

Driving Economic Development in India by Shaping Public Policy Preferences and Prioritization

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Abstract: The Indian economy is the fastest-growing economy globally, driven by its strengths in its workforce, democratic institutions, and information and communication technology (ICT) sector. The Government of India aims to achieve "Viksit Bharat by 2047. From a developmental perspective, public policy is an essential tool for mobilizing financial resources and strengthening governmental systems. Economic studies consistently demonstrate that developed nations possess robust public policies. Through public policy, governments provide incentives to motivate and involve citizens in the development process. The government must prioritize implementing unbiased policies. This study examines how governments can effectively promote economic preferences and establish rational priorities to enhance productivity via public policies. Indian financial institutions play a crucial role in mobilizing resources from consumption to investment and from urban to rural areas, thereby contributing to accelerated economic growth. Data indicate that public policy interventions have stimulated economic activity, particularly within the finance and banking sectors. This study evaluates specific public policies and schemes to understand their role in fostering the formation and financialization of the Indian economy. India possesses significant potential to become a Viksit Bharat, but rational policy design and clear priorities are essential to enhance productivity and shift the prevailing mindset.

Keywords: Banking and Financial Institutions, Economic Development, Political Economy, Public Policy, Policy Preference, Policy Prioritization, Welfare State.

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I. INTRODUCTION

Economic development is frequently linked to enhanced productivity in production processes. Production factors are the elements that determine how resources are allocated to achieve optimal output. The complexity of this combination extends beyond purely economic considerations and includes human relations, divisibility, government policy, and the nature of products and services. Economic development processes integrate human-made and natural resources, distributing them across geographical regions. Theoretical economics suggests that economic development accelerates when an economy adopts free-market policies, allowing market forces to determine output and price. However, the market remains an abstract concept and requires effective regulation to function. The market economy is contingent upon the political economy, state policy, social welfare, the nature of political institutions, and the quality of public

relations—factors directly or indirectly associated with economic development. Modern economic theory posits that resource scarcity is not optimally addressed from a macroeconomic perspective. Historically, economic theory has struggled to function as a natural science because of the diversity of human nature and its evolving characteristics. The Indian economy has a long tradition of regulating economic behavior through exchanges in consumption, production, distribution, and output. Prior to and following independence, India has exhibited a unique approach to economic value and financial management, spanning from imperial influences to the modern welfare state. The objectives and functions of political, welfare, and public economies differ. The core value of economic development lies in identifying effective institutions, a country's organizational structure, the distribution of equity, and the performance of financial institutions. These mechanisms are

human-created and designed to sustain economic progress through continuous development.

➤ *Indian Political Economy*

It is distinctive in its production and distribution, given that India is both a socialist and democratic nation. The concept of a socialist and democratic nation describes the automation of economic policies and institutions to enhance economic performance. The primary objective of political economy is to maintain the rule of law and regulate state functions through policies and negotiations. Government agencies support the political economy by ensuring regulatory compliance and monitoring financial activities. This framework aims to promote economic justice across all social strata. From a macroeconomic perspective, economic development entails trade-offs between the use of human and natural resources. Politically, India is a union of states, each with a strong or weak legacy of economic development. Consequently, from the perspective of public policy formulation, the state faces the challenge of enhancing functionality while mitigating these disparities. Furthermore, from a financial distribution standpoint, how does the central government determine the consolidation of federal structures?

➤ *Welfare State Policy*

Welfare policy determines actions from an economic perspective to foster societal welfare and improve overall individual productivity. State welfare policy has allocated funds from the central government, implemented taxation systems, and provided special packages for impoverished and marginalized segments of society. Several economists have developed theoretical models to analyze and improve productivity from an economic perspective. However, the complexity of allocating financial resources to focus groups remains a concern. Following independence, India's primary objective was to establish a comprehensive economic model to accelerate national economic growth. The Indian economy has extensive experience in economic regulation, particularly in foundational policies. It has operated within a complex environment characterized by state-led production and distribution regulations, coupled with the constraints imposed by colonial-era rules and limited autonomy for financial institutions.

The importance of public policy preferences and prioritization represents a critical area of inquiry. Economic literature suggests that stages of economic development are heterogeneous, enhancing productivity and skills, and thereby fostering innovation. The ongoing debate between developed and developing nations frequently centers on prioritizing the establishment of institutional frameworks. Institutional economics posits that rapid economic growth requires the development of diverse institutions capable of mobilizing resources professionally. However, developing countries often struggle to establish such institutions, which hinders citizen engagement and risk-taking and impedes future improvements. Considering these factors, a central question arises: Why has India's economic development lagged behind other developed and emerging economies? Furthermore, what role does the policy formulation process

play in effectively communicating policy objectives and ensuring accountability for policy outcomes? These questions are intended to describe the policy formulation process. From a public policy formulation perspective, the current economic issue is of significant interest, as it examines how to consider policy inputs, align diverse segments of society with policy objectives, and produce effective policies. From an economic perspective, public policy formulation constitutes a rational process for evaluating the current state of a specific economic sector. Second, policymakers must define their objectives when evaluating the existing situation. Third, this necessitates the quantitative extension of sectoral targets. Fourth, policies may be implemented at either the local or national level. Fifth, an analysis of the policy's cross-sectional characteristics is essential. Sixth, identifying the point at which a policy effectively promotes desired outcomes—the policy itself—is crucial. Seventh, evaluating the success of alternative policies and their respective success rates is necessary. Eighth, how can the policy objective be achieved? What are the estimated costs and benefits of these policies? Ninth, how can policies be prioritized, and what factors determine their suitability for citizens? Prioritizing the development and assessment of policy effectiveness in practice remains essential.

II. REVIEW OF LITERATURE

The foundational element of each study is the identification of the factors driving economic development in specific sectors. The theoretical development of a subject relies on the economic mobility of a particular area, linking the economic base, human and financial resources, and effective government policies to enhance productivity. This research topic is significant because the central, state, and local governments implement policies to promote economic development through budgetary allocations. This study emphasizes the importance of rational policy implementation by the government in optimizing economic outcomes. Theoretically, the economic assumption is that resources are limited and wants are unlimited. A rational government needs to optimize resources; however, government reports indicate that many schemes perform below average and some policies perform poorly. What is the rationale behind this outcome? Why do certain policies perform better than others?

Bromell's (2024) approach in the book "Policy Analysis: A Practical Introduction" is grounded in practice. He emphasized the importance of adopting the correct mindset and using a range of tools and techniques to enhance key facets of the policy analysis process. Toma and Bell (2024) demonstrated that decision aids enhance responsiveness to program value assessments while also highlighting the challenges of translating relevant information into policy decisions for policymakers and the public. Biker (2023) examined a practical approach to economics that used real-world situations and realistic assumptions. It addresses key issues, including ecological sustainability, corporate power, financial dominance, unemployment, poverty, and inequality, and highlights the limitations of neoclassical economic theory. These include strategies for research design, sampling, conceptualization, measurement, and data collection (Weible & Workman,

2022). Florio and Pancotti (2022), in *Applied Welfare Economics*, offered a framework for cost-benefit analysis that focuses on policy evaluation and social welfare.

Lee (2023) contended that integrating political philosophy with public policy development, through principles such as policy stability, goodness, balance, practicality, and human-interpenetrated policy, presents a novel methodology. Weible (2023) examined the policy process by focusing on public policies and the interactions among individuals, organizations, events, contexts, and outcomes over time. Sekeris and Siqueira (2024) developed a conflict model and found that a player's response to an increase in the secure portion of its resource is influenced by the returns to scale in production. Ranehill et al. (2024) studied the levels of cooperation, trust, and trustworthiness among individuals and how redistributing money affects social capital within groups. Upward and Wright (2024) assessed the effects of economic shocks on political support, voting behavior, and opinions in the UK over the past 25 years, finding that job characteristics and existing political inclinations shape media perception. Lorenz et al. (2024) investigated the integration of different business model conceptualizations in general and public management literature, proposing a unified framework to bridge this gap and establish a common language for public-private business models. Chan and Wolk (2020) analyzed how the choice environment affects contribution behavior across multiple public goods scenarios, finding that limited choice yields higher payoffs, whereas cost-effectiveness influences welfare outcomes, with significant implications for modern charities and crowdfunding platforms. Schmitz (2015) determined the optimal ownership structure of a public project based on technological factors and party valuations. Gächter et al. (2017) explored public good games with dynamic interdependencies, revealing that wealth increases over time with wealth variation and that punishment options do not enhance wealth, highlighting their negative interaction effects. Brandts et al. (2021) investigated gender differences in self-set performance goals and found that men outperformed women under both private and public goal conditions. In contrast, women perform significantly worse with private goal setting. Cassan and Vandewalle (2021) noted that identity dimensions significantly influence economic behavior, and neglecting them can lead to unexpected policy outcomes, including gender-specific effects on caste distribution in India. Persson and Tinghög (2020) found that neglecting opportunity costs in public policy can lead to overlooking optimal choices, with participants less inclined to invest in public health programs, potentially resulting in resource misallocation and an inflated demand for public spending. Müller and Schmitz (2017) found that NGO investment in public goods can be optimally owned by the government, even when the goods are valued higher than in a typical private-goods setup, despite transaction costs. Georghiou et al. (2013) explored the impact of public procurement on innovation policy by comparing policy designs with firm perceptions. The study identified gaps in policy measures, including limited coverage, unclear ownership, and insufficient risk aversion, and suggested the need for expanded research scope and depth in this area.

Similar work by Titl et al. (2021) investigated the impact of political donations on public procurement contracts, finding that efficiency decreased when a larger share of contracts was awarded to politically connected firms, even when quality differed. Kailthya and Kambhampati (2022) examined how political competition affects healthcare provision and revealed that incumbents prioritize visible access over less visible healthcare center capacity to enhance their reelection chances in India. It emphasizes that political competition must be accompanied by accountability. Liu and Sandler explored the impact of group size and public goods provision, with a focus on aggregator technologies. Kusterer and Schmitz (2020) conducted a laboratory experiment testing a public-good property rights theory, raising doubts about the robustness of ownership by high-valuation parties in public-good settings. According to Cust et al. (2023), in nations with stronger public governance, both public and private oil wells are associated with reduced deforestation following drilling activities. However, companies with strong corporate governance do not show this association. Wiarda et al. (2023) proposed a mission-oriented innovation policy to address societal challenges by mobilizing diverse stakeholders; however, the study lacked evidence of strategies to increase diversity and financial influence to promote inclusive missions. Kalyuzhnova et al. (2022) found that Kazakhstan's local content policy requirements (LCRs) are not effectively promoting local procurement, with many firms choosing to pay fines instead. This highlights the need to strengthen local content requirements to support local sourcing initiatives. Pazzona (2024) conducted a meta-analysis of 43 economic studies and found a small but statistically significant effect of income inequality on crime. This study suggests that inequality may not be the primary motivator of criminal behavior. Batley and Mcloughlin (2015) explored how politics affects public services, comparing services and identifying factors that influence political commitment, organizational control, and user power. Callen et al. (2023) conducted similar research and observed that politics can influence public-sector absenteeism in developing countries, as political interference may protect doctors from sanctions. Policy reforms tend to enhance clinic performance, suggesting that political incentives should be considered in policy design. Presbitero (2016) used World Bank investment projects to demonstrate that the rapid scaling up of public investment in low-income developing countries may hinder sustained long-run output growth.

Tukiainen et al. (2024) found that effective bureaucracy is crucial for state capacity, but decision-making within it is often unclear. A study of over 900 public procurement officials in Finland and Germany revealed that they prioritize avoiding unexpectedly high prices over seeking low ones. Key factors identified included identifying suppliers with poor performance and avoiding low levels of competition, while concerns regarding litigation and regional favoritism were less significant. Balasubramanian et al. (2024) found that reducing gender inequality in economic opportunities is crucial for alleviating poverty and enhancing economic prosperity. Arundel et al. (2018) conducted a study on public sector innovation, developing an argument based on survey and interview data from managers. These data are needed to

inform policy support and strategic management approaches to enhance the innovation process within the sector. A similar study by Lenihan et al. (2019) explored how human resource systems can foster innovation and proposed a policy program to support them. In 2010, Arundel et al. (2015) surveyed 3,273 public sector agencies across Europe, categorizing them into three types: bottom-up, knowledge-scanning, and policy-dependent. The study found that bottom-up and knowledge-scanning agencies outperformed those reliant on policy. Uribe (2024) examined the relationship between a nation's economic complexity and its investment in intangible assets, analyzing data from 27 countries across all sector classifications and eight intangible asset categories. This approach enabled consideration of more than 188 indicators per country, providing a more policy-focused perspective on economic complexity. Cinar et al. (2023) recently conducted a systematic review and analysis of 148 innovations from the UNPSA between 2008 and 2017. Hofer et al. (2024) conducted a comprehensive study of public participation in local development, with a particular focus on marginalized groups. Balland et al. (2021) investigated economic complexity as a framework for understanding societal challenges, emphasizing hidden systemic interactions that influence growth, development, technological change, income inequality, and spatial disparities. This study utilized big data and machine learning to enhance predictions and decision-making. Drouvelis (2021) explored individuals' social preferences and societal actions. Howlett et al. (2020) noted that public policymaking involves a crucial decision by governments to either address or ignore a problem, a choice made by elected officials and other government representatives.

III. RESEARCH OBJECTIVES:

- To investigate the relationship between policy priorities and economic outcomes in India,
- To identify the challenges in aligning public policy preferences with economic development goals in India.
- To examine the influence of changes in government leadership on the prioritization of economic policies in India,
- To assess the long-term impacts of current public policy preferences on India's economic development.

IV. RESEARCH METHODOLOGY

This study examines the impact of public policy preferences and prioritization on economic development in India. The research methodology details the approaches, data collection techniques, and analytical methods employed to achieve the study's objectives. This study employed a quantitative methodology to examine the research question in depth. Employing a quantitative methodology, this descriptive study aimed to outline the current landscape of public policy preferences and their impact on regional economic development. The data source used in this study was secondary data from the World Bank. Data from the World Bank, including government reports, economic surveys, and policy documents, were utilized to gain insights into historical and current policy preferences and their effects.

Furthermore, relevant literature will be reviewed to contextualize the findings and strengthen the analysis. Data will be analyzed using statistical techniques, such as descriptive statistics, regression analysis, and correlation analysis, to examine the relationships among policy preferences, priorities, and economic development outcomes.

V. RESEARCH QUESTIONS

- What is the relationship between policy priorities and economic outcomes in India's development agenda?
- What challenges does India face in aligning public policy preferences with its economic development goals?
- How do changes in government leadership affect the prioritization of economic policies in India?
- What are the long-term impacts of current public policy preferences on India's economic development?

VI. DATA ANALYSIS AND INTERPRETATION

Critically examining each research question and assessing the realities of the given scenario are central components of this study. Question 1 critically examines the relationship between policy priorities and economic development. From a public economics perspective, governments prioritize policies based on the current needs of the populace and the economy. However, this section examines how to assess policy prioritization based on economic outcomes, the factors associated with policy mechanisms that drive success, and how to quantify them. Policy priorities and preferences are key factors in the formulation processes. Policy priorities and preferences are crucial factors in policy formulation; policy prioritization denotes a systematic assessment of policy requirements, and policy preference denotes the specific beneficiary of a policy. Policy prioritization involves assessing the costs and benefits of particular policies. Therefore, a central question is how priorities should be established during policy formulation. Our observations suggest that policy prioritization should be grounded in several conditions, including the policy's objective, government targets for beneficiaries, policy costs, the policy framework, sector-specific inputs, the policy's location or scheme, the income group targeted, inclusion or exclusion processes, timing, policy neutrality, the policymaker's order assignment, and policy externalities. These factors collectively inform policy priorities. Statistical data, utilizing ordinal, interval, and ratio scales, can be analyzed to identify policy objectives. For instance, if a government's objective is to identify taxpayers upon whom to impose taxes, it must define the statistical population targeted for taxation. Government policy objectives involve analyzing methodologies for establishing preferences and priorities. To illustrate these concepts, we introduce several government schemes that represent the outcomes of government policies. This section examines government schemes designed to enhance economic productivity and promote sectoral growth. Table 1 demonstrates the impact of public policy on the banking sector, specifically through the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme. This scheme has performed excellently in providing unbanked citizens with access to banking services. Prior to this scheme, millions of citizens

lacked bank accounts. The government's strategy involved opening a bank account for each adult, linking it to Aadhaar, and using direct bank transfers to fund various schemes. PMJDY has expanded banking services in rural areas, thereby facilitating economic transactions. However, subsequent mergers and acquisitions (M&A) among Indian public sector banks have not led to optimal improvements in the health of

the banking sector. A key concern is that the absence of bank accounts could increase banking liabilities or hinder financial activities, thereby posing a challenge to the Indian economy. This study focuses on public policy and its impact on the economy, specifically examining the transformation of financialization in India.

Table 1: Major Achievements of PMJDY (Numbers in Crore)

As on	PMJDY Accounts (In crore)	No of PMJDY Accounts (Male)	No of PMJDY Accounts (Female)	No of PMJDY Accounts (Rural/ Semiurban)	No of PMJDY Accounts (Urban/Metro)	Deposits in PMJDY Accounts (in Rs. crores)
March '15	14.72	7.15	7.39	8.68	5.86	14,641
March'16	21.43	10.37	11.05	13.17	8.26	35,672
March'17	28.17	13.67	14.49	16.87	11.30	62,972
March'18	31.44	14.85	16.60	18.52	12.92	78,494
March'19	35.27	16.53	18.74	20.90	14.37	96,107
March'20	38.33	17.85	20.48	22.63	15.70	1,18,434
March'21	42.20	18.82	23.38	27.85	14.35	1,45,551
March'22	45.06	19.98	25.08	30.07	14.99	1,66,459
March'23	48.65	21.60	27.05	32.45	16.20	1,98,844
March'24	51.95	23.05	28.90	34.58	17.36	2,32,502

Source: annual report 2023-2024 http://www.finmin.nic.in/the_ministry/dept_eco_affairs/index.asp

As of March 2024, 51.95 crore Jan-Dhan accounts had been opened under the Pradhan Mantri Jan-Dhan Yojana (PMJDY), with a total deposit balance of Rs. 2,32,502 crore. The average deposit balance per PMJDY account was approximately Rs. 4, 476. 4,476. Among the account holders, 28.90 crore (55.6%) are women, and approximately 34.58 crore (66.6%) of the accounts have been established in rural and semi-urban areas. Additionally, approximately 35.35 crore RuPay cards, which include built-in accidental insurance coverage of Rs. 2 lakh (or Rs. 1 lakh for accounts opened before August 28, 2018), were issued to PMJDY account holders. We use these data. The government aims to strengthen the country's financial and economic position; without a bank account, how can citizens benefit from financial services? Therefore, the government introduced the option to open a bank account with a zero balance, and later, most bank accounts were linked to DBT through JAM.

Table 2: Number of Bank Branches of Scheduled Commercial Banks

As on	RURAL	SEMI-URBAN	URBAN	METROPOLITAN	TOTAL
Mar-17	49,860	38,931	25,103	26,530	1,40,424
Mar-18	50,860	39,616	25,458	26,536	1,42,470
Mar-19	51,609	41,031	26,399	27,157	1,46,196
Mar-20	52,382	42,213	27,318	28,133	1,50,046
Mar-21	52,651	42,441	27,446	28,055	1,50,593
Mar-22	53,204	42,443	27,433	28,181	1,51,261

Mar-23	54,244	43,745	28,021	29,057	1,55,067
Jun-23	54,391	43,948	28,158	29,264	1,55,761

Source: RBI

In India, a longstanding debate centers on disparities between urban and rural areas, largely attributable to their divergent characteristics. Indian economic development is characterized by unbalanced growth: policymakers focus on a specific sector and continue to pay attention to it. This is how rural-urban economic gaps persist in China. Therefore, the Government of India has focused on bridging the rural-urban gap through its policies. The Government of India has democratically established financial institutions, especially in banking services. Table 2 illustrates the expansion of bank branches in rural, semi-rural, and metropolitan areas, reflecting the progress of these government initiatives. Data for rural areas reveal a consistent increase from 49,860 (March 2017) to 54,391 (Jun 2023), representing approximately 9.07% growth over the six-year period. Semi-urban areas experienced steady growth from 38,931 (Mar-17) to 43,948 (Jun-23), marking a 12.89% increase. Urban growth was more moderate, rising from 25,103 (Mar-17) to 28,158 (Jun-23), representing a 12.18% increase over the same period. Metropolitan areas demonstrated consistent growth from 26,530 (Mar-17) to 29,264 (Jun-23), a 10.30% increase. Overall, the total number of bank branches increased from 140,424 (Mar-17) to 155,761 (Jun-23), reflecting a 10.91% increase. To ensure balanced economic growth in the region, greater emphasis may be required on rural development. Given this robust growth in semi-urban areas, which are increasingly becoming economic hubs, continued attention to rural development is warranted. The Government of India has focused on expanding the reach of financial institutions in rural and semi-urban areas and on decentralizing financial services through FinTech. FinTech represents a significant development in banking and financial markets, leveraging blockchain technology to optimize personal banking services. From a currency perspective, banks have opened ATMs in both rural and urban areas to mobilize resources and accelerate economic activities. Table 3 presents the market performance of ATMs across different banks.

Table 3: Number of ATMs of Scheduled Commercial Banks (SCBs), Small Finance Banks (SFBs), Payment Banks (PBs), and White Label ATM Operators

As on	Off-site ATMs*	On-site ATMs	Total ATMs*
31.03.2016	1,10,111	1,01,950	2,12,061
31.03.2017	1,12,666	1,09,809	2,22,475
31.03.2018	1,15,471	1,06,776	2,22,247
31.03.2019	1,15,323	1,06,380	2,21,703
31.03.2020	1,21,086	1,13,271	2,34,357
31.03.2021	1,22,983	1,15,605	2,38,588
30.09.2021	1,25,220	1,15,762	2,40,982
31.03.2022	1,29,766	1,16,794	2,46,560
31.03.2023	1,31,684	1,23,613	2,55,297
31.03.2024	1,27,301	1,26,116	2,53,417

Source: RBI

* Includes ATMs deployed by white-label ATM operators

As shown in Table 03, the number of off-site ATMs increased from 111,011 (2016) to a peak of 131,684 (2023) and subsequently declined to 127,301 (2024), indicating a recent downward trend. The overall growth rate was 15.6% (2016–2024), and the number of on-site ATMs increased from 1,01,950 (2016) to 1,26,116 (2024). Growth was consistent but steadier than that of off-site ATMs. Overall growth: 23.7% (2016–2024). The total number of ATMs increased from 2,12,061 (2016) to a peak of 2,55,297 (2023)

and then declined slightly to 2,53,417 in 2024. Overall growth: 19.5% (2016–2024). The data show that off-site ATMs are vital for accessibility, particularly in rural and under-served regions. A decrease in their numbers can affect financial inclusion. The slight decline in the number of ATMs in 2024 may reflect a shift toward mobile and Internet banking. Banking service providers prioritize the sustainability of ATM infrastructure, notably off-site ATMs, to mitigate the urban-rural banking divide.

We now address question 02. We now address question 02, which critically examines the constraints of this approach from a policymaker's perspective. Specifically, how does the government approach productivity enhancement, formulate policy with limited financial resources, and establish accountability for the policy executor if the executor cannot provide essential support to the target group? In public finance, limited revenue sources and the influence of political parties and the electoral process are crucial to maintaining effective public policy. In economics, public governance and economic development are positively correlated. If the economy performs better, the government collects more revenue and spends more on public infrastructure and welfare services. However, with an unexpected economic cyclical downturn, the government struggled to maintain its public finances. However, unexpected economic cyclical downturns can challenge government finances, necessitating financing from banks and international institutions to maintain state functions. In India, the government arranges annual loan repayments. Therefore, this affects the government's function and distracts it from the policy formulation process.

We turn to question three, the most critical aspect of the policy formulation perspective. Leadership skills are vital for a country's development. From a policy standpoint, effective leadership messaging is crucial, given the inherent complexities of governance systems. India has a multiparty system, and its political structure is inherently competitive. Government systems are also affected by the opposition party if the ruling party cannot convey its messages to shareholders. The effectiveness of each policy or program can be identified through strong leadership. Leaders are aware of the country's motives and the strength of its citizens to act on them. Governments must acknowledge a nation's strengths and strategically utilize these resources to foster national development. Leaders should maintain impartiality during policy formulation and demonstrate the courage to oversee the modernization of economic systems. Economic studies confirm that developed nations have a growth story driven by strong leadership. Leaders search for innovative ideas to build their nations. They negotiate with global powers to enhance their national interests.

Finally, Question 4 addresses current public policy and its implications for the future. A true visionary leader understands how to shape a nation's trajectory. In India, each government develops short- and long-term policy vision documents to enhance national capabilities. The Indian fiscal and monetary systems are designed based on similar principles. The current Indian government is implementing the Viksit Bharat 2047 initiative. The Viksit Bharat approach aims to position the Indian economy as the world's first or second-largest economy. The Indian government, policymakers, and academia are modeling India's development toward Viksit Bharat (Developed India) status. However, a key question remains: how has India's economy developed during this period? Can India overcome the middle-income trap by 2047? What are the strengths and weaknesses of the country? How will the public respond to the achievement of this objective? These issues are driving India's transformation into Viksit Bharat. From a Viksit

Bharat perspective, how does the government prioritize policy preferences and gather feedback from diverse stakeholders regarding their vision for growth? Furthermore, how did the Government of India cultivate the confidence of state and local governments to participate in its development vision? India offers significant opportunities, including a large working population, a substantial consumer base, small- and medium-scale innovation, robust financial infrastructure, social and environmental connectivity, public-funded institutions, and a large number of technologies and entrepreneurs. These factors may explain India's trajectory; however, we also consider unforeseen circumstances, the geopolitical environment, international trade blocs, and responses from multilateral institutions.

VII. CONCLUSIONS AND RECOMMENDATIONS

The economic literature underscores the pivotal role of public policy, with priorities forming the bedrock of economic development. Developed nations typically exhibit robust public policies, effective governance systems, dispute resolution mechanisms, and international collaboration to adapt to evolving technologies and policy frameworks. India is a leading nation across its economic sectors. Historically, India has implemented initiatives such as the Yojana Aayog and the NITI Aayog to address national needs. However, economic disparities persist, necessitating a re-evaluation and restructuring of policy-oriented mechanisms to bolster national capabilities. This study explores the impact of public policy preferences and prioritization on economic development in India. Employing a quantitative approach, the study draws on secondary data from the Reserve Bank of India (RBI) and government reports to examine the relationship between policy priorities and economic outcomes in India. It examines the challenges of aligning policy preferences with development goals, the impact of changes in government leadership on policy prioritization, and the long-term effects of current policy preferences. Specifically, the study highlights the expansion of banking services and ATMs in rural and semi-urban areas through government policies, including the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme. Furthermore, it emphasizes the importance of leadership skills, unbiased policy formulation, and the government's vision for India's development, exemplified by the Viksit Bharat 2047 initiative. The study concludes that, despite India's implementation of various initiatives to address national needs, economic disparities persist, necessitating a re-evaluation of policy mechanisms to enhance national capabilities.

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