:

1. Students would know about the rational comprehensive theory
2. Students would be able to learn about the incremental theory
3. Students would be able to understand mixed-scanning theory.

### 5.1 Introduction:

The notion of rationality is the chief point in the study of policy and decision making procedure during the post war times. There are two important factors accountable for this method and they are: 1. The notion of economic rationality as it developed in the case of economic theory and 2. The notion of bureaucratic rationality as expressed by theories based on sociological organizations.

This theory is mainly used in the public policies and it has its stems in the development of 'economic man' and is conceptualized in the terms 'calculating self-interested individual'. The model formulated by Max Weber, a German sociologist, of relational imperative in making decisions which contains the starting point for the analysis of rationality in public policy.

The other model is incremental model, which was designed by Charles Lindblom, in the form of 'incrementalism', the article was published in 1959, titled 'The science of mudding through'. It actually, identified in the development of public policy method. The model of Mixed Scanning method was, developed by Amitai Etzioni, it is actually altered model of rational model policy.

### 5.2 Rational Method:

The perception of rationality stresses that the making of public policy is a selection amongst substitutes on rational base. According to Dror, rational policy making is "to choose the one best opinion". According to Robert Henry Haveman, it is designed to maximize "net value achievement". At the same time, 'rationality' with 'efficiency' when he said that, "a policy is rational when the difference between the values it achieves and the values it sacrifices is positive and greater than any other policy alternatives". He also stated that, notion of

rationalism includes, “the calculation of all social, political, and economic values sacrificed or achieved by a public policy, not just those that can be measured in dollars”.

### **5.3 Desires for Rational Analysis:**

To choose a rational policy the policy formulators must be rational but, to be rational is not easy this was stated by Robert L. Lineberry. If want to be rational it is likely to have:

1. Recognition and determination of objects
2. Grading of objects according to significance
3. Recognition of likely policy substitutes for attaining those objectives
4. Cost-benefit analysis of policy substitutes

Dror, also stated some of the needs for the sake of policy formulators in choosing a rational policy they should:

1. Understand all the value preferences and the comparative burdens of the society.
2. Understand all the substitutes of the policy available
3. Understand all the outcomes of every substitute of the policy
4. Calculate the ration of welfares to the cost of every policy substitute
5. Choose the best effective substitute policy

### **5.4 Framework for a Rational Man:**

This rational model was stated by Lindblom, as the one which is utilized by rational man who is met with the given difficulty. A rational man first clarifies his objectives, values or goals and then positions or otherwise arranges them in his mind. After that the person will be catalog all the significant conceivable methods of policies for attaining his objectives and examines all the essential outcomes that will follow from every substitute policies at such fact to equate outcomes of every policy with objects. Hence, the rational man must select the policy with outcomes utmost carefully equivalent to his objectives.

In the procedure of rational decision making, instead of making an “ideal” decision, as stated by the Simon, policy formulators break the complexity of the difficulties into small and known segments, select one choice which will be the best and gratifying, and evade needless indecision. Which means that, “Although individuals are intensely rational, their rationality is bounded by limited cognitive and emotional capacities”.

## 5.5 Phases for Analysis of Rationality in Policy:

Rational Public policy formulation, hence, needs making tough options amongst policy substitutes. It involves many phases, like the following ones.

1. The rationality undertakes that, the maker of the policy must recognizes the fundamental difficulty. He makes and fixes the priorities of the aim. It is very much required due to, one aim may be more significant than the other one.
2. As the second phase, the rational policy maker recognizes the kind of policy substitutes and choices that may obtain some of the aims. After that he makes a total set of substitute policies and resources with burdens. The procedure of recognizing policy substitutes is of crucial significance, as it touches both the kind and quality of substitutes.
3. The third phase needs the calculation of forecasts about the cost welfares of the policy substitutes. The ration policy formulator is need to calculate for every policy substitutes, both the anticipation that it would attain the target and also its cost. Therefore, here there is a question of calculation of the “cost payoff ratios of every substitute.
4. At the same time, with calculating net anticipation for every substitute, the rational policy formulator is need to equate the substitutes with the maximum benefits, it is likely that, the relating two substitutes, one might derive two times the benefits at lowest cost.
5. The final phase is, choosing the utmost proficient policy substitute. If the rational policy maker has complete his job correctly the policy option must be strait forward.

When a policy option executed, the rational policy formulator is needed to monitor this execution methodically, to know the accuracy of the anticipated estimations. The policy formulators would attempt to fill the excuses, in the policy or offer it up overall. This is called as, ‘feedback phase’ of rational policy making. The concept of rationality is espoused to such an extent that many kinds of rational decision models are to be found in the literature of social sciences was stated by, L.L. Wade and R.L. Curry. The instance of rational method to a decision method that facilities rationality in policy making has been given by Dye.

## 5.6 Restriction of the Rational Method:

The analysis of rationality in public policy is a problematic job. It suffers from many restrictions, in this regard Simon states about it as, “It is impossible for the behaviour of a single, isolated individual to reach any high degree of rationality”. The concept of rationality is mentioned about so much and so comprehensively, that it impends to lose its meaning. It

is more extensively backed than practiced. Let us converse some of the significant restraints to rational policy making in the following sections.

### **Achieving Objects:**

This rational policy making is very problematic job, the anticipation of a rational policy to develop is all the time very bleak. It is due to the fact that, when the policy formulator suggests a rational policy, the difficulty is the query become so multifaceted that rational preparations becomes decisions which are made on the grounds of social goals. As an alternative, the maker of the policy only attempts to exploit his own rewards, like power, status, money and re-election.

### **In acquiring Optimization:**

The rational policy making model is anticipated to develop optimal outcomes, but in fact, it will not do every time. The public interest is taken to be more significant than being simply the total of personal interest in the policy. If air pollution control is regarded as public interest and it is due to each person shares its benefits, then the tactic needed perhaps be that each automobile sold be fitted with a costly set of anti-pollution emission control devices by making it more costly.

### **Conflict among Rational Choice and Need for Action:**

There is every time a conflict between rational hunt behaviour and the need for action. As it was mentioned, policy formulators are not inspired to make decisions on the grounds of social objectives, but an attempt instead to exploit their own prizes, like power, status and money. Second, the time for a comprehensive analysis of awaiting legislation perhaps be short. In an emergency condition, action is required straightaway.

### **Dilemma of Political Feasibility:**

The dilemma of political feasibility worries itself with what is likely. A feasibility of politics, is intended according to Ralph Heitt, "the probability that, however, rational and desirable, a policy option would actually be adopted and implemented by the political system". Politician to frequently solve the dilemma of political feasibility by avoidance of conflict. Improbability about the outcomes of the diverse policy substitutes might force politicians to stick to earlier policies.

### **Problem of Cost Benefit Analysis:**

It is very problematic for the makers of the policy to calculate the cost benefit ratios correctly when several varied social, economic, political and cultural values are at stake. Separately

from these, they also have personal requirements, hang-ups and insufficiencies which make them incapable of rational decisions.

### **Nature and Environment Bureaucracy:**

The Other significant difficulty to rational policy making is the environment of the bureaucracies. Dye opines: "The segmentalized nature of policy making in large bureaucracies make it difficult to coordinate decision making so that the input of all of the various specialists is brought to where at the point of the decision". Segmentation of authority, gratifying aims, conflicting values, and restricted technology, improbability on the likely policy substitutes and outcomes thereof, and other aspects restrict the capability of the bureaucracies and other public institutions to make rational policies.

### **Incremental Model:**

This model was formulated by Lindblom in 1959 and his method was a substitute for the customary rational model of decision making. According to him, constraint of time, intelligence, and cost prevent policy makers from recognizing the full variety of policy substitutes and their outcomes. Lindblom, condemned the rational model and also disallowed the notion that the thinking in terms of phases or practical connections (supported by Lasswell and Easton) was of any factual value to the examination of policy procedure. It illustrated precisely the difference in terms of complete (or root) rationality supported by Simon and his own "successive limited comparisons" (or branch decision making). The comparison is as follows:

Comprehensive Rationality	Successive Limited Comparison (branch)
1. Reorganization of social values or aims is needed to empirical analysis of substitute politics	1. Choice of values or aims and empirical analysis of the required action are interconnected
2. Policy formulation is come up to by the means ends analysis	2. Means ends analysis is frequently unfitting
3. The test of a healthy policy is that it is a means to an accepted end	3. The test of a healthy policy is that, several analysts recognize themselves directly accepting on a policy
4. Analysis is complete including each related aspect	4. Analysis is restricted
5. Theory is frequently heavily rest upon	5. A successive restricted comparison decreases on theory

The Incremental method (branch method) of making decisions includes the procedure of “continually building out from the current situation, step by step and by small degrees”. In comparison the root method, as favoured by the policy analysts, was to begin from “fundamentals a new each time, building on the past only on the experience embodied in a theory, and always prepared to start from the ground up”. In 1979, Lindblom, explained and enlarged upon his notion of incrementalism. As an analytical method, incrementalism includes “simple incremental analysis”, which regards as substitutes only incremental alterations from present situations, “disjointed incrementalism”, which employs “a mutually supporting set of simplifying and focusing strategies” comprising the division of analytical work to several members, and “strategic analysis” Lindblom suggests, that “successive limited comparison” is both applicable and truthful in such a situation of “bounded rationality”.

### **Characteristics of Incremental Model:**

The following aspects are considered in the decision making process:

1. Firstly, it ensues by a succession of incremental modifications. The makers of the policy adopt the legality of present policies due to the insecurity about the outcomes of fresh or dissimilar policies.
2. Secondly, it contains shared modifications and negotiations the exam of a healthy decision is treaty relatively than the object is attained. Contract is reached at very easily in policy making, when the item in disagreement rises or declines in budgets or alterations to present programmes. Hence, incrementalism is important in decreasing political tension and upholding stability.
3. Thirdly, it contains, trial and error method, it is superior to a “futile attempt at superhuman comprehensiveness”. Human beings seldom performs to exploit all their values; fairly, they perform to gratify specific demands. They rarely influence for “one best way’, but as a substitute search to find “a way what will work”. This search generally starts with the conversant- that is, with policy choices close to modern policies.
4. Fourthly, policy is not formulated for one time, as Lane stated as, “Incrementalism is thus more satisfactory from a theoretical point of view as it scores high on criteria like coherence and simplicity”.

### **Simple Incremental Analysis:**

In this type of analysis, those substitute policies or choices which are marginally diverse to the present policy are analyzed. Lindblom stated as, 'simple incremental analysis' is a fruitful procedure of continuing to create decisions. Supportive the significance of this device, Lindblom conserves: "Focusing on small variations from present policy... makes the most of available knowledge. Because the new options are not terribly different from present and past policies a great deal of what administrators and other participants already know about existing programmes will be applicable to evaluating the new proposals. While, uncertainty may still be substantial, errors probably will be smaller".

### **Strategic Analysis:**

Lindblom claims that since completeness of analysis is not possible because of several restraints, an analyst must take a middle position: "informed, thoughtful" usage of procedure to "simplify problems" so that to make healthy options. These procedures contains trial and error learning; systems analysis; operation research; management by objects; programme appraisal and assessment techniques. By the usage of these "informed and thoughtful" procedures, Lindblom states, analysis must not target for the 'synoptic/root' ideal, but must seek to deploy them in improvement of tactic to guide and direct: "something to be done, something to be studied and learned, and something can be successfully approximated".

The chief difference between 1959, and his latest version of 1979, 'still muddling through' he trusts, selecting between 'ill considered, frequently accidental incompleteness on the one hand, and deliberate designed incompleteness on the other'.

### **Disjointed Incrementalism:**

The third kind of incremental analysis, which was claimed by Lindblom is 'disjointed incrementalism'. In the work of 'A Strategy of Decision' with David Barybrook, Lindblom introduced the idea of 'disjointed incrementalism'. He observes this as a procedure of decision making by which comparison takes place among policies which are slightly diverse from one another, and in which there is no 'great goal' of view to be attained. Goals are fixed in terms of present resources and policy making takes place by 'trial error' method. It can be called disjointed because, the decisions are not matter to some kind of govern or coordination. Lindblom, places his work incrementalism in a continuum of knowing and scale of change.

This disjointed incrementalism is regarded as analytical tactic, which contains following methods:

1. "The limitation of analyses for a few familiar alternatives
2. Interlocking values and policy goes with empirical analysis of problems
3. Focusing on ills to be remedied rather than on goals to be sought
4. Trail and error learning
5. Analyzing limited number of options and their consequences
6. Fragmenting of analytical work to many partisan participant in policy making".

### **5.7 Critical Evaluation:**

Since, 1959 when Lindblom supported incremental decision making, there had been an obvious 'volte face' in his claim. In 1977 and 1979, Lindblom criticized the notion of pluralism, offered a radical attack of the business, and held that there is a want for severe radical change in entire variety of policy zones, and the entire world in terrible need of more than merely incremental change. But societies "seem incapable", except in emergencies, of acting more boldly than in increments". Nothing of such restraints on decision making and on the mode in which programmes of the policy are scarcely made, he has severe suspicions as to the likelihood of any severe alteration.

The incremental method had been advanced and exposed to condemn from several positions. Dror, yet, is not persuaded that incremental model is either realistic or pleasing normative accounts of decision making. To Dror, this model is intensely conservative and is appropriate only in those conditions where policies are believed to be operational or are reasonable, where difficulties are fairly steady over time, and where there are resources accessible.

The instrumentalists 'method to policy making is uncertain. As Lane stated it, "It deductive power is constrained by the difficulty in specifying what an increment is, whilst its degree of confirmation is reduced by the typical occurrence of shift point in policy making which defy the interpretation of the incrementalist equations as stable linear growth models".

The vital distress of his work has been to discover the restraints that formed in decision making in contemporary policy procedure. Incrementalism, it might be renowned, has not been a chief apprehensive of his writings sample as the connection between power, human information and politics. Meant for him, "policy making is a complexly interactive process without beginning or end".

### **Etzioni's Mixed Scanning Method:**

Amitai Etzioni, is another supporter of an altered usage of the rational model of policy analysis. Similar of Dror, he has reserved on extensive the disapproval of the rational method and has set forward a third kind of method which he trusts, and proposes a truthful model which evade the conservatism of the incrementalist location as expressed by Lindblom. Etzioni, states, his models mix scanning as,

“A rationalistic method to traditional making needs greater resources than decision makers command. The incremental tactic which takes into account the restricted capability of actor, fosters tradition which neglect basic societal innovations. Mixed scanning reduces the unrealistic aspects of rationalism by limiting the details needed in fundamental decision and helps to overcome the conservative slant of incrementalism by exploring long run alternatives”.

The notion Etzioni, about the mixed scanning is established from primary weather forecasting and observation technique. His notion has, however, to be sited in the setting of his broader knowledgeable distresses and his work as a total. Later, the publication of his ‘mixed scanning’, paper in 1967, Etzioni, published a last work on ‘The Active Society’ in 1968. In the 1990, he befitted most diligently related with communitarianism. Then the work, the active society continue, as maybe the best overview to his notion of the policy analysis. Etzioni, trusts, that personal alteration is rooted in the combined performance of the community altering itself. He said that, the object of public policy is eventually to encourage a society in which people are active in their communities and in which political action and intellectual replication would have a greater, more public position. That is to be attained over nurturing distinct and societal awareness and a fresh stress on ‘symbolization’ as contrasting to wealth. He states, “No man can set himself free without extending the same liberty to his fellow men and the transformation of the self is deeply rooted in the joint act of a community transforming itself”.

Therefore, Lindblom, he does not abandon the usage of analysis it progress society the stress on “community” which has been vital to his later writings, has hence, to be located in the background of his trust in the part of knowledge in carrying about a further exposed and more “authentic” public policy procedure.

For, Etzioni, an active society is one which includes the public in the analysis. Besides, in an active society, the knowledge elites- intellectual, expert and politicians- must interact with public in a method of shared realism challenge. Upgrading society, then, include both a knowledge and moral measurement.

Etzioni, mixed scanning method tries to openly pool:

1. Extraordinary –order, important policy- making procedures which fixed elementary way, and
2. Incremental ones which make for essential decisions and work them out after they have been touched.

Etzioni, notion of ‘mixed scanning’ is a long way detached from Dror’s technocratic managerialism. For him, the mixed scanning method is an explanation of the actuality of decision making tactic and it is also a model for healthy decision making. It identifies that, decision maker have to reflect the costs of information, since not entirety can be scanned. Therefore, policy makers must attempt to scan important parts completely and rationalistically, and can focus other zones to an extra ‘truncated’ evaluation.

## 5.8 Conclusion:

This Rational method is mainly used in the public policies and it has its stems in the development of ‘economic man’ and is conceptualized in the terms ‘calculating self-interested individual’. The model formulated by Max Weber, a German sociologist, of relational imperative in making decisions which contains the starting point for the analysis of rationality in public policy.

This model was formulated by Lindblom in 1959 and his method was a substitute for the customary rational model of decision making. It actually, identified in the development of public policy method. The incremental method had been advanced exposed to condemn from several positions. Dror, yet, is not persuaded that incremental model is either realistic or pleasing normative accounts of decision making.

The model of Mixed Scanning method was, developed by Amitai Etzioni, it is actually altered model of rational model policy.

## 5.9 Model Questions

1. Critically analyze the Rational Method in decision making procedure?
2. Discuss in detail about the incremental theory in decision making procedure?
3. Write about the Mixed Scanning theory of Etzioni, in decision making procedure?

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## Lesson 6

# EVALUATION OF PUBLIC POLICIES

### **Structure:**

6.0 Objectives

6.1 Introduction

6.2 Public Policy Evaluation Meaning

6.3 Role and Purpose of Evaluation

6.3.1 Procedure of Policy Evaluation

6.3.2 Finding Purposes of Evaluation

6.3.3 Finding Areas of Evaluation

6.3.4 Selecting Evaluation Methodologies and Organizing Data

6.3.5 Evaluating the Results

6.3.6 Writing a Report on Evaluation

6.4 Criteria for Evaluation

6.4.1 Efficiency

6.4.2 Effectiveness

6.4.3 Adequacy

6.4.4 Equity

6.4.5 Responsiveness

6.4.6 Appropriateness

6.5 Pareto Optimality

6.6 Kinds of Evaluation

6.6.1 Performance Appraisal

6.6.2 Audit

6.6.3 Result Evaluation

6.6.4 Cost-Benefit Assessment

6.6.5 Impact Assessment

6.7 Evaluating Institutions

6.7.1 Evaluation by Operating Staff

6.7.2 Programme Evaluation Organization

6.7.3 Evaluation by Specialised Staff

6.7.4 Evaluation by Legislative Committee

6.7.5 Evaluation by Office of the Comptroller and Auditor General

#### 6.7.6 Evaluation by Public Inquiry Commission

#### 6.7.7 Issue of the Acceptability of evaluation Results

#### 6.8 Conclusion

#### 6.9 Model Questions

#### 6.10 References

### **6.0 Objectives:**

1. Students would know about the meaning, purpose and role of public policy evaluation
2. Students would be able to learn about the procedure of policy evaluation
3. Students would be able to understand Kinds of evaluation.

### **6.1 Introduction:**

It was obvious that there are many evaluation books were published in 1960s and 1970s which gave rise to a journal known as 'Evaluation Review', in 1976, which developed significance of public policy evaluation in its current forms. According to R.L Henshel, he stated about it as, "In 1970s the basic message of evaluation research suddenly attained cult status of common sense, and government at the state and federal level rushes to mandate the evaluation of many programmes". In fact the policy evaluation procedure is also as old as the policy making, it seems to the last phase of the policy procedure, in the chronological form of actions. The basic idea of policy evaluation is to know the exact position of the policy once it is implemented. It is worried with the value or social utility of a policy or a programme, which means of getting the policy formulators, administrators, and planners the relevant data concerning the difficulty of the policy and about the concerns of purposeful and efficiency of earlier and present tactic for answering, decreasing or removing the particular problem of the policy.

### **6.2 Public Policy Evaluation Meaning:**

Joseph S. Wholey, stated about the meaning of public policy evaluation as, "policy evaluation is the assessment of the overall effectiveness of a national programme in meeting its objectives, or assessment of the relative effectiveness of two or more programmes in meeting common objectives".

Whereas, according to Thomas Dye, it means, "Learning about the consequences of public policy".

At the same time, David Nachmias, improves as, “Policy evaluation research is the objective, systematic, empirical examination of the effects ongoing policies and public programmes have on their target in terms of the goals they are meant to achieve”.

According to P.H Rossi and H. Freeman stated “evaluation as a systematic application of social research procedures for assessing the conceptualization, design, implementation and unity of social intervention programmes”.

It is very obvious that evaluation means, is not monitoring but, monitoring is the precondition for evaluation. Actually monitoring is related to establish actual locations about public policies. It is actually about control and exercise of power and replies queries like, what happened, how and why? So on. It is in fact attempts to examine and tries to determine the influence of policy on actual life situations.

### **6.3 Role and Purpose of Evaluation:**

It is evident that the, chief goal of the policy evaluation is to decrease the difficulty in the speed of delivery of the policy and this policy evaluation one or three purposes to evaluate, and they are as follows:

1. Policy Efficiency
2. Policy Effectiveness
3. Policy Impact

Moreover, these purposes, evaluation work many purposes in policy analysis. In the first position, it gives reliable knowledge about policy presentation. The goal of evaluation here is to check the influence of policies on the society. It actually exposes the extent to which specific aims have been attained (for instance, upsurge in life expectancy at birth of child), it aids us to know the amount to which the policy matter have been fixed.

Secondly, Assessment aids in explain the values that are highlight the choice of aims and objectives. Later, the appropriateness of aims and objectives of the policy can be asked in relative to the problem being replied, evaluation gives processes for valuing the aims and objectives themselves. Thirdly, evaluation might result in struggles reorganize difficulties of the policy. It might also back to the emergence of fresh objectives and potential answers, for instance, by displaying whether, an earlier accepted policy substitute must be exchanged with other one or abandoned.

### **6.3.1 Procedure of Policy Evaluation:**

It is easy to evaluate the policy programme, it requires a groundwork. It includes hypothetically many steps and generally it needs at least five steps and which are very important in this process and they are as follows:

1. Finding Purposes of Evaluation
2. Finding the area of evaluation
3. Selecting evaluation methodologies and organizing data
4. Evaluating the results
5. Writing a Report on evaluation.

### **6.3.2 Finding Purposes of Evaluation:**

The most important first stage in conducting the evaluation of the policy programmes relates to finding the purposes of evaluation. The planners and organisations of the public policy who look evaluation must articulate queries as to why they need to assess the policy. After that, evaluators must find the apprehension of management, queries and matters on which the assessment must be concentrated.

### **6.3.3 Finding Areas of Evaluation:**

Once the queries of the evaluation have been developed then only it becomes possible to recognize the areas of concentration for the evaluation, for instance, if the query tells to unexpected environmental influence of the forest policy, then the evaluation had healthy focus on the technical features of the policy. The management team can recognize those areas of the evaluation which can yield the uppermost helpful information.

### **6.3.4 Selecting Evaluation Methodologies and Organizing Data:**

Selecting suitable evaluation methodology, being the next stage a problematic work. It contains collection of data also emerging the tools for recording facts and pilot examine them. The pilot examine is fruitful specially for collection of data is going to be trusted to other people who might not have contextual in policy management once the methodology is established, the subsequent phase is the treating of composing collection of the data and organisation. The entire procedure of the collection of data and tabulation has to be scheduled for timing, selection of sample, cleaning, tabulation and data storing.

### **6.3.5 Evaluating the Results:**

In the evaluating process, data collection and cleaning, being a phase in the analysis of data, means removing data which is inadequate and examining data groups agreeing to the

quires which they are prepared to reply. The data tabulation means, codifying the data into an analysable form. After the tabulation work, the data would be equipped for report writing. In several respects, the organised collection of data and facts aids to make sensible judgments about the character of policy programme inputs and outputs (Analysing).

### **6.3.6 Writing a Report on Evaluation:**

The report writing needs the total devotion, it must be written very well and must need to contain all the chief points of the evaluation. It must contain a summary of the suggestions of the management issues that launched in the evaluation. Besides this, the report of evaluation must be comprehensive and must enable other analysts in understanding the procedure of methodology, and analytical tables.

### **6.4 Criteria for Evaluation:**

The main criteria for policy evaluation are numerous, but the significant aspect would be stress on policy goals. The benchmarks allow the analysts to crop information about the probability that specific courses of achievement would effect in the understanding of the consequences. In making information about a policy presentation, analysts used diverse kind of criteria. Frohock, has recommended four types of concepts and they are 1. Equity 2. Efficiency 3. Pareto optimality and 4. Public interest, are very much helpful in evaluation policy.

Suchman, suggests a five dimension system for evaluating a victory or disaster. Effort denotes to “the quantity and quality of activity that takes place”. Performance “measures the outcome of efforts rather than effort itself”. Capability of performance measures the “degree to which effective performance is adequate to the total amount of need”. Efficacy worries the query, “is there a healthy route to attain the similar outcomes”? Procedurepacts with the multifaceted difficulty of, “how and why a programmes works or does not work”. More in recent times, Smith recommended three criteria for policy judgments and they are: policy design, public process and policy achievement.

These perspectives or the criteria form the starting point for any policy evaluation. Deliberations trails on six chief criteria for policy evaluation and they are as follows:

1. Efficiency
2. Effectiveness
3. Adequacy
4. Equity
5. Responsiveness

## 6. Appropriateness

### 6.4.1 Efficiency:

It denotes about the capability of a policy programmes to use inputs such as, time and resources to crop outcomes with the smallest total of a wastage. By efficacy, it means the quantity of effort need to harvest an agreed level of efficiency. Efficiency, when used deprived of needed qualification, denotes the technical efficiency. This technical efficacy is a thoughtful of allocative efficacy in the sense that inputs or wealth are allotted in such a manner no alteration would carry about upsurge in output. Efficacy is associated with economic rationality. As soon as efficacy is stated in monetary relations, it denotes to the ratio of monetary income from the output to the monitory costs of output. This ratio worthproductivity which is commonly utilised as apointer of the policy programme. Efficiency is frequently measured by calculating the cost per unit of a product or service.

### 6.4.2 Effectiveness:

The standard of effectiveness is utmost general procedure of policy evaluation, how to know the effectiveness of policy, whether the aims set are attained, and the policy is believed to be a disaster if it not attained its goals. Effectiveness is a degree of the policy programme's yield in producing the anticipated technical outcomes. By efficiency is intendedthe quantity of goal attainment, it denotes to whether anagreed course and sequence of act outcomes in the achievement of the goal. It is frequently measured in relations of units of products or services or their monitory costs. If the goal of public organisational unit is to render 'n' unit of service a year, then effectiveness perhaps be measured by the percentage of 'n' rendered in the year (account must generally be taken of the cost of producing 'n')for instance, if a car gives more mileage than a bus, the car can be said as more effective. Likewise, an effective environmental policy is the one which gives utmost qualitative environment to more people, supposing the qualitative of environment is a goals.

It is problematic exercise to measure whether or not aims have been attained. It perhaps be problematic to evaluate the amount of the triumph or disaster of specific policy meant rise the standards of living, reduce poverty, gives health and educational services, and so forth. This due to, the living situations of a person or a community could be assessed only over a long period of time, during with several issues which effect the situations. Further, aims and goals will alter the procedure of a policy being executed.

### **6.4.3 Adequacy:**

It means sufficiency of a particular need, the query rises: is there a probability that a policy will discover an answer to which policy is spoken? In fact, the adequacy is denoted to whether a particular level of efficiency consequences in the gratification of desires or values. Whereas the policy efficiency standard treats with the connection among policy aims and what is attained, the adequacy of a policy denotes to the association between the policy and the difficulty to which it is spoken off. The obvious difference between efficacy and adequacy could be known from the reality that a policy perhaps be judge to be a triumph in attaining its given objectives, but it has very small influence on the difficulty being spoken by the policy. For instance, sustained efforts are being made to deal with the 'homeless' difficulty but the same problem persists.

Another measurement of adequacy might point the complication of connections between cost and efficacy. It might be barbed out that, the beneficiaries and other mark sets frequently observe the government act as not adequate, whereas the political executive is likely to claim that, sufficient is being done.

### **6.4.4 Equity:**

It denotes to the delivery of belongings and struggles of a policy programme, amongst the dissimilar sets of the society. Equity raises the query "the costs and benefits distributed equitably among the different groups," hence, criterion of equity is closely connected to fair or just delivery of effects (monetary benefits) and efforts (monetary costs). The design of policy to reallocate income, employment chances, or public services are frequently suggested on the grounds of the standard equity. An agreed programme perhaps be actual, efficient and sufficient. However, it may be disallowed on the basis that it would end in the unbalanced delivery of the benefits. Yet, contradictory opinions about the rationality of society as total unable to decide merely by accepting formal economic rules. Likewise, concepts as equity, fairness and justice are connected to political power, since, these are prejudiced by the procedure containing the delivery of power in the society. Persons and group have diverse aims and values. What gratifies an individual or a group perhaps not satisfy other group or individual.

### **6.4.5 Responsiveness:**

Responsiveness which means that, a policy gratifies the wants or values of a specific set, the policies are intended to promote educational chance or health position are suggested sometimes on the grounds of the responsiveness. An educational programmes perhaps be

consequence of in an equitable delivery of facilities but be unresponsive to the requirements of specific set, for instance, the Schedule Caste people.

The accord and consultation, thus, becomes the vital distresses, as the purpose of aims becomes knotted with the exploration for appropriate means and substitute to attain those aims. Hence, execution becomes, fewer struggle lying due to, there is lesser probability of policy begin trapped by both makers of the policy and executors.

#### **6.4.6 Appropriateness:**

The appropriateness criteria also plays an important role in evaluating policies. The criterion is connected to rationality. Appropriateness denotes to the means of goals of a programme. The policy is grounded on the suitable values and ideologies. The policy hints to the disturbance and violence or be met with agreement. This measurement is worried with the judgments about the appropriateness and suitability of a policy.

Identifying the triumph or the disaster of a policy by the appropriateness is to observe where the struggle are probable to be strong. The public policies are grounded on 'undesirable values and ideologies' from the point of opinion of the public are believed to be failures. Some policies are thought to be disliked decisions, for instance, policies regulating behaviour of the people in the traffic rules, and taxes are rarely popular with common people.

#### **6.5 Pareto Optimality:**

Along with, equity, and efficacy Frohock, recommended the "Pareto optimality" as one of the criteria for the evaluation of public policy. According to this criteria, a policy that brands one or many individuals improved off devoid of aching anybody else needed. A policy that aids some at the expense of others is, hence, undesirable. However, Pareto optimality is not without flaws. The policies which are connected with the welfare of people do not charge well under Pareto optimality. Hence, welfare is spirit of social handovers. Several are made healthier by the delivery of social resources, which brands some poorer and richer. In other words, the benefit of some person perhaps be the loss for other person. The reality is that, the policies of welfare are classically set into action during the times of social complaints. It is claimed that providing relief is prearranged mainly to aid the greater economic and political complaint by safeguarding social constancy and secondarily to provide relief to the receivers.

### **Public Interest:**

In evaluating the public policy it is regarded that the public interest is significant criteria and these policies are formulated by the governments and they are with agreement to the interest of the public. During the times of policy making the policy formulators should take into account what the people really desire. After the execution of the policy the evaluators of the policy should concentrate on the aims of the policy. The evaluation mainly rests upon the commitment and emphasis of evaluation in footings of public interest. The failure at execution levels is connected with the failure of attainment of goals and efficacy. Dye notes as, "value conflict intrude at almost every point in the evaluation point". The stress on the efficacy of policy and effectiveness as the main benchmarks to be applied must not be agreed to the fact where they govern the evaluation of the policy. It is very much required to make utilisation of several benchmarks for making judgments about the triumph or disaster of a policy.

## **6.6 Kinds of Evaluation:**

There are many kinds of evaluations there but, only five types of evaluation procedures are used frequently and they are as follows:

1. Performance Appraisal
2. Audit
3. Result Evaluation
4. Cost-benefit evaluation
5. Impact assessment.

### **6.6.1 Performance Appraisal:**

It is a kind of evaluation method and is used to give information linked to evaluation of policies and of the people who are executing the policies. Generally, evaluators' emphasises on time, technical and cost performance of a policy. That kind of appraisal perhaps be led by the manager or a steering committee for the policy management. However, the sponsoring institutions for example, WHO, ILO so on also look for such kind of performance appraisal.

### **6.6.2 Audit:**

This actually stresses on the performance of the finance issues of the policy it is intended to evaluate the efficacy in the use of other resources in the management of policy. Audit is generally steered by the office of the Comptroller and Audit General of India to safeguard the value for the money. It can be weaken the policy manager's self-sufficiency and status, if management flaws are established in the course of auditing.

### **6.6.3 Result Evaluation:**

It usually occurs at or near the end of a policy programme. It actually talks about query of whether the policy outcomes match the policy aims. This kind of evaluation is tied to certain policy performance indicators, the result evaluation examines whether those indicators have been achieved or not.

### **6.6.4 Cost-Benefit Assessment:**

This kind of assessment is widely an effort to establish the benefits accumulating from the resources extended on the policy management. It is very easy to evaluate the cost-benefit in a condition in which financial profits are the measure of benefit. In most of the perspective policies one can look outcomes which are not essentially comparable to financial costs.

### **6.6.5 Impact Assessment:**

This kind of evaluation is an effort to establish whether the policy programme really made an influence the makers of the policy have anticipated on a growth need. It is very difficult to conduct such type of studies, for instance it would take 25 years to notice in the reduction of caste politics, during this time several things can occur. Hence, this impact assessment studies are recognized to be fruitful and needed but apprehensive with operational problem.

### **6.7 Evaluating Institutions:**

The worth of policy rests on to what level it has carried and services or served the aim of the policy. This needs a correct assessment of by a proper expertized institutions. It is done on the various manners by the evaluators. Occasionally it is extremely methodical, at other time rather causal.

#### **6.7.1 Evaluation by Operating Staff:**

Evaluation by those carrying the programmes (or the operating staff) has a significant inference. A huge benefit is that an insider will have small programme about the entire to information. He has thorough information of just what is complicated. Secondly, the likely clashes of interest among the operating staff and maker of the policy will be negligible. In this type, assessment needs a healthy recognised inner reporting system which allows the constant generation of programmes connected information.

#### **6.7.2 Programme Evaluation Organization:**

This, Programme Evaluation Organization (PEO) established in 1952, under the Planning Commission accepts assessment of particular programmes/ schemes under execution

recommended by different divisions of Planning Commission and several ministries departments of the government of India. The assessment examination of arranged to assess the performance, method of execution, effectiveness of the delivery system and impact of programmes.

#### **6.7.3 Evaluation by Specialised Staff:**

It can be done by a specialised staff concerned with assessment and analysis, instead of the people of policy delivery. A huge benefit of this assessment is that the specialised staff do not have any vested interest in the extension of any given programmes. Hence, some stiffness is guaranteed to take place among the operating staff and the specialised evaluator owed to the irregularity of the assessments and its outcomes.

#### **6.7.4 Evaluation by Legislative Committee:**

A general practice in the democratic nations is the participation of legislative committees in the evaluation of policies. Parliament and executive bodies which provided with legal power to a policy are likely to be anxious with assessing its triumph. That kind of evaluation perhaps be conducted by the staff of parliament or executive body or by commissioned outside consultant. Parliamentary scrutiny and assessment might be planned either to govern the action in advance with respect to specific committees or to assess the organisation action, as when a person legislator or committee pursue to govern whether administrator with policy aim.

#### **6.7.5 Evaluation by Office of the Comptroller and Auditor General:**

An audit emphasises on the issues of financial performance in the policy programme. The office of the Comptroller and Audit General of India which is considered as the organ of the parliament/state legislatures has wide statutory power to safeguard the responsibility of the executive to parliament or the state legislature. It helps in the operative exercise of their financial govern.

#### **6.7.6 Evaluation by Public Inquiry Commission:**

It is constituted under the commission of inquiry act, 1952, the central vigilance commission, the law commission, planning commission and so on (previous administrative reform commission and national commission on labour, police, education, agriculture, the central pay commission, the economic administration reform commission, and so on) could be used as a malicious of policy assessment whether established mainly in evaluation in some areas

or for their purposes, hence, fact finding, making suggestion or merely generating the advent of apprehension, utmost commission do include themselves in policy evaluation.

#### **6.7.7 Issue of the Acceptability of evaluation Results:**

Once submission of the report on the assessment results, evaluator undertake that it will straightaway be engaged by the maker of the policy, especially if the evaluation had been ordered by the government. Later, he discovers that the evaluation outcomes have not been used in most cases. In convinced cases, if the policy inference of assessment are not obvious, “the programme manager windup complaining about the irrelevance of the assessment for his programmatic concern, and evaluator returns to his office lamenting the neglect office work by decision maker”. If evaluation outcomes are to be used, they have to be in a catching language understandable to decision maker. Such communication must contain ahint of restriction of the research, dimensionof difficulty and the quality of knowledge poised or the process of analysis.

#### **6.8 Conclusion:**

Assessment policy has a significant role to lay in attaining policy aims, quality evaluation of score of policies and programmes will not only safeguard healthy performance in the performance of public organisations, but also address a wide range of issues connecting o the economy, efficacy and relevance of public investment in several policy area.

#### **6.9 Model Questions:**

1. Describe in detail about the meaning, purpose and role of the public policy evaluation?
2. Discuss in detail about the procedure of the policy evaluation?
3. Critically analyse the types and different evaluation institutions for policy evaluation?

#### **6.10 References:**

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## Lesson 7

# INDUSTRIAL POLICY

### Structure:

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Industrial Policy and Aims
- 7.3 Categorization of the Industries
- 7.4 Interdependence of Sectors
- 7.5 Industrial Policy resolution of 1955
- 7.6 Industrial Licensing
- 7.7 Industrial Policy Government Decisions 1973
- 7.8 Industrial Policy Government Decisions 1977
- 7.9 Industrial Policy Government Decisions 1980
- 7.10 Statement on Industrial Policy, 1991
  - 7.10.1 Policy Objectives
- 7.11 Industrial Sickness
- 7.12 Conclusion
- 7.13 Model Questions
- 7.14 References

### 7.0 Objectives:

1. Students would know about the aims of industrial policy, classification of industries
2. Students would be able to learn about the resolution of 1955, industrial licensing
3. Students would be able to understand the industrial sickness

### 7.1 Introduction:

The tactic of industrialization in India did not alter much from the independence till 1990 and it stressed heavy industry, public ownership and import substitution. It is very essential to start any industry and to provide employment to more than fifty workers. As the Indian industrial policy develops the socialism became both bourgeois and elite. The policies to be pursued in the field of industry was first started in April 1948. The resolution stressed the significance of securing a constant upsurge in harvest and equal delivery which laid a progressively active role in the country. along with the centre the states are also made to

establish a new undertakings in six fundamental industries such as, iron, coal, steel, aircraft manufacture, ship building, manufacture of telephone, telegraph and wireless devices, excluding radio receiving sets, and mineral oils.

It was on 20<sup>th</sup> April, 1956, the Government of India accepted the Industrial Policy Resolution which replaced the 1948 resolution. The fresh industrial policy is considered vital because some significant alterations and growths were observed during the period of eight years. The five year plan for the development of the economy in the country was put by the government.

## **7.2 Industrial Policy and Aims:**

On 6<sup>th</sup> April 1948, the Government of India set out in their Resolution the policy which they planned to follow in the industrial field. The Resolution highlighted the significance to the economy of obtaining a constant upsurge in the production and the impartial distribution, and pointed out that the State need play of increasingly a dynamic role in the progress of Industries. It sited down that besides arms and ammunition, atomic energy and railway transport, which would be the monopoly of the Central Government, the State would be totally accountable for the formation of new undertakings in six basic industries-except where, in the national interest, the State itself found it essential to safe the cooperation of private enterprise. The remaining industrial arena was left open to private enterprise however it was made clear that the State would also increasingly contribute in this field.

The Industrial policy had made with certain aims and objective and they are as follows:

1. To speed up the amount of growth of economic and fasten up industrialization
2. To advance heavy industries and industries of machine making
3. To increase the public sector
4. To shape up a huge and developing operative sector
5. To decrease inequalities in income and wealth and
6. To avoid the monopoly of private and the attention of economic power in different areas in the hands of small number of individuals.

The achievement of the above aims is likely to give developing chances of gainful employment and improving the standards in the living and working conditions of the individuals.

### **7.3 Categorization of the Industries:**

In the consultation with the Planning Commission of India, the Central Government has categorized the industries into three types, having concern to the portion which the state will play in each of them. These types will inevitably overlap to some extent and a rigidity perhaps be defeat the purpose in view. Whereas, the principles and aims will be observed throughout.

In the first category, the State has the responsibility to start all the fresh units to begin seventeen industries in Schedule A of the resolution. The only exemption being the railways, civil aviation, arms and ammunitions, atomic energy would be under the central government.

The second category contains of twelve industries stated in the Schedule B which would be owned by the State and usually State would take initiative in establishing new undertakings. And the private enterprises will also have the chance to progress in the area, either by its own or by the State involvement.

The remaining industries will fall under the third category and the improvement is usually lies with the private sector, even the State can start any industry in this type. The government has proposed and facilitate and encourage the improvement of these industries in private sector and they cover under 'Five Year Plans' by providing and assuring the growth of power, transport and other such services and by suitable fiscal and other actions.

### **7.4 Interdependence of Sectors:**

It is obvious that the government has the full right authority to undertake any kind of industrial production. The separation of industries in many types doesnot mean that they are being placed in water tight compartments. The private owned units have allowed to produce in item under Schedule A, for meeting their own needs. The private sector perhaps rely for several of its wants on the public sector. The Resolution contemplates to apply the similar principle to the relationships among large-scale and small-scale industries.

### **7.5 Industrial Policy resolution of 1955:**

In the year 1948, the Resolution was changed after eight years and in fact in April 1956, in outlook of certain significant growth in the nation. The constitution of India, came into act in 1950, the parliament agreed the aim of bringing a socialist mode of society in 1954 and motivated second five year plan which was propelled in 1956. Some of the significant points in the Resolutions are as follows;

1. In order to decrease the present inequalities in income and wealth, to avoid private monopoly and the attention of economic authority, the State was progressively to attain a direct accountability for fixing up fresh industrial undertakings, for improving transport facilities and to proceeds up State trading on growingmeasure.

2. The industries are separated in three categories on the grounds of the role of the State by which it involves. In the first category which contains seventeen industries, all are fresh units which are to be established by the State only. The list contains the railways, civil aviation, arms and ammunitions, atomic energy, ship building, iron and steel heavy castings and forgings of iron and steel, heavy plants and machinery, coal and lignite, mineral oils and generation and distribution of electricity. In the second category contains twelve types of industries, in which State was to increasingly start fresh undertakings. The list contains, industries such as, aluminum, machine devices, Ferro alloys and tool steels, antibiotics and other vital drugs, elementary and intermediate products needed by the chemical industries, synthetic rubber, road transport, fertilizers and chemical pulp. The remaining industries will fall under the third category and the improvement is usually lies with the private sector, even the State can start any industry in this type.

3. The role of cottage and village and small scale industries was specially emphasised. It was noted that the policy of limiting the volume of production in the large scale sector might remain and the policy of the State will assure the devolved sectors obtaining adequate vigor so that it can become self-supporting.

4. For the industrialization to benefit the entire nation, differences in stages of growth among the dissimilar areas are to be gradually condensed. For this reason availability of power, transport so on must to be progressively made accessible to the places of backwardness,

This industrial policy Resolution (IPR), given the elementary outline for the industrial policy in the following decades. The statements made in 1970, 1973, 1977, and in 1980 to alter the amount of stress on dissimilar features, or restated the previous stand of the government and placed down some of the details. For instance, the policy statement of 1977, had its chief belief that, on effective elevation of cottage and small industries. It was decided that “whatever can be produced by small and cottage industries must only be so produced’ and the list of industries solely kept for the small scale sector was importantly extended. Within the small scale sector, it was planned to provide particular attention to the units in the small sector- that is those with investment in machines and equipment after RS, 1,00,000 and located in towns with less than 50,000 population. The policy statement of 1980, recapped

some of the socio-economic goals such as, optimal use of fitted capability, generation of higher employment, setting up the regional disparity, consolidation of the agricultural ground, quicker elevation of export oriented and import change industries, consumer safeguard against high prices and bad quality so on. The statement also stressed renewal of public sector, greater attention to industrial sickness, upgrading of industry, safeguarding of ecological equilibrium so on.

## 7.6 Industrial Licensing:

The legislation Act of 1951, enables the licensing method of Industries (Development and Regulation). It can be functional to all the undertakings of the industry which produces any item contained in the First Schedule to the Act. The 163 industries are comprised in the Schedule are separated into 38 categories. It is required to have license to start the new undertaking, taking up production of new article in the current undertaking, considerable extension in present line of production and for changing the location of an undertaking. The following factors will be regarded before permitting the license:

1. The priority of the industry in the plan
2. The planned demand for the projected items and the capability at present licensed
3. The net effect on the balance of payments
4. Whether the project perhaps be fixed up in a backward area.
5. The direct and indirect employment potential
6. Whether the planned procedures were effective from a techno economic point of outlook
7. Whether the aspects were planned to be subcontracted to small scale and ancillary units
8. Whether sufficient care was provided to arrange for the safe disposal of effluents so on, and
9. Whether commercial production was planned to be attained in a realistic time period.

Under the Act, the government had the authority to take the following actions, among others:

1. To examine into any industry or industrial undertaking which; i. exhibited a fall in production, deterioration in the quality of product or rise in price; ii. Used resources which required to be preserved; and iii. Was succeeded in a way highly detrimental to the industry concerned or to public interest; and issue proper directions.

2. To govern supply, distribution, price etc., of certain articles for safeguarding unbiased distribution and obtainability at fair prices.
3. For the purpose of establish the position of an industrial undertaking the government can power an individual to enter and examine any places, order the production of books so on and inspect any individual.
4. The government can take under its own management undertakings which futile to carry out its order for enhancement in management.
5. The government can start for any scheduled industry a development council with the following duties, among others:
  - i. Suggesting targets for production, coordinating production programmes and reviewing progress from time to time.
  - ii. Recommending norms of efficacy
  - iii. Helping in the distribution of controlled materials
  - iv. Encouraging or undertaking scientific and industrial research.

### **7.7 Industrial Policy Government Decisions 1973:**

The Industrial Licensing Policy of February 18, 1970 had positioned certain limitations on undertakings belonging to the large industrial lines defined on the base of assets above to Rs.35 crore. In 1973, the definition of large industrial houses for industrial licensing restrictions was accepted in conformism with that in the Monopolies and Restrictive Trade Practices Act (MRTPA) of 1969 on the basis of assets above Rs.20 crore to offer extra operative control on attention of economic power. A combined list of industries that were of basic, critical and strategic prominence for the development of the economy and that had long term export potential were stated in Appendix. I. Monopolies and Restrictive Trade Practices (MRTP) companies and foreign concerns were qualified to take part in Appendix. I industries that were not reserved for production in the public sector (Schedule A of IPR, 1956) or the small scale sector

(Involving investment in plant and machinery upto Rs.7.5 lakh and upto Rs.10 lakh for ancillary undertakings). Preference would be given to small and medium entrepreneurs over the large industrial houses and foreign companies in the setting up of new capacity. Cooperatives, small and medium entrepreneurs would also be stimulated to contribute in the production of mass consumption goods.

Exception from licensing provisions for considerable growth and new undertakings of upto Rs.1 crore by way of fixed assets in land, building and machinery was stated though for MRTPA and foreign companies this exemption would not apply. Exception from licensing

would also not put on to the present licensed or registered undertakings having fixed assets beyond Rs.5 crore.

## **7.8 Industrial Policy Government Decisions 1977:**

Policy Statement of 1977, was renowned that however some essentials of the Industrial Policy Resolution of 1956 still continued legal, some structural alterations had sneaked in the system. The new policies were therefore focused towards eradicating these alterations. It delivered a quicker interaction between the agricultural and industrial sectors, rendered the highest priority to the generation and transmission of power and a thorough analysis of industrial products was made to recognize products which are accomplished of being produced in the small scale sector. The list of industries entirely kept for the small scale sector was extended from 180 items to more than 500 items. It delivered an annual review of this list in view of new products and new processes of manufacture that appear. Inside the small scale sector, a minute sector was also defined with investment in machinery and equipment upto Rs.1 lakh and located in towns with a population of less than 50,000 according to 1971 census figures, and in villages. Special legislation to safeguard cottage and household industries was also planned to be presented.

A District Industries Centre would be set up to offer, under a single roof, all the services and support necessary by small and village entrepreneurs. In adding, the Khadi and Village Industries Commission would plan and develop the 22 village industries under its purview.

The areas outlined for the large scale industry were :

- (a) elementary industries that are vital for providing infrastructure and for the growth for small and village industries, such as steel, non-ferrous metals, cement, oil refineries;
- (b) Capital goods industries;
- (c) high technology industries that need large scale production and that are connected to agricultural and small scale industrial growth such as fertilizers, pesticides and petrochemicals; and
- (d) other industries that are external to the list of reserved items for the small scale sector, such as machine tools, and organic and inorganic chemicals.

It was also explained that foreign companies that dilute their foreign equity upto 40% under the Foreign Exchange Regulation Act (FERA), 1973 would be preserved on par with Indian companies. A list of industries were issued where no foreign collaboration, financial or

technical, was measured essential since indigenous technology was completely advanced in the field. For all accepted foreign investment, complete freedom for remittance of profits, royalties, dividends and repatriation of capital (subject to rules and regulations common to all) was provided. Only in highly export oriented and/ or sophisticated technology areas fully owned foreign companies were to be permitted.

It was also certain that compulsory export obligations, simply for safeguarding the foreign exchange balance of the project, would no longer be claimed upon while approving new industrial capacity. In cases where a easing from industrial policy has been given particularly on thoughts of export alone, obligatory export compulsions would last to be forced and for adequate long periods.

In order to protect balanced regional development it was decided that industrial licences would not be issued to new industrial units for location within certain limits of large metropolitan cities having a population of more than 1 million and urban areas with a population of more than 5 lakhs as per the 1971 census.

In the areas of price control of agricultural and industrial products, the prices would be controlled to guarantee sufficient return to the investor. The takeover of the management of sick units by the Government would be resorted to only selectively in outlook of the large amounts of public funds driven into sick units that have been taken over but which continual to make losses which have to be are financed by the public exchequer.

## **7.9 Industrial Policy Government Decisions 1980:**

The Industrial Policy Statement of 1980, which is founded as the Industrial Policy Resolution of 1956, spells out the following socio-economic objectives:

- (i) Optimum use of installed capacity;
- (ii) Maximum production and attaining higher productivity;
- (iii) Higher employment generation;
- (iv) Alteration of regional imbalances;
- (v) Strengthening of the agricultural base through agrobased industries and promotion of optimum inter-sectoral relationship;
- (vi) Promotion of export-oriented industries;

(vii) Promotion of economic federalism through equitable spread of investment and dispersal of returns; and

(viii) Consumer protection against high prices and bad quality

Observing the corrosion in the trust of the people in the public sector, it was obvious to introduce an effort to recover the efficacy of public sector undertakings over a time bound programme of curative action on a unit by unit basis. Active steps would also be engaged to progress the management cadres of public sector undertakings in functional fields such as operations, finance, marketing and information system.

In order to remove the artificial difference of contradictory interests between small and large scale industry, the concept of economic federalism would be endorsed through the setting up of a few nucleus plants in identified industrially backward districts.

The nucleus plant would focus on assembling the products of the ancillary units falling within its orbit, on producing inputs desired by a large number of smaller units and making suitable marketing arrangements. The nucleus plant would also work for improvement of the technology of small units. The Government would encourage the growth of a system of linkages between nucleus large plants and the satellite ancillaries.

To increase the progress of small scale industries, the investment limit in the case of small units was improved to Rs.2 lakh, of a small scale units to Rs.20 lakh and of ancillaries to Rs.25 lakh. A scheme for building buffer stocks of vital raw materials for the Small Scale Industries was presented for operation through the Small Industries Development Corporations in the States and the National Small Industries Corporation in the Centre.

In order to safeguard total use of current industrial capacities, mainly in core industries and in industries with a long term export potential, the facility of automatic expansion of capacity of 5% per annum or 25% in a five year plan period to be taken in one or extra phases was allowed to all Appendix I Industries. Appeals for setting up 100% export oriented units and for expansion of present units for drives of export would also be considered sympathetically.

Industrial procedures and technologies intended at optimum utilization of energy or the misuse of alternative sources of energy would be given special assistance, including finance on concessional terms. Alike benefits would be given to actions that underwrite directly to the development of the environment and decrease the harmful effects on pollution of air and water.

## 7.10 Statement on Industrial Policy, 1991:

### 7.10.1 Policy Objectives:

The foundation for modern India was laid by Pandit Jawaharlal Nehru, his dream and determination have left a lifelong imprint on all planes of national effort since Independence. It is because of his inventiveness that India now has a tough and expanded industrial base and is a major industrial nation of the world. The objectives and aims set out for the country by Jawaharlal Nehru on the day of Independence, specifically, the fast agricultural and industrial growth of our nation, fast growth of opportunities for profitable employment, enlightened decrease of social and economic differences, elimination of poverty and achievement of self-reliance stay as legal today as at the time, Nehru first set them out before the nation. Any industrial policy must back to the understanding of these aims and objectives at a quicker pace. The current statement of industrial policy is stimulated by these very concerns, and signifies a changed inventiveness towards uniting the gains of national rebuilding at this vital phase.

After Independence in 1948, the Government presented the Industrial Policy Resolution. This drawn the method to industrial growth and development. It stressed the significance to the economy of safeguarding a nonstop upsurge in the production and safeguarding its reasonable distribution. After the approval of the Constitution and the socio-economic goals, the Industrial Policy was broadly reviewed and accepted in 1956. To meet new challenges, from time to time, it was altered through statements in 1973, 1977 and 1980.

The Industrial Policy Resolution of 1948 was followed by the Industrial Policy Resolution of 1956 which had as its objective the quickening of the rate of economic growth and the speedy industrialization as a means of attaining a socialist pattern of society. In 1956, capital was rare and the base of entrepreneurship not strong enough. Therefore, the 1956 Industrial Policy Resolution gave importance to the role of the State to assume a predominant and direct responsibility for industrial development.

The Industrial Policy Statement of 1973, inter alia, identified high-priority industries where investment from large industrial houses and foreign companies would be permitted. The Industrial Policy Statement of 1977 laid emphasis on decentralization and on the role of small-scale, tiny and cottage industries. The Industrial Policy Statement of 1980 focused care on the need for endorsing competition in the domestic market, technological up gradation

and modernization. The policy laid the foundation for progressively competitive export base and for promising foreign investment in high-technology areas. This found expression in the Sixth Five Year Plan which bore the separate stamp of Smt. Indira Gandhi. It was Smt. Indira Gandhi who stressed the need for productivity to be the central concern in all economic and production activities.

These policies formed a climate for fast industrial growth in the nation. Hence the Seventh Five Year Plan, a broad-based infrastructure had been made up. Basic industries had been established. A high degree of self-reliance in a large number of items-raw materials, intermediates, and finished goods had been attained. New growth centres of industrial activity had arose, as a new generation of entrepreneurs. A large number of engineers, technicians and skilled workers had also been trained.

The Seventh Plan identified the necessity to combine on these strengths and to take creativities to make Indian industry to answer efficiently to the developing challenges. A number of policy and technical changes were presented in 1985 and 1986 under the leadership of Shri Rajiv Gandhi intended to increase productivity, reducing costs and improving quality. The accent was on opening the domestic market to increased competition and readying our industry to stand on its own in the face of international competition. The public sector was freed from a number of restraints and given a larger measure of autonomy. The net result of all these changes was that Indian industry grew by an inspiring average annual growth rate of 8.5% in the Seventh Plan period.

While Government will endure to follow the policy of self-reliance, there would be greater stress placed on building up our skill to pay for imports through our own foreign exchange earnings. Government will endure to pursue a sound policy framework about inspiration of entrepreneurship, growth of native technology through investment in research and development, bringing in new technology, disassembling of the controlling method, growth of the capital markets and increasing competitiveness for the benefit of the common man. Government will provide improved support to the small-scale sector so that it can grow in an environment of economic efficiency and continuous technological upgradation. Foreign investment and technology collaboration will be applauded to get higher technology, to rise exports and to expand the production base.

Government will effort to stop the monopoly of any sector or any individual enterprise in any field of manufacture, except on strategic or military considerations and open all

manufacturing activity to competition. Government will guarantee that the public sector plays its rightful role in the developing socio- economic situation of the nation. Government will guarantee that the public sector is run on business lines as imagined in the Industrial Policy Resolution of 1956. In pursuit of the above objectives, Government have decided to take a series of initiatives in respect of the policies relating to the following areas.

- A. Industrial Licensing.
- B. Foreign Investment.
- C. Foreign Technology Agreements.
- D. Public Sector Policy.
- E. MRTP Act. A package for the Small and Minute Sectors of industry is being declared distinctly.

### **7.11 Industrial Sickness:**

There are increasing events of industrial sickness particularly of large and medium sectors is giving a stiff strain on the system of the economy in India. Reserve Bank of India, stated that, a sick unit is one which reported cash loss for the previous year of its operations and in the judgment of the financing bank is likely to incur loss of cash for the present year as also the following year. It can be branded, by a deteriorating debt equity ratio and disparity in the unit's financial status. In simple terms, a sick unit is one that is not able to aid itself by internal generation of funds. Such units more frequently than not, operate below the breakeven point on an enduring base and have inevitably to rest on the external sources of funds for their survival.

### **7.12 Conclusion:**

The tactic of industrialization in India did not alter much from the independence till 1990 and it stressed heavy industry, public ownership and import substitution. It is very essential to start any industry and to provide employment to more than fifty workers. The policies to be pursued in the field of industry was first started in April 1948. The resolution stressed the significance of securing a constant upsurge in harvest and equal delivery which laid a progressively active role in the country. In India, in 1951 the First Five Year Plan was launched by then Prime Minister Jawaharlal Nehru. The First Five-Year Plan was one of the most significant because it had an excessive role in the beginning of Indian development after the Independence.

### 7.13 Model Questions:

1. Write about the aims of industrial policy and the classification of industries?
2. Discuss in detail about the resolution of 1955 and industrial licensing and sickness of industry?
3. Write a critical analysis of all Five year plans?

### 7.14 References:

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## Lesson 8

**AGRARIAN POLICY****Structure:**

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Broad Characteristics of Agriculture
- 8.3 Priority for Agriculture
- 8.4 Planning for Agriculture
- 8.5 Policy for Agriculture
  - 8.5.1 Price Support
  - 8.5.2 Public Distribution
  - 8.5.3 Resistance to Social Pressures
- 8.6 Taxation of Agriculture
- 8.7 Restrictions of Price Support
- 8.8 Satisfaction on Food Supplies
- 8.9 Green Revolution
  - 8.9.1 Architect of Green Revolution
  - 8.9.2 Impact of Green Revolution
- 8.10 National Agricultural Policy 2000
- 8.11 Food and Nutritional Security
- 8.12 Creating and Transmission of Technology
- 8.13 Inputs Management
- 8.14 Incentives for Agriculture
  - 8.14.1 Organized Structure
- 8.15 Risk Management
  - 8.15.1 Management Reforms
- 8.16 Vision 2020
- 8.17 Conclusion
- 8.18 Model Questions
- 8.19 References

## 8.0 Objectives:

1. Students would know about the agrarian policy, broad characteristics and priority for agriculture in India
2. Students would be able to learn about the price support, public distribution and taxation of agriculture
3. Students would be able to understand the new agriculture policy and risk management

## 8.1 Introduction:

It is obvious that the agrarian policies can be implicit and assessed only with the overall economic progress and the elementary policies followed to attain the objects set for the nation. This actually includes an accepting and increase of the present social structure and the outline of the politics which are given as elementary data and inside which all the programmes of economics have to be tried and executed. The main aims and the procedures of economic planning in India can be as follows:

A speedy rate of economic development with upsurge of stress on the welfare for the masses of individuals, these two aims have become necessities of the history and unavoidable for India. It is obvious that there is no substitute for the speedy rate of economic development for a nation with prevalent poverty, population growth and the growing anticipations. This need to contain the dynamic contribution of the state which alone can pool social viewpoint with needed resources and disciplines to undertake those actions of economics which are outside the worth of private persons and guiding the economy as a whole.

## 8.2 Broad Characteristics of Agriculture:

In India agriculture, is with the millions of peasant households, a majority of which contain small land assets with majority of owner cultivation. There is barely any direct involvement of government in the production and investment choices of the farmers on the other hand, the government does effect the legal, material and economic environment in which farmers operate (Vaidya Nathan 1996). However, the great growth has been made to abuse irrigation prospective in the country still two third of area under cultivation is unirrigated and there is hence large reliance of production on whims of nature like rainfall. Areas of Irrigation have practiced severe upsurge in output level and huge portion of output at such farms is for market. On the additional hand, yield in unirrigated areas has continued either stagnant or

experienced very small growth or most of the farmers in such areas harvest for survival purpose. At complete level, agricultural development continued sluggish (below 3%) in the country. Apart from that, agricultural development continued to confine to a little wealthy pockets which has shaped regional differences.

### **8.3 Priority for Agriculture:**

About the priority of agriculture it is a debatable matter whether it was neglected in the second or subsequent plans or in the present times. It is accepted that now it cannot be talked about any single sector of industry or the agriculture, both of them are equally important and they are dependent on each other in the nation like India. Giving higher priority to for some of the specific products is not the similar thing as the greater significance for the sector as a whole as a story of long term tactic. It would be right to state that, the many economists have highlighted the comparative significance of the industrialization in the procedure of growth for what are apparent to be somewhat elementary phenomena. The demand for the agriculture products such as, food grains, has commonly an income elasticity of fewer than unity. But, the many of the economists mostly now accept that, there is no variance between agriculture and industry as the strictness of the law of lessening returns are concerned. The brilliant success of agronomic research and the grater promise of biological research has given trust and willingness and it can be seen that both the agriculture and industry are the main pillars of the nations.

Most of the distinguished economists of the early and mid-fifties stated that agriculture must be given top priority because it was a 'bargain' or 'basement' sector where a small investment would lead to more production because of the developing technology which is greater, or might be due to, the capital out-put was more encouraging. In the nation like India, the savings are problematic and meagre, it actually makes sense, to give bigger significance to the sectors which needs less capital per unit of output. But presently, the other things are rarely equal, we know that the agricultural growth too unable to attain on the low-cost.

In reality the investments in agriculture in India, has inclined to be insufficient, for the reason that, we have commonly attained to agriculture greatly fewer in terms of per capita growth than we fixed out to ensure. If 'ex ante', we funded just sufficient attention to Engle's law and allocated to agriculture asuitableportion in total investment, we are sure to end 'ex post' by ignoring agriculture because what might be an suitable portion for agriculture in in whole investment at one level of actual per capita income is an insufficient portion at inferior level

of per capita income. Perhaps this motive why agriculture came to be ignored in truth in the previous years, while this was not understood or envisioned in the plans accepted.

#### **8.4 Planning for Agriculture:**

The claims about the comparative portions in agriculture and industry in entire investments in India are in any case unauthentic. This is for the modest purpose that the majority of the investment in agriculture and a large portion of it in industry which can take place in the private hands are problematic to evaluate, and even more to foresee or to govern. Well-ordered small tables of savings and investment in dissimilar sectors of economy as existing in our plans hence, hide more than they disclose. It would perhaps be healthier for us to provide up the trick of thorough and complete planning with estimates sector by sector of units, such as savings- generated and absorbed- investment, employment income creation and like, and whether we must not give up also the custom of suggesting complete objectives for production in every sector.

#### **8.5 Policy for Agriculture:**

Not one person debates these days of the distinctive Indian peasant (farmer) being conventional and unwilling to alter his framing habits or of the regressive spilling supply curve for agriculture commodities so adored of a definite school of economists only a short while before. There is, talk static of such things being legal in Eastern Uttar Pradesh or Bihar or Bengal or Madhya Pradesh. But even in these places, given suitable struggle are now validating that they are not resistant to the winds of variation or resistant for the desire for worldly goods. What this means is that as long as improved technologies are accessible and realistically revealed to be improved, and as long as the vital infrastructure that can be delivered and leave rest to appropriate outline of economic policies which can offer the incentives and disincentives needed from time to time and safeguard that the complete capability of savings and their movement to diverse sector in amount to honest investment wants are not reserved.

Distant from the requirements of infrastructure in the system of major and medium irrigation, research and addition facilities and guaranteeing the provisions of fertilizers and other input, the two policy devices which we have cast off progressively and about the appeal if not the triumph of which there is barely any disagreement these days, are the provision of institutional credit of agriculture and assured minimum or support price for agriculture products.

### **8.5.1 Price Support:**

It can be observed that in 1950s and early 1960s there was substantial battle in India to the proposals for the price support for agriculture. This resistance curtailed largely from the worries that the political negotiating power of farmers founded on their numerical strength will be castoff in democracy to move incomes excessively in their favour. The agriculture financial statement for huge portion of national income, it is barely likely for the rest of economy to subsidies it over higher and higher support or procurement prices. It was be scared the support prices of agriculture will speedily become a chief apparatus of inflation which in shot would soon have devastating result on the whole development procedure.

It might be stated devoid of any reluctance that the policy of agriculture support prices was accepted in India not a time too quickly, and that it has producedlavishdividends to the nation. Following chairman of Agricultural Prices Commission have revealed notable lucidity of thought, vision into greater economic magnitudes and maybe most significant, bravery to fight populist burdens. Not essential to claim to on fresh potentials of technologyconstantly being obviously in visionbeforehand a price support policy is accepted, while it is still essential to caution that too large a comparativeupsurge in the support price of a commodity in petite supply, like pulses or oilseeds perhaps be counterproductiveif a considerablyenhanced technique demandingextra inputs is at influence. In any situation, the support price must not be useful proportionally in order to be rational for the modest purpose that when it derives to the elementary requirements it must be our effort at least on the average to harvest enough to see the demand so that tax at a prearranged price which is barely possible politically does not become essential either.

### **8.5.2 Public Distribution:**

It is obvious that to be feasible of such policy, the price support must be very clear and the supplies must be safeguarded by the help of Public Distribution System (PDS) have to be restricted firmly to a little elementary requirements such as staple food. What is required to be extended is the real coverage of the population contains that in the remote rural places so as to the basic commodities must be obtained and supplied by the public agencies at rational prices in all places all through the nation. This not to deny that even in respect of relatively less essential items of consumption like meat, fish, milk, fruits and vegetables are required to provide marketing help to those who produce so as to get a fair portion in the last paid by the consumer. One has to agree that, there must be no restriction in common on producers making greater prices and incomes by exports excepting in the case of the utmost

vital items of consumption which are reflected appropriate for price support as well as for most extended public distribution.

In case the State agencies need not be purchased and distribute the fruit and vegetables like that of wheat or rice neither must exports be commonly restricted specifically when many of the fruit and vegetable producers who may benefit by the higher export prices might be poorer than those who purchase these items in the local market. But the stress once again must be on the significance of cooperative slightly than State struggle in those cases.

### **8.5.3 Resistance to Social Pressures:**

It must be suitable to price support for major and elementary agricultural commodities at any time would stay as a matter of substantial argument. But in reality the community of farmers has become more aware of its political power, and that it is not oppose to reinstating to all likely systems to protect benefits for itself at the cost of remaining community. A developing sect of the urban labour does not have any requirement to fight the rights of the farmers as they are safeguarded by the cost of living changes to their wages. In these conditions the lack of strong and wise political leadership and the political awareness and organisations containing farm labour, the support price might service sectional instead of national interest.

### **8.6 Taxation of Agriculture:**

There are many agitation for the betterment of levies and electricity duties, with regard to the direct taxation of agriculture, an endeavour was correctly made to tax agriculture indirectly by taxing inputs like fertilizers some time ago. In the present years this effort was given up and it was replaced by heavy subsidization of similar inputs. Luckily, it is presently understood that agriculture cannot be subsidized above a point without put off the development of the economy entirely, and the loss in growth potential is frequently devoid of any agreeing advantage in social justice. Currently the direct taxation of agriculture actually given up, it is high time that one must give severe thought to how can this agriculture could be taxed and revive at least deliberation of why inputs elementarily utilised by the not so small and poorer farmers, like fertilizers, pesticides, insecticides, diesel or electricity and so on for lift irrigation must not be taxed through the excise and the similar ones. It is needed that those who are in agriculture must get loans at concessional rate of interest.

### **8.7 Restrictions of Price Support:**

In the area of support price, it is always developing misunderstanding amongst assuring certain minimum prices resolute in advance and asserting on market support at changing

prices which are regarded as sensible from time to time. Containing in one season itself depending on market developments. The former is essential and though it carries risks, and can be treated in advance; and the latter, offers itself to substantial abuse and burdens from interested groups. It was for this intention that for many years the support for agriculture was given only by the Centre or by the agencies of Center. Presently, in number of manners, the State governments have also joined the argument; and efforts to assure that the pricing policy they observe is harmonized with the policy of the nation is progressively disliked and fought. It is asserted that there could be only one national price support policy for every commodity and that the resources which finance such price support must decide and not get sealed up in the way of executing incompetent and wise policies, and could be vulnerable a real Pandora's box of rising local burdens ensuing in speeding up of inflation and withering up resources for growth at the similar time.

### **8.8 Satisfaction on Food Supplies:**

There are some images on the policies connected to agriculture, the difficulties attitude on the future of Indian economy and society. Most of us would not forget the anger and disgrace we had a few years ago, when the amazing shipments of PL-480 food delivered a worth of working out burden on us for changing this or that feature of our national policy. The recommendation was that then there was probable to be a world of shortage of food, the first to be deprived of food help in times of disaster must be those nations such as India which had slight or no chance of existence and instead save those who could be saved.

### **8.9 Green Revolution:**

The green revolution in India was started in the year 1960, so that the developing countries could attain the food sufficiency and overcome the food deficits. The green revolution is based on using of less land and producing more food grains and modernization is one of the chief aspect of this green revolution. In this process they use high yield varieties of seeds, alteration of farm equipments and usage of chemical fertilizers to increase the productivity in the country. In the starting the green revolution was at large but as it grow it faced the water scarcity problem. Hence the supply of water is very essential for it. Before to it the chief aim of the farmer was to produce rice and wheat only and it needs one year to get yield of these crops and it needs a change. In the starting stage of this, farmers thought that if their yield would be doubled and it gains a lot for them and they inspired by such action and it paved the way for the green revolution in the country.

### **8.9.1 Architect of Green Revolution:**

The architect of this green revolution was Mankonbu Sambasivan Swaminathan, is the Indian genetic scientist and international administrator took the chief role of green revolution. The basic idea of his was to eradicate the world hunger and poverty from the world especially from India by making self-sufficient in production of food grains. Swaminathan was part of Indian Council of Agriculture Research from 1979-80. He can be regarded as the 'Father of Green revolution' in India.

### **8.9.2 Impact of Green Revolution:**

The impact of green revolution in India was wheat production was increased high yield varieties were brought in for this purpose and farmers started enjoying better life with increased production. In spite of these benefits, there were several negative impacts of this revolution was noticed for instance the change in the usage of land pattern which is called as degradation of land. It was because in the early stages there was one crop but after green revolution there seems to be two or three crops per annum which is known as crop rotation. Which in fact reduced the quality of the land as well. Because of huge usage of chemical fertilizers the deposit a strain of Corban was produced, the bio-diversity was also affected, by the use of pesticides many insects were killed and which resulted the bird to suffer. This really imbalanced the eco-system and the environment of the country.

## **8.10 National Agricultural Policy 2000:**

Agriculture is a method of life, a ritual, which, for centuries, has designed the belief, the viewpoint, the ethos and the economic life of the people of India. Agriculture, thus, is and will remain to be dominant to all plans for strategic socio-economic growth of the nation. Indian agriculture has, since Independence, completed fast steps. In taking the annual food grains production from 51 million tons in early 50s to 206 million tons by 2000, it has backed considerably in attaining self-reliance in food and in evading food scarcities. Over 200 million Indian farmers and farm workers have been the pillars of Indian agriculture. In spite of having accomplished national food security the comfort of the farming community remains to be a substance of severe apprehension for developers and policy makers.

The National Policy on Agriculture search to realize the huge unexploited development probable of Indian agriculture, reinforce rural infrastructure to backingearlier agricultural development, encourage value addition, speed up the development of agro business, make employment in rural areas, safe a fair normal of living for the farmers and agricultural

workers and their families, depress migration to urban areas and face the tasks arising out of economic liberalization and globalization. Over the next two decades, it aims to attain:

The Noticeable Aspects of the New Agricultural Policy (NAP) are as follows:

1. Annual growth rate of above 4% is targeted over next two decades.
2. Larger involvement of private sector through contract farming.
3. Farmers to have price security.
4. National Agricultural Insurance scheme to be launched.
5. Disassembling of limitations on export of agricultural commodities all over the nation.
6. Cogent usage of water resources of the nation for optimum use of irrigation potential.
7. Great urgency to the growth of animal husbandry, poultry, dairy and aquaculture.
8. Influx of capital and secure markets for crop yields.
9. Exception from payment of capital gains tax on obligatory acquirement of agricultural land.
10. Reduce variations in commodity prices.
11. Constant monitoring of international prices.
12. Plant varieties to be safeguarded through a legislation.
13. Satisfactory and timely supply of quality inputs to farmers.
14. Great importance to rural electrification.
15. Starting of agro-processing units and making of off-farm employment in rural areas.

### **8.11 Food and Nutritional Security:**

Special efforts will be made to increase the yield and production of crops to see the growing claim for food produced by persistent demographic weights and raw materials for increasing agro-based industries. A locally distinguished plan will be hunted, taking into account the agronomic, climatic and environmental situations to understand the packed progress potential of each area. Exceptional care would be set to progress of new crop varieties, mainly of food crops, with advanced nutritional value by the acceptance of bio-technology mainly genetic alteration, despite the fact talking bio-safety apprehensions.

The main drive must be assumed to growth of rain fed and irrigated horticulture, floriculture, roots and tubers, plantation crops, aromatic and medicinal plants, bee-keeping and sericulture, for supplementing food supply, exports and creating employment in rural areas. Accessibility of hybrid seeds and disease-free planting materials of enhanced varieties,

sustained by a network of regional nurseries, tissue culture laboratories, seed farms must be encouraged to care organized growth of horticulture having importance on improved production, post-harvest supervision, exactness farming, bio-control of pests and quality directive mechanism and exports.

The animal husbandry and fisheries also make wealth and employment in agriculture sector. Expansion of animal husbandry, poultry, dairying and aqua-culture would obtain a great importance in the struggles for expanding agriculture, growing animal protein accessibility in the food basket and for producing exportable excesses. A national livestock breeding policy would be progressed to see the necessities of milk, meat, egg, and livestock products and to improve the role of draught animals as a source of energy for farming processes and transport. Chief push will be on genetic up gradation of native cattle and buffaloes using confirmed semen and high quality pedigreed bulls (Ongole Breeds) and by increasing artificial insemination system to deliver services at the farmer's doorstep.

Peer group and distribution of suitable technologies in the field of animal production and health care to improve production and yield levels will be given superior care. Cultivation of food crops and fodder trees will be cheered to see the feed and fodder desires and to progress animal nutrition and welfare. Importance would also be given to progress the processing, marketing and transport facilities, with stress on modernization of slaughterhouses, corpse use and value adding thereon. As the animal disease abolition and quarantine is dangerous to exports, animal health scheme will be reinforced and disease-free areas must be shaped. The participation of cooperatives and private sector will be cheered for growth of animal husbandry, poultry and dairy. Incentives for livestock and fisheries production actions will be carried at par with incentives for crop production.

Joint methods to design for marine and inland fisheries, to encourage viable aquaculture performs, will be accepted. The applications of biotechnical in the field of genetics and breeding, hormonal applications, immunology and disease control must obtain specific care for improved aquaculture production. Growth of supportable technologies for fin and shell fish culture as also pearl-culture, their harvest optimization, harvest and post-harvest operations, mechanization of fishing boats, consolidation of infrastructure for making of fish seed, berthing and landing facilities for fishing vessels and growth of marketing infrastructure will be rendered high importance. Deep sea fishing industry will be established to take benefit of the vast potential of nation's select economic zone.

## 8.12 Creating and Transmission of Technology:

A great importance will be given to developing new position exact and economically feasible enhanced varieties of agricultural and horticultural crops, livestock species and aquaculture and similarly preservation and careful usage of germplasma and other bio-diversity resources. The regionalization of agricultural research, grounded on recognized agro-climatic zones, would be given top priority. Claim of frontier sciences like bio-technology, remote sensing technologies, pre and post-harvest technologies, energy convertible technologies, technology for environmental guard over national research system as well as exclusive research will be stimulated. The attempt will be to shape a well-planned, effective and result-oriented agriculture research and education scheme to announce technological modification in Indian agriculture. Advancement of agricultural education and its orientation in the direction of consistency in education values, women empowerment, user-orientation, vocational and upgrade of quality will be the trademark of the new policy.

The research and extension connections will be supported to advance quality and efficiency of research and extension system. The extension method would be wide-ranging and refreshed. Pioneering and reorganized institutional variations will be presented to brand the extension system farmer answerable and farmer responsible. Role of Krishi Vigyan Kendras (KVKs), Non-Governmental Organizations (NGOs), Farmers Organizations, Cooperatives, corporate sector and para technicians in agricultural extension will be stimulated for organizing demand focused production methods. Growth of human resources through capacity building and skill upgradation of public extension representatives and other extension bureaucrats will be given a top priority.

The Government will effort to transferto a regime of financial sustainability of extension amenities through completing in a stagedway, a more truthful cost recovery of extension services and inputs, whereasinstantaneouslyprotecting the interests of the poor and the vulnerable groups. Streaming of gender fears in agriculture will takespecificcare. Suitable structural, functional and institutional actions will be started to empower women and build their competences and advance their entree to inputs, technology and other farming resources.

### 8.13 Inputs Management:

Satisfactory and appropriate supply of quality inputs such as seeds, fertilizers, plant protection chemicals, bio-pesticides, agricultural machinery and credit at sensible rates to farmers will be the attempts of the Government. Soil testing and quality testing of fertilizers and seeds will be guaranteed and resource of bogus inputs will be tested. Sensible and finest usage of fertilizers would be encouraged composed with use of organic manures and bio-fertilizers to optimize the efficacy of nutrient use.

Expansion, yield and supply of better varieties of seeds and planting materials and consolidation and development of seed and plant certification method with private sector contribution will obtain a top urgency. A National Seed Grid will be started to safeguard supply of seeds particularly to zones affected by natural calamities. The National Seeds Corporation (NSC) and State Farms Corporation of India (SFCI) will be modernized for effective use of investment and manpower.

Safeguard to plant varieties by a *sui generis* legislation, will be approved to inspire research and breeding of novel varieties predominantly in the private sector in line with India's responsibilities under TRIPS Treaty. The farmers will, conversely, be allowed their customary rights to save, use, exchange, share and sell their farm saved seeds excluding as branded seeds of secure varieties for commercial purpose. The interests of the researchers will also be protected in carrying out research on branded varieties to grow new varieties.

Combined pest supervision and usage of biotic agents in order to reduce the unselective and unwise usage of chemical pesticides will be the basic principle cover plant guard. Careful and eco-friendly farm mechanization concluded suitable technology will be endorsed, with exceptional orientation to rainfed farming to decrease difficult work and to make agriculture well-organized and inexpensive as also to rise the production of crop.

### 8.14 Incentives for Agriculture:

The Government will attempt to generate a promising economic environment for growing capital establishment and own investments of farmer by elimination of misrepresentations in the incentive rule for agriculture, refining the terms of trade with industrial sectors and carrying about external and domestic market reforms supported by rationalization of domestic tax structure. It will pursue to confer on the agriculture sector in as several respects

as likely benefits alike to those gaining in the manufacturing sector, such as relaxed obtainability of credit and other inputs, and infrastructure facilities for expansion of agri-business industries and advance of active delivery systems and freed movement of agro produce.

Resulting upon disassembling of Quantitative Limits on imports as per WTO Pact on Agriculture, commodity-wise plans and measures for defending the grower from hostile influence of excessive price variations in world markets and for encouraging exports will be framed. Separately from price antagonism, other features of marketing such as quality, choice, health and bio-safety will be encouraged. Exports of horticultural harvest and marine harvests will obtain specific importance. A two-fold long term plan of divergence of agricultural produce and value adding allowing the production method to answer to external environment and making export demand for the commodities created in the nation will be progressed with an opinion to providing the farmers incremental income from export earnings. A promising economic environment and supportive public management system will be shaped for elevation of agricultural exports. Quarantine, both of exports and imports, will be assumed specific care so that Indian agriculture is secure from the entrance of exotic pests and diseases.

In order to defend the interest of farmers in background of elimination of Quantitative Restrictions, constant watching of international prices will be assumed and suitable tariffs guard will be delivered. Import duties on manufactured commodities utilized in agriculture will be streamlined. The domestic agricultural market will be relaxed and all wheels and guidelines delaying rise in the income of the farmers will be appraised and stopped to safeguard that agriculturists obtain prices proportionate with their labour, investment. Limitations on the movement of agricultural commodities in the entire country will be gradually undone.

The structure of taxes on foodgrains and other commercial crops will be studied and streamlined. Likewise, the excise duty on materials such as farm machinery and equipment, fertilizers, so on cast off as inputs in agricultural production, post-harvest storage and processing will be studied. Suitable actions will be accepted to guarantee that agriculturists by and large continue outside the regulatory and tax collection methods. Farmers will be relieved from payment of capital gains tax on compulsory acquisition of agricultural land.

### 8.14.1 Organized Structure:

Indian agriculture is branded by prevalence of small and marginal farmers. Organized reforms will be so hunted as to channelize their drives for attaining superior output and production. The method to rural development and land reforms will emphasis on the following zones:

- Amalgamation of assets all over the country on the outline of north-western States;
- Rearrangement of ceiling surplus lands and waste lands among the landless farmers, unemployed youth with preliminary start-up capital;
- Rental reforms to identify the rights of the tenants and share croppers;
- Growth of lease markets for growing the size of assets by making legal provisions for giving private lands on lease for cultivation and agri-business;
- Apprising and progress of land records, computerization and issue of land pass-books to the farmers, and
- Acknowledgment of women's rights in land.

The rural poor will be gradually complicated in the execution of land reforms with the help of Panchayati Raj Institutions, Voluntary Groups, Social Activists and Community Leaders. The participation of private sector will be encouraged through contract farming and land leasing provisions to permit speeded technology transfer, capital inflow and guaranteed markets for crop production, especially of oilseeds, cotton and horticultural crops.

Evolving easy process for sanction and disbursement of agriculture credit. The attempt will be to guarantee supply equity in the disbursement of credit. Micro-credit will be encouraged as an operative instrument for alleviating poverty. Self Help Group – Bank linkage system, suitable to Indian rural sector, will be established as a supplementary mechanism for carrying the rural poor into the formal banking system, thus, refining banks outreach and the credit flows to the poor in an actual and maintainable way.

### 8.15 Risk Management:

In spite of technological and economic improvements, the situation of farmers remains to be unstable because of natural calamities and price fluctuations. The National Agriculture Insurance Scheme cover all farmers and all crops in the entire country with built in necessities for protecting farmers from financial distress instigated by natural disasters and

making agriculture financially feasible will be made more farmer-specific and effective. Efforts will be made to offer a package insurance policy for farmers, right from sowing of crops to post-harvest operations, with market fluctuations in the prices of agricultural produce.

In order to decrease risk in and convey better flexibility to Indian agriculture against droughts and floods, labour will be made for attaining greater flood-proofing of flood prone agriculture and drought-proofing of rainfed agriculture for defending farmers from whims of nature. For this drive, contingency agriculture planning, development of drought and flood resistant crop varieties, watershed development programmes, drought prone areas and desert development programmes and rural infrastructure development programmes, will receive specific attention.

The Central Government will remain to release its accountability to guarantee remunerative prices for agricultural harvest by declaration of Minimum Support Prices (MSP) policy for major agricultural commodities. The food, nutrition and other domestic and exports desires of the nation will be reserved in opinion though decisive the support prices of different commodities. The price structure and trade mechanism will be always studied to guarantee a promising economic atmosphere for the agriculture sector and to fetch about a reasonable balance between rural and urban incomes. The methodology used by the Commission on Agricultural Costs and Prices (CACP) in arriving at estimates of cost of production will be periodically studied. The price structure of both inputs and outputs will be supervised to guarantee higher returns to the farmers and bring about cost efficiency through the economy. Domestic market prices will be carefully watched to stop pain sales by farmers. Public and cooperative agencies undertaking marketing operations, will be strengthened.

The Government will increase the attention of futures markets to diminish the extensive fluctuations in commodity prices as also for evading their risks. The attempt will be to cover all important agricultural products under futures trading in course of time.

#### **8.15.1 Management Reforms:**

Operative execution of policy creativities will call for complete reforms in the administration of agriculture by Central and State Governments. Central Government will supplement/accompaniment the State Governments' over regionally distinguished Work Plans, including crop/area/target group struggle exact interferences, framed in an inter active

style and executed in a essence of partnership with States. Chief Government will transfer away from graphic approach to Macro-Management manner and assume a role of advocacy, articulation and facilitation to help States in their struggles towards attaining enhanced agricultural development.

The Government will emphasis on quality features at all phases of farm processes from sowing to primary processing. The quality of inputs and other support services to farmers will be enhanced. Awareness about the quality amongst farmers and agro-processors will be shaped. Grading and standardization of agricultural products will be endorsed for export improvement. Application of science and technology in agriculture will be encouraged through a steady scheme of interface between Science and Technology institutions and users/potential users, to make the sector globally competitive.

The database for agriculture sector will be reinforced to confirm greater dependability of estimates and anticipating which will aid in the method of planning and policy making. Energies will be made to meaningfully advance and attach newest remote sensing and information technology to obtain data, organize it, enhance value and distribute it to suitable purposes for handling the risk and in quickening the development procedure. The aim will be to engross in an expressive constant negotiation with the outside environment in the altering scenario and to have on-line and actual time method of 'Agriculture on-line' capacity to analyze signals coming from the farms and markets for the advantage of farmers.

### **8.16 Vision 2020:**

Future increases in the production of cereals and non-cereal agricultural commodities will have to be essentially achieved through increases in productivity, as the possibilities of expansion of area and livestock population are minimal. To meet the projected demand in the year 2020, country must attain a per hectare yield of 2.7 tons for rice, 3.1 tons for wheat, 2.1 tons for maize, 1.3 tons for coarse cereals, 2.4 tons for cereal, 1.3 tons for pulses, 22.3 tons for potato, 25.7 for vegetables, and 24.1 tons for fruits. The production of livestock and poultry products must be improved 61% for milk, 76% for meat, 91% for fish, and 169% for eggs by the year 2020 over the base year TE 1999. Average yields of most crops in India are still rather low.

### 8.17 Conclusion:

It is obvious that the agrarian policies can be implicit and assessed only with the overall economic progress and the elementary policies followed to attain the objects set for the nation. Agriculture is a method of life, a ritual, which, for centuries, has designed the belief, the viewpoint, the ethos and the economic life of the people of India. Agriculture, thus, is and will remain to be dominant to all plans for strategic socio-economic growth of the nation. Indian agriculture has, since Independence, completed fast steps. In taking the annual food grains production from 51 million tons in early 50s to 206 million tons by 2000, it has backed considerably in attaining self-reliance in food and in evading food scarcities. Over 200 million Indian farmers and farm workers have been the pillars of Indian agriculture.

It can be observed that in 1950s and early 1960s there was substantial battle in India to the proposals for the price support for agriculture. This resistance curtailed largely from the worries that the political negotiating power of farmers founded on their numerical strength will be castoff in democracy to move incomes excessively in their favour.

It is obvious that to be feasible of such policy, the price support must be very clear and the supplies must be safeguarded by the help of Public Distribution System (PDS) have to be restricted firmly to a little elementary requirements such as staple food. What is required to be extended is the real coverage of the population contains that in the remote rural places so as to the basic commodities must be obtained and supplied by the public agencies at rational prices in all places all through the nation.

### 8.18 Model Questions:

1. Discuss in detail about the agrarian policy, broad characteristics and priority for agriculture in India?
2. Write about the price support, public distribution and taxation of agriculture in India?
3. Critically analyze the new agriculture policy of India?

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