

# Study on the Fusibility on the Extended Government Intervention in Economy and People's Daily Lives

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**Abstract:** *The Government policies and interventions for development in various sectors and issues arising out of their design and implementation. India is a developing country and has implemented growth strategies in several sectors to reinforce its economic status. There has always been a conflict between free market economy and government controlled economy. India is likely a mixture of both approaches. This study aims to know about the people's opinion of the intervention of government in the economy and their daily lives opinion on sustainable development and government intervention. The present analysis was made through a convenient sampling method where the survey was taken from common public, professionals, etc. The sample size in the present analysis is 250. The findings were that The younger generation are more enthusiastic to start a business and prefer no or lesss government intervention or limitation in the economy or the business, this can be attributed to the views of liberalised economy and the dreams of attaining a world market space. Yet it is evident that whatever the responses on government intervention and freedom everyone agrees that sustainable growth can be achieved only by an intervening approach by the government.*

**Keywords:** Economy, Government, lives , Intervention, pharmaceutical

## I. INTRODUCTION

The Government policies and interventions for development in various sectors and issues arising out of their design and implementation. India is a developing country and has implemented growth strategies in several sectors to reinforce its economic status. At global scale it has continually shown a high rate of growth during the post-liberalisation period through the execution of economic reforms within the beginning of 1990s. After independence, development of the country and therefore the community has always been the main objective of the govt . It attained excellence in several key areas that range from information technology and pharmaceuticals to automotive parts, and is currently considered together with the rapidly growing economies of the planet . Though India has gained success in some areas and there's positive developments, it's still among the countries with a number of rock bottom indicators of human development. There are numerous issues just like the increase in income disparities and regional discrepancies which disrupt the expansion of nation. Though employment opportunities have increased but the roles created aren't of top quality . Although there has been a rise in several social services like health, nutrition and education, the standard of most of those services remains poor in most of the agricultural areas. Major issue is the irresistible majority of the population bereft of basic social protection. Policy-makers face inconsistency within the persistence of deprivations and increasing uncertainties among the majority of the public in growing wealth and prosperity for a few groups. There has always been a conflict between free market economy and government controlled economy. There are governments like Singapore which has economic intervention, i.e., following an interventionist approach while the Hong Kong government is equally well known for its free-market approach. India is likely a mixture of both approaches. But the recent trends shows that it is going to be an extreme path of free market approach. The research aims to find the people's opinion on the extent of government intervention in the business and to what extent they feel the government

can intervene. Also the research also **aims** to find the people's opinion on whether sustainable economic growth can be achieved only by government intervention or it can be achieved otherwise.

### 1.1 OBJECTIVES

- To know about the people's opinion of the intervention of government in the economy and their daily lives
- To find about the people opinion on sustainable development and government intervention
- To find the people's opinion on level of freedom that should be exercised by the government so that the people are likely to start a business.

## II. LITERATURE REVIEW

**Agarwal, M (2010)** claims that the world is becoming globally integrated and the recent global financial crisis has paved the way for developing countries to enter into global financial sectors and favour government intervention in the market process with the intention of correcting market failures. **Luc Eyraud, Rao et al.(2017)** in their research article points out the fact that the aftermath of the global financial crisis has brought significantly lighter banking regulations and a trend of de-risking intervention is an action taken by a government or international institution in a market economy in an effort to impact the economy. In their definition **Besley & Burgess(2017)**, claims that globalisation is a positive development as it will give rise to new industries and more jobs in developing countries, basic regulation of fraud, enforcement of contracts, and provision of public goods and services. Further **Mahmood,(2018)** claims that due to liberalisation and integration of economic processes globalisation took a particular intensity intervention can be aimed at a variety of political or economic objectives, such as promoting economic growth, increasing employment, raising wages, raising or reducing prices. **J. Ghosh, (2015)** points out that as a result countries liberalise its financial system, it becomes subject to market discipline and there is an increasing scope for some form of international financial policy cooperation and managing the money supply and interest rates, increasing profits, or addressing market failures. **Y. Sinha & Sinha, (2018)** claims that India can become an important global finance market, if the government allows free exchange of currency and general liberalisation of market, he further adds that Indian markets look pretty good in the emerging market universe. To add to his point **Joshi & Kapur (2014)** claims that India will soon seek a place in the global financial sweepstakes and will soon offer derivative products.intervention is typically used by advocates of laissez-faire and free market capitalism and assumes that, on a philosophical level. **Devendra Kumar Pant (2009)** said Policy interventions and public spending are critical to deal with infrastructural issues as corporate balance sheets are stretched and banks are saddled with record bad loans, the rating agency's chief economist during a note today. interventions might solve single issues in the short term, they cause distortions and hamper the efficiency of the capitalist economy. **Das (2020)** says that if the present policy initiatives are sustained, the economy can gradually return to a better growth trajectory over subsequent two-three years. should be inherently separated from each other and that government action is inherently exogenous to the economy. However **Bardhan(2020)** in his research warns that a full-blown investment recovery remains some 12-18 months away primarily due to the low capacity utilisation within the manufacturing sector.The terminology applies to capitalist market-based economies where government actions interrupt the market forces at play through regulations. **Rao & Govinda Rao, (2015)** Increasing demand thanks to a decline in inflation and monetary easing will increase consumption demand and capacity utilisation, which can then translate into investment demand, but which will take time, he added a developed welfare state makes capitalism more tolerable to the average worker, thereby perpetuating the continued existence of capitalism to society's detriment. **Kang(2020)** in his research notes that the worldwide economic environment isn't encouraging, he said as per the IMF forecast, developed economies are expected to grow faster this year while emerging economies are expected to slow and operate as market entities don't constitute an intervention. **Koul, P., & Dhar, R. (2020)** He also said the projected higher growth for the advanced economies is promising for the domestic economy because it can help boost our exports. Capitalist market economies that feature high degrees of state intervention are often referred to as a type of mixed economy. **Mahmood, Z. (2018)**. State management of the economy is the classic issue of economic liberalism. From its origins, in the writings of Adam Smith and Jeremy Bentham in the late eighteenth century belief in government's inability to effectively manage economic concerns and other considerations. **Rao, M. G., & Govinda Rao, M. (2015)** says that The macroeconomic environment and governments influence the performance, the behaviour and the future of

organizations and industries. However, modern liberals (in the United States) and contemporary social democrats (in Europe) are inclined to support interventionism, seeing state economic interventions. **Rao, M. G., Govinda Rao, M., & Singh, N. (2006)** The objective of this paper is to put the debate on the relative efficiency of the free market and government intervention in addressing economic ailment in a larger theoretical feel that interventions in the form of social welfare policies might interfere with the goal of replacing capitalism. **Ray, P. (n.d.)** We examine whether there is a correlation between personal wealth interests of politicians and their decisions to intervene in the economy promoting greater income equality and social welfare. Furthermore, many center-right groups such as Gaullists, paternalistic conservatives and Christian democrats also support state economic interventionism to promote social order and stability. **Sinha, A. (2017)** The recent globalisation of markets and the accompanying intensification of international competition have been associated with extensive deregulation of economies. National-conservatives also frequently support economic interventionism National-conservatives also frequently support economic interventionism as a means of protecting the power and wealth of a country or its people, **Sinha, Y., & Sinha, A. (2018)** The corruption is a complex and generalized phenomenon all over the world, with cultural, social, psychological, political and economical dimensions. National-conservatives also frequently support economic interventionism as a means of protecting the power and wealth of a country or its people. **Sturman, R (2017)** From 1973 to 1985, the Israeli economy suffered a deep crisis: the growth rate declined, foreign debt increased, and inflation soared to annual rates of a few hundred percent. Government interventions are usually undertaken when potential benefits outweigh the external costs.

### III. METHODOLOGY

The present paper was analysed through the non-doctrinal research methodology method of research. The present analysis was made through a convenient sampling method where the survey was taken from common public, professionals, etc. The sample size in the present analysis is 250 samples, the independent variable in the analysis is gender and the dependent variable is reliable on the statement that intervention of the government in the business economy and necessity towards sustainable growth. The research tools used in the present paper such as cross tabulation, chi-square and case summary and graphical representation was also used to analyse the study.

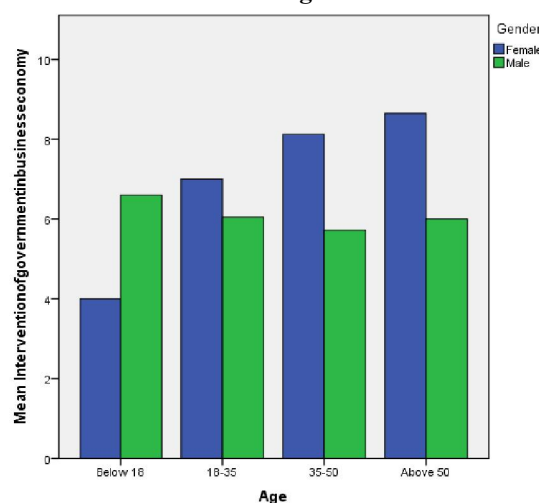
#### 3.1 HYPOTHESIS:

**Null:** There is no significant relationship between the intervention of the government in the business economy and necessity towards sustainable growth.

**Alternate:** There is a significant relationship between the intervention of government in the business economy and necessity towards sustainable growth.

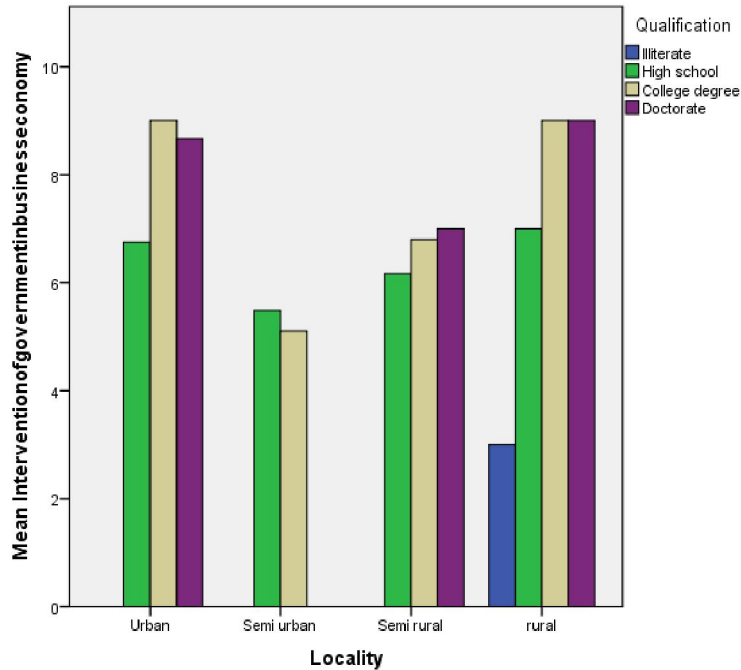
#### 3.2 ANALYSIS

Figure 1



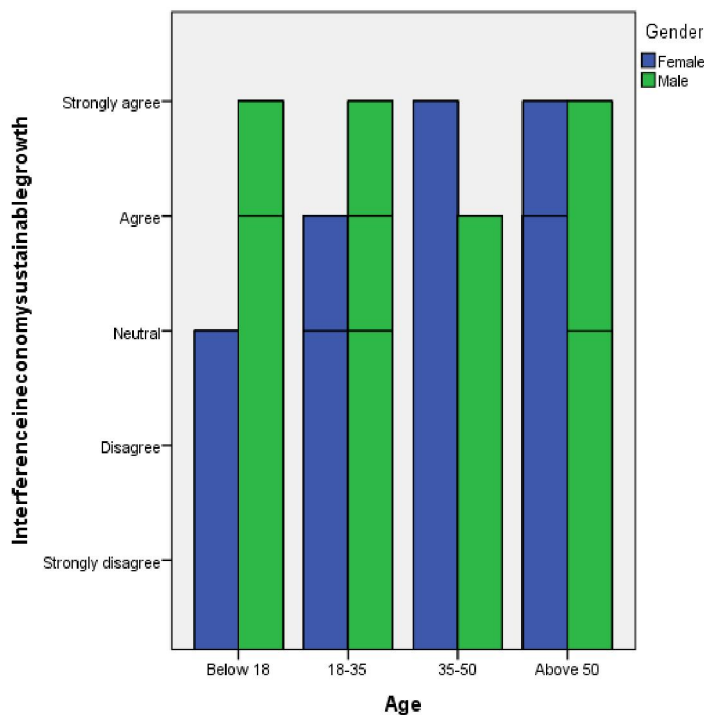
**Legend:** The fig.1 shows the age distribution pertaining to the gender of the respondents and their opinion towards intervention of government in the business economy.

**Figure 2**



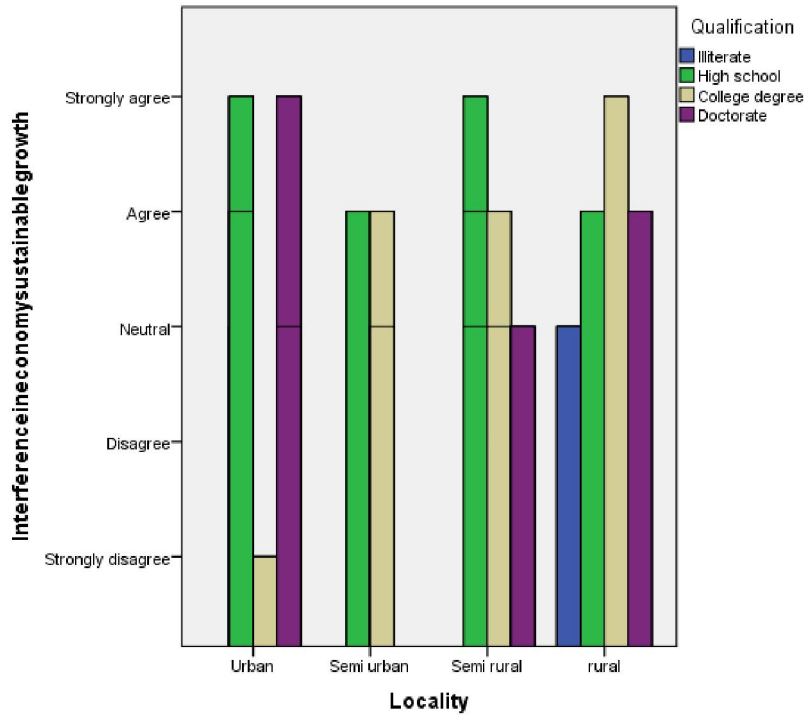
**Legend:** The fig.2 shows the locality distribution pertaining to the qualification of the respondents and their opinion towards the intervention of government in the business economy

**Figure 3**



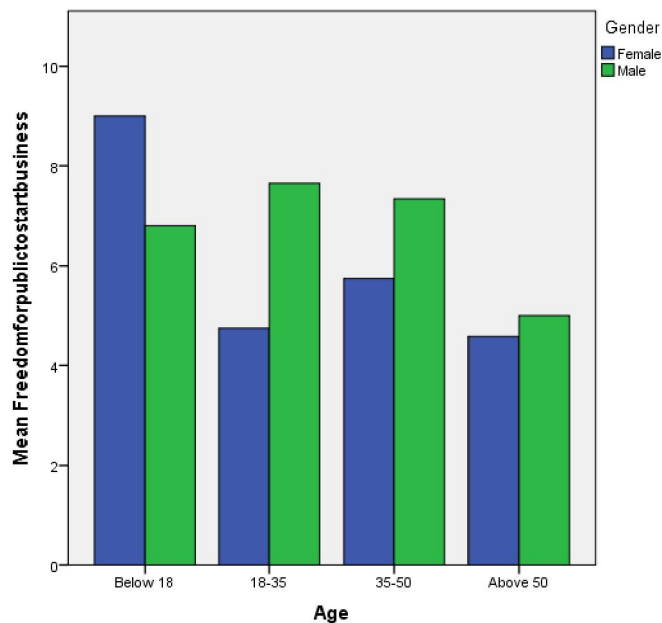
**Legend:** The fig.3 shows the age distribution of the respondents clustered by the gender of the respondents and their opinion towards whether government intervention is a necessity towards sustainable growth.

**Figure 4:**



**Legend:** The fig.4shows the locality distribution of the respondents clustered based on their qualification and their opinion towards the necessity of government intervention towards a sustainable growth.

**Figure 5**



**Legend:** The fig.5 shows the age distribution pertaining to the gender of the respondents and their opinion towards freedom to start a business.

#### IV. RESULT

From **fig.1** it is found that females are consistent across all age groups on their opinion towards the level of government intervention in the business economy. They have recorded the need for medium levels of intervention necessary. While the Male gender across age groups shows an increasing need for government intervention in the business economy. From the **fig.2** it can be found that the respondents from semi-urban and semi-rural locality favour a less intervention of the government than compared with the Urban and rural locality. The qualification of the respondents across the locality doesn't reveal any systemic pattern of results. From the **fig.3** it can be seen that the majority of the respondents from age group above 50 and Male respondents from age group below 18 and 18-35 have strongly agreed that government intervention is necessary for the sustainable economic growth. From the **fig.4** it is known that the graph pertaining to the locality of the respondents and the opinion on need for government intervention in the sustainable economy growth show no recognised patterns, therefore it can be said that the locality of the respondents doesn't influence people's decisions nor their educational qualification. From the **fig.5** it can be seen that female respondents from the age group below 18 have responded that they need more freedom in starting a business. The responses from all the age groups shows that they rated a more than average level of freedom needed for starting a business.

#### V. DISCUSSION

From the survey in **fig 1** it is known that people whose age are less than 35 always preferred less intervention from the government on the economy and also more freedom to start a business as opposed to the older generation who preferred more intervention in the economy and limited freedom to start a business. In **Fig 2** Yet all the people agree that sustainable economic growth can be achieved only with an intervening approach by the government. The varying responses among the younger and older age groups can be attributed to the enthusiasm of the young and the experience of the old . In **Fig 3** The experience of the old has lead to a conclusion that the intervention of the government is necessary in an economy and there must be limited freedom with restrictions to start business . In **Fig 4** The younger generation are more enthusiastic to start a business and prefer no or less government intervention or limitation in the economy or the business, this can be attributed to the views of liberalised economy and the dreams of attaining a world market space. In **Fig 5** Yet it is evident that whatever the responses on government intervention and freedom, everyone agrees that sustainable growth can be achieved only by an intervening approach by the government.

#### VI. LIMITATION

##### Sample size

Sample size is one of the limitations in this research. Thus the research topic is about “**STUDY ON THE FUSIBILITY ON THE EXTENDED GOVERNMENT INTERVENTION IN ECONOMY AND PEOPLE'S DAILY LIVES**”. However here the researcher only conducts a study with a total of around 250 people and responses have been taken from the general public Via Online and Social media . Considering the results among them there are some challenges faced on the details and perception of the topic, so here we can't generalize the results accurately as the sample size is small.

##### Access

If any study depends on having access to organisations, people or documents and, for whatever reason, access is denied or limited in how , the explanations for this got to be described. Here during this research because of lockdown and social distancing, most responses and their depth view about those concepts concerning study is restricted and denied someway.

#### VII. SUGGESTION

So in my point of view there are governments which intervene several people to many extent like the Cleveland railroad dilemma , Roosevelt new deal. After independence, development of the country and therefore the community has always been the main objective of the govt .Though India has gained success in some areas and there's positive developments, it's still among the countries with a number of rock bottom indicators of human development. There are numerous issues just like the increase in income disparities and regional discrepancies which disrupt the expansion of nation. Though employment opportunities have increased but the roles created aren't of top quality . Although there has

been a rise in several social services like health, nutrition and education, the standard of most of those services remains poor in most of the agricultural areas. Major issue is the irresistible majority of the population bereft of basic social protection. Policy-makers face inconsistency within the persistence of deprivations and increasing uncertainties among the majority of the public in growing wealth and prosperity for a few groups. So there should be proper implementation of strategies and the officers should be under judicial consideration.

### VIII. CONCLUSION

The Government has a vital role for the overall development of the nation and offers best facilities for normal living of all sections of inhabitants and for a sustainable economic growth. The government has launched various schemes and policies for people to start businesses which come with certain limits and compliances, which are itself necessary for sustainable growth. These schemes in various sectors are designed tactfully but some implementation issues are there in some policies which shows the government as an interventionist giant which restricts people from starting a business and interfering in their lives. Only when the government regulations are properly implemented and followed then there can be sustainable growth.

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