

## Administering Public Policy

In S L Kirloskar's acceptance speech for the Business Leadership Award in Madras (*Economic Times*, May 1 and 2, 1981) some very significant points were made. He emphasised that the country's poor economic and social development is due to centralised planning, restrictive controls, inhibitive monopolies legislation, higher taxation and a government perspective that discourages the entrepreneurial approach to development. These are substantive areas of concern and it would indeed be desirable to review what specific role each has played towards India's achieving nearly the lowest growth rate in the world.

I, however, feel that one of the important reasons for slow growth relates to insufficient appreciation of managerial problems which deserve serious examination. I will identify some of these issues in this chapter. I shall draw upon Kirloskar's speech to offer some concrete illustrations.

Policy formulation in simpler economies and societies is qualitatively easier than it is in complex ones. One feature that introduces complexity in policy formulation is the interdependence between one sector and another. The need for tractors, fertiliser, electricity, etc., undeniably links agriculture with industrial development and causes the demand for an infrastructure that will sustain multi-level development. Policy formulation has to take the dynamic relationship into consideration. The small, the medium and the large-scale industry and agriculture, the social facilities to support the growing needs of the population, have to be viewed as interacting and mutually influencing sectors. Kirloskar has emphasised in his address that he would examine small, medium and large industry together as a package because one cannot be viewed in isolation from the others.

The Indian economic and social situation is so complex that the policy making apparatus in government and business must be sufficiently altered

to deal with the changed reality of this situation. If the policy formulating apparatus is unable to respond to the demand of the complexity of this interdependent system, errors in diagnosing problems and taking corrective action will weaken the system. Some recurring issues in analysing administrative situations are discussed below.

The analysis of problems is based on a simplistic cause and effect relationship, and not the existing complex interdependence among the significant factors in the situation. Impressive developments in econometric and statistical models have tried to account for the interdependence of factors but they are yet limited enough to exclude most social and psychological factors. A few examples may clarify the meaning here.

Controls may be seen by an analyst as a cause of poor growth of industry. A general statement of relationship between control and lack of development is not particularly helpful for policy making nor is it a statement of fact. No social system can function well without controls. Certain controls, under certain conditions, are effective; the same controls under different conditions may be ineffective and even obstructive. The relationship between controls and their effectiveness has to be understood in terms of the nature of controls and how they are applied and their relevance to the situation.

Again controls may be ineffective for industrial growth but they might be effective for regulating disparity between various social groups. In this sense, Kirloskar seems to be saying that many controls in India were introduced at a time when the situation was different and it is now necessary to examine *de novo* what purpose we wish controls to serve in the changed situation and how should they be made more effective.

Let me illustrate further how simplistic assumptions in complex situations lead to failures in policy action. It was assumed that more finances, water, seed, fertilizer, etc., would result in more agriculture output and rural well being. Many studies have, however, pointed out that the educated farmers have greater access to these resources and they are able to meet the conditions of loan, and equip themselves with the knowledge to cut through red tape and to benefit from the additional facilities available to the rural community. The uneducated, the timid and the less privileged have not been able to do that. The deprived groups would benefit only if measures are taken simultaneously to develop more confidence among those who have accepted the deprivation as a fact of society and, as some studies show, are afraid to venture out in the open to stand on their own feet. The policy has to take into consideration the total social, economic and cultural aspects of the problem for analysis and action planning.

One more example would perhaps clarify the meaning of complexity further. The popular style in government and industry of placing their respective trusted men in key positions to get results appears to be based on the premise that things are left undone simply because an individual in a certain position is incompetent or untrustworthy.

In most cases things do not get done because the system in which the person functions is far too outdated and predatory. The new man will probably fall prey to it soon.

Hence changing one person for another can only be meaningful if corresponding changes in the system are also made at the same time. The unit of analysis and action has to be both the quality of the man and the nature of the situation in which he operates and not just one or the other. The limited conception of the problem in terms of simple cause and effect relationship leads, in most cases, to an action plan which fails to cope adequately with the problems of a situation.

Interdependence between and among, sectors has two further implications for policy formulations: (a) solution for a problem sometimes lie in an area other than the one in which the problem shows up and manifests itself and (b) actions to solve the problem have to be taken simultaneously in many areas.

Kirloskar has suggested that large organisations in India are really not large and provisions of the Monopolies Act should not be invoked in respect to these organisations. The problem has a social origin in which private industry carried the image of exploiter of the country and the native, large industry had been either in the hands of foreigners or of family groups. Neither was considered to be a desirable agent for public good. Restrictions were necessary because, without the law, their sprawling growth could not be kept within bounds. Kirloskar's view that a serious review of the approach may be desirable because of change in conditions in the last twenty years and, view of this circumstance, should restrictions be applied in the same way as in the past or not. The question is valid because whatever the restrictions they should result in public good or in higher performance, and if controls do not do so, they are certainly wasteful. An expert examination of the questions may be desirable in research studies. Monopoly concept has a social origin as well and any action to modify it must include a sociological examination and social persuasion.

The solutions to several problems in a complex social situation are often found in areas other than the one in which the problem may have appeared. Conflict between two groups may have little to do with the behaviour of

either group. The remedial action may well be in the re-organisation of their tasks and a more equitable sharing of the resources of the total organisation or it may be in need for change in the work flow relationship between the two groups.

In the classic restaurant studies, the noted social scientist, William Foote Whyte, found that traditional conflict between the cooks and the waitresses in a restaurant had to do with the social status of these two positions in that community. The findings in sociology have shown that action initiated by a group having higher status by a person of lower status caused resentment in the former. In the social status hierarchy of a restaurant, a cook had higher status than a waitress and orders initiated by her were psychologically resented by the cooks. This resentment often manifested itself as wrong filling of orders, neglecting to carry out customers' preferences, etc. Whyte's resolution of the problem consisted of changing the situation in which the socially resentful interactions occurred. He created a buffer position in a pantry which linked the kitchen and the dining room. By changing the work flow interactions, the cause of resentment was removed.

Among the flight crew in the airlines industry as well, our study showed that pilots, who had high social status in the organisation, resented a situation where they could not influence the cabin crew due to organisational separation between the cock-pit and the cabin crew. The first reported to the operations department and the latter reported to the commercial department. The solution of interpersonal differences had their origin not in the attitudes or the personality of the concerned people but in the work flow interactions which ignored the sociological and psychological aspects of the work situation.

The poor output of research in scientific laboratories may have less to do with the quality of the scientist employed than with the combined effect of lack of specificity in the goals to be achieved and unproductive inter-relationships in the laboratory. Hence the quality of research will not improve by changing one scientist for another; rather, it may improve only when the required environment needed for scientific research is created in the organisation as substantiated by many interesting studies by Donald Pelz.

Kirloskar has pointed out that youth born in the post-independence era take controls for granted and believe that they are essential for any industrial development. The acceptance of controls, I suspect, is due more to the family patterns of rearing children; dependence is rewarded by praise and showing of affection by elders. This dependence is reinforced by experiences in schools,

in offices and in all social activities. Controls instituted by government are an extension of earlier patterns on the part of both the people who accept them as normal. We would have to examine the total system to improve self-awareness and self-confidence among people with whom the children interact in the process of growing up. The removal of government controls by itself may solve other problems; it would not necessarily change the behaviour of the Indian youth, because behaviour begins to form much earlier at home and at school. This is an area for research that is redolent with promise.

Most action plans in administration appear to be based on instinct, notions that have been absorbed during various stages of growth from childhood to adulthood, or through notions that his peer group induces in the individual. These notions have to be examined critically and with an understanding of one's own bias. The exercise of formulating policy is a deliberate exercise that has to weigh the various aspects of the problem, its inter-relationship and the system's capability to achieve results. The organisational and political elite who are responsible for policy formulation have an important role in making the examination from the personal to the universal or one that has wider perspective.

Ministers make blanket statements that public services would be revolutionised, say, within two years. Neither the resources needed for the task nor the administrative capabilities to handle it are evaluated before these promises are made. A businessman offers suggestions for public policy which are politically and administratively impractical and have to be ignored even if some of the suggestions may seem useful. I had two vivid experiences that may illustrate the nature of the problem of abstractness in policy formulation in developing countries. I was leading a team of management specialists in Nigeria in 1977 and among the activities to be taken up was a series of programmes for consultants. The team consisted of people from the developed and the developing countries. On many issues, the group members from the developed countries recognised the theoretical limitations of several aspects of the programme and having done so, wanted to move on to developing plans of action. The members from the developing countries were taken up by theoretical problems and had to be reluctantly dragged to the problems under discussion. This experience was repeated in many similar situations. The general and the abstract appears to have a greater appeal to us than the specific.

In another consulting experience, I had used a set of guidelines in re-organising an organisation. The export department had to be re-organised on a basis that was different from the guidelines applicable to the rest of the

organisation. The discussion had to be spread over several days because the management were concerned about ignoring the general guidelines while agreeing that the proposed solution suited the situation best. They were concerned more about the idea of deviating from the 'general' than with the suitability or otherwise of the organisational design. Abstraction and an absence of the pragmatic approach are fairly common characteristics of organisations and of the leadership.

One other characteristic of policy formulation in government and business in India is that statements sound like pronouncements. Such statements lack the belief that people should share in the examination of data and their acceptance should be a result of this examination, and not merely because they have been spoken by persons in authority. I have emphasised, elsewhere, that the leadership has to develop an ethics of persuasion for stabilising a democratic tradition in the country. An assumption underlying the ethics of persuasion is that each person has a right to an opinion and this right should be generally recognised. Having accepted such a right, the directing philosophy should be of friendly persuasion. This is perhaps a characteristic that our leadership would have to seriously develop.

There is increasing evidence in research literature that certain patterns of behaviour in developing countries differ from those of behaviour in the developed countries and some modifications in these are necessary for improving decision making in government and business.