

# Exploration of Issues and Their Resolution Paths in the Interaction between Public and Economic Policies

Yisong Liu

*Jinling High School Hexi Campus, Nanjing, Jiangsu, China*

**Abstract:** This article discusses the issues and solutions in the interaction between public policy and economic policy. It analyzes their interdependence, dynamics, and complexity, revealing key issues in practice such as inconsistent policy objectives, poor information communication, and insufficient enforcement. It proposes optimization strategies, including strengthening policy coordination mechanisms, enhancing information transparency, and reinforcing policy execution. Through systematic analysis and recommendations, this paper aims to provide theoretical support for improving policy effectiveness and maximizing goal achievement.

**Keywords:** Public Policy; Economic Policy; Policy Coordination; Information Transparency

## 1. Introduction

Public policy and economic policy are two important components of modern governance systems, influencing and interacting with each other. With the rapid development of the social economy, the relationship between the two has become increasingly complex<sup>[1]</sup>. In many countries, the objectives of public policy often intertwine with economic policy, involving multiple fields such as education, healthcare, and environmental protection. However, in practical policy implementation, the coordination and consistency between the two face numerous challenges.

## 2. Characteristics of the Interaction Between Public Policy and Economic Policy

### 2.1 Interdependence

There is a profound interdependence between public policy and economic policy. The formulation of public policy often relies on the guidance of economic policy; conversely, the

effectiveness of economic policy is influenced by public policy. In many countries, the goals of public policy—such as advancements in social welfare, education, and healthcare—typically require a stable and healthy economy as a foundation. For example, when the government formulates education policy, it often needs to consider the nation's economic conditions and available resources to ensure the policy's feasibility and effectiveness<sup>[2]</sup>.

Public policy is, to some extent, designed to support and promote the implementation of economic policy. For instance, during an economic crisis, the government may introduce fiscal policies to stimulate the economy, which typically require corresponding public policies to ensure their effectiveness, such as improving infrastructure and increasing public services. The interaction between public policy and economic policy is reflected not only in the consistency of their goals but also in the collaborative effects at the implementation level. This interdependence is also evident in the policy evaluation and feedback mechanisms<sup>[3]</sup>. The effectiveness of policy implementation is often reflected through economic indicators, while adjustments to economic policy frequently require support from public policy. For example, in formulating policies to promote employment, the government needs to consider not only market demand but also social policies to ensure fairness and accessibility of job opportunities. An in-depth analysis of the interdependence between public policy and economic policy helps to better understand their interactive relationship, thereby providing theoretical support for effective policy formulation and implementation.

### 2.2 Dynamism

The interaction between public policy and economic policy is characterized by significant dynamism. This dynamism is manifested in

several aspects, including rapid changes in the policy environment, adjustments in policy objectives, and continuous feedback on implementation effects. Changes in the economic environment directly impact the formulation and implementation of public policy. For example, during an economic slowdown, the government may adjust the direction of fiscal spending, concentrating resources on public projects that promote economic recovery, such as infrastructure construction and social security, in response to the pressures of economic decline [4].

Policy objectives are not static; they are adjusted based on the stage of economic development, social needs, and changes in the external environment. Throughout the implementation process, the government must remain attentive to economic indicators and public reactions, timely adjusting policies to ensure their adaptability and effectiveness. This dynamic adjustment process requires the establishment of effective monitoring and evaluation mechanisms to facilitate quick feedback on issues encountered during implementation. The effects of policy implementation also exhibit dynamic characteristics. The impacts of public policy often take time to manifest, while changes in economic policy may influence the realization of these effects. For instance, a tax reduction policy may require time to show its positive effects through stimulating consumption and investment. When formulating and implementing policies, the government needs to continuously monitor economic conditions and adjust policy strategies promptly to ensure flexibility and responsiveness.

### 2.3 Complexity

The interaction between public policy and economic policy constitutes a complex system involving multiple stakeholders, policy objectives, and execution processes. This complexity is first reflected in the interactions among various interest groups. During the policy formulation process, the interests and demands of the government, enterprises, non-governmental organizations, and the public often intertwine, making policy formulation exceedingly complex. For example, when formulating environmental protection policies, the government needs to consider the economic interests of enterprises, public health needs, and

the goals of sustainable development. Balancing and coordinating these competing interests becomes crucial for the success of the policy [5]. The formulation and execution of policies involve multiple levels and departments. Public policies are often implemented by different government departments, and coordination and cooperation among these departments are vital. For instance, education policy needs to align with economic policy and labor policy across various fields to effectively achieve policy objectives. There may be inconsistencies in objectives and competition for resources among departments, affecting the overall effectiveness of policies. Uncertainty in the policy execution process also adds to the complexity of interactions. Policies may encounter unexpected situations during implementation, such as market fluctuations or social unrest, which can impact their effects and direction. When designing policies, the government must consider these potential uncertainties and establish response mechanisms to enhance policy adaptability.

## 3. Issues in the Interaction between Public Policy and Economic Policy

### 3.1 Inconsistent Policy Objectives

A significant issue in the interaction between public policy and economic policy is the inconsistency of policy objectives. This inconsistency often arises from different priorities among policymakers when formulating policies, leading to conflicts between policy goals. For example, economic policy may focus on economic growth, while public policy may prioritize social equity and environmental protection. Such discrepancies in objectives can lead to contradictions during policy implementation, affecting the final outcomes.

In practice, manifestations of inconsistent policy objectives are diverse. For instance, in some countries, while the government promotes economic development, it may neglect the enhancement of social security policies, resulting in widening wealth gaps and social instability. This not only undermines the effectiveness of economic policy but also poses greater challenges for public policy. Inconsistencies in objectives may also lead to inefficient resource allocation, making it difficult for the government to distribute

resources rationally, thereby impacting overall policy coordination. Addressing this issue requires strengthening preliminary research and comprehensive planning. The government must fully consider the interrelationship of various interests and policy objectives when formulating policies, ensuring consistency and synergy. Establishing cross-departmental coordination mechanisms to facilitate communication and cooperation among policymakers is also an effective way to eliminate objective inconsistencies.

### **3.2 Poor Information Communication**

Poor information communication is another major issue in the interaction between public policy and economic policy. In the process of policy formulation and implementation, there are often barriers to information transmission among different departments and stakeholders. This lack of communication results in information asymmetry, undermining the necessary basis and support for policy formulation and execution, ultimately affecting policy effectiveness. Poor communication is evident during the policy formulation stage. Different departments often lack effective information-sharing mechanisms, leading to inconsistencies in the statistical data and research results they rely on. For instance, the formulation of economic policy may fail to adequately consider the practical circumstances of public policy implementation, resulting in unattainable policy objectives. Decisions made without sufficient information not only affect the scientific basis of policies but also weaken transparency and public trust.

During the policy implementation stage, poor information flow may also lead to insufficient enforcement and suboptimal outcomes. Government departments often lack a clear understanding of the specific requirements and implementation details of policies, resulting in deviations during execution. Insufficient public and business awareness of policies can hinder their effective implementation. Therefore, establishing effective information communication mechanisms is crucial.

### **3.3 Insufficient Enforcement**

Insufficient enforcement is a common issue in the interaction between public policy and economic policy. Despite thorough research and

discussion during the policy formulation phase, various challenges may arise during actual execution, preventing policies from achieving their intended effects. Insufficient enforcement not only impacts the efficiency of policy implementation but may also lower public trust in the government. One reason for insufficient enforcement is irrational resource allocation. In some cases, the government may have developed sound policies, but due to insufficient financial budgets or staff shortages, adequate support for policy execution is lacking. For example, in implementing education policies, schools may lack necessary funding and personnel, hindering policy implementation. There may also be competition among departments for resource allocation, leading to shortages during execution. Additionally, an inadequate regulatory environment and incentive mechanisms for policy execution can significantly contribute to insufficient enforcement. Without effective supervision and evaluation mechanisms during execution, enforcers may lack motivation, resulting in mere compliance without genuine effort. This situation not only affects the effectiveness of policy implementation but may also diminish public confidence in the policies.

## **4. Optimization Strategies for the Interaction between Public Policy and Economic Policy**

### **4.1 Strengthening Policy Coordination Mechanisms**

To effectively address the issues in the interaction between public policy and economic policy, establishing and strengthening policy coordination mechanisms is crucial. The core of policy coordination mechanisms lies in ensuring consistency of policy objectives and effectiveness of execution through cross-departmental and multi-level collaboration. The government should establish cross-departmental coordination agencies specifically responsible for the alignment between public and economic policies. These agencies can hold regular meetings to discuss and evaluate the implementation of various policies, making timely adjustments in response to the changing economic and social environment.

The establishment of policy coordination mechanisms should also include

information-sharing platforms. Departments need to share data and information when formulating policies, ensuring the synergy between different policies. For example, when the economic department formulates fiscal policies, it should fully understand the needs of social policies to avoid conflicts in resource allocation. By establishing information-sharing mechanisms, departments can communicate effectively during the initial stages of policy formulation, eliminating inconsistencies in objectives.

Furthermore, the government should encourage public participation in the policy coordination process. Setting up public consultation platforms to gather opinions and suggestions from various sectors can effectively enhance policy transparency and public engagement. This not only helps to strengthen the legitimacy of policies but also garners broader support during the policy formulation process, reducing resistance during implementation. The effective operation of policy coordination mechanisms requires regular evaluation and feedback. The government should establish a policy effectiveness evaluation mechanism to regularly review the implementation status and promptly adjust policy content and execution methods based on evaluation results. By continuously optimizing policy coordination mechanisms, the interaction efficiency between public policy and economic policy can be improved, maximizing policy objectives.

#### **4.2 Enhancing Information Transparency**

Enhancing information transparency is a key measure to improve the effectiveness of the interaction between public policy and economic policy. Information transparency helps increase the credibility of policies and facilitates effective execution. The government should strengthen the public release of policy information, ensuring that the public can access relevant information in a timely manner. This can be achieved through the establishment of official government websites and social media platforms for immediate publication and wide dissemination of policy information. Regularly releasing reports on policy execution allows the public to understand the progress and outcomes of policies, enhancing public trust and support. Improving information transparency also requires the government to share relevant data

and research findings promptly during the policy formulation and implementation processes. This includes economic data and social development indicators, enabling stakeholders to analyze and assess based on real data. For instance, when formulating economic stimulus policies, the government should disclose relevant economic data, allowing the public and businesses to rationally understand the context and necessity of the policies, thereby reducing distrust.

The government should also encourage academic and social organizations to participate in policy evaluation and information monitoring. Independent third-party evaluation agencies can provide objective assessments of policy implementation effectiveness, further enhancing information transparency. These agencies can periodically release evaluation reports and propose improvement suggestions, thus providing a basis for policy adjustments. Additionally, establishing effective feedback mechanisms is crucial. The government should value public feedback on policies, collecting evaluations of policy implementation effectiveness through surveys and public hearings. This not only helps the government identify issues in execution but also fosters interaction and communication between the public and the government, thereby enhancing policy enforcement and social acceptance.

#### **4.3 Strengthening Policy Execution Capacity**

Strengthening policy execution capacity is essential for ensuring effective interaction between public policy and economic policy. The government needs to clarify responsibilities and divisions of labor in policy execution. By clearly delineating responsibilities, each department can fulfill its role in policy execution effectively. Specialized supervisory agencies should be established to track and evaluate the implementation status of policies, identifying and addressing issues promptly. By clarifying responsibilities, the government can ensure that policy execution is not merely a formality, improving its effectiveness.

Enhancing execution capacity also relies on sufficient resource support. When formulating policies, the government should comprehensively consider fiscal budgets and human resource allocation to ensure adequate support for policy implementation. For example, in implementing social security policies, the

government requires corresponding financial backing and professional personnel to ensure effective execution. By rationally allocating resources, the efficiency and effectiveness of policy execution can be improved.

Establishing robust incentive and constraint mechanisms is another important measure for strengthening policy execution capacity. The government should set clear assessment indicators to regularly evaluate policy execution status and provide corresponding rewards or penalties based on evaluation results. This mechanism not only motivates execution personnel to actively implement policies but also promotes competition and cooperation among departments, enhancing the overall level of policy execution. Additionally, focusing on training and capacity building is vital for strengthening execution capacity. The government should regularly train policy execution personnel to enhance their professional competence and execution abilities. Through targeted training, execution personnel can gain a deeper understanding of core policy content and implementation requirements, thereby improving their capacity to execute policies effectively. Through systematic training and education, policy execution capacity can be enhanced, ensuring positive interaction between public policy and economic policy, ultimately achieving policy objectives.

### 5. Summary

The effective interaction between public policy and economic policy is crucial for the sustainable development of a nation. This paper analyzes the interdependence, dynamism, and complexity of both policies, revealing key issues in policy implementation, such as inconsistencies in policy objectives, poor

information communication, and insufficient execution capacity. To address these problems, the paper proposes strategies to strengthen policy coordination mechanisms, enhance information transparency, and reinforce policy execution capacity. These measures can not only improve the effectiveness of policy implementation but also enhance public trust and support for the government. Future research should further focus on emerging challenges in policy interaction and explore more effective solutions to achieve better coordination and integration of public and economic policies.

### References

- [1] Ding, H., Ma, X., Liang, J. From Concept to Action: The Consensus-based Implementation of Public Policy and Its Logic—A Case Study of Guizhou's Digital Economy Development Policy. *Guizhou Social Sciences*, 2022;(6), 137-144.
- [2] Hu, Q., Pu, Y. Policy Analysis of National Green Economy Experimental Demonstration Zones under the Framework of Public Policy Evaluation. *Ecological Economy* 2024;40(6), 69-76.
- [3] Zhao, Y., Wang, F. The Impact of Digitalization on Public Policy and Common Prosperity—An Empirical Study Based on the Yangtze River Economic Belt. *Statistics and Decision Making* 2023;39(24), 47-51.
- [4] Yang, Y. (2022). The Applicability of Public Policy in the Recognition and Enforcement of Foreign Rulings Related to Unilateral Economic Sanctions. *East China University of Political Science and Law*.
- [5] Zhou, X., Chen, T. Population Aging, Public Policy, and Economic Growth. *Statistics and Decision Making* 2022;(21), 60-65.