



Principles of Policy Making

1. Key Messages

- Policies form the basis, the essential guidelines for the development path to be adopted by all stakeholders in a country. They are the instruments that can modify the existing pathway, thereby even contribute to transitioning towards a greener and more equitable economy and society.
- The policy making structure essentially is a cyclical process that needs to be assessed on every stage in an inclusive manner, with constant feedback and monitoring system to ensure formulation of rational and coherent policy.
- The formulation of policies in silos and excessive fragmentation is calling out for transformation. The need to induce a systemic way of designing policies, with synergies and strong implementation instrument to execute the policy in a decentralised manner is imperative.
- The essential attributes of a good policy making structure propagate the usage of updated data, along with ensuring vertical integration of Ministries/Departments to avoid trade-offs. The aspect of sustainability and strategising for optimal implementation of the policy, form a critical attribute of the structure.
- These necessary conditions need to be supported by the guiding principles, thereby making a policy sufficient. The principles are adaptive and resilient to the challenges and opportunities of the present and the future.
- The amalgamation of the attributes and guiding principles are an imperative condition to make the policy making structure coherent, justifiable, and thereby transition towards a sustainable pathway to help achieve well-being for the people and the planet.

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2. Introduction

In India, policies are the chief topic in discussion. Several key features necessary for a coherent and rational policy, are essentially missing in most national policies. While the social housing schemes adhere to provide affordable housing to all, the disaster resistant feature of these houses often gets overlooked (BMTPC; COEDMM, 2012) thus leading to loss of life and assets. Similarly, while the government through its policy proposes to provide basic food security to the marginalised, the livelihood security of farmers doesn't feature as a crucial component. Essentially, in principle the existing policy making structure should produce policies that are implemented optimally and result in achieving the set goals and objectives. However, there is a disconnect in the structure that is prevalent in India. Policies form the basis, the essential guidelines for the development path to be adopted by all stakeholders in a country. They are the instruments that can modify the existing pathway, thereby even contribute to transitioning towards a greener and more equitable economy and society. With grave problems like 270 million people living under the poverty line (Planning Commission, Gol, 2013), unemployment growing at the rate of 3.7% in 2013 (Times Of India, 2014), housing shortage of 63 million homes (MHUPA, 2012), and nearly 210 million chronically hungry people (Times of India, 2013), India needs to be more explicit and transparent in prioritising her policy goals and the implementation programmes. Besides the socio-economic problem, India is using resources twice of its bio-capacity (GFN; CII, 2008) and it is estimated that India is currently the 4th largest emitter of CO₂ (BBC, 2014). Different agendas on various platforms are setting in, the five-year plans are fading out, and there seems to be an introduction of various crowd-pleasing political initiatives, it is now that we adopt policies that are not only coherent, but also promote sustainability in the development trajectory.

1.1. What is A Policy?

In the broader context, a policy is a definite course of action selected by the government, institutions, group, or individual from among alternatives to guide and usually determine present and future decisions of a nation. It is a specific set of decisions designed together with related actions to implement them through a projected programme consisting of desired objectives and means to achieve them (ILRI, FAO, 1995).

Policy in India is supported by the legislation, generally setting guidelines. They are devised to achieve certain goals of the government, through an implementation programme, which are largely time specific. For instance in India, the Welfare and Development Public Policy has Mahatma Gandhi National Rural Employment Guarantee Act, Mid-Day Meal Scheme, etc. as its implementation programme.

1.2. The Policy Making Structure

For a country as large, populated, and diverse as India, making a policy is innately a more complex task when compared to that in a smaller political unit. Policy making is the process via which the government can translate their political vision into programmes and actions to deliver 'outcomes'. A good policy making structure is

crucial and can help overcome possible economic, social, and political differences.

The policy making structure sets base to understand the clearer picture of the theoretical element and thus forth the implementation aspect of the policy. The structure essentially is a cyclical process that involves settings like problem recognition, policy design, implementation, impact analysis, outcome, etc. (Refer Figure 1). It is critical to give importance to each stage of the policy making structure in order to formulate a policy that is rational and coherent.

The current form of policy making, in India, while may be a little rigorous, is all the more linear with an analytical methodology that often misses vital signs of weaknesses and unanticipated potential. This paper is not attempting to define what the 'right' policy is or what is the 'ideal' policy making structure, rather it is concerned with a more basic question, 'how can we improve the structures involved in making of a policy in India?'

1.3. Need for Change

While there is no definition of a 'right' policy, ignorance of critical national issues, lack of data, inadequate support to research, narrowly defined professional or personal self-interest, coupled with societal frictional processes such as corruption, inefficiency, and lack of concern for

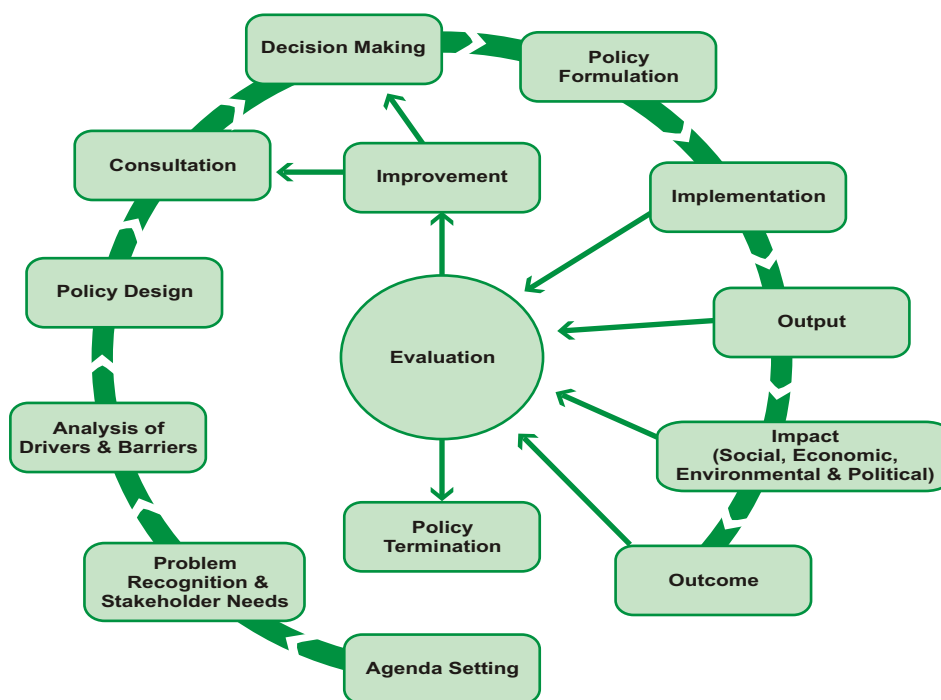


Figure 1: Policy Making Structure¹

¹ Adapted from athenainfonomics.in and publicadministrationtheone

the national good hinder the formulation of a coherent and lucid policy. Furthermore, the siloed approach of carrying out tasks by ministries and the invariable instinct of high level bureaucrats to remain in authority or over-centralisation is possibly the biggest barrier to a rational policy making structure. The extreme fragmentation in the policy making structure, in terms of various departments dealing with one sector, such as transport, energy, social welfare, etc. leads to difficulties in aligning the policies in accordance with the overall objective (Agarwal & Somanathan, 2005).

The National Food Security Act (NFSA), 2013, looks at providing food grains to up to 75% of the rural population, and up to 50% of the urban population. However, in India 40% of the total agriculture produce is wasted annually, amounting to around \$8.3 billion (Financial Times, 2014). Along with that, around 230 cubic kilometres of fresh water is used for producing food items that is ultimately wasted (Hindustan Times, 2013). 21m metric tonne of basic grain like wheat, proposed to be provided under the NFSA, perishes in India due to improper storage facilities by the Food Corporation of India (Financial Times, 2014).

Similarly, the National Urban Housing and Habitat Policy, 2007 with its key message as 'Affordable Housing for All', advocates facilitating sustainable housing with primary focus on the Low Income Groups (LIGs) and Economically Weaker Section (EWS). However the growing population of the country, along with the rapid rate of urbanisation is putting strain on the urban infrastructure in the cities. It is estimated that the urban housing shortage is at 18.78 million households (MHUPA, 2012), 80% of the current households live in congested houses, while nearly a million live in non-serviceable/katcha houses (KPMG, 2012). With 900 million expected to live in Indian cities by 2050 (FICCI, 2011), the demand for urban land is soaring. The lack of availability of urban land coupled with regulatory issues and construction costs on the supply side and lack of access to finance for LIGs on the demand side cause the shortage of houses (Times of India, 2012).

Given the lack of integration and the dichotomies in the current approach within which the governance structure in India works is calling out for transformation, a change, which can support the transition the nation needs in order to have a sustainable, resilient, and inclusive development trajectory. There is a need to examine policies from a nexus approach, looking at interdependencies and inter connectedness of sectors and possibly to adopt functional synergies.

² Adapted from Agarwal and Somanathan, 2005

The main issue of India's policy-making structure is that it struggles to formulate a 'right' policy, while further struggling to implement them optimally. There are concerns about the way a policy is made, and whether it is ready to meet present and future challenges as well as opportunities of the country. The strength of policy making is integral to the strength of government as a whole, and that of the country at large. When policies fail, the costs, whether monetary or otherwise, can be significant. There is an urgent need for rationality, consistency, and direction in the policy making structure to provide a valid rationale to our legislations to formulate coherent policy.

3. Attributes of Good Policy Making

One of the best ways to describe a good policy making process is the one that is committed to producing high-quality decision and the investment made in that decision is with a degree of legitimacy, power, and accuracy (Moore, 1998).

Given the barriers to devising a policy that is rational, there are few criteria that need to be accounted for in the policy making structure. These attributes², when applied reveal that there are no absolutes and that the context matters. Essentially, the nature or reason of the policy – both the means and the ends – should be understood (IOG, 2003) only then does it make sense to incorporate the following necessary attributes to create a rational, meaningful, and lucid policy.

- **Updated Data**

A good policy-making structure would involve due consideration of up-to-date available subject-matter knowledge and relevant data, and the use of available analytical tools.

- **Avoid Trade-offs**

In most scenarios, policy-making involves trade-offs, i.e., losses of one section for potential gains of another. For example, a transport policy may affect the environment; similarly an environment policy may curb industrial development. Policy making processes should collate information on such sort of inter-sectoral impacts, analyse trade-offs, and make fully informed decisions post appropriate consideration of the effects on different sectors.

- **Strategy for Trade-offs**

While essentially trade-offs should be avoided, it is vital that a strategy is implemented to manage the likely opposition from the section that bears the brunt

of the trade-off. Furthermore, a strong strategy needs to be in place to ensure that the affected sectors' risks and damages are mitigated. Grouping related sectors, like food security and organic farming or affordable housing and access to funding to the marginalised, to maximise policy coordination and reduce fragmentation is a way of managing trade-offs.

- **Incorporate Legitimacy**

Legitimacy involved in the policy making decision generally leads to successful implementation of the policy on the ground (Kliksberg, 2000). Decisions made by a legal authority should consider rigorous consultation and involvement of those affected directly by the policy along with reflecting upon the inputs from experts who have tacit knowledge about the field potentially to be affected by the policy (Moore, 1998). Stakeholder consultation, involving the people for whom the policies are made is imperative.

- **Effective Execution**

An effective and equitable execution of policies should be ensured by investment and designing a strong implementation programme that is participatory, transparent and accountable in nature. The implementation programme should be executed in a decentralised manner in order to promote equity, specificity, and universality. That is, vertical integration of all sectors to reduce disintegration whilst implementation is essential.

- **Sustainability**

The perspective and concept of sustainability should be incorporated in the policies, in order to heed attention to inter and intra sectoral aspects of the triple bottom line, i.e. economic viability, social equity, and environmental quality. Promoting Greening Rural Development stimulates economies by creating jobs along with maintaining the ecosystem services and strengthens climate resilience of the rural poor.

On the whole, while policy making must remain in touch with reality, and is aware of the implementation concerns, it should not be a prisoner of the current short-term priorities, time constraints and conveniences of implementers. A good policy making structure should,

therefore, provide for appropriate separation between the policy and implementation functions (Agarwal & Somanathan, 2005). These are necessary conditions for a good policy, however over and above these, what is required to guide the policy making structure is a set of principles that will ensure that the conflicts and lack of coherence issues are considered and addressed. These guiding principles are critical to make a policy adequate and essentially resilient.

4. Guiding Principles for Policy Making

Principle is defined by the Oxford dictionary as a fundamental truth or proposition that serves as the foundation for a system of belief or behaviour or for a chain of reasoning. The principles should essentially form the building blocks, of what constitutes a good policy. While a good policy is one that systemically addresses and integrates economic, social, and environmental dimensions, it is also imperative that the policies are adaptive and resilient to challenges and opportunities of the present as well as those of the future. These guiding principles strengthen the necessary conditions for a successful policy, and make a policy sufficient.

The five guiding principles are a result of exhaustive examination and evaluation of proceedings and recommendations of various consultations, events, dialogues, and research. Intensive and extensive secondary research was carried out by analysing varied reports and articles³. The key recommendations and points brought up at Development Alternatives' events along with discussions, workshops, and debates at local, sub-regional, and regional level has provided the basis for conducting extensive primary research. Furthermore, Development Alternatives' vast on-the-ground experiences bring out the 'practice to policy' link, thus giving immense exposure for the formation of the guiding principles.

Thus, to achieve a sustainable, resilient, and inclusive balance in the economy, the following five guiding principles should be observed and satisfied by all policies.

- **Principle of Universality**

The principle of universality commits to empower all, especially the marginalised. Equal opportunities to

³ The Future We Want- Rio+20 Summit; A New Global Partnership: Eradicate and Transform Economies through Sustainable Development- High Level Panel (HLP); An Action Agenda for Sustainable Development- Sustainable Development Solutions Network (SDSN); Corporate Sustainability and the United Nations Post-2015 Development Agenda- UN Global Compact (UNGC); Post-2015 Development Agenda: Goals Targets and Indicators- Centre for International Governance Innovation (CIGI); Realizing the Future We Want for All- United Nations System Task Team (UNTT); Sustainable Development Goals for People and Planet – Griggs, et al; UNEP-IRP

all the citizens with respect to distribution of economic and natural wealth, along with the right to take personal decisions are propagated by the principle. Justice, participation, and equity are societal requirements that form the basis of a civilisation for economic progress and a healthy ecological system to sustain it.

- **Principle of Integration**

The principle of integration promotes the concept of 'the whole is greater than the sum of its parts'. Policy instruments that tackle problems of poverty, inequality, and jobless growth are adopted in siloes, discounting the inter-linkages between the systems, sectors, and scales, thereby demanding a need for systemic and holistic approach. The understanding of the underlying structures and relationships help identify the way development instruments trickle down the whole system whilst recognising the circumstances that cause elements of the system to behave differently.

- **Principle of Efficiency**

The principle of efficiency alleviates the problem of scarcity and looks at sustainability challenges of intergenerational equity through reduced rate of physical resources along with reducing costs by raising resource productivity. The balance between the increasing demands for economic purposes and declining capacity of the natural ecology needs efficient resource productivity and eco-efficiency. This infers that the resources should be used better, more sensibly, and efficiently to maximise productivity.

- **Principle of Sufficiency**

The principle of sufficiency necessitates a transition in people's lifestyle and mind-sets to advocate 'less can be better'. It will require the rich to reduce their consumption of the depleting resources to ensure well-being for all. Simultaneously the poor will consume more resources until they've reached an acceptable, i.e., sufficient level of consumption post which they will have to control their use of natural resources as well. Such a change will promote a development system that ensures fulfilment and well-being for all within the planetary boundaries.

- **Principle of Diversity**

The principle of diversity – in society, economy, and nature – helps cope with the pressures of an uncertain and constantly changing world,

communities and societies to acquire some degree of resilience in the face of unexpected shocks or perturbations. It implies co-existence in the very diverse fabric of the economic, societal, and natural structures. Tailor made multifunctional systems, for small, decentralised, self-organising sub-systems with governance catering to the need of each level offer the most effective and resilient solutions.

We recognise that the five principles may overlap, or may advocate conflicting ideas when they play out in the policy to practice context. Furthermore may even be, to some extent, complex when it comes to incorporating them into the policy making structure. However, it should be understood that these principles while forming the building blocks of the policy making structure, are not about the results but how well they are executed or implemented.

National Food Security Act



The National Food Security Act, 2013 which aims at providing basic grains to the rural and urban marginalised, has essentially been formed in silos. The issues of food security have to be handled along with various other economic, social, and environmental changes. Food production and consumption is linked directly and indirectly to various factors like biofuel, infrastructure, water, health, trade, etc. This requires strengthening of the databases and inventories of existing policies that impact the food security, and vice versa. It intends to tackle the issue of hunger without essentially looking at eradicating hunger, similarly, it doesn't promote or protect the growth of the farmers. Targeting the rural and urban marginalised the Act aims to achieve inclusivity. However, adopting an integrated approach along with protecting the environment doesn't feature as a strong mandate.

5. Conclusion

A good balance in investments, for instance, between the agricultural sector and industry, or between services and natural resource extraction is critical for the economy to grow in an optimal and sustained manner. An equitable and inclusive economy is a necessary condition for sustainability, and is possible when there is coherence amongst the policies adopted for different sectors.

Policy makers in India have to recognise that with a new government in charge and with few commitments to past decisions, the time has come to redesign and analyse the current policy structure itself and start with de novo assumptions. It is understood that there exists considerable barriers to rational policy making. But such barriers have been overcome by several countries, and at distinct times, however given the magnitude of the problems in our nation, India has little choice but to make now the place and time when it happens.

The attributes and principles outlined above are a step towards transforming and upgrading the policy making structure in India. However, this will be hollow unless the implementation instruments of the policies lead to efficient results on the ground. An imperative condition to achieving a balanced approach that is adaptive for a successful development trajectory. Thus adopting a policy making structure that signifies coherency, and justice, will help transition towards a sustainable pathway for the well-being of people and planet.

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Development Alternatives (DA) is a premier social enterprise with a global presence in the fields of green economic development, social equity and environmental management. It is credited with numerous technology and delivery system innovations that help create sustainable livelihoods in the developing world. DA focuses on empowering communities through strengthening people's institutions and facilitating their access to basic needs; enabling economic opportunities through skill development for green jobs and enterprise creation; and promoting low carbon pathways for development through natural resource management models and clean technology solutions.

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