

NITI AAYOG

The Planning Commission which has a **legacy of 65 years** **has been replaced by the Niti Aayog** on **January 1, 2015**, with emphasis on the **'Bottom – Up' approach** to envisage the vision of **"Maximum Governance, Minimum Government"**, echoing the spirit of **Cooperative Federalism**. NITI Aayog envisaged as a **think tank** and **advisory body** of the government.

BACKGROUND

- **The Planning Commission was initially set up in 1950** as an agency to direct investment activity in a country.
- Planning Commission of India had two key duties to perform –
 - To implement five-year plan and
 - To provide the finances to the state.
- **The disenchantment with the Planning Commission could be traced on two important fronts:**
 - The perception that it was not able to capture the new realities of macroeconomic management at the national level

- It had not been conducive to sound fiscal relations between the Union and the States.
- This did not fit well with the **imperative for an inclusive and equitable path** of economic development in India.
- The Planning Commission which has a **legacy of 65 years has been replaced by the Niti Aayog** on January 1, 2015, with emphasis on the '**Bottom – Up**' approach to envisage the vision of "**Maximum Governance, Minimum Government**", echoing the spirit of **Cooperative Federalism**. NITI Aayog envisaged as a **think tank and advisory body** of the government.
- It aims to construct a strong state that will help to create a **dynamic and strong nation**. This helps India to emerge as a major economy in the world.
- NITI Aayog's creation has two hubs –
- **Team India**: It leads the participation of Indian states with the central government.
- **The Knowledge and Innovation Hub**: It builds the institution's think tank capabilities.

OBJECTIVES OF NITI AAYOG

- To **foster cooperative federalism** through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.
- To **develop mechanisms to formulate credible plans** at the village level and aggregate these progressively at higher levels of government.
- To ensure, in areas that are specifically referred to, that the **interests of national security are incorporated in economic strategy and policy**.
- To **pay special attention to the sections of our society** that may be at risk of not benefitting adequately from economic progress.
- To **provide advice and encourage partnerships** between key stakeholders and national and international like-minded Think Tanks, as well as educational and policy research institutions.
- To **create a knowledge, innovation and entrepreneurial support system** through a collaborative community of national and international experts, practitioners and other partners.
- To **offer a platform for the resolution of inter-sectoral**

and inter-departmental issues in order to accelerate the implementation of the development agenda.

- To maintain a **state-of-the-art Resource Centre**, be a **repository of research on good governance and best practices** in sustainable and equitable development as well as help their dissemination to stake-holders.
- NITI Aayog is a **nodal for assessing SDG India Index**.

GUIDING PRINCIPLES OF NITI AAYOG

- In carrying out the above functions, NITI Aayog will be guided by an overall vision of development which is –
- **Antodaya:** Prioritize service and uplift of the poor, marginalized and downtrodden, as enunciated in **Pandit Dindayal Upadhyay's** idea of '**Antodaya**'. Development is incomplete and meaningless if it does not reach the farthest individual.
- **Inclusion:** Empower vulnerable and marginalized sections, redressing identity-based inequalities of all kinds of gender, region, religion, caste or class.
- **Village:** Integrate our villages into the development process.
- **Demographic dividend:** Harness our greatest asset, the people of India: by focussing on their development,

through education and skilling, and their empowerment, through productive livelihood opportunities.

- **People's Participation:** Transform the developmental process into a people-driven one, making an awakened and participative citizenry(including the NRI community) the driver of good governance.
- **Governance:** Nurture an open, transparent, accountable, pro-active and purposeful style of governance, transitioning focus from
- **Sustainability:** Maintain sustainability at the core of our planning and development process, building on our ancient tradition of respect for the environment.

PLANNING COMMISSION VIZ-A-VIZ NITI AAYOG

Planning Commission	NITI Aayog
Formed by executive resolution of Govt. – neither statutory or constitutional body	Formed by executive resolution of Govt. – neither statutory or constitutional body
It focuses upon 'Top-Down' approach of Planning	It focuses upon ' Bottom-Up ' approach of Planning
Enjoyed the powers to allocate funds to ministries and state governments.	To be an advisory body , or a think-tank, NITI don't have powers to allocate funds.
The last Commission had eight full-time members	The number of full-time members could be fewer than Planning Commission
States' role was limited to the National Development Council and annual interaction during Plan meetings.	State governments are expected to play a more significant role than they did in the Planning Commission.
Secretaries or member secretaries were appointment through the usual process	Secretaries to be known as the CEO and to be appointed by the prime minister.
The Full Planning Commission had no provision for part-time members.	To have a number of part-time members , depending on the need from time to time.
The commission reported to the National Development Council that had state chief ministers and lieutenant governors.	The Governing Council has state Chief Ministers and lieutenant governors.
Had deputy chairperson, a member secretary and full-time members	New posts of CEO, of secretary rank, and Vice-Chairperson. Will also have five full-time members and two part-time members. Four cabinet ministers will serve as ex-officio members.
Policy was formed by the commission and states were then consulted about allocation of funds.	Consulting states while making policy and deciding on funds allocation. Final policy would be a result of that.
Imposed policies on states and tied allocation of funds with projects it approved.	NITI is a think-tank and does not have the power to impose policies.

COMPOSITION OF NITI

- **Chairperson: PRIME MINISTER**
- **Vice-Chairperson:** To be appointed by Prime-Minister
- **Governing Council:** Chief Ministers of all states and Lt. Governors of Union Territories.
- **Regional Council:** To address specific regional issues, Comprising CHIEF MINISTER and Lt. Governors Chaired by the Prime Minister or his nominee.
- **Ad-hoc Membership:** Two members in ex-officio capacity from leading Research institutions on a rotational
- **Ex-Officio membership:** Maximum four from the Union council of ministers to be nominated by the Prime
- **Chief Executive Officer:** Appointed by the Prime-minister for a fixed tenure, in the rank of Secretary to Government of India.
- **Special Invitees:** Experts, Specialists with domain knowledge nominated by the Prime-minister.

THE NITI AAYOG IS BASED ON THE 7 PILLARS OF EFFECTIVE GOVERNANCE

- **Pro-people:** it fulfils the aspirations of society as well as individuals
- **Pro-activity:** in anticipation of and response to citizen needs
- **Participation:** involvement of the citizenry
- **Empowering:** Empowering, especially women in all aspects
- **Inclusion of all:** inclusion of all people irrespective of caste, creed, and gender
- **Equality:** Providing equal opportunity to all especially for youth
- **Transparency:** Making the government visible and responsive

RELEVANCE OF NITI AAYOG

- **Cooperative federalism** – Due to its composition, NITI Aayog gives a better representation of states which facilitates direct interactions with the ministries & helps to address issues in a relatively shorter time.
- **Competitive Federalism** – Various reports of NITI Aayog like Healthy states Progressive India etc. which give performance-based rankings of States across various verticals to foster a spirit of competitive federalism.
- **Greater Accountability** – NITI Aayog has established a Development Monitoring and Evaluation Office which collects data on the performance of various Ministries on a real-time basis.
- **Think tank of innovative ideas:** NITI Aayog is visualised as a funnel through which new and innovative ideas come from all possible sources industry, academia, civil society or foreign specialists and flow into the government system for implementation.
- By collecting fresh ideas and **sharing them with the Central and State governments**, it allows states to progress with these new ideas.
- Hence it helps in **improving governance and implementing innovative measures** for better delivery of public services.

- **Convergence for resolution:** Being a common point for similar issues faced by different sectors, states etc., it acts as a convergence point and platform to discuss these issues.

CONCERN AND CHALLENGES

- **Biases towards govt & private sector** – As a **think tank**, NITI Aayog should maintain a respectable intellectual distance from the government of the day.
- **Financial constraint-** NITI Aayog has no powers in granting discretionary funds to states, which renders it toothless to undertake a transformational intervention.
- **Only recommendatory body-** It acts as an advisory **body** only that advises the government on various issues without ensuring the enforceability of its ideas.
- **Lack of decentralization power-** One of the envisaged goals of the NITI Aayog was to develop mechanisms to formulate credible plans at the village level and aggregate these progressively at the higher level
- **Missed opportunities for transformative change-** The body has missed some opportunities to make a

qualitative difference.

- Inadequate support to the states.

CRITICISM

- NITI Aayog cannot transform a **deeply unequal society into a modern economy** that ensures the welfare of all its citizens, irrespective of their social identity.
- It has **no role in influencing** public or private investment.
- It **does not seem to have an influence on policymaking** with long-term consequences. For instance, demonetisation and the Goods and Services Tax.
- If it is a think-tank, it **has to maintain a respectable intellectual distance** from the Govt. of the day.
- Instead, we see uncritical praise of the Govt-sponsored schemes/programmes.
- It is **not able to answer specific questions** like, why 90% are working in the unorganised sector? and moreover, as on date, more and more in-formalisation is taking place in the organised sector.

- **The Labour force participation rate of women is also declining**, when neighbours like Bangladesh are registering an increase.

SUGGESTION TO IMPROVE NITI

- **Balancing with finance commission:** NITI Aayog should be given a funding role so that it can help deal with the development experience between states.
- Another possibility is to **convert the Finance Commission into a permanent body** that can oversee fiscal transfer mechanisms rather than just give a tax-sharing formula every five years.
- **Increasing accountability:** Bureaucracy will need to change from generalist to specialist, and its accountability will have to be based on outcomes achieved, not inputs or funds spent. NITI Aayog should spell out how these reforms will be implemented.
- **Allocation of more funds:** Towards the task of cooperative federalism, NITI Aayog 2.0 should receive significant resources (say 1% to 2% of the GDP) to promote accelerated growth in States that are lagging, and overcome their historically conditioned infrastructure deficit, thus reducing the developmental imbalance.

- **More stakeholder involvement:** It should invite research inputs and recommendations of expert members on identified areas. It should synthesize recommendations based on the empirical weight of the research. This will cut time, cost and effort and will increase timely policy inputs for the government.

ACHIEVEMENTS OF NITI AAYOG

Launching of various initiatives and programmes

- 1 Measuring performance and ranking States on outcomes in critical sectors
- 2 Sustainable Action for Transforming Human Capital (SATH)
- 3 Ek Bharat Shrestha Bharat
- 4 Public-Private Partnership in Health
- 5 Development Support Services to States (DSSS) for Development of Infrastructure
- 6 Resolution of pending issues of States with Central Ministries
- 7 Aspirational District Programme (ADP): to realise the vision of “Sabka Saath, Sabka Vikas” and ensure that the growth process of India must be inclusive.
- 8 India’s growth process remains inclusive

INDEXES AND INITIATIVES OF NITI

- SDG India Index
- Composite Water Management Index
- Atal Innovation Mission
- SATH programme
- Aspirational District Programme
- School Education Quality Index
- District Hospital Index
- Health Index 2019 – (Healthy states, progressive India)
- Composite Health Index
- Digital Transformation Index
- Agriculture Marketing And Farmer Friendly reform Index
- India Innovation Index
- Women Entrepreneurship Platform
- Good Governance Index (NITI with other agencies)

