SEVENTEENTH ANNUAL CONFERENCE

OF

MEMBERS OF THE IIPA

(October 30, 1973)

"POLICY FORMULATION AND DECISION-MAKING PROCESSES IN THE GOVERNMENT"

THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION
INDRAPRASTHA ESTATE, RING ROAD
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INTRODUCTION

The Seventeenth Annual Conference of the Members of the Indian Institute of Public Administration was held on 30 October, 1973. The subject for discussion at the Conference was "Policy Formulation and Decision-Making Processes in the Government". The papers presented and the discussions in the Conference are summarised in the following pages. There were two discussion papers, one by me and the other by Prof. M. J. K. Thavaraj. These were followed by several other papers by different members of the Association.

I am thankful to all those who contributed papers on the subject and those who participated in the discussions. After the presentations of the papers, the Conference broke into three groups dealing with the following important aspects of the problem:

(1) What should be the nature of Research in the field of Policy Making?

(2) Identifying blocks in developing viable policy-making systems in Government.

(3) Identifying blocks in developing viable policy-making systems in Public Sector Enterprises.

A summary of discussions of the three groups were presented by Prof. S. R. Maheshwari, Shri V. Subaramanian and Shri M. K. Chaturvedi. I am extremely grateful to them for the able and quick manner in which they presented the reports of the findings of their groups. These reports are reproduced in the proceedings.

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I am extremely grateful to Shri V. K. N. Menon, the first full-time Director of the Institute for taking the trouble of coming all the way from Trivandrum and presiding over the Conference.

Ishwar Dayal

Director

25 JANUARY, 1974   INDIAN INSTITUTE OF PUBLIC
NEW DELHI   ADMINISTRATION

LIST OF MEMBERS WHO CONTRIBUTED PAPERS

DISCUSSION PAPERS

1. "Organisation for Public Policy in the Government" by Prof. Ishwar Dayal.

2. "Investment Decisions in Government" by Prof. M. J. K. Thavaraj.

OTHER PAPERS

3. "Decision-making Process in the Government" by Shri Arvind Koratkar.

4. "Policy Formulation and Decision-making Process in the Government" by Shri S. Krishnamurthi.

5. "Policy Formulation and Decision-making Process in Government and Public Enterprises—A Transactional Analysis" by Shri W. G. Naidu.

6. "Policy Formulation and Decision-making Process in Government" by Shri P. K. Sardana.

7. "Higher Civil Services and Policy Formulation : Third Pay Commission View" by Dr. Sudesh Kumar Sharma.

8. "Policy Formulation and Decision-making Process in the Government" by Shri J. K. P. Sinha.

9. "Policy Formulation and Decision-making Process in the Government" by Dr. V. P. Varma.

10. "Policy Formulation and Decision-making Process in the Government" by Prof. H. Pathak.

The following three other papers which had been received and circulated before the Conference, could not be presented, since the authors were not present :

(1) "Decision-making by Educational Administrators" by Dr. (Mrs.) I. P. Sharma.

(2) "Policy Formulation and Decision-making Process in the Government" by Shri V. S. Murti.

(3) "Policy Formulation and Decision-making Process in the Government—The Other View" by Shri Kalyan Biswas.

PROCEEDINGS OF THE SEVENTEENTH ANNUAL CONFERENCE OF THE MEMBERS OF THE IIPA

The Seventeenth Annual Conference of the Members of the Indian Institute of Public Administration was held on October 30, 1973 in the auditorium of the Institute. Prof. V. K. N. Menon, the first full-time Director of the Institute presided over the Conference. A list of the Members present on the occasion is given at the end.

Prof. Ishwar Dayal, the Director of the Institute in his speech welcoming the members said :

"Friends, I extend to you a very warm welcome to the Seventeenth Annual Conference of the Institute. The subject is *Policy Formulation and Decision-Making Processes in the Government.* We are grateful to those who have contributed the papers and the members who have found time to come to participate in the Conference today.

"According to many writers, the quality of administration is measurable in proportion to the quality of administrative decisions it is capable of taking. Interest in the systematic study of the decision-making process is relatively new, going back to about 20 years.

"A more intensive study of policy science goes back to only about 5 years. In India, there are hardly any systematic studies in decision processes. It is, therefore, hoped that today's discussions will generate some concrete hypotheses for us to

mount researches in this field. As the members would have noted, in the Plans and Perspectives of the IIPA, this is an area of considerable interest for us.

"The programme for the day has already been circulated to the members. I shall explain this briefly. The morning session would be held in the Auditorium. According to the past practice, we have asked the Faculty to prepare the discussion papers on the subject. Prof. M. J. K. Thavaraj has prepared a paper on *Investment Decisions in Government*. In my paper, I have dealt with *Organisation for Public Policy in Government*.

"Some of the members had responded to the announcement and the 11 papers that we received have been circulated. Because of the varied interest of the members of the institute and the need for careful examination of the subject, we have suggested dividing members into 3 groups in the afternoon session. The first group would be concerned with 'what should be the nature of research in the field of policy-making'. This group will meet in Room No. 18 in the main building. The Chairman of the group will be Prof. Maheshwari. The second group will deal with 'Identifying blocks in developing viable policy-making systems in government'. This group will meet in Room No. 19 and the Chairman for this is Shri V. Subramanian. Group 3 will deal with 'Identifying blocks for developing viable decision-making systems in public sector enterprises'. This will meet in Room No. 20 and the Chairman for this group is Shri. M. K. Chaturvedi.

"The Chairman of each group would report back the main recommendations of the discussions in the concluding session. Members could choose any of the 3 groups according to their interest.

"I am most grateful to Prof. V. K. N. Menon for agreeing to come to the Conference and to chair today's session. There is hardly any need for me to introduce Prof. Menon to this audience. Most of the members would have personally known

him as the first full-time Director of this Institute. The University teachers would have known him from the encouragement he has given to them. He is among the best known teachers and contributors in the field of Public Administration and he is one of those people who never loses touch with the latest trends in research, publications and administrative changes in Government. Many people at this Institute cherish warm memories of the times when Prof. Menon was actively associated with the Institute and I believe this is the first Annual Conference he is attending after he left the Indian Institute of Public Administration. We are most grateful to Prof. Menon for accepting our invitation and to come and chair the Conference."

Prof. V. K. N. Menon : "Friends, I do not think it is necessary for me to say anything by way of introduction when so many papers have been presented to you and will be discussed today. I will only say that I am very grateful to Prof. Ishwar Dayal for the kind invitation extended to me to be here today.

"The Annual Conference has always been regarded as a very important event every year in the IIPA and I am glad to see so many of you here today. I am happy to note that there are many more persons here today than there used to be in my time on such occasions.

"Looking upon me, some of you may feel like the American, who when introduced to a group of professors, exclaimed 'I am glad to see so many extinguished people here today'! I am happy to see many of my old friends and equally delighted in meeting many new friends.

" Shri R. N. Mirdha should have been the Chairman here this morning and because of his unavoidable absence, I am 'adventitiously chairing' at present.

"I am glad that Prof. Ishwar Dayal has taken up this important subject 'policy formulation and decision-making' for

discussion at the Conference this year. All of you are aware that there is no subject more important in the present context of various types of conflict in administration than these two, policy formulation and decision-making. We are all aware of the various types of difficulties encountered in the field of policy formulation and decision-making. The influence of the qualifications of administrators, of convention and tradition, of the various authorities of administration, and government on policy formulation and decision-making is well known to you and I am sure that these will be dealt with today. These are important in the context of our newly won independence, of our democratic set-up, our developmental processes and the extremely complex system of administration we have in our country today. I do not wish to say any thing more, as it might amount to anticipation of the papers to be presented.

"Prof. Dayal will now present his Discussion Paper."

Prof. Ishwar Dayal : "In my paper on *Organisation for Public Policy in Government*, I have tried to highlight two points. One is that decision-making in administrative situations is deliberate. It has got to be an explicit activity of administration. It is essential that we analyse what it consists of, what are the bases for decision-making, and what are the ways in which decision-making can be improved.

"The second point, I am trying to bring out is that policy formulation requires an explicit organisation. I call it the support system in my paper. My paper gives the rational basis for these two points.

"According to Simon, the process of decision-making includes three identifiable and essential phases, one relating to intelligence, the second relating to design and the third to choice.

"The intelligence activity in formulating public policy requires search for the social, political, economic and technical

aspects in the environment that impinge on a particular decision-making situation. The design activity requires a search for relevance, inventing, developing and analysing the various design choices and the consequences of these alternatives. The choice activity requires the selecting of a particular course of action with as complete a knowledge as possible of the consequences of the decision.

"The paper further examines the characteristics of the Government System impinging on decision processes. The environment of the decision situation in Government consists of diffused boundaries. The impact of a decision in government is felt by masses of people in addition to the employees in the office. The characteristics of the response to a decision are complex. The kind of data required to judge the impact of public policy on an ongoing basis is difficult and requires a wide data base and very careful interpretation of social phenomena. Yet predicting the response to a decision is necessary, however sophisticated the methods required may be.

"In India, the responses on key issues are obtained more often through the channels of the political party than through the administrative machinery. The political party machinery may be effective, when one party is predominant. But when there are severe and matching pressures exerted by opposing parties or when there is a coalition in power, the feedback machinery of the party is likely to have inherent limitations. The lack of an administrative machinery to evaluate public response could become a handicap to formulating policy. At present, there is no proper administrative machinery for obtaining, collecting and interpreting public response to the policies. Both the party view and limited analysis by the administration of the effectiveness of the policy are likely to be limited by either the phenomenon of group think or proximity. Another factor we must bear in mind is the distance between the decision-maker and the people affected by the decision. In large and complex organisations like the Government or the public sector enterprises, the remoteness of the top personnel from baseline activity is a serious difficulty in evaluating policy alternatives.

Organisational patterns have to consciously develop the inherence of providing valid data to men at the top.

"The intelligence and design activities require invention, innovation, analysis of data and the evaluation of alternatives open to the decision-maker. Innovation would be possible when the analyst has a flexible perspective, when he can question his assumptions, organisational realities and traditions in order to achieve new perspectives. The nature of the bureaucratic system and the emphasis on precedents and rules too often inhibit people within the organisation from employing new and innovative perspectives.

"The choice activity in decision-making requires experience, maturity and administrative judgment. A satisfactory decision must be acceptable to the largest number of those concerned with it. Through the administration's concern for arriving at satisfying decisions, the Government could maintain continuing public confidence in itself and be able to exercise its legitimised authority. The organisational implications of a satisfactory decision is that the administrator's maturity and judgment in the choice activity are crucial factors in decision-making.

"Support systems are, therefore, necessary to improve policy formulation and must be explicitly recognised in order to aid decision-making in administration. Such support systems must provide data, analysis, interpretation and innovative solutions to recurring as well as new issues in administration.

"Social, political and economic data are necessary for decision-making. The information available for top level decision-making in government is fragmentary, and scattered in different ministries and departments. Effective analysis of data at design stages of decision activity requires a wholistic perspective of the data, recognition of both the parts and the totality of the interacting situation. Much of the data would be available by evaluating public response to policy decisions. The

administrative organisation seldom has a reliable built-in system for obtaining feedback of public response.

"Innovative tasks require an open system and an environment with facilities for interaction between peers and with reference groups within and outside the organisation, freedom for experimentation and trust between the superior and the subordinates. These conditions rarely exist in a government office. Another condition for effective formulation is the recognition of and familiarity with, the special characteristics and culture of the administrative system.

"Complex organisations, therefore, must design their own apparatus for effective decision-making. The influence of political parties may be all pervasive in any policy decision in Government. While such influence is legitimate in a democratic system, there should be a proper balance between the administrator and the legitimised representatives of the people in decision-making.

"What is the nature of the supportive systems required for policy-making functions of the Government? Policy-making requires two interrelated aspects : one having to do with intelligence, design and choice activities in decision-making and the other with the personnel and the organisational environment needed for decision-making. Intelligence and design activities in the policy function at the top level in public administration are far from easy because the influences on the government administration are complex and it is difficult for the administration to control the variables.

"Policy level tasks consist of three related areas: (a) review of the effectiveness of policy, (b) design activity for new policy decisions, and (c) anticipatory policy. Design activity in decision-making requires data for ongoing review and analysis of earlier policy decisions because through such analysis alone, improvements in the design and choice activities become possible. Anticipatory policy tasks involve forecasts of policy needs and action that renders the administration ready for contingent

changes within the system and in the environment. In Government, in India, there is a dire lack of anticipatory policy functions.

"Thus the need for basic policy formulation arises at the level of each ministry and the Government as a whole. Notionally, all major decisions are cabinet decisions. Constitutionally this is tenable. Administratively, the ministry and the cabinet must have an organisation to design decision-choices. The supportive systems for policy formulation at the differentiated level (ministries) and the integrative level (Government as a whole) rarely exist.

"At the top level in public administration, there is no recognisable integrative system. Very often this function is performed by committees. The Cabinet Secretary in the centre and Chief Secretaries in state governments are supposed to have some responsibility for integration of interministerial issues. But this integrating role is not specific. Industrial policy, licencing, banking, company law affairs, all relating to economic development are dealt with by different ministries and the only coordination is through the cabinet committee or the secretaries' committees. In field administration, integrative systems notionally exist at the block and the district levels. But the integrative role of the Block Development Officer and the District Collector is neglected by the strong functional links of the field functionaries with the state level departments. The absence of the integrative function in the organisations of the Government makes it very difficult to design any satisfactory machinery for decision-making.

"The choice aspect of decision-making is clear. Familiarity with the administrative situation, maturity and responsibility for the task are important requirements here and the task must be performed by those who have the responsibility for the consequences of their choices *i.e.* the administrator, the minister or the cabinet as the case may be.

"The intelligence and design activities require a supportive system which can collect, analyse and interpret the data for

policy purposes. Such systems are necessary at the top and at the critical levels of administration such as the district. The supportive systems at the top level must have the capability of building a base for relevant data analysis design activities in decision-making. It would be engaged in data retrieval, analysis of the effectiveness of public policies and advising on new policy.

"Such an organisation will have to be manned by people with research experience and familiarity with the administrative system. It would have to be a team of people drawn from outside the Government and from within. The organisation must follow a system of self-renewal as a philosophy or as an accepted practice. There will have to be some rotation of personnel in the organisation to prevent the growth of a sense of routine and conditioning in such a system. For this purpose, the Government must establish closer contacts with academic and non-academic government personnel to utilise their talent for improving decision-making in Government."

Chairman : "Prof. Thavaraj will now present his discussion paper."

Prof. M. J. K. Thavaraj : "Prof. Menon and Friends! It gives me great pleasure to present my paper on *Investment Decisions in Government.* In my paper, I have begun with a definition of what I mean by 'investment'. Investment which is synonymous with capital formation represents creation of physical assets and net accretion to inventories. My paper does not concern itself about decisions concerning transfer of already created assets from the private to the public sector. Nor would it deal with decisions regarding regulation and control over private investment activities. The paper focuses attention on governmental decisions relating to the creation of physical assets. Such investments may be fresh or may be in the nature of expansion or replacement.

"In the government sector, non-productive facilities such as administrative buildings which are really overheads abound.

Until recently, social overhead capital and economic infrastructure facilities predominated public investment in capitalist countries. In recent years, many of the developing countries have launched upon ambitious programmes of public investment, both in social overhead capital and directly productive activities. India is engaged in one such experiment where the bulk of public investment effort has been of a pioneering nature, involving decisions which have had no precedent both in magnitude and complexity.

"All decisions involve a choice between alternatives with reference to the goals to be achieved. They may pertain to long term strategy, policy-making, programming, budgeting, controlled implementation, etc. Investment decisions impinge mainly on planning, programming and budgetary fields. While in the planned socialist economies, the pattern of investment is influenced by the dynamic material balances between various lines of activities, subject to the degree of dependence on external trade and the physical and fiscal controls balancing supply and demand in specific levels of activity, in the capitalist world, investment decisions are mainly atomistic in response to market signals. While, in the private sector, the framework of decision-making is fairly compact and simple, in the public sector, several factors, like the influence of the elected elements in government, the career civil service at the various levels, organised class and interest groups render investment decisions very complex and diffuse.

"The heritage of public administration all over the capitalist world is characterised by 'disjoined incrementalism'. The machinery of administration in capitalist countries is such that it can handle only marginal changes within a given socio-economic framework rather than large changes involving the basic structure of society. The background of the administrative personnel and their values and social outlook are such as to resist radical changes. The political system does not generate clearcut values and goals; the legislature does not assume full responsibility for policy-decisions. Several factors make it impossible for the administrators to take a panoramic view of alternatives in terms of their whole complex of consequences.

Decision-making is therefore compressed into a short period of time, amounting to a crisis situation, being thrust on the decision-makers. The decision-maker is forced to pick up the principal objective or some intermediate values, disregard certain outcomes and their effect on values, neglect important alternative policies, and seek partial realisation of goals or tolerable levels of satisfaction through sub-optimisation or limited approximations. Lindblom calls this *the science of muddling through.*

"Comprehensive planning has been relatively unknown to the governments in the capitalist countries, until recently. Though it has been accepted in India, since early fifties, the planning process is yet to be integrated with the system, process, language and outlook associated with budgeting. For a long time, Indian budgets reflected only the economic and political interests of the ruling classes in Britain. Increased introduction of the elected element in the legislature necessitated the reconciliation of the interests of dominant classes through budgeting and fiscal administration. Disjointed incrementalism has been the keynote of such patch work in budgeting.

"The sizable investment in railways, roads, buildings, and irrigation facilities during the British days are attributable to foreign promoters. When they passed into the hands of the Government, the nature of the decisions tended to become marginal or incremental, except in the case of a few major irrigation projects.

"Under the capitalist system, maximisation of profit continues to be an important goal of private investors. Quite often private decisions tend to ignore the harmful consequences on the rest of the economy or society at large, such as environmental pollution, and wasteful depletion of natural resources. Most of these private investments were characterised by a marked divergence between private profitability and social desirability, lumpiness of investment, economies of scale, concentration

of ownership as well as horizontal and vertical inter-dependence. In the socialist countries, the unique characteristics of public investment have led to the public sector embracing practically the entire economy. The importance of comprehensive planning and extended role of the public sector in developing countries is also the result of the growing awareness of the substantial gap between private profitability and social disability.

"In the next section in my paper, there is a discussion of the techniques of investment appraisal in the private sector. I then deal with the cost-benefits analysis, and the various problems which we have to face in such analysis. Public enterprises, in the beginning expected to make profits within the broad constraints of social objectives. It is sometimes argued that on account of the dominance of social objectives, profitability criteria can hardly be applied either in the justification of investment decisions or in evaluating the performance. Recent thinking, however, is in favour of segregating the commercial from the non-commercial objectives so that an objective basis for decision-making can be built up. The Public Sector Enterprise has to satisfy the interests of various groups of people within and outside the enterprise, produce specified quantities of output at predetermined costs and quality; and ensure the efficient use of resources, financial, physical and personnel—both from the short-term and long-term points of view.

"The planning process sets the broad limits of investments in the different sectors and sub-sectors based on material balances and interdependencies. These limits are further clarified as we move from perspective to medium and short term plans. The manner in which the gap between supply and demand for various types of goods and services is to be bridged is indicated in the plan. These decisions largely indicate the financial outlays envisaged. Physical planning has been conspicuous by its absence, except in stray areas like irrigation and power. Even in sectors like steel, coal, railways, etc., physical planning and programming came in much later. There was not even a

proper proforma or manual for preparing feasibility study reports for public sector projects till 1966.

"Since the abolition of the standing Finance Committee of Parliament in 1952, the expenditure proposals of large schemes were referred to a Departmental Finance Committee in the Ministry of Finance, comprising the Minister concerned, the Finance Minister and officials of the concerned Ministry and the Finance Ministry.

"Initially all proposals involving expenditure on a 'New Service' and all proposals for expansion of existing services involving an expenditure of over Rs. 5 lakhs non-recurring and/or over Rs. 1 lakh recurring, were required to be referred to the Expenditure Finance Committee. The limits for non-recurring and recurring expenditure were raised to Rs. 10 lakhs and Rs. 2½ lakhs respectively in August 1957. These figures were doubled by June 1968. Until 1965, no proper proforma was designed to assess the cost, benefit or foreign exchange implications.

"Though the Expenditure Finance Committee has fulfilled a useful purpose in vetting investment proposals, there have been long delays due to cumbersome procedures. Recently, the Department of Expenditure, Ministry of Finance has reviewed the system of sanctions and has suggested simplified procedures for processing EFC Memos and enhancement of the limits of expenditure. As per these suggested changes, EFC Memos are not required to be sent to the Planning Commission for purposes of vetting the proposals. Items of a repetitive nature need not come before the EFC. The existing limits beyond which reference to the Expenditure Finance Committee is necessary may be doubled i.e., increased to Rs. 50 lakhs non-recurring and Rs. 10 lakhs recurring.

"Until September 30, 1972, the procedure for scrutinizing proposals for investment in the public sector was governed by circulars of the Ministry of Finance (Plan Finance Division and

the Bureau of Public Enterprises) during 1967 and 1968. This procedure distinguished 3 stages of investment scrutiny, *viz.*, project formulation, feasibility study and detailed project report.

"In the Ministry of Finance, the Financial Adviser has been the focal point for receipt of Feasibility Reports (FR) and Detailed Project Reports (DPR) and for consolidating the views of the Ministry of Finance on the investment proposals. Thereafter a series of meetings were taking place at different levels in the administrative Ministry, Ministry of Finance, Planning Commission, etc., to discuss and process these investment proposals. On re-examination, this procedure was found to have several shortcomings. Firstly, too many meetings at different levels and at different places tended to delay investment scrutiny. Secondly, the basic and broader issues got mixed up with less important ones and could not be isolated for adequate and timely consideration at high decision-making levels. Thirdly, there was no fixed and identifiable high level forum for investment decisions.

"With a view to removing these shortcomings, the Government of India has set up a Public Investment Board since September 30, 1973 :

    (*a*) to examine the broad contours of an investment proposal in the project formulation stage based on which a decision to prepare the FR would be taken;

    (*b*) to take investment decision on proposals for public investment to produce goods and to provide services; and

    (*c*) to consider proposals for revision of cost estimates which exceed those approved at the time of investment decisions.

"The PIB is composed of the Secretary (Expenditure) as Chairman and Secretary (EAD), Secretary (Planning

Commission), Secretary (Industrial Development), Secretary to the PM and Secretary of the administrative ministry concerned with the public investment proposal as members. The Additional Secretary and Director-General, Bureau of Public Enterprises is a permanent invitee. The Board is to evaluate investment proposals in public sector corporations/undertakings involving an amount of Rs. 1 crore and above. Any investment proposal in the joint sector involving direct government capital investment of Rs. 1 crore and above is also referred to the Board. Proposals below Rs. 1 crore will continue to be referred to the Expenditure Finance Committee. The Board is served by the Plan Finance Wing of the Department of Expenditure, Ministry of Finance which is redesignated as Plan Finance and Project Appraisal Wing.

The Board is expected to expedite investment decisions through its simplified procedures focussing attention on the crucial cost implications and profitability of the proposed investment. Once investment decisions are made by the Board, scrutiny of budget provision becomes a relatively simple matter involving the concerned ministry and the Ministry of Finance.

"Thus the picture that emerges is that :

    (*a*) Investment proposals above Rs. 1 crore are referred to the Public Investment Board.

    (*b*) All expenditure on 'new services' involving upto Rs. 1 crore and proposals relating to expansion of existing services over Rs. 50 lakhs (non-recurring) and Rs. 10 lakhs (recurring) are evaluated by the Expenditure Finance Committee.

    (*c*) Expenditure proposals relating to expansion of existing services below Rs. 50 lakhs (non-recurring) and below Rs. 10 lakhs (recurring) are dealt with by the Ministry of Finance as in the case of other expenditure proposals.

"At the State level, however, no such demarcations exist. All expenditure proposals are reviewed by the Finance Ministry.

"In conclusion, I would like to point out that public investment decisions of unprecedented scale and variety have been made within the framework of the traditional mechanism of expenditure appraisal with minor modifications from time to time. Sectoral or intra-sectoral allocations are seldom subjected to any cost benefit or cost effectiveness analysis. Choice of techniques remains merely an academic debate. No proper proforma had been designed till 1966 to compile data on the economic feasibility of investment projects. Investment decisions have been the outcome rather of the political pressures exerted at different levels of decision-making than of a reasoned analysis of the economic potential. Seldom does one come across examination of alternatives. This is true of choice of technology especially when confronted with tied loans and collaboration agreements. Locational economics have been sacrificed at the altar of vicious political blackmail. Even when alternatives are conceivable, constraints of time, and paucity of analytical skills and facilities force the sponsors to hang on to a single proposal. The Public Sector has made very little use of the analytical tools and techniques available for arriving at a rational investment decision. Let us hope that the newly constituted Public Investment Board would help to discard the science of muddling through and establish a sound analytical base for investment decisions in India."

Chairman : "Mr. Arvind Koratkar."

Mr. Arvind Koratkar : "My paper deals with *Decision-making Process in the Government*. In this paper, I have tried to point out certain aspects of decision-making as well as certain lacunae that we suffer from in our administration. From time to time a reorganisation in the administrative system is brought about to facilitate effective implementation of decisions. In the face of rapid and profound changes in the socio-political ecology, coupled with increasing responsibilities of the State,

a situation arises wherein government finds itself more and more occupied in taking newer areas of responsibilities while helplessly grappling to take relatively fewer and fewer decisions. Since a quarter of century in India, it is this situation that eludes all possible academic and practical remedies to many a decision-making problem.

"Decision-making is becoming more and more complex, because decisions are no longer merely the simple rules and orders or good expressions of the society. They are also at times real reflections of a total result of its overall growth and development of society. It is always difficult to answer who has taken the decision because after all a decision is a result of the interplay of personal judgments, traditions, effects of multiple conflicts between various organisations in the machinery of the Government and the influences exerted by the pressure groups from outside. If it is presumed that all decisions lead to positive action, occasionally a decision could be not to do anything or not to engage itself in any action, not to do anything.

"A schematic representation of the structure of decisions is attempted in a different way by the French Professor L. Mehl. According to him the structure of decision consists mainly of three zones : (1) calculable zone, (2) uncertain zone, and (3) axiologic zone. In the first zone, processing of elements constituting a decision is done in a reasonable and mathematical way. That is why it is a calculable zone. The second zone always maintains a stage where information available is always in an incomplete form. That makes it the most dangerous zone. Hence it is an uncertain zone. It is in the last zone that decision emerges. This is at the seat of the political executive.

"Then in the paper I have discussed the various stages that are involved in the process of decision-making. I have pointed out that the number of stages differ from author to author. For example, from Simon to Peter Brucker, every author has given a different form, a different series of stages of the decision-taking process.

"However, theoretically one can see three stages in the process. Taking the initiative, taking steps towards realisation of decision and role of participating actors taking the initiative. Initiative could be from non-official sources or from administration itself. Quite often, it is the impulsion from outside the administration that moves the administrative machine, creating an illusion of its own initiative. After the initiative when government decides to pursue the matter further, related reports and papers are taken up for further studies and public reaction is sought. Various reasons could be pointed out for the slow emergence of the decision. There are many participants in the process of decision-making. There are individuals as well as institutions. Normally, a decision-making process starting from the initiative to taking a decision involves a certain number of stages.

"In the light of these discussions, I have picked up a particular case of decision-making in the case of a minor sized irrigation scheme in Andhra Pradesh. In this I have pointed out the various lacunae in the process of decision-making and particularly, I have pointed out the role of the clerk who quite often sets the trend of decision. The over reliance of the officers on the clerk and the usurped role of 'opinion giver' of clerks leads one to feel that the trend of the emergent decision is laid by the lowest functionary in administration. The administrative machine gets complicated and the process of decision-making gets entangled though, much of the procedure is simplified by the method of by-passing normal rules and channels without offending individuals or violating strict legalities.

"The fundamental problem is how to improve the efficiency of the decision-making process in government. With this problem in mind when one approaches the schematic structure of Prof. L. Mhel, the solution appears to be quite feasible, i.e. to reduce the uncertain zone as far as possible.

"In a parliamentary type of democracy, however, there are two inherent limitations to eliminate totally this uncertain zone.

The only possibility is that the calculable zone could be extended to reduce the uncertain zone. This in other words means the thrust of the technocrats and non-generalists into the wider area of public administration. As a phenomenon, this development is universally resented and resisted fiercely by the generalist administrators. The result is that a real battle between the generalist and technocrats starts which threatens to become a very prolonged one.

"In this battle, the role of the political executive from the axiological zone is vital. Their support to such an upward thrust of the technocrats depends upon the schemes on which the technocrats find themselves working at a given moment, and the importance of such schemes in the general framework of the policy initiated by the political heads. On the other hand, even though occasionally the political executives find themselves to be the worst victims of the bureaucracy, expediency prevents them from giving full support to the generalists' resistance to the technocrats' upward thrust. This flexible stand taken by the political heads accords to the upward thrust of the technocrats, an appearance of legitimate self-expression and at the same time an unrealistic ambition. Thank you."

Shri S. Krishmurthy : "Mr. Chairman and Friends ! The subject of my essay is *Policy Formulation and Decision-making in the Government*. Therefore, I thought it fit to define what policy is. It may be defined as a guide to action. Afterwards I have dealt with both policy and planning. I have stated that policy and planning are both inter-related and inter-mingled. In a parliamentary democracy like India the cabinet and the legislature constitute the policy-making bodies and the cabinet is responsible for the policy adopted by the legislature but the legislatures are the formal policy-making bodies.

"Then I have touched upon the role of administrators in policy-making. In a parliamentary democracy like ours, the Ministries with the help of Departments take a greater initiative in the formulation of policies and passing of the same through

the legislature and it is for the legislature to examine and ratify the policies presented to them by the cabinet.

"When we have to formulate a policy, we should have a clear ideology in our mind. Without a clear ideology, the policy will not be clear. I have taken the various objectives set out in the first four Five Year Plans and made an analysis of these objectives and from the analysis I have made, I have come to the conclusion that the policies are consistent throughout and except in the case of social welfare, in other fields our policies are very clear.

"I have dealt with the decision-making process in the Government. Decision can be defined as a choice and decision-making is a process by which one of the various alternatives available for solving the problem is selected to be carried out. Decision-making is also called problem-solving and the administrator is also called problem-solver by some people.

"I have indicated the various elements involved in this decision-making process in Government.

"Then I have explained by means of examples what exactly is the difference between Government decision and private decision. In Government decision both facts and values are taken into consideration in the decision-making process, unlike private bodies, where facts only are taken into consideration.

"There is a widespread feeling that there is delay in decision-making process in the Government, especially our Government and I have outlined the various factors that are responsible for this delay.

"In conclusion, I have emphasised the role of development. Now, development is the order of the day in almost all countries, including India. Hence whatever policies we frame and whatever decisions we take to implement the same, we need

such an approach that could achieve results, a moderate and balanced leadership which focusses its attention on the needs of the people and which could create a working partnership between the leadership and the people."

Shri W. G. Naidu : "Thank you, Mr. Chairman, for giving me this opportunity to read briefly my paper on *Policy Formulation and Decision-making Process in Government and Public Enterprises—Transactional Analysis Interpretation.* The time allotted is 5 minutes. It will not be possible for me to explain the detailed Transactional Analysis part of the paper. However, I will try to complete the job in 5 minutes.

"The main objectives of my paper are two: (*i*) to examine the present decision-making process and structure in the context of Dror's Optimum Model of Decision-making. (*ii*) And secondly, to suggest the possible use of transactions and analysis technique in decision- and policy-making to enhance their quality. In the first section, I have dealt with our experience which shows that policy- and decision-making functions are regarded as elitist functions or aristocratic functions and therefore, the special prerogative of the top management or administrator. This creates a dichotomy in the administration by creating a hierarchy of policy and decision-makers and a lower hierarchy of mere executives. This dichotomy gives rise to organisation culture in which lower echelons develop a tendency to look upward for orders and develop rigidities without facing the challenge.

"Secondly, it encourages senior managers and administrators to play God and to develop utter lack of independence in the subordinate.

"In the second part, I have tried to analyse the present policy-making process. It is better to seek an answer to the following questions:

1. Who makes policies and decisions?

2. What are the influences, motivations, needs and aspirations of the policy-making elite?

3. How is the decision in policy made?

"In all organisations, there is a small coterie of decision-makers and policy formulators. This English educated elite is separated from the rural masses by a yawning gulf in their attitude and background and values. Policies are made by the elite to serve the needs of the affluent class.

"Secondly, the decision-making group relies on experience and precedence for which elaborate procedures have been built up in the administration. Therefore, new issues are not examined from the current reality and therefore, they prove to be invalid and inadequate.

"Thirdly, the policy and decision-making is rarely based on authentic data. I think Prof. Thavaraj referred to this aspect. Often the sacrifice of authenticity in collection of data and lack of meticulous care in their compilation adversely affect the quality of decision and policies.

"Lastly, certain extraneous influences and pressures force decisions in policy-making. In this connection, I invite your attention to Dror's Model on page 4 of the paper which offers a systematic way of policy-formulation and decision-making. I think Prof. Ishwar Dayal's paper's has made a very elaborate mention of this in respect of policy-making.

"In the final part of my paper, I discuss transactional analysis as a tool for analysis of the turmoil that takes place before a decision is made. Let us examine the central thesis of transaction analysis which rests on two major premises:

(*i*) That the human personality consists of three states of being in all persons known as parent, adult and child and indicated by three circles one below the other on page 7 of my paper. This theory was offered by Eric Berne some years ago.

On this basis, he came to the conclusion that every person consists of these three states of being.

"All that we saw our parents do and heard them say is recorded in the Parent. All the admonitions, rules and laws heard from Parents and communicated non-verbally through tone of voice, facial expressions, the coos of pleasure are recorded in the Parent State.

"Simultaneously with Parent data are recorded internal responses of the little person to what he sees and hears. In the absence of vocabulary at this age, most of his reactions are expressed as feelings. This seeing, hearing, feeling and understanding data is defined as Child.

"At the age of 10 months, the child begins to experience power of locomotion and of manipulating objects. He now concentrates on inspection and exploitation of toys. This self-actualisation is the beginning of the Adult. The adult is the data-processing computer which grinds out decisions after computing information from Parent, Child and the data that the Adult has and is gathering. Thus the Adult updates Parent data to determine what is valid and what is not, it updates child data to determine which feelings may be expressed safely.

"The boundaries between Parent, Adult and Child are fragile, sometimes indistinct and vulnerable to those incoming signals which tend to recreate situations we experienced in the helpless, dependent days of childhood. A person may be transferred at any time in his current transactions to Parent or the Child state.

"There are many clues to help stimulus and response as Parent, Adult or Child. These include not only words but also the tone of voice, body gestures and facial expressions.

"Parent is controlling, judgmental, critical, evaluative of others. Use of such words as stupid, naughty, nonsense, absurd show the Parent state. The gestures like pointing index finger, hands on hips, arms folded cross chest, tongue clicking, patting others on head are typical Parent gestures.

"When the person is angry, in the grip of feelings, tears, high-pitched voice, rebellious nail-biting, squirming fun-loving giggling he shows that the person's Child has been hooked. Words like I wish, I don't care, and baby talk identify child.

"The Adult is fact-finding, rational data-processing, problem-solving. Therefore, the basic vocabulary of the Adult consists of why, what, where and when, who and how. Use of such words as 'I think', 'In my opinion' etc., indicate Adult data processing. While listening, the Adult is identified by continual movement of eyes, face and body, eyes blinking every 3-5 seconds, with face straight-forward.

"The second central concept of Transaction Analysis is based on Alfred Adler's concept of universal 'inferiority feeling'. During the helpless, dependent stage of the child, there is constant demand from environment—particularly the parents through withdrawing/offering approval and reward. The major outcome of this frustrating, socializing process is the negative feelings *viz.,* 'I am not ok'. Every child, including child of kind, loving parents is a 'not ok child'. Therefore inferiority feeling is a universal phenomenon. The Transaction Analysis believes that a person's life position or the life's central problem 'the attitude towards others and self' depends on how the Adult in each of us processes and updates the Child and Parent data.

"Therefore, at the application level, it operates on two dimensions : (*i*) It tries to create a balanced relationship between three parts of human personality by understanding from which part the stimulus is coming and responding at that level in order to make transactions complimentary. For this to happen, the Transaction Analysis advocates plugging in of the mature, rational Adult so that controlling, critical Parent and the archaic, self-deprecating child do not foul up the relationship with others.

"Secondly, the Transaction Analysis tries to instil the conviction that 'I'm ok—You're ok', meaning that no one is

really a threat to anyone else. This is done by helping each person to analyse and change his 'life-script'—the blue-print that a child unconsciously draws up to shape his whole life. Such scripts include self-defeating games like 'Kick Me' played by self-pitying persons and 'Its all your fault', the ploy of people who compensate for inferiority feelings by pointing out the failings of others.

"In each decision, there are three sets of data that must be processed. The first set of data is in the Parent, the second in the Child and the third in the Adult. Parent and Child data are archaic. The Adult data represent external reality as it exists in the present. Data from all the three sources pour into the computer in response to transactional stimulus. Who is going to respond ? Parent, Adult or Child? I have illustrated this in my paper by a concrete example from real life situation. Thank you !"

Shri P. K. Sardana : "Mr. Chairman and Respected Members ! I am not a practising Manager nor am I a member of the system called Government. However, being a student of management, I can perceive any productive activity to consist of decision-making and to that extent the process of decision-making can be considered to be a common element of both public administration and management.

My paper is divided into three parts. First, I have outlined the three well-known approaches of policy formulation, the rationalistic approach, the incrementalist approach and the mixed scanning approach. The first approach of arriving at a decision by logical choice is rejected in the case of our country and in the case of other developing countries since it implies a decision-maker has a lot of resources at his command as well as information.

"The second approach is that of incrementalism. As has already been discussed by Prof. Thavaraj, the administrator

arrives at a decision on the basis of small increments and thus cannot bring about sudden innovations.

"The third approach is advocated by Amitai Etzioni. He rejects both the above approaches but proposes a synthesis of the two in his Mixed Scanning approach. It gives us :

(1) a procedure for collecting the information (*e.g.,* the surveying or 'scanning' of weather conditions);

(2) a strategy for allocating the resources (*e.g.,* seeding); and

(3) guidelines on the relationship between the two. Thus it encompasses two mechanisms *viz.,*

    (*a*) high-order, fundamental policy-making procedures which set basic directions; and

    (*b*) incremental processes of decision-making.

"The advantages claimed by Etzioni are that besides providing a strategy for evaluation, the model is explicit as regards its assumptions and flexible.

"So far we have refrained from giving any definition of decision-making or distinguishing between policy and decision. Nor shall we attempt it here (this area is left to others). Suffice it to say here that in this paper, the words 'policy' and 'decision' are somewhat used as interchangeable—this, however, does not mean that the two are the same. As already stated, the distinction lies in the context, the determinants of which are the futurity (the time span committing the Government to a course of action), the impact (on the other areas and functions) and the qualitative considerations that enter into the process.

"In the second part of my paper, I have given details of two studies conducted by me jointly with Mr. K. S. Kumar. In the final section, certain perspectives are presented with relevance to the Indian context embodying the systems approach to

the policy formulation and finally I discuss the process of decision-making as an intervention strategy. Thank you."

Dr. Sudesh Kumar Sharma : "Prof. Menon, Prof. Dayal and friends ! Before I came to this Conference in the morning, I saw an old man hungry, ill-clad, standing just outside the auditorium. I asked him a question : 'What is the cause of his present state of affairs ?' His answer was : 'The Government'. I asked him : 'What's wrong with the Government ?' He said that their decisions were wrong. When I asked him why the decisions were wrong, he had no reply. I told him : 'You wait on : I am going to the assembly of academicians, intellectuals, Professors of public administration, the top administrators. As soon as the Conference is over, I will give you an answer."

"It was in this spirit that I occupied the first bench in this auditorium. When I listened to the discussion lectures, the papers presented, an old idea came back to my mind. If you have a look at any legislation passed by parliament or by the State legislature or any assembly at the local or district level, you will find many provisions. So many things will be stated : finally, all the things which cannot be filled any where else will be included in a general clause. All the papers have been propounding theories of decision-making. It means several different things. Finally, however, all the papers say, by way of a general clause, that there is an environment, culture or system to be taken into account in deciding what decision-making is. In short, this theory making exercise in decision-making is mere formality if we cannot decide what decision-making is.

"I go back to my old text books; they tell me that Public Administration is not a pure science but only an applied science. It is in this view that I have written my paper on *Higher Civil Services and Policy Formulation: Third Pay Commission View.* In this small paper of 30 pages, I have touched upon several aspects, on the thinking of Government, on the role of the specialists who claim that specialisation is the need of the

hour, on the administrator, his relationship with the political executive.

"While ministers take decisions, who is to give them advice ? Is it the administrator ? If so, how far should he be committed to the policy ? What is he to do, when he finds that the advice he can tender is against wishes of the Minister ? Has he to keep quiet ? What is his role in the developmental plans of the country ? It is for the IIPA to solve all such questions. We are not the people to formulate the policy, but we can at least tell the man in the street what really has gone wrong. Thank you Sir."

Chairman : "When Dr. Sharma referred to the Plan I am also reminded of what happened in Russia in the First Five Year Plan. A man was walking ill-clad and hungry, and when asked why he was ill-clad and hungry, he said : 'Don't you know we have completed the five year plan in four years.' "

Shri J. K. P. Sinha : "Chairman, Shri Ishwar Dayal and Friends! I have to draw the attention of this House to certain points mentioned in the Preamble of the Constitution about decision-making. I would like to say that being a civil servant and being on deputation to the Administrative Reforms Commission for more than ten years, I have some personal knowledge of the process of decision-making in Government. The people who have to formulate policy have to look at the priorities of items for decision-making. We have also to assess the political factor as there is always something very important behind it. We have to keep technical advice in view, so that there may not be any technical error. There is also an element of public opinion to be taken into account. Planning has to be suitably modified so that we can take a long-term view while planning for short-term objectives. From our past experience we have to examine all the possible alternatives and try to arrive at the rational decision. When such policies are evolved, we have also to think of our commitment and we have to safeguard the various interests involved, as otherwise we would be accused of acting from biased narrow interests. In the matter of policy

formulation, we have to evolve a proper compromise of all the factors and pressures. A civil servant has to submit himself to his political master, but the political master also should take a reasonable view, listen to the advice of the administrator and try to take a larger view. Unfortunately, they are not able to do it because they know that they have the power to do whatever they like. So we must look to the Preamble of the Constitution and adopt the principles embodied in it. Thank you."

"Chairman : "The last speaker in my list is Dr. Vishnu Prasad Varma. There is one more paper which has not been distributed; it is by Dr. S. P. Singh. He will briefly summarise it."

Dr V. P. Varma : "Dr. Menon, Director and Friends! I am thankful to the Chairman for having given me some minutes to present my paper. Since the end of the Second World War, we are experiencing a profound change in the conceptual structure of the social and political sciences. Today, in America mainly engineers are scholars, in these disciplines. When we returned from the United States in the early fifties, in the Universities they were still talking of the Laskis, Graham Wallaces, etc. Now after 15/20 years, we find that we have to talk in a different terminology. The impact of this large-scale American invasion in our academic disciplines is felt in various conferences and seminars that we attend. One important approach is the behavioural approach and Prof. Ishwar Dayal in his paper referred to Simon's conceptual order. The second dominant approach is the systems analysis approach of which there are four important schools. Such concepts were referred to in Mr. Dayal's paper and the input and output was referred to by Mr. Sardana. In my paper, I would like to draw your attention to page 2 where without much elaboration I have listed that policies can be of six types: (1) Coercive and penal concerned with criminal law administration; (2) contractual and commutative concerned with economics, civil law and international law; (3) distributive, concerned with the distribution of honours and rewards; (4) regulative, regarding society and business; (5)

liquidative and retaliatory, especially in war and in totalitarian countries; and (6) technical, operative and routinized character concerned with the mechanical operations of non-deliberative type.

"Regarding decision-making, I find that some hypothesis can be framed on the basis of research. The Government of India has a role in economic, cultural, social and ecological systems as also the international system. Scholars have emphasised the study of the total environmental field in such complicated fields. Specific decisions, however, are taken at a certain level and this has to be brone in mind in any hypothesis we may evolve about decision-making.

"I would also like to draw your attention to page 10 of my paper. Based on the systems analysis approach, I find that policy formulation and decision-making have four dimensions: political and administrative, economics, ecological, and socio-cultural. All decisions can be grouped into two: policy decisions and implementation decisions. I would like to draw your attention to page 5 also where I have given a case history of an important decision. A decision was taken in Bihar that the age of superannuation of government employees should be reduced from 58 to 55 years. There was a lot of agitation and so on and through political pressure and other pressures, the decision was once again revoked on September 11. Now this is a good illustration of the Mohammed Tughlak model, characteristic of our political and administrative system. The question has been frequently asked as to why our plans have failed and why we have not been able to execute policies. Largely, it will involve a study of the philosophy of history, whether there are valid reasons for our wrong decisions or whether there is something wrong with the internal character or the system of the people or whether it is due to their rice-eating habit. Any number of hypotheses can be formulated but one basic question that has not been answered is, 'What is wrong?' The officers in their private talks will blame the corrupt politicians and the corrupt politicians in Legislatures will blame the poor administrators and we, because of the freedom that we have in the universities criticise everybody but

this much is clear that something is wrong. What should be done about it? That I think is a great task. In the last 1500 or 1200 years we have been subjected to a number of invasions and attacks on the cultural and political level. We as students used to wonder, how all this happened. So, as students of public administration and political science, we have to start with the assumption that there is something wrong and we have to address ourselves to this question, as to what can be done. For this we have to emphasise both the professional detriments at the micro, individual and national levels as well as the evaluation detriments at the more general level."

Dr. S. P. Singh : "Mr. Chairman and distinguished guests! My paper has not been circulated. Even then I want to summarise the gist of the paper.

"I am touching upon only some of the aspects of decision-making. Policy formulation and decision-making are two different things; policy is a bigger thing and decisions form segments of the policy. So I shall be mentioning something with respect to decision-making.

"In this connection, I want to point out that two things must be taken into account while making decisions. First is the time aspect. This is a very important aspect and the other is the ideology aspect. Though ideology is very well-laid down in policy, however, at the time of taking decisions, ideology is a factor that has to be taken into account. For example, take the policy of the government that relief measures should be adopted in time of flood. What I will say is based on my experience in rural areas. Take the flood relief operations. When do they start those operations? Only when the floods have risen and there has been much damage. Now if a villager comes to a district officer to know what he has done about it, he says, that he is awaiting the instructions of the government. Similarly, in the case of drought, when the crops start wilting away, they start taking measures. If decisions would be taken in time, real remedies can be effected.

"Now the ideology aspect. One of my friends has referred to the foodgrains takeover. Leaders stated time and again, that there is the machinery. Where is the machinery? Now from where did the machinery come when they took the decision? It has adversely affected the weakest sections of the society for whose benefit this measure was meant. Let us similarly take the restrictive trade practices. Any policy is justified only if it is in the national and popular interest. Restrictive trade practices have been with us since 1947 when the first Industrial Policy was stated and again restated in 1956. Has this policy served our purpose? It is the industry which has suffered much and our economy has really been placed in a very bad situation perhaps as a result of the ideology-oriented policy. Therefore, time must be given due consideration when you are taking a decision. When you are taking a decision in terms of ideology, you must take into account the interest and welfare of the people."

Chairman : "I have now on my list Prof. M. V. Mathur and I would invite him for his comments; Prof. Mathur will take only three minutes and I hope others will follow his example."

Prof. M. V. Mathur : "Mr. Chairman and members of the Conference, I should first of all like to congratulate the various members who have presented papers for providing us a very nice intellectual background material. The subject can be divided into two parts, policy formulation, involving the higher level, which is a wider concept, and the decision-making, if we take it, in micro terms in various segments. Now I would like to make my observations on three things : In the first place, some observations on the paper which Prof. Dayal has provided to us. I quite agree with him that administrative intelligence and data are insufficient today and they must be strengthened. One can undertake a survey of such deficiencies and offer suggestions about what can be done by the Union Government as well as by the State Governments. May be, certain studies by some of our professional institutions and universities can provide alternatives because I have the feeling that the country is not totally

off the rails as it is painted by some speakers. It may be wrong but I have this feeling.

"The other important thing is how to provide an integrated role. I like to emphasise the integrated role for strengthening the political base. Unless you strengthen the political base in a political way, we shall not be able to solve the problems and remove deficiencies. It is very important for the leading political parties to have their own intelligence cells and they can come out with their own ideas, may be, they can publish discussion papers. We know how democracy is functioning today in the United Kingdom. On many occasions the political parties before they come to power indicate to the people their ideologies and ideas. Unless we develop something like this, we will not be able to develop further. Professional institutions can give a lead by bringing out some papers on this subject.

"Another approach is to tap resources of the persons not being tapped now, persons who are distinguished and experienced, not politicians, but retired government officials, retired authors, etc. They have a tremendous reservoir of talent which has not been tapped so far. There has to be a way in which it can be done. Whether this has to be done by this institute or some other institute, has to be decided.

"Prof. Dayal mentioned the need for groups of people as support systems within the Government.

"I think to some extent it is possible to have a group of people within the union government and in a number of States. The States have such persons available. I would like to see that such persons are certainly involved in decision-making. This has not been attempted effectively. I suggest this should be done. I would very much like to see the technical professions to be involved in the processes of policy formulation. And therefore, my view is that we should strengthen the political leadership through institutional changes within the political parties; the professional administrative

support should be provided on the lines which this institute has put forward and the support from the untapped resources in the community can be geared for improving policy formulation and decision-making."

Shri C. A. Ramakrishnan : "I thank you, Mr. Chairman, for giving me this opportunity. Most of the papers presented come from academicians without any practical experience. The approach in all these papers was more or less on academic lines. I have the feeling that very few practical administrators have addressed this Conference so far. I am therefore, speaking as one with sufficient experience as an administrator. My credentials are, apart from being an ICS officer for 25 years, I have been the Director-General of Food for 5 years, Chief Secretary to the Governmet of Tamil Nadu for 4 years and I have held varied administrative positions. I have had the chance of working with political leaders, Chief Ministers, Union Ministers, State Ministers and so on and my reaction to this problem of policy-making and decision-making is briefly as follows:

"The matters with which Government are concerned in the matter of policy-making may be broadly classified into three : decisions which are purely of an administrative character, decisions which are purely political, and decisions which have got a mixed political and administrative content. Roughly I would say of the decisions made from day-to day by Government about 70-80 per cent are purely administrative in nature; about 2-5 per cent will be political in nature and about 10-15 per cent made have both political and administrative content. My experience in administration is that with regard to matters where the content is largely administrative, it is up to the administrator himself to see that wise policies are framed. That is a field where normally politicians generally are not very much interested. No doubt reference has been made to the fact that politicians are interfering in the administrative field. But then it should be the effort of all to see that political interference in purely administrative decisions is as far as possible kept at bay. If that is so, it is possible for a capable and wise administrator

himself to take policy decisions based upon pure merits. In regard to purely political decisions, it is not a field of much argument. It is not possible for a pure administrator, a civil servant to argue much with the Minister with regard to purely political matters. You can try to influence him. But very soon he will come to the point where he says, 'This is the mandate of my party. It is up to you to help me; otherwise with or without your help, I propose to go ahead.' In that situation, the administrator is helpless. It is only public opinion that can control the Minister.

With regard to the decision where both political and administrative matters come in, much depends upon the skill of the administrator, how he is able to handle the Minister. All those rules which are laid down, how to influence friends and how to win them over to an opinion, all these criteria apply. It is possible for an administrator with practical knowledge of means and efforts to influence the Minister. To some extent I would suggest that the purpose of the Institute of Public Administration, the purpose of this Conference should be first and foremost to see that purely administrative decisions which can be taken by administrators themselves are taken by them. We should do all in our power to see that administrators are encouraged to take such decisions. Very often in certain problems, the administrator of a mediocre calibre merely dawdles, whereas the more capable administrator immediately issues an order.

"With regard to the purely political matters, I think this Institution can do its best to influence public opinion because only the public can control the politician in that field. I doubt very much if the politicians will have all the patience to follow all the instructions which may be laid down in our papers. He is very impatient; he has got only a 5-year term as MLA or MP. He wants to get things done, he wants to strengthen his partly and therefore he does not bother very much about all these things. He wants to go ahead. I will only give you one instance. In the Tamil Nadu, the policy of prohibition was repealed and of late the

policy of prohibition is sought to be reinforced. When the prohibition policy was revoked, no precise reason was given why it was being revoked. Perhaps they wanted more funds; but today the policy is being reversed. Is it because the State Government have more funds now ? They found in a particular bye-election their party was defeated. Some body tells them that their party was defeated because they revoked this policy of prohibition and women are against this and 50 per cent of the votes are against the government. The politician is bound to act under these circumstances. He will not have clear reasons as to why he follows a policy; he does not have clear reasons why he revokes a policy. So only public opinion can control him. Therefore, I would conclude by saying that we should concentrate in this Institute on training administrators to see that in the field that is available to them without much of political interference they use their maximum power to take decisions. In a mixed field where both politics and administration is involved, let the administrators try their very best to influence the Minister to come to their viewpoint. In the third political field, let the administrator be content to give advice which may or may not be accepted. But let the politicians face the public and let the public judge him."

Shri T. N. Choudhary : "Mr. Chairman, I have one small comment. This is a point already highlighted by Shri J. K. P. Sinha, Mr. Naidu and Mr. Koratkar. It is pointed out that many officers do not take any decision, but look for directions from their superiors. Officers at the lower levels, at the implementation level, even though they have the power, do not exercise it. Rather, they simply approve of decisions made at still lower levels, at the clerical level. Some decisions are taken by them only when there are alternatives suggested by the lower officers; the dealing clerks usually refer to certain rules and by quoting precedents and rules point out that there is only one course of action open. I will give you an example of a clerk who decided to disburse some money which was given to the District Welfare Officer at Bhagalpur for distribution among the students belonging to the scheduled castes and scheduled tribes. It was by mistake that he decided that this

should be distributed and he placed the file before the District Welfare Officer who simply O'kayed it. Afterwards, when the Accountant-General objected to this, it was the dealing clerk who was victimised for that. It was the dealing Assistant who made the decision and not the officer concerned. Today's executives, certainly at the lower levels, are rubber stamps of the clerks who are our decision-makers. Thank you very much."

Shri M. Subramanian : "Mr. Chairman! I would like to invite the attention of members to the fact that the two papers presented before you emphasised two of the three aspects which I consider important. Prof. Dayal was referring to the environment aspect, the need for adequate environment for decision-making and Prof. Thavaraj had referred to the need for application of quantitative techniques, particularly in respect of investment decisions. In these papers, adequate attention has not been given to the physical process of decision-making. I, as a person working in the administrative system, do feel that while we need a better environment, better application of quantitative techniques, I think we may reach a stage when we may have a lot of people who are willing to aid in the decision-making and not adequate number of people who are willing to take the responsibility for decision-making, because the physical process of decision-making involves adequate authority and adequate responsibility and therefore, I think we must have an administrative system which not only has responsiveness but also has clear identification of authority and responsibility which are elementary aspects of any organisation design. To my mind, it is this diffusion in authority and responsibility in various levels of the Government, both political as well as administrative, which has in a large way contributed to many of the failures of our planning, even where we have been adequately aided by various experts in the decision-making process.

I think the second problem is to find out what has gone wrong in the organisational design itself; a passing reference was made by Prof. Thavaraj to the need for a proper personnel

planning. I think this is the crux of the problem. In governmental administration, I think personnel planning does not exist. I am sure I am not offending the representatives of the Training Division of the Government of India who are closely associated with this Institute. Training and placement are important to which adequate attention has not been paid; sufficient attention has not been paid to the flexibilities of procedures and delegation of authorities which will make decision at the appropriate levels speedier. I think, Sir, we have been too much obsessed with the environment and response system and this has led to the conflict between the generalist and specialist. I am afraid whether you place your specialist or generalist in the decision-making chair, the problems he faces will be the same. A diffused organisation, inadequate authority, non-identification of responsibility and non-emphasis on decision making, these are the problems which you will find whether you are a generalist or a specialist and these problems cannot be solved unless adequate attention is paid to the physical process of decision-making itself. If you do not have, in adequate number, persons who are trained to take decisions, to make them at the right time and implement them in a given time, the policy-making apparatus may be very good but policies will not get translated into meaningful decisions. Some times we are over responsive. I have seen colleagues who are much more responsive to the political system. Merely being responsive is not enough. We have to be responsible also. I suggest we have to find a way so that the entire system is made responsible not only to the legislature, but they should be more responsible for results. Therefore, I think that at this institution, research workers should observe how administrators ought to work and see how the administrative system works, how they take decisions, why they cannot often implement them at the right time. The process of decision-making must be improved. Thank you very much."

Chairman : "I see some more administrators in front of me. I think some of them will at least speak. I understand from the Director that we can go on till 1.15.

Shri M. K. Chaturvedi : "Mr. Chairman! Sir, as I was reading through the papers which have been circulated, one

thing I was not able to locate in these papers is the way we have developed our decision-making process. We have developed a technique and I do not want to make any comment on our technique because it is proving very good. A formal decision is taken at a small get-together, mostly by the political party in power and then the task is merely translating those decisions into a formulation. We are all witnesses to this process. You take the case of U. P. or another State. A sort of consensus is arrived at on important matters outside the framework of the Government. Politicians keep on coming to Delhi and going back and then slowly a consensus emerges on very important matters and, once that consensus has emerged, then the formal orders are issued. The Governors of the States are left to draw up a report and send to the Central Government on which the Cabinet sits. They ratify the decisions, but a decision has already been taken somewhere else. This technique is proving effective. We take our major decisions outside the Government, at informal get-togethers. This is one point.

"The other point which I would like to submit for your consideration is that in all decision-making one fact can never be ignored. The framework of reference for every decision according to me is whether as a consequence of that decision, the decision-maker continues to stay as an authority in power. This is not merely a politician's point. In a democratic set-up, this is normal for politicians. But even administrators, whether in the middle level or the lower level of hierarchy often have to consider whether as a result of the decision, they will lose their position of power. If it is a fact, then as scientists we have to take note of it and make it an object of analysis as it brings personal psychology in the realm of the decision-making process. These are the two points which I want to submit to this gathering and I am quite sure that, in the group discussion, these points will be taken note of."

Chairman : "Anybody else who wants to speak ?"

Brig. N. B. Grant : "Mr. Chairman and Friends ! The question came up as to why our decisions are going wrong.

Certain opinions have been expressed. I feel slightly differently. I feel that there is difference between the way in which decisions are taken by us and in which certain developed countries take decisions. In developed countries, industrial revolution preceded the political upheaval and therefore everything was geared towards production, towards industry and towards administration. In our country, possibly due to certain circumstances beyond our control, our political awakening preceded our industrial growth with the result that everything has been today geared towards politics and hence, therefore, in all our decisions or whether it is a major decision or it is a smaller decision, it is politically biased. Now, for a decision to be correct, our objective must be correct. Today, unfortunately our objectives are not correct. Today, the need of the hour is not management by objectives but clearly defining objectives for the management. Our objectives today are politically biased. I met recently two American visitors and I asked them what they thought of our government. Their reply was that in the abject poverty we are facing today, the position the government has taken is 100 per cent correct. They added that they in America also feel that the decisions taken by the government are 100 per cent correct, but they also feel that the circumstances under which those decisions are taken are 100 per cent suspect. In other words, what they were trying to say is that if a decision has been taken keeping in view your long-term economy, then all those decisions are correct. If, on the other hand, those decisions are correct on the short-term basis to keep the political party in power, then they feel that those decisions are not correct."

Chairman : "I think there are one or two more speakers. Would you like to come now ?"

Shri J. K. Mittal : "Mr. Chairman and Friends ! I would not take much of your time. There are only two points which I would like to mention. Is it necessary that all our objectives must be political ? Have all our aims and goals to be determined only on political considerations ? Secondly, our governmental system does not make any distinction between long-term

objectives and short-term objectives. We have to take steps to remedy this defect in our system. Thank you."

Dr. R. C. Prasad : "Mr. Chairman and Friends ! I have been primarily inspired by the comments of Mr. Chaturvedi. There is a growing trend to take decisions outside the formal structure. I agree with his observation. I would like to add a different kind of explanation. I think this is very important. Ten year ago when Gorwala's writing was still considered to be incisive and authoritative, we had his authority. I can say that, soon after independence, there was a growing tendency inside the administration to pass the decisions to the higher authority. Lower officers thought that the decisions should be taken by the higher authority and the higher officers will pass on the buck to the political executive ultimately. So it happened that ultimately even decisions which could have been taken by the bureaucrats, by the lower levels of decision-makers, were taken by the Ministers, by the political executives, by the Cabinet. Side by side with this observation, there is another thing that I wish to put forward. In this country, bureaucratisation, democratisation and centralisation appear to be inter-related phenomena. How democratisation led to centralisation has been indicated by me just now in a very cursory way. There is another way in which democratisation has led to centralisation. Around the year 1959, there was a kind of ideology or philosophy that was made popular at that time, say, the philosophy enunciated in the reports written by the study team headed by Balwantrai Mehta. I think as a result of this philosophy, various States adopted the panchayati raj institutions or what was called 'democratic decentralisation'. But soon after the year 1962 when the Chinese aggression occurred, that process was reversed virtually and gradually, we find today that there is very little emphasis on strengthening the local decision-making authorities and there is continuous emphasis on deciding at the upper level; both political and bureaucratic decisions are taken at the higher levels of decision-making. Various papers have been presented today to provide the models which should guide the researchers in decision-making and policy formulation and very little has been said about the trend in decision-making. I think it would

have been still better if one or two papers had tried to cover trends on decision-making rather than formulation of research models for the study of decision-making. I thank you."

Dr. Kanti Sarup : "Mr. Chairman and friends ! We should know the reason why correct decisions are not made. If the decisions are made for the people, we may ask the question : 'who are accountable to the people'? We are working in a democratic framework where the persons elected by the people have to be in charge of major policy formulation. They have been elected for carrying out certain promises made by them at the time of the election. They are answerable to the people. When administrators have to make short-term decisions, they have to keep in mind the ideology of the elected representatives. They have no right to question it. But very often we find administrators questioning it and making decisions, which even run counter to such an ideology. This is because administrators from the time of the British days are more anxious to rule rather than serve the people. The administrator in a democratic set up has to realise that he is a servant of the people and that he has to help the elected representatives to carry out their programmes and policies."

Chairman : "It is now 1.15 p. m. and I think we now adjourn for lunch."

AFTERNOON SESSION

Chairman : "We will begin with the report of Group 3. Shri M. K. Chaturvedi will present the report of the Group."

Shri M. K. Chaturvedi : "Mr. Chairman, Sir, my group was entrusted with the problem of identifying blocks in developing a viable decision-making system in the public sector enterprises. In our group, we had a fair blending of people with different types of experience, not only those serving in public sector enterprises, but also academicians and those who have

done some consulting work for these enterprises. So we could have a fruitful exchange of ideas. A consensus emerged in the group about the various constraints in decision-making in public sector enterprises.

"I will state these, one by one. Firstly, our public sector enterprises have still the secretariate or the Government culture, as opposed to industrial or commercial culture. The reason for this is that not only in the initial stage but also later on, most of the top positions and even middle level positions in these organisations were manned by personnel from the Government. They brought with them the Government rules, financial controls and administrative precedents and conventions. In spite of considerable talk, we have not been able to take concrete steps to change this cultural pattern.

"The second block, identified by our group, is the system of dual audit control, operating in public sector enterprises. We have not been bold enough so far to confine the audit in these enterprises only to company audit as is done in the case of private enterprises. Government audit is very different from company audit and government auditors, by their training, and their background look upon items in a far narrower framework. Even when an enterprise is earning fairly big profits and broad norms of expenditure are satisfied, government audit goes into small items which frighten the executives from taking bold decisions. Every time a decision is deferred or delayed, it is because at the back of the mind there is always the fear of the view that audit might take after two or three years. This acts as a very big constraint.

"A third constraint, identified by our group is the system of parliamentary accountability and its impact on the mental framework of the executives of the public sector. Parliamentary accountability cannot be avoided, in a democratic set up. But either because of the way in which parliamentary accountability has been functioning in the initial years or because of the type of questions which are asked of public sector managements off and

on, a feeling has developed among the top and middle level management which prevents them from taking bold decisions.

"Fourthly, there is considerable centralisation of authority in public sector enterprises. While there is talk of delegation of powers, this has never been implemented. To some extent, files move up and down in these enterprises in the same way as in government offices and this greatly impedes bold and expeditious decisions.

"Fifthly, the objectives for public sector enterprises have not been precisely laid down. The objectives, which are emphasised, off and on, are economic and commercial. The enterprises have a target of a certain return on investment to achieve. But linked with these are certain other objectives like development of certain areas, providing employment to local people, Harijans or tribals, etc. Our group admitted that these may be laudable objectives, but it is incumbent on Government to give clear directions to the top management of public enterprises as to the extent to which purely commercial targets of profitability could be tampered with or diluted because of these considerations. When Government compels a corporation to open a unit in a backward area because it is in furtherance of its policy, then to expect a certain fixed return on investment would be unfair.

"A sixth factor, identified by our group is the tendency of the chief executives of these corporations to engage in extra regulatory consultations. Although the charters or articles of memorandum of these public enterprises do not require consultation with Government on certain types of decisions, such consultations are often made. The initiative for these consultations does not come from the government side but from the top management of the enterprises. Either with the intention of playing safe or with the intention of trying to read the mind of the Government, they consult the Ministries, even on items on which they can take decision themselves. This acts as a constraint on independent decision-making.

"Lastly, it was noted by our group that major decisions are taken at the top management level and there is very little involvement of people working at lower levels. Since most of the top management people are on deputation, they do not have such deep interest in the successful functioning of the enterprise and its continuity as those working at lower levels. If the shopfloor people, the foremen and others, who have to live or die with the enterprise are involved in the decision process, through some process of consultation, the quality of the decision will improve and many matters in which delays or hesitations take place would be removed. These are the seven constraints which our group identified. Thank you."

Chairman : "We will now take up Group 2 : Mr. V. Subramanian, please."

Shri V. Subramanian : 'Fortunately ours was a very viable group. We were only seven, including the Chairman. First of all, we were stuck about the definition of the very words used; but we did not want to waste our time on such definitions. We felt that for a viable policy-making system in Government, certain things were absolutely essential. In a parliamentary democracy, policy-making is the result of a fusion of the will of the political executive on the basis of the mandate given to the political party by the electorate and the skill of the administrator in translating this will into action. There might be no difficulty when a policy is formulated after taking into account all the relevant factors. Often enough, the viability of the policy becomes questionable since all the necessary data and all the analysis to be carried out before the formulation of the policy are either not available or not adequately available. Our Group felt, therefore, that the first essential of a viable policy-making system should be that, irrespective of the trouble and the expenditure in time and energy, all the data and the background analysis necessary for the formulation of the policy should be made available.

"But there may be certain occasions when such data cannot be obtained before the policy is formulated. The policy may be

dictated by the will of the party in power. In such a case, what is the duty of the administrator, *vis-a-vis*-such a policy. It is his business to point out the drawbacks or pitfalls of such a policy. If he is overruled, he must carry out the policy. At the same time, a continuous study of the policy and its effects should be made so that it may be possible for the policy to be modified or abrogated. This task of welding the will of the political executive with the skill of the administrator is a fine feature of political democracy.

"Our group also felt that very often in the policy formulation, there is a dichotomy of attitude, not only on the part of the administrators but also on the part of the political executive. In policy formulation and implementation, there should be a collective responsibility. The spectacle of certain wings of the political executive disowning responsibility for a united decision of the cabinet or of the Government is not rare. Such an attitude is likely to sap the morale of the administration, and would undermine the implementing authority at every stage. This aspect of collective responsibility should always be borne in mind.

"Another problem which our Group discussed is the need for an integrated approach. There are of course dangers in carrying this approach to its logical and probably ridiculous extent. On the one hand, we have every body shouting from housetops for delegation of authority and decentralisation of administration; on the other hand, we are witnessing the spectacle of centralisation in many aspects of administration. It is necessary to define what the system is and what its various aspects are. Decentralisation is of course necessary since the affairs of every *galli* cannot be settled in Delhi at the same time, there should be an awareness of what is going on in the different parts of the country and the state.

"There must be not only a postmortem of the activities of the government, but a constant monitoring and evaluation so that the imperfections of a policy, discovered at the implementation stage can be rectified. But the monitoring should

not become dictatorial. It should be a constant evaluation of what is going on and a feedback of that evaluation not only to the implementing department, but to the central organisation, the state or the central Government, responsible for overseeing the entire policy. There should be a constant interchange of views and information between the personnel, responsible for monitoring the various aspects of the policy and those charged with the responsibility of administering and implementing its various facets."

Chairman : "Prof. Maheshwari, the Chairman of Group I will now present his report."

Prof. Maheshwari : "Mr. Chairman, I have great pleasure in presenting the report of Group I on 'What should be the nature of research in policy making ?' The Group considered it necessary to define this beautifully vague word 'Research', and it came to the view that research should not be defined too narrowly or too restrictively. Such a warning is necessary because of an often noticed tendency to consider only empirical research as research. Research has three well defined dimensions: (1) The theoretical dimension; (2) The experimental dimension; and (3) the empirical dimension. The Group laid emphasis on the need for research on methodology itself. There was also a feeling in the Group that our researchers must not neglect philosophical orientations which gave depth and profundity to the researches. Research must also lead to theory building regardless of whether it is empirical, experimental or theoretical. The Group wished to underscore this central point of research.

"The Group felt that the expression, 'policy' should be understood in its broader sense. Research was necessary, not only of policies already adopted, but also of areas where policies are to be floated and which need to be adopted by the government. Again research was necessary both of the processes of policy-making and of the processes of implementation. The Group thus steered clear of the distinction, often, though invalidly made between policy-making and implementation. Inter-disciplinary research was advocated to be necessary

for research, in the field of policy formulation. Such an approach was particularly necessary in evaluatory studies. However, the unique features of the individual discipline should not be obscured or neglected in these researches.

The Group had prepared a long agenda of research; the following were some of the important items :

(1) Study of the typology of policies;

(2) Case studies, not only of policies implemented but also of revocations and termination of policies;

(3) Influence of blocks on policy-making;

(4) Study of the physical process of decision-making as well as of implementation of decisions;

(5) Study of party intentions, underlying policies and their implementations;

(6) Study of the value system of administrators and of clients and of the conflict between these two;

(7) Role of pressure groups in Indian public administration;

(8) Policy formulation in different kinds of government— coalition governments for *e.g.*;

(9) Study of unimplemented but enacted policies;

(10) Study of decision-makers;

(11) Research in the field of long-term policies;

(12) Feasibility of policies, especially in the social sphere;

(13) The area where the judiciary and public administration meet, in the style of combatants.

"I must tell you Mr. Chairman at the end, that it was a brilliant Group. It approached its task in a business like way. The incompetence of the chairman was more than made up by the brilliance of the members. Thank you very much."

Chairman : "Friends ! As I call upon myself to conclude the proceedings of this Conference which began this morning with the exceedingly comprehensive technical paper of Prof. Ishwar Dayal and ended up with these three valuable Group Reports, I am reminded of what the Chairman of the meeting told the speaker of the day. He told the speaker. 'Will you begin now or shall we let them enjoy themselves a little more ?' So I do not want to incur any displeasure from any one of you by repeating what has been said today either in the morning or just now by way of summary.

"I will only say that I am very glad. First of all, many of the points which I had mentioned this morning as important in the context of our newly won independence and democratic set-up such as developmental process. Federalism, etc., have been adequately dealt with in these papers and in these reports. So I will not go into these. I will only say that there seem to be some points which are still worth considering and which I hope will be considered by the Director for examination in the Institute in the years to come.

"I have always been impressed by the problem of time in matters of public administration. I think it was referred to by one speaker or more than one at some stage. I think time is very important. We are inclined to think, when there is a question of any public enterprise, it is a question of men, material and money. But I think the timing is very important and the history of our planning in India shows in particular the importance of the element of timing.

"Another point is that I have always been impressed by the need for the development of administrative indicators, I mean the quantitative approach to the problems of public administration. Now my teacher, the one from whom I learnt most

of my political science, Prof. Graham Wallace in one of his books—his first important book, has said that there was a time in England in the late 18th century when people were discussing whether population in England was increasing or diminishing. It was a very controversial matter which touched upon many practical problems but nobody knew whether it was increasing or decreasing, until the census was invented later and there was a means of finding out whether population was increasing or decreasing. I do not say it is possible in the case of all problems to discover indicators to find out whether public administration in a particular sector has improved or has not improved or is going down. Recently, we had from the Home Ministry an account of the number of communal riots which have taken place in the last year. It was said I believe that these have been fewer than in the previous year. I think this is a very correct approach for we do not know unless we had these indicators, how things are developing. Are they improving or are they not improving ?

"While on the question of indicators, I remember now that the Nobel Prize in recent years has been given to two Economists : One in U. S. for the development of the quantitative methods in Economics and this year it was a Russian Economist now in Harvard for his development of the theory of input and output analysis. In the same way, I hope it will be possible for us to develop the quantitative method and discover indicators of particular problems.

"In this context, another thing I would like to stress is that I would like to see a greater use of the study of the pathology of public administration than has yet been made. We are all studying public administration very often from the point of view of its anatomy; the pathological approach will help us to solve our problems a little more easily than in the past.

"Similarly, I would like to stress the importance of micro studies. Recently, this Institute has started a number of micro studies of exceedingly great value for the future. I think these should be developed to a much greater extent than before. Here

again, I notice recently the Nobel Prize was awarded to a scientist for life-long studies on the habit of bees. We may imagine wrongly that this is a trivial subject. Similarly detailed analysis of micro problems will throw much greater light on big problems than we are apt to think.

"I referred a little while ago to the use of indicators. I think with a little trouble these indicators might be used by us to develop a system of audit of administrative actions. We now have a system of audit of the financial activity of governments and other bodies. And that audit includes not merely the actual amounts spent against budgeted items but includes also the wisdom of expenditure. I would like to see a similar approach to the problems of administrative action and political decisions taken which should be continuously audited by some appropriate body or other. I do not at the moment propose what kind of audit it should be. But I think some kind of audit of the administrative and even political actions which continuously go wrong will be extremely valuable.

"I do not wish to say anything more about these problems. I have said that it has been a great pleasure for me to be here today. What I deem should be done has been mentioned by me just now. I would only conclude by thanking the Director for inviting me here today and you all for hearing me patiently and the valuable contributions made both by paper writers and others in the course of discussions today."

Director : "May I ask Prof. Jagannadham to propose a a vote of thanks ?"

Prof. Jagannadham : "Prof. Menon, Prof. Ishwar Dayal and Friends ! The Director has chosen me to discharge the very pleasant and light duty of thanking all those who have written the papers, those who have participated in the discussion and participated in the sub-group meetings. Before I formally propose the vote of thanks, I would mention a few points which are of importance in the history of the Institute. It is

the 17th Annual Conference of Members of the IIPA. Probably it was Prof. Menon who started it in 1958 or 1957. I am happy that he has again come to the Institute to take the chair.

"Another first in the series occurs to me. If I am wrong, please correct me. Prof. Ishwar Dayal is the first Director to prepare and read a technical paper in the Members' Annual Conference. In the past, it was seldom that the Directors prepared a paper for technical annual conferences. For the first time, this year we have introduced the system of breaking into groups after the presentation of papers. And all of you must have felt the impact of the new Director in the way the Conference has been conducted and directed.

"I now proceed to formally propose thanks to Prof. V. K. N. Menon who at a moment's notice had taken the chair in the morning's session even though originally he was scheduled to take the chair only in this afternoon's session, and conducted the proceedings in such a dignified manner and with his inimitable style of throwing humour here and there in order to probably wake up the sleepy audience. I am happy to thank all those who have taken the trouble including the Director for writing papers on a very complex and probably at the same time commonly interesting subject called 'Policy Formulation and Decision-Making Processes in the Government'. And the two discussion papers prepared in the Institute have covered two different aspects of the subject; one dealing with the support system for policy making and the other dealing with the most important aspect of investment decisions. It is not my intention to summarise all the papers or the discussion but you will agree with me when I say that in the papers as well as in the discussions there has been a sharp identification of the deficiencies in the policy-making processes and approaches for the purpose of achieving developmental targets and goals. This is where probably the legacy of the administrative system is suffering from the blocks created in it and has not been able to get over these blocks in order to become an appropriate instrument for development purposes. Probably the Director has chosen

the afternoon group meetings in order to identify the blocks so that when we identify the blocks, it may be possible for those who are in the policy making or decision-making field to remove some of these blocks as a result of the efforts of the exercises today and probably by the researches that come later on. I wish, therefore, to thank the three Chairmen of the three sub-groups who have gone deeply into the various problems and have placed before us the concepts which require to be followed up in greater detail later on.

"One concept is that of social management in public enterprises. As Mr. M. K. Chaturvedi was saying : Decisions are taken at the top but there is not much of involvement of the several people who are participating in the enterprise even though the stake of the people in the enterprise is much larger than the stake of the men at the top.

"And Mr. Subramanian has brought out the idea relating to collective responsibility for management of public affairs. Instead of evasion of responsibility, there is need for a certain readiness to assume collective responsibility for management of public affairs.

"In the third Group, Prof. Maheshwari has brought out a long-felt need for research in this field. His group has listed a number of research problems of vital significance. Probably, the Director and the Institute could in the years to come take up some of these subjects for further research.

"I will be failing in my duty if on this occasion I do not draw your attention to how heavy a task it is to organise a conference of this kind and how burdensome is the matter of arrangement for this Conference and how the administrative staff, the clerical staff, the typing pool, stencilling people and the maintenance staff—all of them have been kept on their toes for making the arrangement as satisfactory as you find them. In spite of this, probably there may have been certain short-comings and I am sure you would understand and bear with those shortcomings and it is my hope that in the years to come

you will take greater and greater interest in the Members' Annual Conference and I am sure that probably the General Body willdecide tomorrow as to what subjects will be of greater relevance and interest to the body as a whole so that preparation may start from now onwards and papers may be circulated and reach the members fairly in advance so that there may be a more effective and a well-knit approach.

"It gives me great pleasure to thank you all, to thank the administration, to thank the maintenance section and all those who have made the Conference a success.

"And lastly, but not in the least, to you Prof. Ishwar Dayal, the Director of the Institute, my thanks are due to you for giving me an opportunity to propose a Vote of Thanks. Thank you."

Chairman : "The Conference is over."

IIPA
SEVENTEENTH ANNUAL CONFERENCE OF
THE MEMBERS OF THE IIPA

CONFERENCE CHAIRMAN

PROF. V. K. N. MENON

LIST OF MEMBERS WHO ATTENDED
CONFERENCE

1.	Shri V. Anandarau	13.	Shri Dharni Dhar
2.	Lt. Col. S. N. Bajpe	14.	Shri K. K. Gaur
3.	Shri I. C. Bansal	15.	Shri K. C. Gopalakrishnan
4.	Prof. A. P. Barnabas		
5.	Shri U. Bhandaree	16.	Shri Gopeshwar Nath
6.	Shri Bipin Chandra	17.	Prof. R. C. Goyal
7.	Shri M. K. Chaturvedi	18.	Brig. N. B. Grant
8.	Shri T. N. Chaturvedi	19.	Shri R. N. Haldipur
9.	Shri Tribhuwan Nath Chaudhary	20.	Prof. V. Jagannadham
		21.	Shri Jai Prakash Jain
10.	Dr. Surendra Chopra	22.	Shri K. C. Johoray
11.	Prof. R. B. Das	23.	Shri R. P. Khetarpal
12.	Shri A. Datta	24.	Shri M. Kistaiah

25. Shri A. V. Koratkar
26. Shri S. Krishnamurthy
27. Shri M. N. Kulkarni
28. Shri Gobind Lal
29. Prof. S. R. Maheshwari
30. Shri B. S. Mathur
31. Prof. M. V. Mathur
32. Shri P. Achutha Menon
33. Prof. V. K. N. Menon
34. Shri M. Miakhan
35. Dr. Joseph Minathur
36. Shri J. K. Mittal
37. Shri Prem Narain Mittal
38. Shri R. G. Mulgund
39. Shri W. G. Naidu
40. Shri Dharmendra Nath
41. Dr. V. A. Pai Panandikar
42. Shri A. P. Paracer
43. Shri G. N. Pathak
44. Prof. H. Pathak
45. Shri A. Krishna Pillai
46. Shri P. Prabhakaran
47. Dr. Ram Chandra Prasad
48. Shri M. Ramachandran
49. Shri C. A. Ramakrishnan
50. Capt. S. S. Rao
51. Shri D. S. Rawat
52. Shri G. N. Sadhu
53. Shri S. Saran
54. Dr. B. D. Sharma
55. Dr. Sudesh Kumar Sharma
56. Shri S. K. Sharma
57. Shri D. P. Singh
58. Wg. Cdr. Mohan Singh
59. Dr. S. P. Singh
60. Shri J. K. P. Sinha
61. Shri M. Subramanian
62. Shri V. Subramanian
63. Shri Prakash Chand Suri
64. Prof. M. J. K. Thavaraj
65. Shri B. S. Vaid
66. Dr. Vishwanath Prasad Varma
67. Shri R. N. Vasudeva
68. Shri J. P. Verma
69. Prof. L. P. Vidyarthi
70. Shri M. Wadhwani
71. Shri K. N. Wadhwa
72. Shri R. C. Warrier

Associate Members

1. Shri T. G. Mathew
2. Shri Jagjit Puri
3. Shri P. K. Sardana

Corporate Members

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2. Shri P. S. Raizada   (Representing L. B. S. Institute of Public Administration, Bhopal).