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Q5

"Pressure groups play a vital role in influencing public policy making in India." Explain how the business associations contribute to public policies.

UPSC Civil Services Mains 2021 · GS II · 10 marks · Governance and Policy

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Core demand of the question

- "Pressure groups play a vital role in influencing public policy making in India." Explain how the business associations contribute to public policies
- Honour the official stem. Use **FICCI**, **CII** and **NASSCOM** as the working examples
- Keep the explanation within a 10-mark length

Revision summary

Pressure groups influence policy by organising interests and supplying technical drafts; business associations are the densest such groups in India.

FICCI covers a broad industrial-commercial brief; **CII** pushes competitiveness and State climates; **NASSCOM** shapes IT and data policy.

They work through pre-budget notes, GST representations, PLI design, and standing-committee evidence.

The contribution is expertise and implementation capacity; the risk is capture of labour and consumer rules.

Plural seats and disclosure keep the vital role compatible with public policy, not only with firm policy.

Introduction

Business associations are among India's most organised pressure groups. **FICCI**, **CII** and **NASSCOM** do not sit in Parliament, yet they shape budgets, labour and technology rules by supplying information, drafting templates, and bargaining inside the committee state.

Body

How associations enter the policy process

- They aggregate firm interests so the government hears a sector, not a thousand separate lobbies; that aggregation is the classic pressure-group function.
- Pre-budget memoranda, GST rate representations, and appearances before **parliamentary standing committees** put technical numbers into Finance and Commerce drafts that generalist officials cannot generate alone.
- Joint task forces and public-private working groups on **Make in India**, PLI schemes, and ease of doing business let associations co-author implementation circulars, which is influence at the rule

stage, not only at the slogan stage.

FICCI, CII, NASSCOM

- **FICCI**, with a long pre-Independence pedigree, still speaks for a broad industrial and commercial constituency on tax, trade, and infrastructure.
- **CII** has specialised in competitiveness, standards, skilling, and state-level investment climates, which moves policy from Delhi notifications to factory-floor practice.
- **NASSCOM** has been central to software-export policy, data-protection debates, IT labour mobility, and the image of India as a services exporter; without that association, electronic-policy chapters would look very different.

Contribution and the capture risk

- Contribution is real where associations bring comparative data, model contracts, and training codes that a ministry then adopts.
- The same channel can become regulatory capture if MSMEs, informal workers, and consumers are unheard; labour-code consultations showed business voice often louder than trade unions.
- **Recommendation:** mandatory disclosure of committee membership and a statutory MSME seat beside **FICCI-CII-NASSCOM**, so policy influence stays plural.

Flow diagram

FICCI CII NASSCOM -> Memoranda and task forces
 Memoranda and task forces -> Tax labour IT and industrial policy
 Tax labour IT and industrial policy -> Government rules and budgets
 Unions MSMEs consumers -> Tax labour IT and industrial policy

Conclusion

Business associations contribute to public policy by aggregating sectoral knowledge, drafting options, and sitting on the committees that write rules. **FICCI**, **CII** and **NASSCOM** illustrate a vital pressure-group role; the democratic task is to keep that role transparent so it does not harden into capture.

Facts & figures

FICCI

Federation of Indian Chambers of Commerce and Industry; historic peak body for industry and trade representations.

CII

Confederation of Indian Industry; strong in standards, skilling, and State-level investment advocacy.

NASSCOM

National Association of Software and Service Companies; principal voice on IT-ITES, data and digital-trade policy.

PLI / ease of doing business

Industrial-policy platforms where industry associations have sat on design and feedback loops.

Parliamentary standing committees

Formal venue at which associations tender oral and written evidence on bills and Demands.

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