
UNIT 11 CONSTRAINTS IN PUBLIC POLICY FORMULATION

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11.0 LEARNING OUTCOME

After studying this Unit, you should be able to:

- Understand the problems at each stage of policy formulation; and
- Discuss the significance of research studies in rationality of the policy process.

11.1 INTRODUCTION

There has been much deliberation on the meaning and implications of the term 'public' in public administration, more specifically, public policy. Correspondingly, it is imperative to differentiate/distinguish between public and private interest not just for semantic clarity, but also for the wider and more essential purpose of understanding public interest and its articulation for public policy. A simple yardstick to judge the 'publicness' of any measure is identification of the size of the clientele likely to be serviced by a policy or the likely beneficiaries, taking into account the temporal dimension also; if the benefits of a policy are spread over a large segment of population, over a longer time frame the interests served are inferred as 'public'. In formal terms, policy measures of the government, approved by the legislature, for which the elected representatives of people are held accountable, are public policies. Essentially, public policy is based on public interest. But it is in this very essence of public policy that the fundamental contradictions/disagreements inhere. For instance;

- What is public interest?
- What are the processes of articulating public interest and proffering the same as policy input(s)?
- How are choices made between differing/conflicting interests?

How 'public' is public enough?

What/How much was the private stake in a policy? How were the interests served?

Who were the stakeholders?

- How was/were the reconciliation (s) affected?
- What were the criteria governing choice?
- How is public purpose to be evaluated/judged?

In all, how democratic is the process of democracy itself?

Enmeshed in the above concerns are the approaches to public policy formulation or theories; the latter form the dominant concerns in public policy formulation. The core concern of the discussion in this Unit will be the *contextual*, *substantive* and *procedural* constraints in public policy formulation, which often adversely affect the implementation stage. These are studied as *fact* and *value* constraints/premises that determine the policy choices of decision makers.

11.2 PROCESSES OF CHOICE: HOW RATIONAL?

K.D. Madan (1982) explains the difference between a *policy* and a *decision*. In his words, a policy is a decision "with much wider implications and longer time frame, the taking of which requires much pondering of many a mind."

Intelligence is the stage of conception/perception of the problem. Wrongful perception might create a fundamental flaw in that the policy may not get underway in the desired manner. For example, a government may argue that it already has a national health policy; all that is needed for a specific disease, such as, HIV/AIDS is a set of guidelines. This technicality may prevent the issue from being taken up at a very senior level in government. AIDS may simply be dealt with at a lower level in the department/agency concerned, which will deemphasise the 'end/value' in this case (Justice Africa, 2005). Decisions taken at higher levels set the boundaries/ constraints for decisions at lower levels; hence, the tendency for buck-passing. Therefore, very often, lack of adequate success of policies can be traced to the initial stage involving perception of the problem as exemplified above. This again brings to light the significance of 'fact' supporting 'value' judgments, by way of academic prelude, implying research studies and granting more say to the specialist in the administrative hierarchy, for better fact-based rationality, informing 'value' rationality, finally, leading to the *Function of Choice*.

Design: The design stage is a stage of negotiations/deliberations wherein competing 'values' are sieved and sifted. Rationality of 'design' comes from broad-based deliberations, researched academic input, specialist analysis with respect to 'opportunity costs' involved in choice of an alternative and identification of gainers and losers. An integral part of the Design is compensation to the 'losers', so that the stipulation of net social welfare, as per welfare economics is met in all conditions. It is further stated that *transparency in the processes of choice*, and articulation of the right to information with respect to civil society can ensure rationality of the process and prevention of "political rent seeking" in 'public choice' terms. In this context, K. D Madan (1982), brings out the enormity of the exercise in the following words: "Policy-making must have for its canvas not only a broad spectrum of consequences, several of them imperceptible, and indefinable, but also multiple choices and a host of interests, ... a pareto optimum, that is, a means whereby the benefits may be conferred on some without imposing any costs on any of the others is virtually a mirage." A major problem in policy choices is between *short-term needs* and *long-term goals*. For example, while fertilizers would harm the ecology in the long run; food production requires increase which could be achieved only by fertilizers, and not to the desired level by environment-friendly options, like bio-manures.

'Design' can improve with better fact-based rationality, which can facilitate a wider spectrum of policy choices and a broader cognisance of 'values' (interests, opinions) for policy input. Organisation and Management (O&M) effort, implying modern tools like the Management Information System (MIS), scientific data collection and analysis, computerised record keeping etc., would aid fact-based rationality. Deliberations in a broader spectrum would ensure inclusion/consideration of more 'values', keeping in mind the time constraint.

Choice: 'Choice' function is the selection of an alternative, foregoing the other options. Rationality in the choice function is constrained by both objective and subjective factors. Objective constraints would be the limitations on fact-based rationality, arising out of limits to human cognitive ability, inadequate fact support (data, lack of expertise in analysis, etc); environmental constraints (constitution, laws and political institutions) which set the domain for government policy directives prescribing the *do's* and *don'ts*; and organisational constraints stipulated in/through budget, personnel expertise available, or conflicting organisational objectives, *vis a vis* the policy intent. Cognisance also has to be taken of possible boundary disputes, which could come up between organisations at the implementation stage, which has to be covered in a preemptive sense within policy craft. Financial constraints are the most important. A policy cannot stretch beyond its funding limits. Subjective value preferences of the political elite, which are manifested by the ideological leanings of the leaders themselves or the ideological preferences of the ruling party become 'value constraints' to rationality in policy-making.

11.3 · REQUIREMENTS IN RATIONALITY

Pact Constraints: Lack of Research Input

Public administration is "cooperative rational action" (Waldo, 1955). The word 'rational' is significant in that the prelude to public policy formation, implying the process of interest articulation and aggregation preceding policy formulation. It is on the latter that the extent of 'choices' or more specifically the policy alternatives available would depend. Rationality of this process would determine the extent of 'choices' available with decision makers and the rationality of the choice finally arrived at. The opportunity cost of a policy is important since it is the sum total of the options foregone in preference of an alternative. The 'rational' in the above quoted definition implies academic research exercises, which need to accompany the policy planning process right from the inception stage (conception of policy) through the progressive stages up until the final outcome, to *post facto* analysis of the policy. Such exercises are only halting and ad-hoc in India, as many key agencies do not seem to concur with the rationality argument to the requisite extent. Rationality is constrained, according to Chandra (2005), by severe apathy on the part of government officials and policy, by and large, is more a 'political' than a 'rational' exercise,

Knowledge Constraints

Knowledge is a pre-requisite for rational policy-making. 'Rationality' of the policy in the sense of having an adequate information base depends on a number of factors. They include efficient record keeping, computerised databases regarding past precedents; a sound and efficient management information system (MIS) to aid decision-making at each/every level; monitoring mechanisms; supply of facts through research input broad-based deliberations among stakeholders for consideration of all available 'values' (interests) with due weight accorded to all competing/concerned interests and; provision of information connectivity, etc. Policy-making seems to have suffered in the past due to piecemeal and narrow sectorised approach. Knowledge constraints are more evident in developing countries in terms of preparedness of the bureaucracy to utilise expertise; data

availability, and low 'risk perception' with regard to matters like climate change or disaster management. Also, negative social capital between institutions is at a discount due to the 'empire building' tendency of key bureaucrats; it inhibits informal communication and impedes rationality. This can be overcome through 'horizontal integration' of policies across departments/ministries. The above-enumerated virtues impart/ensure the much-valued 'responsiveness' and 'responsibility' on the part of the administration.

Timing of policies: Policies get outdated because *developments precede adjustments*. Policies have to absorb technological changes and inventions. Valuable time is lost when government agencies remain sluggish in this regard. The significance of the time factor was realised when many of the disinvestment decisions were criticised for being too slow and hence unable to take full advantage of the market price.

Legal Constraints: Lack of systematic effort in policy-making and other constraints often contribute to incomplete or inconsistent or sloppy policies. The judiciary then resolves matters. The Courts, on a number of occasions, have provided the substance of policies. Courts have also intervened on a number of occasions to check executive arbitrariness. This has led to allegations of 'Judicial activism'. We may cite one instance here.

Even though section 3(3) of India's Environment Protection Act 1986, allows the Union government to create an authority with powers to control pollution and protect the environment, it has not done so. The apex Court ordered the union government to establish an authority to deal with the situation created by the tanneries and other polluting industries in the state of Tamil Nadu. It was further directed that this authority shall implement the *precautionary principle* and the *polluter pays principle*, and identify (a) the loss to the ecology/environment; and (b) determine the compensation to reverse the environmental damage and compensate those who have suffered from the pollution,

Environmental Constraints: In developing countries, the political elite perform the task of political communication inadequately. Political communication is the essential interface between the people and their representatives, whereby the latter apprise the former of the policies and plans of the government to be pursued in their benefit. It is a measure of gathering support as also in mobilising people in support of development measures. In the absence of such communication, policies can never translate into results because of lack of proactive initiative on the part of administration, lack of public accountability of officials for sufficient effort towards attainment of targets/results. Political communication is all the more necessary for sufficient policy impact and reach;

The burden of precedent acts as a major organisational constraint to rational policy-making. It has also been observed that in developing countries, policies *seem to follow past precedents*. Such orientation stalls innovation; it therefore can be considered a retrograde influence. As per cultural orientation, choice is often made in favour of the time-tested rather than the new initiative. This epitomises therefore or rather explains the bureaucratic 'resistance to change'. Horowitz (1989) supports the allegation of argument with examples from Asia, Africa and Latin America. He says, "No regime writes on a clean slate." Decision-making "habits and styles" develop overtime which influence/shape/affect subsequent decisions. "Policies made in an area, fresh in the experience of decision makers and the relevant public stand a good chance of being cut in the same groove." Drastic changes or innovations may never be tried unless forced by contingent circumstances. Such a tendency explains the lack of major policy shifts in countries like India.

In many developing countries, the government is prone to interfere frequently in the private domain of individuals. Commenting on the **unique**, contextual dimension or the 'environment' of policy-

making. Horowitz (1989) notes, unlike in the developing countries where the State is strong as compared to society, State in the western world has to offer strong arguments to explain a policy which intrudes a safe private domain, such as, freedom of thought and expression, or religion or some other private concern. Hence, these issues enjoy relative immunity as compared to the developing countries where these are inadvertently or deliberately impinged by policies and boil up soon into a wild political controversy. Hence, lack of sensitivity to individual freedom is a major constraint on public policy.

11.4 POLICY CRAFT: ROLE OF THE BUREAUCRACY

The politics-administration dichotomy delimited the domains of the politics (legislature) and bureaucracy (administration) in articulating 'value', and supplying 'facts' to politicians and bureaucrats respectively. The bureaucracy is the repository of information (fact input) for public policy, more so in developing countries like India where alternate mechanisms in the form of specialist institutions for interest articulation and aggregation are lacking or found wanting in expertise. Hence, the facts supplied by the bureaucracy form the inputs for public policy, and constraints for it are within the domain delimited by facts supplied. Facts, thus, supplied can comprise value inputs on the part of the bureaucracy in the sense that certain facts may be stressed others deemphasised in the final analysis, determining/impacting policy craft. Leading theorists like Herbert Simon have conceded to the influence of subjective judgements, such as, *intuition* in decision-making. Hence value determination on the part of the bureaucrats may not be ruled out in public policy formulation.

The level of **political development**, understood/expressed as specialised differentiated institutions for interest articulation, lobbying, social action, protest, etc. which make democracy effective, is lower in developing countries as compared to the western developed countries/cultures; the implication being that interest articulation remains an *un-institutionalised activity*. The western world gets policy inputs from rational empirical exercises following data collection and analyses. Such systematised information is lacking in developing countries where policy inputs are not so well grounded in facts. Owing to the shortfall of this effort, the task of interest articulation has devolved largely on the bureaucracy.

Of late, the legislature has been hard pressed for time to legislate on matters of public interest in sufficient detail; hence the ever-growing field of administrative discretion. Involvement of high-level development bureaucracy (HLDB) in public policy formulation has grown exponentially in the past few decades. This is a universal trend in that the phenomenon is not restricted to developing countries but is manifest equally strongly in both the western and the developing worlds. This has widened significantly the arena of administrative discretion, which was described quite disagreeably as *The New Despotism* by Lord Hewart. Transparency by way of policy analysis studies is, therefore, stressed.

Policy Analysis

Policy analysis is an attempt to trace *the cause-effect relationships* between a policy and its outcome. Retrospectively, attempt is made to discover the *cause* behind manifest effect, for example outbreak of dengue in the aftermath of floods. Flash floods in Mumbai (2005) were caused due to poor drainage, which led to water accumulation, thereupon resulting in disease. Policy recommendation is then made, which could be an institutional correction, such as, privatisation of the facility, or changes in organisation relating to distribution of power and authority, autonomy, delegation or whatever is found suitable. The emphasis again is on *rational inquiry*, and adequate emphasis on the part of government on research that contributes to rationality.

Before finalising a policy, policy analysis has to detect/anticipate possible institutional blockages or behavioural aberrations, such as, corruption, or scope for ambiguity and misleading interpretations, or legal hurdles relating to lack of clarity of purpose, which might surface later and affect implementation stage, and impede the well-meaning process. At the policy formulation stage itself, empirical effort towards exploring the different dimensions of policy should be attempted with a focus on rationality.

Also, the policy should be as *inclusive* as possible at the formulation stage, with minimal scope for 'administrative discretion' at the implementation stage so as to prevent changes in policy content/intent. However, the dominant trend indicates that policies are advanced in a skeletal form with details to be filled in by the bureaucracy. This has created a considerable space for administrative discretion, which has its pluses and minuses with respect to public interest. Many of the interest groups which fail to press their cause with the ministers or legislators, attempt the same at the implementation stage. If administrators have lot of scope for discretion they may be tempted into nefarious deals, which may defeat the purpose of a policy.

Specific areas for deliberation for the purpose of policy analysis could be (enlisted below) as follows:

- Identification of stakeholders, and allowing 'voice' to target population to make the process broad based.
- Institutionalising civil society partnership, especially of the impacted group (beneficiary or otherwise) in the deliberations preceding formulation of a policy.
- Delimiting the arena of administrative discretion in policies formulated.
- Good communication, vertical and horizontal, to disseminate the intent of the policy and avoid implementation hurdles/distortions.
- Built-in flexibility provisions where needed to provide for successful implementation.

Need for Role Clarity

Clarity in role expectations would contribute to higher level of performance and rationality. Hence, the requisites/desirables/stipulates with respect to administrative behaviour need to be spelt out unambiguously. Persistent role ambiguity/role confusion regarding desirable stipulates of organisational behaviour would not enhance rationality. Role expectations also raise questions regarding commitment as also the notion of a committed bureaucracy.

The concept of 'committed bureaucracy' came under heavy criticism on grounds of ethics of bureaucratic functioning. In theoretical terms commitment was intended to 'policy' and 'interests' in the spirit of responsiveness and advocacy for sustained effort on the part of the administrator involved so that a policy leads to success and fulfils the canon of accountability for the expected outcomes/results.

However, a few narrow-minded advocates of the concept misconstrued it as commitment to the party in power, on the analogy of the role of civil servants in one-party regimes like in communist countries. The flavour of partisan politics in bureaucratic behaviour in multi-party democratic political systems, it was apprehended, would run counter to the accepted canons of neutrality and impartiality of the civil service. It carries the danger of subverting parliamentary democracy itself in countries like India. In this context, neutrality is not to be construed as indifference or lack of responsiveness on the part of the individual civil servant. Needless to assert, a responsive and responsible civil servant will be committed to the objectives of a policy, but not to partisan politics.

Rational bureaucratic behaviour displays concern for 'outcomes' or results, and not neutral with respect to the clientele. Thus, the bureaucracy is accountable to policy objectives and to broad societal concerns.

Procedural Stipulation

Bureaucracy is the watchdog of method. Adherence to procedure serves the cause of public interest; hence is denoted, procedural public interest. There is a growing voice that knowledge about and respect for procedure needs to be inculcated in politicians through appropriate training who allegedly demand compromises with regard to procedure. This would also help in developing better rapport between the political and the permanent executive.

Conversely, procedure can be a constraint on public policy in that it delimits its dimensions and determines its pathway. The catch is that progression of a policy in actual implementation cannot be foreseen; hence its pathway cannot be charted or prescribed strictly. After it is underway, the policy follows its own path the right thing to do is to follow the path it takes and facilitate its development along it, rather than chart a different course or insist on some uniform method compromising the ends of that particular policy. Hence, method should be conducive to and not antithetical to *purpose* since an over concern with method would prevent/stall the more important job of "getting things done," to put it in Simon's (1947) terminology. The onus is on the bureaucracy, as the approach of individual bureaucrats may differ.

This explains the call for procedural flexibility to facilitate innovation on the part of the decision maker, which remains the cardinal virtue of efficient and effective administration. It is here that control and monitoring need (s) to be redefined in consonance with the requirements of 'result-oriented' administration. Method is sometimes found to be not in complete accord with the purposes of the policy. The argument in favour of method (procedural compliance), however, is that it remains the bureaucracy's strongest instrument/argument for protection of public interest from unsavoury political influences/demands.

Perhaps, procedure needs to be considered more seriously at the policy formulation stage itself, as part of preemptive strategy to reduce the 'constraints' that might surface during the policy implementation phase, which is not a different phase, as might be construed, but an extension of phase I, that is, policy formulation itself.

11.5 ROLE OF CIVIL SOCIETY

The advent of the Civil Society has added newer dimensions to 'rationality' of policy content. Because of increasing specialisation of administrative work, and also the need/desirability of cutting back revenue expenditure, (fiscal deficit). The state apparatus has shrunk in both developing and developed nations owing to the New Public Management paradigm. According to Lynn Wildavsky, bureaucracy is losing ground to civil society in matters of interest articulation in developed nations. Weberian bureaucracy had two traditional strongholds, viz. *monopoly of expertise* and *security of tenure*. The advent of the civil society has entailed compromise on the first principle. Knowledge networking in the information age across agencies and increasing requirement of contractual employment of trained specialist personnel in government organisations has compromised the ubiquitous bureaucrats' 'monopoly' of expertise. The hint here for developing countries is institutionalisation of social capital inherent in neighborhood communities, social action groups, etc. More precisely, the processes result in activation of civil society, create and **build** upon expertise outside the bureaucracy, encourage policy analysis through academic effort and ensure requisite transparency in administration.

Peoples' Participation and Interest Articulation

A virtue, that is, being lauded currently in public administration literature as essential/requisite/condition for good governance is people's participation in policy-making. According to George H.

Frederickson (1993), citizen-government interface partakes in the following modes:

- Public as interest group (*Pluralism*).
- Public as consumer (*Public Choice*).
- Public as representative voter (Legislative); client and citizen.

The value of the aforesaid multiple dimensions call for proactive citizen participation in governance. It is epitomised/ summarised in the term 'responsible citizenship.' Moreover, people have a Right to Information, which is indispensable for transparency of administrative processes and accountability of officials.

Huttington and Nelson (1976) observe that political participation in advanced industrial societies is at a significantly higher level than it is in most developing countries. Moore (1985) states that in many Asian, African and Latin American countries, even in those characterised by high levels of politicisation in general, large sectors of the public remain inarticulate with respect to their interests; in other words, they remain politically inactive/inert.

Based on case studies, Chandra (2005) finds that interest articulation with regard to allocation of resources for important sectors like education in rural local bodies remains low because the demand is low. As such, felt needs could not be articulated; with the result they remain on the back burner. According to Chandra, activation of civil society around the *fulcrum* of local bodies can bring about this institutional correction. This would also bring into effect the much lauded and strongly desired bottom-up approach to planning instead of the top-down approach hitherto pursued.

11.6 VALUE CONSTRAINTS: THE WELFARE PREDICAMENT

The concept of welfare has never been precisely defined. Welfare in practice implies redistributive agenda, on the part of the state, by means of resource allocation in favour of schemes for the poor and the underprivileged. The liberal state of the 17th and 18th centuries did not interfere in economic matters. Civil society was the defining feature of the liberal state. Economics was the sphere of private action, protected by the big government, but otherwise left untouched by it. A major constraint of this model is that it left the poor to fend for themselves. Two historical events endorsed the welfare state idea. The Great Depression of 1929 marked the advent of the New Deal in USA, which was a package for income generation and employment security to the deserving poor. The Russian revolution (1917) instituted the welfare state in the erstwhile Soviet Union and presented an alternate paradigm to the liberal state. In Britain, Labour government, which was elected in 1945 and stayed in office until 1951, and instituted classic welfare state programmes like the National Health Service (Ross, 2003). New democracies like India, which gained freedom during this period, adopted the welfare state model of governance. On the lines of the Soviet Union the mechanism of centralised planning was adopted. The public sector, however, performed below-par. Many welfare schemes resulted in bureaucratisation, denying optimal benefits. Controls, corruption, and inefficiency characterised the 'licence-permit-quota raj'. Vote-bank politics added new predicaments. All these tendencies together posed enormous constraints to the policy model of welfare and a public sector-centric economy.

11.7 THE ALTERNATE NEO-LIBERAL PARADIGM

Public Choice

Public Choice dismisses the welfare approach as fundamentally flawed in that as per the understanding

fostered by it. It creates unproductive dependency and reinforces 'rent seeking' as against hard-won economic gains on the part of influential interests. As per public choice, distribution by political means concentrates benefit in a few hands and distributes costs widely, in that there is unfair pressure brought to bear on public policy on the part of influential interests. The costs of inefficient policies are dispersed to all citizens, and, therefore, unnoticeable to each individual. On the other hand, the benefits are shared by very few small special interest groups, which have very strong incentives to perpetuate the policy by further lobbying (Shaw, 2002).

In contrast to this, the neo-liberal model enhances labour welfare, arguably, not by the myth of social security or 'job security through 'protective labour laws or protection for industry, but by the promotion of business through free entry and exit of firms, which creates real opportunities of employment for those willing and able to work (Kelly, 2002).

The counter argument is that the market is not always the most appropriate mechanism for distribution of public goods and hence the desired choice of public policy for achieving welfare. Sharon Jones (2004) lists some of the imperfections of the market-friendly model. According to her, the assumptions of/for the ideal market do not always hold good because there cannot always be numerous buyers and sellers, free entry and exit of firms, or complete information of all known effects of policies since there are externalities which cannot be accounted for in cost-benefit statements. This reinforces the welfare predicament.

Even conceding to the neo-liberal paradigm, in order to take full advantage of the new opportunities, certain prerequisites have to be ensured. These prerequisites are literacy, education, public health, sanitation and infrastructure etc., which create 'enabling environment' (human capital and entitlements) to embrace the opportunities created by liberalisation (Sen, 1990).

11.8 SYSTEMS APPROACH TO POLICY-MAKING

The only possible reconciliation among competing concerns could be through a systems approach to policy-making. The elements of this approach, according to C. West Churchman (1973) are:

- a) use of historical analysis for identifying processes and trends;
- b) study of mechanisms for policy-making and institutional framework, including the bureaucracy, for identifying constraints to the steering of the national system in desired directions;
- c) working out of alternative policies based on logical framework analysis and delineating national, sectoral, state, regional, and local policies for evolving a matrix of possibilities; and
- d) establishment of interrelatedness between the different policies, whether viewed from a sectoral, or a multilevel dimension, with the specific intention of establishing explicit links and trade-offs between the different policies.

The systems approach would call for a step-by-step approach having the following basic considerations in view:

- a) the total system objectives, and more specifically, the performance measures of the entire system;
- b) the systems environment, which is characterised by a few fixed constraints;
- c) the resources of the system;
- d) the components of the system, their activities, goals, and measures of performance; and
- e) the management of the system.

11.9 CONCLUSION

'Rational' is not a static state, but a dynamic condition which evolves with better information and wider cognisance of issues involved. A better fact base makes for a rational policy. Also policy, that is, inclusive and *broad* based, emerging out of the democratic process of deliberation and research is bound to be more rational. Options to enhance rationality have to be continually explored. Acadetnics and theoreticians are involved in finding newer ways of enhanc ng rationality of aclministrative processes inherent in *policy craft* and policy content with a view to making it more democratic and 'relevant'. Public choice and the welfare economics paradigm are examples of efforts to that end.

Hence, political pluralism in the spirit of *postmodernism* (in order to give expression to hitherto suppressed opinions), public choice (to provide access to alternate service delivery mechanisms and break government monopoly rent-seeking), right to vote and enabling services (like education, public health, infrastructure, etc.), and fundamental rights for a just social and economic order are some of the requisites of democracy which are being emphasised in the current paradigm of good governance. Applying a system's perspective, it is noted that peoples' involvement is desired at both the input and the output stages of policy.

A consistent support base for research on public policies is essential to ensure rationality in policy-making over time, in changing circumstances. As regards administrative expertise, the requirements as articulated by Yezhekal Dror may be reiterated: a) improvement in the acquisition and integration of knowledge and information, and b) development of skills of personnel involved in policy-making which help to meet the requirements for 'rationality' of public policies.

11.10 KEY CONCEPTS

Bounded Rationality	: The concept appears in Herbert Simon's Administrative Behavior. According to Simon, decision-making partakes in an environment of constraints. Hence, decisions are never the 'best possible' outcomes in choice behaviours on the part of decision-makers, but are only 'satisficing' solutions. There are limits to human cognitive abilities, which are fact constraints, the decision-maker's value preferences that impinge upon decisions. Hence, rationality is, more often than not, a compromised proposition.
Buck-Passidg	: 'Ascribing failure/responsibility/accountability to the next or preceding level is buck passing. Buck-passing is related to red tape, and is a pathological feature of bureaucratic functioning.
Empire Building	: Empire building is a pathological feature of the bureaucracy. In simple words, it is institutional differentiation taken too seriously. It exemplifies the irrational tendency of department chiefs to amass resources (money, personnel, etc.) for their respective agencies coordination between organisations, resulting in implementation bottlenecks.
Post-Modern	: Post-modernism marks a breakaway from modernist emphasis on order and uniformity. It respects plurality, power to the people, indigenous cultures/practices and advdcates sustainable development practices above all.

- Public Choice** : Public Choice approach to policy analysis looks at how democratic a government actually is in its operative mode, instead of theorising on how it ought to as is attempted by political scientists. Self-interest, it is observed, governs the process on allocations, and decisions taken. The analysis is predominantly from an economic point of view.
- Public Interest** Public interest is categorised-*substantive* and *procedural*. Substantive public interest refers to the subject matter or content, or the 'value' inhering in policy from which the theme and the main substance of the policy is derived. Procedural public interest refers to procedural stipulations that must be observed in public interest, since compliance with procedure is necessary in that it prevents or reduces occasions for *malafide*, such as, arbitrary action on the part of the executive, unsavoury tempering with policy content in the interest of particular interest(s), or even interventions on the part of the political elite which could be potent threats to policy implementation if procedures were pliable. Also, accountability at each stage needs to be clearly enforceable in order that all legal formalities are complied with as a necessary stipulation.
- Rational** : As opposed to valualational or judgemental, the word rational implies 'fact- based' reasoning with little or no element of hypothesizing or abstract, apriori judgements. The term also implies an overweening concern with explaining everything in terms of scientific arguments.
- Rent Seeking** : Rent is an economic term which means unearned income. In public administration parlance, we employ the term (specifically in public choice theory) to explain 'under' benefits which are procured by people in positions of power. It happens when government functionaries function in an environment of 'monopoly', that is, absence of competition. Rent seeking is an economic analogy employed to explain behaviour in furtherance of self-interest. Ostensibly in public interest, policies are often alleged to further/reflect the private interests of the proponents or the oligarchic elite who are connected with administration, more specifically, politicians and bureaucrats in various ways.

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11.12 ACTIVITIES

- 1) Discuss the current paradigm shift in the Indian Economic Policy, Organise a discussion involving both teachers and students in a symposium and prepare a report.
- 2) What is rationality? Explain the various constraints to rationality.
- 3) Describe the elements of policy analysis.
- 4) Discuss the various value constraints with regard to the policy of liberalisation
- 5) Outline the 'fact/value' constraints to policy-making.