

Public Policy Problem

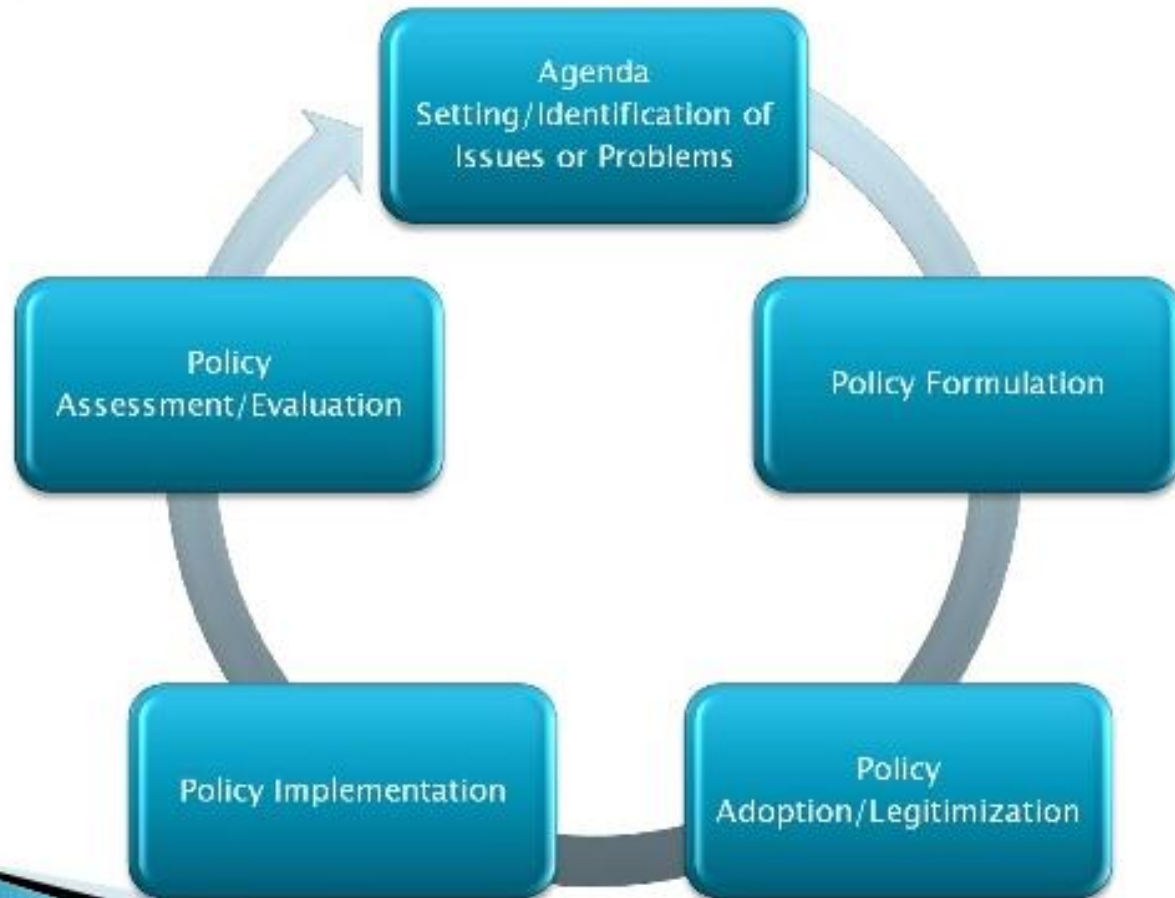


Sachin Chowdhry



Public Policy Process

Stages of Policy Process





Issues to be covered

- Scientific approach to policy making
- Nature of the state
- Identification of the problem
- Policy problem on agenda



Public policy approach in Public Administration

- Policymaking as problem solving – Lasswell
- Scientific approach



When does the state intervene

- Depends on
 - the role of the state
 - a failure
 - Market failure
 - Social failure
 - Governance failure



Role of the state

- Nature of regime
- Maturity of markets
- Expectation of the citizens
- Political leadership
- Capacity of the administration
- International influences



NBFCs crisis

- 40% of the incremental consumer financing in 2017 was done by the NBFCs, not banks.
- 25 - 30% of the NBFC money was coming through funding or Mutual Funds spots.
- Mutual Funds used to buy NBFCs' papers for 90-120 days and give them money and they used to roll over.



...contd.

- 45-50% of the NBFC financing was coming from Mutual funds at that time.
- Mutual funds like DSP, HDFC and others were hit by the IL&FS scam, they stopped their funding to the NBFC.
- Debenture holders in IL&FS were- pension fund, mutual fund and the lenders from the NBFCs.
- When they stopped funding, the NBFCs had to release the money to pay back whatever is maturing.



.....contd.

- IL&FS happened in the quarter of October-Dec, 2018
- GDP was going down and the FM was not well.
- In the month of January, February and March we had a new Finance Minister who was busy with the budget.
- Then the government went to election mode. In the months of April, May and June (2019) nothing happened.
- The RBI governor said that the central bank is keeping a close eye and reiterated that the monetary authority will not let any of the top 50-odd NBFCs to fail.



Intervention

- give confidence to the industry,
 - bring liquidity into the system; and
 - reduce interest rates
-
- In September 2019, the Ministry of Finance had directed PSU Banks to co-originate loans with NBFCs.



Farmer Suicide

- Farm work involves physical stress and can even be physically hazardous and mentally stressful.
- One school of thought envisaged a role for early psychiatric intervention as a primary preventive measure.
- Another school of thought suggested the role of socio-economic stress in farmer suicide may be greater.



Possible policy intervention

- Small and marginal farmers may be encouraged to pool their farmland.
- Water supply for irrigation must be insulated from the vagaries of nature by better water management systems.
- Farmers may be educated about modern farming techniques and practices.
- Younger professionals must be encouraged to participate in farming activities.
- Farm loans at soft interest rates need to be made available, and softer loan recovery procedures.



....contd.

- Fair price for farm products may be ensured, and middlemen eliminated by creating a direct reach for the farmers to the market
- The government-administered MSP should take into consideration the existing realities.
- Training needs to be provided for secondary rural investments in dairy farming, poultry farming, animal husbandry, and other activities, with a clearly viable chain apparent from financing to marketing.
- **Govt. aims to double farmers' income.**

How Nirbhaya case changed rape laws in India

TIMESOFINDIA.COM | Dec 18, 2019

- The case shocked the entire nation's conscience, made international headlines and exposed the scope of sexual violence against women in India.
- On March 21, 2013, the rape law in the country was amended. The new tougher anti-rape law -- Criminal Law (Amendment) Act, 2013 -- to punish sex crimes redefined rape and made punishments more stringent -- including death for repeat rape offenders.



Targeted Public Distribution System

- In June, 1997, the Government of India launched TPDS with focus on the poor.
- Large scale food-grain diversion, leakages
- Ghost ration cards
- Problem of inclusion and exclusion
- Transportation
- Quality of grains
- Procurement and storage



Scripting a Saga Of Its Own: How Chhattisgarh is Blazing a Trail With Innovative Policies!



Factors affecting the scope of activities of the government

- Social attitudes
- Level of economic development
- Degree of openness of the economy
- Technological developments
- Quality of public administration



Problem identification

- Public domain
- Bureaucratic arena

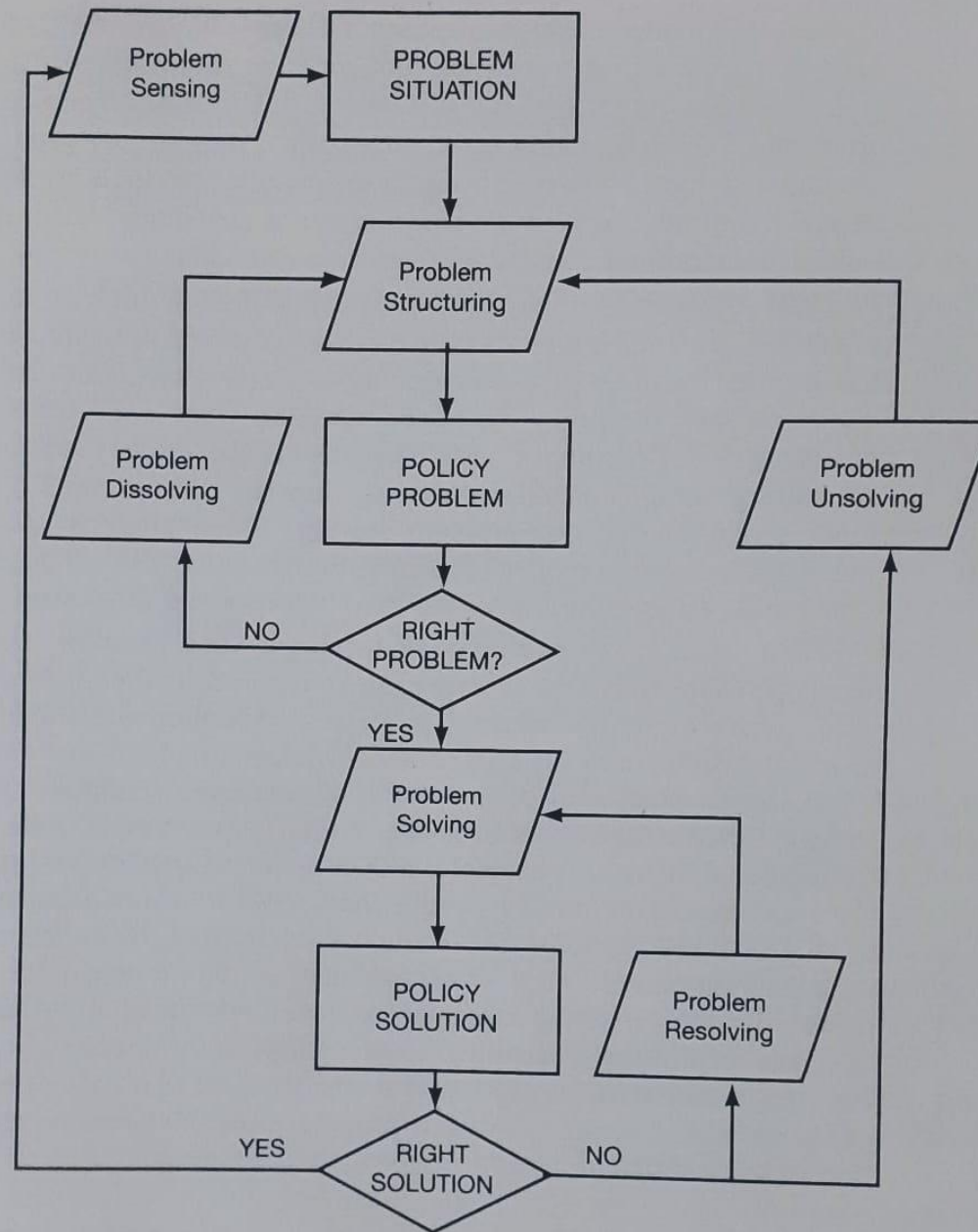
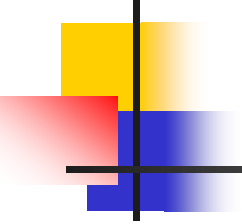


Figure 3.1 Priority of problem structuring in policy analysis

Source: William N. Dunn, "Methods of the Second Type: Coping with the Wilderness of Conventional Policy Analysis," *Policy Studies Review* 7, no. 4 (1988): 720-37.



Thank you