

Module Detail	
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Module Name/Title	Making of Public Policy: Analyzing Actors and Institutions
Pre-requisites	
Objectives	This module discusses in detail about making of public policy. Role played by political leadership and civil society in the formulation of public policy. Role of state and local level institutions in the formulation of public policies.
Keywords	Policy, Public Policy, NREGA, Parliament, Civil Society

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Making of Public Policy: Analyzing Actors and Institutions

Objective of the Module:

- Role played by political leaders, bureaucrats and civil society in the formulation of public policy.
- Role of state and local level institutions in the formulation of public policies.

Introduction:

The word 'policy' in general is used to describe a formal decision or plan of action adopted by an actor, be it an individual, organization, business, government, etc in order to achieve a particular goal (Richards and Smith: 2003). In other words, 'policy' refers to a broad statement that reflects future goals and aspirations and provides guidelines for carrying out those goals. The most common usage is in the context of broad statements about the government's socio-economic activities and so on. It is used for programs, schemes, directives and strategies of the government. In the field of public policy, the word 'policy' is used in a variety of ways. Hill (1993) defines 'policy' as 'the product of political influence, determining and setting limits to what the state does'. To be more specific, when a government takes a decision or chooses a course of action in order to solve a social problem and adopts a specific strategy for its planning and implementation, it is known as public policy (Anderson 1975).

Policy scientists argue that public policy is best conceived in terms of a process (Jenkins, 1978, Rose, 1976; Anderson, 1978). This is because policy decisions are not 'something confined to one level of organization at the top, or at one stage at the outset, but rather something fluid and ever changing' (Gilliat, 1984). Rose (1969) also made a similar

argument when he said, 'policy making is best conveyed by describing it as a process, rather than as a single, once-for-all act'. This process involves negotiation, bargaining and accommodation of many different interests. Public policy making is not merely a technical function of government; rather it is a complex interactive process influenced by the diverse nature of socio-political and other environmental forces. Thus 'policy making' is not a simple rather a complex dynamic process involving series of actions and inactions of varieties of groups with varieties of interests at different stages.

Public policy making not only involves the public bodies or public officials as policy actors; rather, private or non-official groups also play a very active role in policy making. Some of the agencies which take part in policy formulation are legislature, cabinet, state governments, civil servants, judiciary, boards and commissions, mass media, political parties, pressure groups and citizens. It is essential to examine the role of these agencies in the formulation of a policy. Therefore, this paper deconstructs the formulation story of a recently formulated social policy in India, the National Rural Employment Guarantee Act (NREGA) (renamed as MNREGA on 2nd October 2009), through a process oriented view so that the role of actors as well as institutions can be examined.

This paper is divided into two sections and sub sections. The first section describes the policy and the second section explains the way the policy has been formulated. Second section is further divided into four sub-sections describing the role played by various agencies. For the purpose of simplification various agencies have been divided into four spheres: parliament, executive, political parties and civil society.

Section 1: National Rural Employment Guarantee Act (NREGA)

In a context of poverty & unemployment, workfare programmes have been important interventions in developed as well as developing countries for many years. These programmes typically provide unskilled manual workers with short-term employment on public works such as, irrigation infrastructure, reforestation, soil conservation and road construction. In India, the need to evolve a mechanism to supplement existing livelihood sources in rural areas was recognized since independence. The Government initiated programmes or schemes that offered wage employment on public works at minimum wages. The wage employment programmes which started as pilot projects to benefit the poorest of the poor were Rural Manpower (RMP) [1960-61], Crash Scheme for Rural Employment (CRSE) [1971-72], Pilot Intensive Rural Employment Programme (PIREP) [1972], Small

Farmers Development Agency (SFDA), Marginal Farmers & Agricultural Labour Scheme (MFAL). These experiments were translated into a full-fledged wage-employment programme in 1977 in the form of Food for Work Programme (FWP). In the 1980's this programme was further streamlined into the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). Jawahar Rozgar Yojana (JRY) [1993-94], Employment Assurance Scheme (EAS) [1993], and the Jawahar Rozgar Yojana (JRY) was merged with Jawahar Gram Samridhi Yojana (JGSY) from 1999-2000 and was made a rural infrastructure programme. The programme was merged with Sampoorna Grameen Rozgar Yojana (SGRY) from 2001-02, and National Food for Work (NFFWP) [2005]. These wage employment programmes implemented by State Governments with Central assistance were self-targeting, and the objective was to provide and enhance livelihood security, especially for those dependent on casual manual labour (GOI: 2007).

Based on the experience of these programmes, the National Rural Employment Guarantee Act (NREGA) was enacted to reinforce the commitment towards livelihood security in rural areas. The Act was notified on 7th September, 2005 and implemented in 200 of the most backward districts of the country in February, 2006. Since April, 2008, it has been implemented in all districts of the country. The significance of NREGA lies in the fact that it creates a right based framework for wage employment programmes and makes the Government legally accountable for providing employment to those who ask for it. It is the largest social welfare programme of its kind, with a current budget of USD 8.78 billion (GOI 2010).

The National Rural Employment Guarantee Act (NREGA) aims at enhancing the livelihood security of the people in rural areas by guaranteeing hundred days of wage employment in a financial year, to a rural household whose members volunteer to do unskilled manual work. The objective of the Act is to create durable assets and strengthen the livelihood resource base of the rural poor. The choice of works suggested in the Act address causes of chronic poverty like drought, deforestation, soil erosion, so that the process of employment generation is on a sustainable basis.

The funding procedure under this act is divided between Central and State government. The Central Government bears the costs of the following items:

- The entire cost of wages of unskilled manual workers.
- 75% of the cost of material, wages of skilled and semi skilled workers.
- Administrative expenses as may be determined by the Central Government, which

will include inter alia, the salary and the allowances of the Programme Officer and his supporting staff, work site facilities.

- Expenses of the National Employment Guarantee Council.

The State Government bears the costs of the following items:

- 25% of the cost of material, wages of skilled and semi skilled workers.
- Unemployment allowance payable in case the State Government cannot provide wage employment on time.
- Administrative expenses of the State Employment Guarantee Council.

Under NREGA, fund releases are based on an appraisal of both financial and physical indicators of outcomes (GOI: 2007).

Salient features of the Act are:

- Adult members of a rural household may apply for employment if they are willing to do unskilled manual work. Such a household will have to apply for registration to the local Gram Panchayat, in writing, or orally.
- The Gram Panchayat after due verification will issue a Job Card to the household as a whole. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA. The Job Card with photograph is free of cost.
- A Job Card holding household may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be fifteen.
- The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- If employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid. Liability of payment of unemployment allowance is of the States.
- At least one-third of persons to whom work is allotted have to be women.
- Wages are to be paid according to minimum wages as prescribed under the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notifies a wage rate which will not be less than Rs. 60/ per day
- Disbursement of wages has to be done on weekly basis and not beyond a fortnight.
- Panchayat Raj Institutions [PRIs] have a principal role in planning and implementation.

- Each district has to prepare a shelf of projects. The selected works to provide employment are to be selected from the list of permissible works. The different categories of permissible works are as follows: Water Conservation, Drought Proofing (including plantation and afforestation), Flood Protection, Land Development, Minor Irrigation, horticulture and land development on the land of SC/ST/ -BPL/IAY and land reform beneficiaries, Rural connectivity. The shelf of projects has to be prepared on the basis of priority assigned by Gram Sabha. At least 50% of works have to be allotted to Gram Panchayats for execution. A 60:40 wage and material ratio has to be maintained.
- Work should ordinarily be provided within 5 km radius of the village or else extra wages of 10% are payable. Work site facilities such as crèche, drinking water, shade have to be provided.
- Social Audit has to be done by the Gram Sabha.
- Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process.
- All accounts and records relating to the Scheme are to be made available to any person desirous of obtaining a copy of such records, on demand and after paying a specified fee (GOI: 2005).

Section 2: Formulation Story of NREGA:

The actors and institutions involved in the formulation of any policy can be classified into four spheres – parliamentary, executive, political party, and civil society. The multiple actors and institutions engaged in these four spheres operate right from the origin of the idea, to its articulation, negotiation and enactment and final notification of any Act or policy. Although each of these spheres has a series of events particular to each process, they nevertheless lacked a linear time progression, operating sometimes sequentially, but more often in overlapping times and in iterative ways. Secondly, the processes of formulating a policy involve both the formal and mandated events such as parliamentary debates as well as the informal events.

The Parliamentary Sphere:

The actors and institutions comprising the sphere of parliament are basically engaged in two main processes. The first of these revolved around debates in the lower house of Parliament i.e., Lok Sabha and the upper house of Parliament i.e., Rajyasabha. The second process involves the deliberation and negotiation procedure within the parliamentary bodies such as Standing Committees and Ad-hoc Committees.

In case of NREGA, the parliamentary negotiations started with the introduction of the NREG Bill in the Lok Sabha by Minister for Rural Development, Dr. Raghuvansh Prasad in December 2004. This was done primarily because there was a pressure on the United Progressive Alliance (UPA) government to fulfil its commitments as set out in the National Common Minimum Programme (NCMP) (Gupta: 2005).

Despite the pressure the Bill could not be tabled till the second last day of the December session. Since there was no time for discussion at this point, the Bill was immediately referred to the Standing Committee for Rural Development, a statutory body comprised of several parliamentarians, with representatives from all political parties (GOI: 2004a).

The Standing Committee first invited memoranda from the general public to bring forth a wide variety of views on the Bill. Second, 'experts' were invited to present oral evidence for 'depositions' in front of the committee members. The recommendations that were made by the Standing Committee in their report reflect several concerns of the civil society actors. The most significant suggestions given by the committee was universalisation of employment guarantee which mean that employment guarantee should not be restricted to those below the official poverty line (BPL). The Standing Committee favours a universal, self targeting employment and participation that will be ensured by the nature of the work to be and the wage to be provided by it. Another important suggestion was of assigning a comprehensive responsibility to Panchayats for the implementation of the scheme (The Hindu: 2005).

In April 2005, more than four months after the NREG Bill was directed to the Standing Committee, the Minister, Ministry of Rural Development was asked by the National Advisory Council (NAC) to expedite the process of the Bill. The Standing Committee finally submitted its report to the Parliament in June 2005.

The parliamentary process re-started with intense discussions in the Lok Sabha after a second revised draft was tabled in Parliament on 18th August 2005. The total discussion in the Lok Sabha lasted for almost 14 hours over three days, at the end of which the Bill was passed unanimously on 23rd August 2005. The Rajya Sabha also saw lengthy debates and a lot of interest in the subject of the Bill, and also approved the Bill the next day.

The Executive Sphere:

This sphere includes the role that various ministries and bureaucrats and other actors plays in the formulation of the Bill and its subsequent amendments, as well as the operational guidelines and rules that were made for the Act. The main institutions within this sphere included the Prime Minister's Office, the Cabinet, the Ministry of Rural Development, the Ministry of Panchayati Raj, the Planning Commission and other relevant ministries, and the Group of Ministers.

The Bill tabled within Parliament was drafted by the Ministry of Rural Development, the nodal ministry in charge of drafting the policy document but the act of drafting the Bill began with the inter-ministerial task group comprising of bureaucrats from the Ministry of Rural Development, Agriculture, Panchayati Raj, Labour, Planning Commission, Finance and the PMO. However, the Standing Committee mainly interacted with Ministry of Rural Development to seek clarifications, questions and explanations. Close interaction between these two institutions was based on the Ministry Of Rural Development providing technical and expert assistance on issues that were being raised and discussed within the Standing Committee.

The Ministry of Rural Development asked the Standing Committee to advance its examination of the Bill and after taking on board most of the recommendations of the Standing Committee, the Ministry of Rural Development circulated a note to the Group of Ministers in July 2005 (MORD: 2005a). Most issues were amicably resolved and agreed to within the Group of Ministers, but conflict erupted between the Ministry of Rural Development and the Ministry of Panchayati Raj over the question of centrality of Panchayati Raj Institutions or the bureaucracy as the main implementation and monitoring authorities for the Act. The conflict was resolved only with the intervention of the Cabinet, the National Advisory Council chairperson and the Prime Minister himself in the second Group of Ministers meeting in August, 2005. It was decided that Panchayati Raj Institutions will be the primary mechanism as implementation ad monitoring authorities (MOPR: 2005).

The Ministry of Rural Development was also intricately involved in documenting as well as acting on the changes as proposed during the last minute negotiations within the UPA – Left co-ordination committee. During these days, there were several meetings that were held between the ministers, Ministry of Rural Development and the Defence Minister, the Prime Minister and others, highlighting the important role of powerful actors as well as the interactions between the bureaucratic and parliamentary spheres. Finally, the Cabinet met on 12th August 2005 and approved various changes in the Bill (GOI: 2005 b).

The Sphere of Political Parties:

The sphere of political parties shows how the idea of an employment guarantee act was taken on board by the various political parties and leaders.

The significant role played by various leaders and the perspective of different political parties towards the NREG Bill can be deduced through the parliamentary debates.

The Minister for Rural Development, Dr. Raghuvansh Prasad (RJD) while introducing the NREG Bill dwelt on its potential of ensuring 'livelihood security' through guaranteed wage employment or unemployment compensation to rural population, Prof. Rasa Singh Rawat (BJP) and Ramji Lal Suman (BSP) contested the exclusion of urban poor (Parliamentary Debates: 2004). Kalyan Singh (BJP) demanded punitive arrangements for faulting bureaucrats and special provisions for women. Hannan Mollah (CPM) said that the 'right to work' needs constitutional sanctions rather than legal ones, while Nitish Kumar (JD (U)) questioned the efficacy of employment by household when unemployment is suffered individually (Parliamentary Debates: 2005).

The idea of providing a guarantee of employment was manifested itself in the Manifesto of the Congress for the 2004 elections. This was an appealing idea to politically wise leaders of the Congress as a reflection of the 'aam aadmi' campaign that the Congress had decided to adopt for the upcoming elections of 2004, in the wake of the increasing immiserisation of the poor and the failure of the BJP – led government's 'Shining India' campaign (INC: 2004).

Another major set of actors within the sphere of political parties, who exerted tremendous influence over the process of formulating the Act were Left Parties. The Left party actors trace their involvement to the idea of right to work or the need to provide employment to much earlier than the period which led to the NREGA's formulation and enactment. According to them, their idea of providing guaranteed employment is linked to the food for work programme. The direct intervention of Left parties was observed when they demonstrated their support and worked with the civil society actors in rallies and public meetings but the most visible and effective involvement was seen in the Parliament. It was in the Parliament when the Left exerted its pressure on the UPA to avoid the passage of a 'flawed and diluted' Act through last minute parliamentary negotiations within the UPA-Left co-ordination committee in August 2005 and was able to win some crucial concessions (GOI: 2005 c, MORD: 2005 a & b).

The role of Left parties in the formulation of the rules and guidelines has also been significant through their interventions as members of the Central Employment Guarantee Council and their continuing monitoring of the Act's implementation.

The Civil Society Sphere:

Within the wide variety of groups that were involved in the civil society sphere, the contribution of actors from Rajasthan stands out the strongest. The demand for an employment guarantee arose in Rajasthan from two consecutive contexts. First, being the drought affected state public works programs was required in the state. Second, the acknowledgement of a link between the Right to Food and the Right to Work by the Indian Supreme Court, in a Public Interest Litigation filed by People's Union for Civil Liberties (PUCI) (Right to Food: 2004). The PUCI was one of the member organizations of the Akal Sangharsh Samiti, and itself comprised a group of actors who were linked to a larger movement called the Right to Food movement.

Other than this context, two factors which helped the Rajasthan actors to push their demand for an employment guarantee on to the political agenda at the centre were: first, the onset of elections within Rajasthan and second, the Congress's need for promoting its image of a party of the 'aam aadmi'.

Other civil society actors joined the contribution of the actors from Rajasthan at the national level. The most important initiative was that of various civil society actors coming together under a common umbrella network, the People's Action for Employment Guarantee (PAEG), in October 2005. The PAEG emerged as a result of discomfort with the 'dilution' of the NAC draft by the Ministry of Rural Development Bill that was tabled in Parliament. The tabled bill was considered to be seriously diluted and not acceptable to either the Left Parties or to the civil society groups.

With the realisation that a more concerted media campaign as well as pressure on the government would be required if a reinstatement of several of the clauses was to be effected, the PAEG organized a 'Rozgar Adhikar Yatra' (journey for employment rights), a bus journey across fifty districts in ten states in May and June 2005. The bus yatra was supported both by local groups that were part of the RTF movement, or other groups such as trade unions, Left Party offices, and other civil society organizations (PAEG: 2005 a & b).

Activity within the sphere of civil society reached its peak during the last few weeks of the Bill's negotiation in August 2005. This period was characterised by a 'Dharna', which was staged during the last few days of the Bill being tabled in Parliament. At this stage then, the

civil society initiatives were of three types: contacting and informally convincing the political party MPs, thereby influencing Parliament Debates from the outside; working with the MORD officials to make necessary changes in the Bill; and public pressure on the government to pass the Bill, but only with the demanded safeguards reinstated in the Bill.

In short it can be said that civil society initiatives reached beyond the civil society sphere, to exert its influence over all other spheres as well.

Conclusion:

To conclude this paper, we can say that though policy making is the principle function of the state but because it is a complex and dynamic process, therefore, multiple actors and institutions are involved in the process of formulating a public policy. Multiple actors and institutions interact and exercise power during the formulation processes of the policy. Some of these actors were not part of the state apparatus, but were still intensely involved in the policy drafting and decision making processes. These included activists and civil society representatives, as well as actors belonging to various political parties. This is indicative of the existence of multiple locations through which power is exercised, rather than it being vested in a unified supreme authority.

