



A State of Indian Economy

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Surat.

Basic Terminologies

- Economic Growth.
- Economic Development.
- Economic Progress.
- Resources & its types.
- Types of Nations.
- Policies & its types.
- Age structure
- Age Earning Structure.
- Labour & its types.

Types of Resources

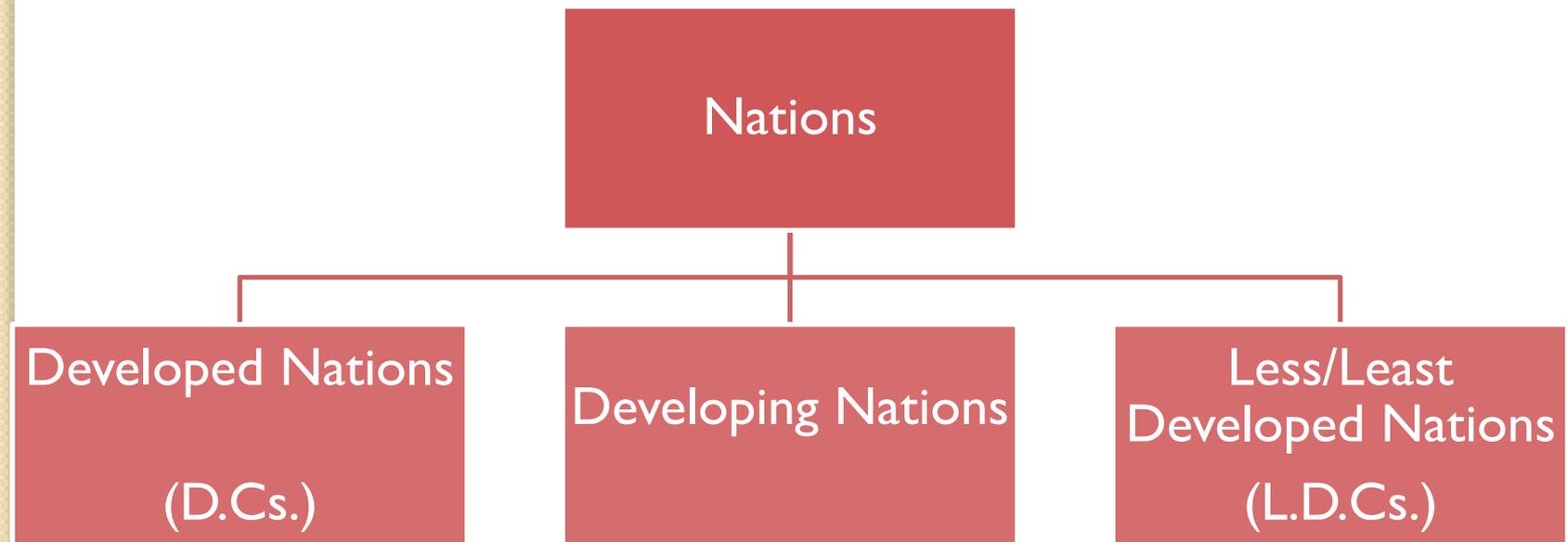
Physical / Natural Resource

Financial Resource

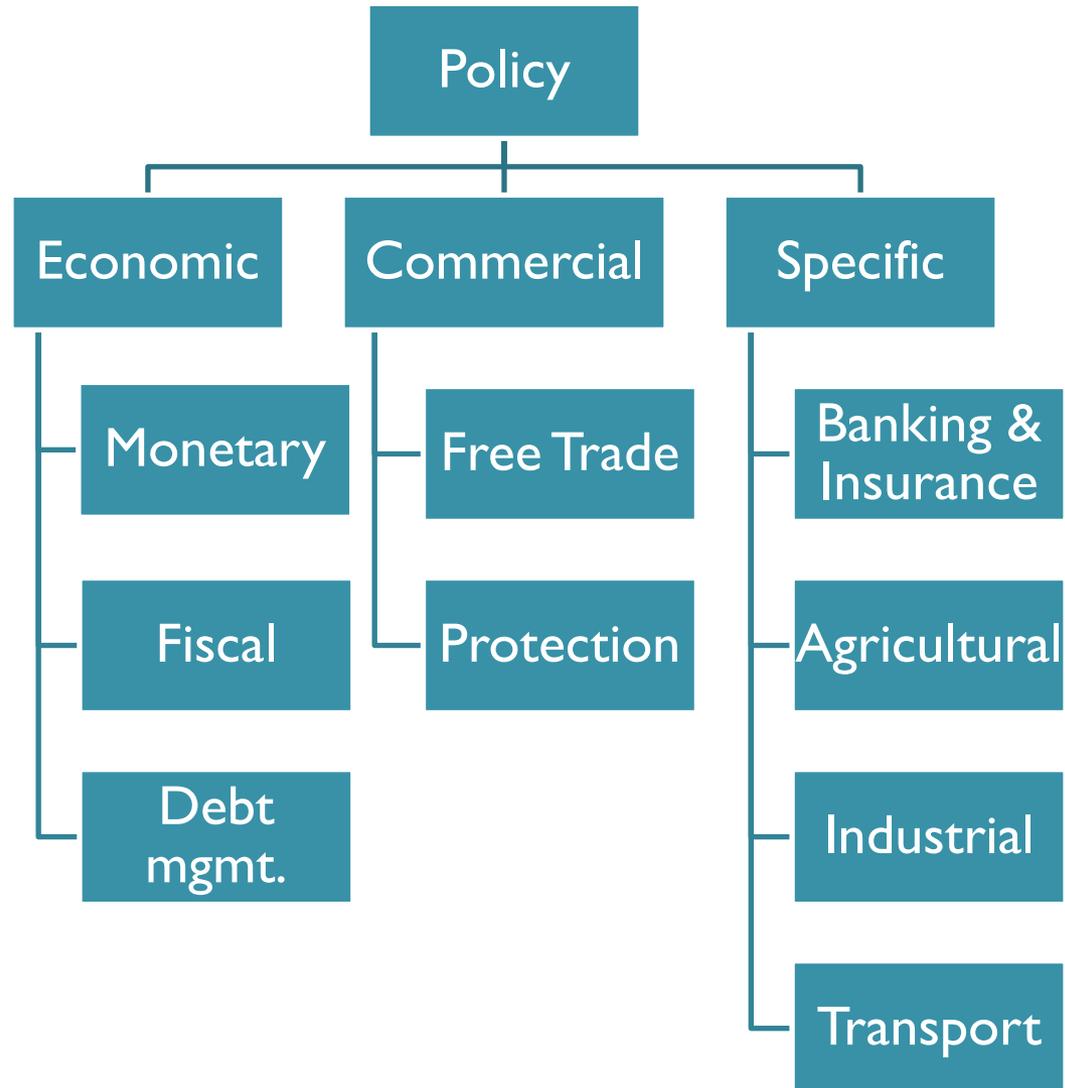
Human Resource

Types of Nations

(Based on their level of Economic Development)



Policy refers to a strategy with a pre determined goals to be accomplished during a specific period of time.



Key Features of Indian Economy

[As an Underdeveloped Economy]

- 1.Low per capita income.
- 2.Inequitable distribution of income.
- 3.High incidence of poverty.
- 4.Predominance of agriculture.
- 5.Rapid population growth & high dependency.
- 6.Low level of human development.
- 7.Widespread unemployment.
- 8.Scarcity of Capital.
- 9.Technological Backwardness.
- 10.Lack of entrepreneurial skills.

Key Features of Indian Economy

[As a developing economy]

I.

Developing Economy

Quantitative Changes

1. National Income Trends
2. Rise in per capita income

Prepared By : Dr. Dhaval J. Pandya

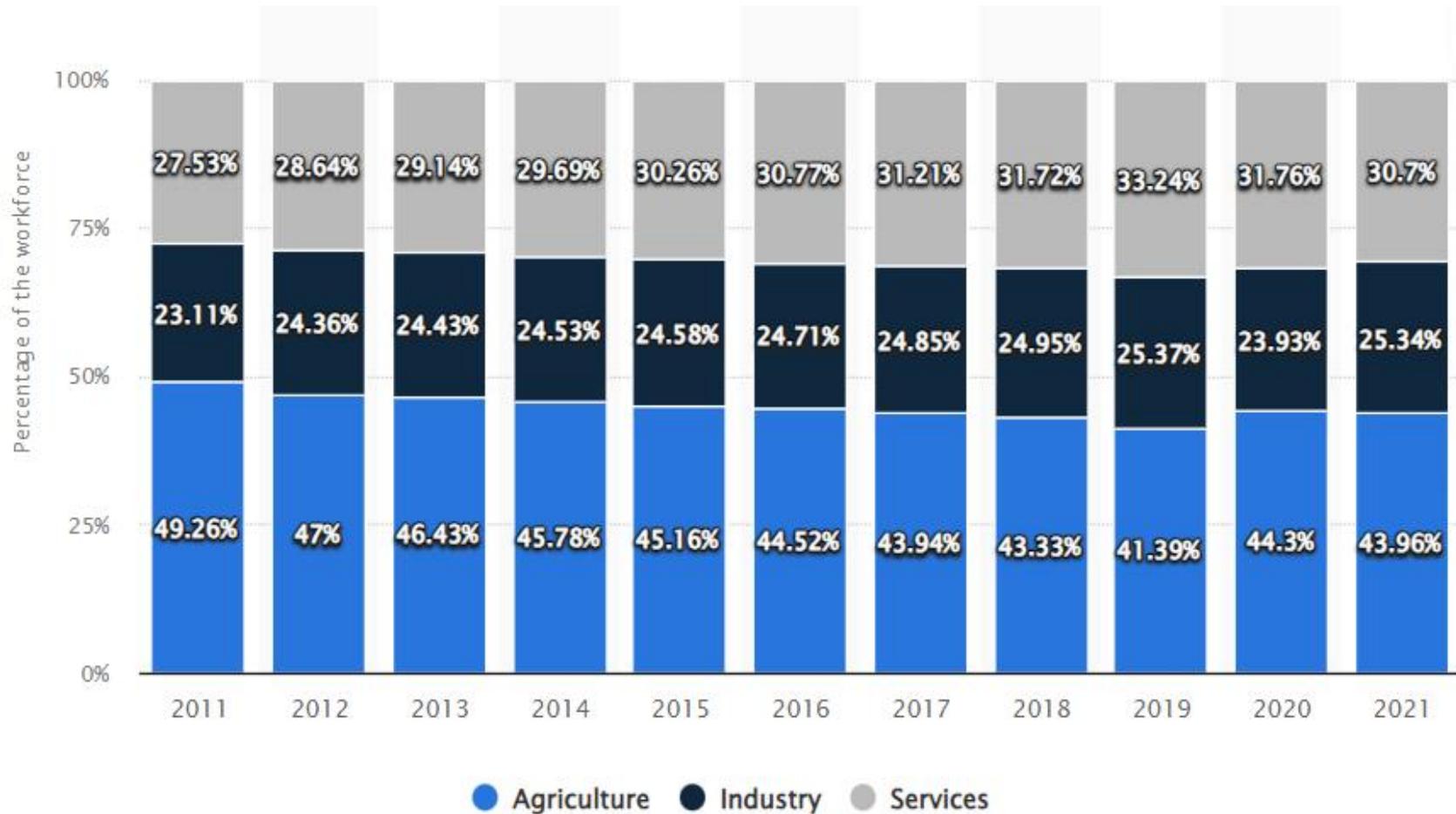
Qualitative Changes

1. Significant changes in Sectoral distribution of GDP.
2. Changes in employment structure
3. Growth of Capital goods industries
4. Expansion in Social Overhead capital
5. Progress in Banking & Insurance

Structural Changes in India's Economy

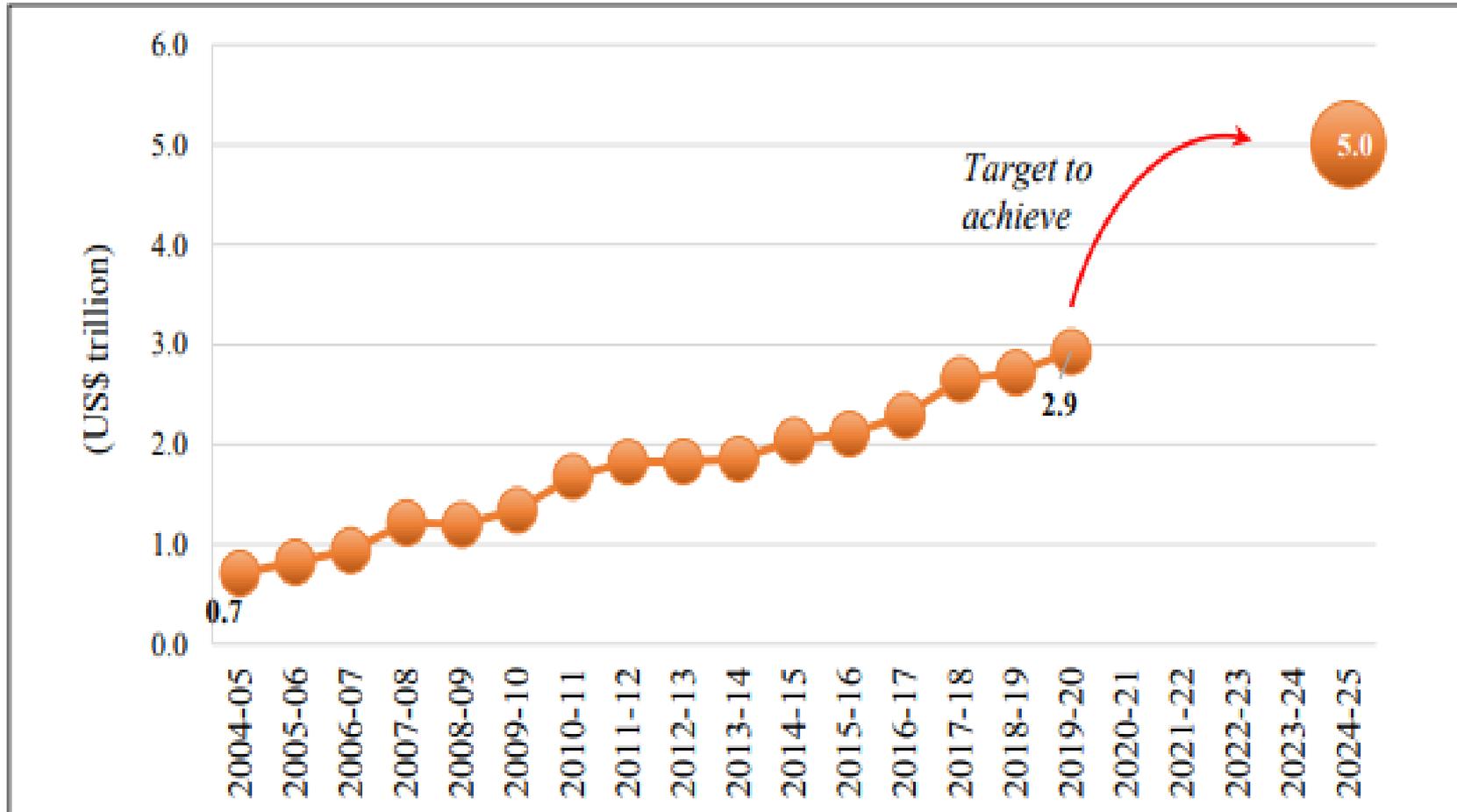
Indicators	Year		
	1950-51	2019-20	2022-23
Gross National Income (In Rs. Crs.) (At 2011-12 Prices Series)	10,181	19,88,1742 (RE)	26,79,9146 (AE)
Per Capita Income (In Rs.) (At 2011-12 Prices Series)	265	1,32,115 (RE)	1,70,620 (AE)
Changes in Sectoral Distribution of India's G.D.P./GVA (At 2004-2005 prices) (2020-2021)			
Agricultural & Allied Activities	53.1 %	13.9 %	15.6 %
Industry	16.6 %	28.3%	21.0 %
Services	30.3 %	57.8 %	63.4 %
Changes in the structure of employment (In Percentage) (2021-22)			
Agriculture & Allied Activities	72.1 %	43.21 %	43.96 %
Industry	10.6 %	24.89 %	25.34 %
Services	17.3 %	31.90 %	30.7 %

Sectoral Share in terms of Employment



Source: <https://www.statista.com/statistics/271320/distribution-of-the-workforce-across-economic-sectors-in-india/>

Increasing Size of Indian Economy (GDP at Current USD)



Data Source: National Statistical Office, Reserve Bank of India (RBI) and IMF

Table 1: Top 10 Economies in the world in terms of GDP at current US\$ trillion

Sl. No.	Country	2017	2018	2019 (E)	Change in position in 2019
1	United States	19.5	20.6	21.4	-
2	China	12.1	13.4	14.1	-
3	Japan	4.9	5.0	5.2	-
4	Germany	3.7	4.0	3.9	-
5	India	2.7	2.7	2.9	▲
6	United Kingdom	2.6	2.8	2.7	▼
7	France	2.6	2.8	2.7	▼
8	Italy	2.0	2.1	2.0	-
9	Brazil	2.1	1.9	1.8	-
10	Korea	1.6	1.7	1.6	-

Data Source: World Economic Outlook, October 2019 database

Notes: E : IMF's estimate; ▲ indicates improvement in rank; ▼ indicates drop in rank and - indicates unchanged rank

A Degree of Comparison

(With Various Indicators)

Type of Nation	Pop. (Bn. /Mn.) (2014)	GDP (USD) (2014)	GNI (USD) (2014)	Urban Pop. (%) (2014)	Health-Life Exp.At Birth (Yrs) (2013)	Env.-CO ₂ Emission (Metric Tons Per Capita) (2011)	Education-Primary Completion Rate(%)
High Income	1.396 Bn.	52.91 Tn.	38,392	81	79	11.1	99
Middle Income	5.198 Bn.	24.60 Tn.	4690	49	70	3.4	96
Low Income	613.2 Mn.	397.4 Bn.	635	30	59	0.3	71

A State of Developed Countries (2015)

Nations/ Indicators	United States (U.S.)	United Kingdom (U.K.)	Japan	Australia	U.A.E
Population (Mn.)	320.7	65.11	127.1	23.81	9.446
Urban Population (% of Total)	81	82	93	89	85
G.D.P. GDP Growth	18.20 Tn. (2.7%)	2.956 Tn. (2.6%)	4.44 Tn. (1.6%)	1.350 Tn. (2.2%)	401.6 Bn.
G.N.I. Per Capita PPP (USD)	58,180	41,890	42,510	45,310	43,480
Life Expect. At Birth (Yrs)	78.7	81.0	83.8	82.4	77
Primary Enrolment Rt. (%)	98	102	102	105	108

A State of Developed Countries (2014)

Nations/ Indicators	United States (U.S.)	United Kingdom (U.K.)	Japan	Australia	U.A.E
Inflation (%)	1.5	1.8	1.6	1.6	-3.6
G.D.S. (%of GDP) (2013)	18	13	22	25	N.A.
Exports (% of GDP)	13.5 (2013)	28.4	16.2 (2013)	20.9	99.5
Imports (% of GDP)	16.5 (2013)	30.2	19.0 (2013)	21.4	86.1

Foreign Direct Investment (F.D.I.) Net Inflows for D.Cs.

Developed Nations	F.D.I. (B/Ps Current USD)
United States- U.S.	27,758,090,944
United Kingdom- U.K.	N.A.
Japan	9,069,845,069
Australia	51,686,249,236
United Arab Emirates- U.A.E.	10,487,950,987

A State of Developing Countries(2014)

Nations/ Indicators	Nepal	Pakistan	Sri Lanka	India	China
Population (Mn./ Bn.)	28.12 Mn.	185.1 Mn.	20.64 Mn.	1.692 Bn.	1.364 Bn.
Urban Population (% of Total)	18	38	18	32	54
G.D.P. (%)	19.64 Bn. (5.5)	246.9 Bn. (5.4)	74.94 Bn. (7.4)	2.067 Tn. (7.3)	10.36 Tn. (7.7)
G.N.I. Per Capita (USD)	730	1410	3400	1527	7380
Life Expect. At Birth (Yrs)	68	67	74	67	75.4
Primary Completion Rt. (%)	133	92	98	91	126
Poverty (%)	25.2 (2005)	22.3 (2005)	6.7 (2013)	21.1 (2005)	4.6 (2005)

A State of Developing Countries(2014)

Nations/ Indicators	Nepal	Pakistan	Sri Lanka	India	China
Inflation (%) GDP Deflator	8.0	7.2	5.1	3.8	0.8
G.D.S. (%of GDP) (2013)	43	21	26	32	50
Exports (% of GDP)	12.1	12.3	22.3	23.6	22.6
Imports (% of GDP)	40.3	18.8	30.9	26.0	18.9

Foreign Direct Investment (F.D.I.) Net Inflows for Developing Nations

Developing Nations	F.D.I. (B/Ps Current USD)
Nepal	74,244,987
Pakistan	1,778,000,000
Sri Lanka	915,570,803
India	34,410,758,384
China	347,848,740,397

Summary of Indian Economy (2013-2014)

Indicators	
G.N.P. Per Capita	1570 USD
Human Development Index (HDI)	0.586 (135 th / 187)
Gender Inequality Index (GII)	0.563 (127 th / 187)
Multidimensional Poverty Index (M.P.I.)(U.N.D.P.)	55.3 % (63.2 Crs.)
Incidence of Poverty (G.o.I.)	21.9 %
Unemployment Rate (U.P.S.)	2.2 % (10.8 Mn.)
Gross Domestic Savings (G.D.S.)	30.6 % (2011-12 Series)
Gross Domestic Capital Formation (G.D.C.F.)	32.5 % (2011-12 Series)
Foreign Direct Investments (F.D.I.) (In USD)	21,564 Millions

Public Statistics (2013-14)

Parameters	Actuals
Tax -G.D.P. Ratio	16.9 %
Tax Revenue for Central Govt.	8,36,026 Crs.
Direct Tax	4,50,215 Crs. (53.8 %)
Indirect Tax	3,85,811 Crs. (46.2 %)
Public Expenditure to G.D.P.	28.0%
Development Expenditure	60.1 %
Public Debt	46,24,791 Crs.
Public Debt- G.D.P. Ratio	66.2 %
Deficits:	
Fiscal Deficit [=Total Expenditure- (Total Revenue+ Grants)]	4.4 % of G.D.P.
Revenue Deficit [=Revenue Expenditure- Current Revenue]	3.1 % of G.D.P.
Primary Deficit [=Fiscal Deficit – Interest Payments]	1.1 % of G.D.P.

Demographic Statistics

Vital Statistics	
Population (2011)	121.09 Crore
Decadal Growth (2001-2011)	17.72 %
Average Annual Growth Rate	1.64 %
Density of Population	382 per Sq. Km.
Crude Birth Rate - C.B.R. (2013)	21.4 per 1000 persons
Crude Death Rate – C.D.R. (2013)	7.0 per 1000 persons
Infant Mortality Rate – I.M.R.(2013)	40 per 1000 live births
Total Fertility Rate – T.F.R. (2013)	2.3 per women
Maternal Mortality Rate – M.M.R. (2007-09)	212 per 1 lakh live birth
Couple Protection Rate - C.P.R. (2011)	40.4 %
Life Expectancy Rate (2009-2013)	67.5 Years
Male	65.8 Years
Female	69.3 Years

Fiscal Status-2021

Table 2: Central Government's Fiscal Indicators

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 PA	2021- 22 BE
(in ₹ lakh crore; Figures in parenthesis are as a per cent of GDP)							
Revenue receipts	11.95 (8.7)	13.74 (8.9)	14.35 (8.4)	15.53 (8.2)	16.84 (8.3)	16.32 (8.3)	17.88 (8.0)
Gross tax revenue	14.56 (10.6)	17.16 (11.2)	19.19 (11.2)	20.8 (11.0)	20.1 (9.9)	20.25 (10.3)	22.17 (9.9)
Net tax revenue	9.44 (6.9)	11.01 (7.2)	12.42 (7.3)	13.17 (6.9)	13.57 (6.7)	14.24 (7.2)	15.45 (6.9)
Non-tax revenue	2.51 (1.8)	2.73 (1.8)	1.93 (1.1)	2.36 (1.2)	3.27 (1.6)	2.08 (1.1)	2.43 (1.1)
Non-debt capital receipts*	0.63 (0.5)	0.65 (0.4)	1.16 (0.7)	1.13 (0.6)	0.69 (0.3)	0.58 (0.3)	1.88 (0.8)
Non-debt receipts	12.58 (9.1)	14.40 (9.4)	15.51 (9.1)	16.66 (8.8)	17.53 (8.6)	16.90 (8.6)	19.76 (8.9)
Total expenditure	17.91 (13.0)	19.75 (12.9)	21.42 (12.5)	23.15 (12.2)	26.86 (13.2)	35.11 (17.8)	34.83 (15.6)
Revenue expenditure	15.38 (11.2)	16.91 (11.0)	18.79 (11.0)	20.07 (10.6)	23.51 (11.6)	30.86 (15.6)	29.29 (13.1)
Capital expenditure	2.53 (1.8)	2.85 (1.9)	2.63 (1.5)	3.08 (1.6)	3.35 (1.6)	4.25 (2.2)	5.54 (2.5)
Fiscal deficit	5.33 (3.9)	5.36 (3.5)	5.91 (3.5)	6.49 (3.4)	9.34 (4.6)	18.21 (9.2)	15.07 (6.8)
Revenue deficit	3.43 (2.5)	3.16 (2.1)	4.44 (2.6)	4.54 (2.4)	6.67 (3.3)	14.54 (7.4)	11.41 (5.1)
Primary deficit	0.91 (0.7)	0.55 (0.4)	0.62 (0.4)	0.67 (0.4)	3.22 (1.6)	11.39 (5.8)	6.97 (3.1)
<i>Memo Item</i>							
GDP at Market Price	137.72	153.62	170.95	189.71	203.51	197.46	222.87

Source: Union Budget Documents & CGA

BE: Budget Estimate, PA: Provisional Actuals

*includes disinvestment proceeds

Major Concerns or Challenges for Indian Economy

- Achieving & sustaining high economic growth.
- Expediting the process of economic reforms.
- Attaining financial stability.
- Improvement in infrastructure.
- Tackling issues like human development, financial inclusion etc.



- **Indian Planning**

Historical Preview of Economic Planning

The Indian National Congress, under the inspiration of Jawaharlal Nehru, set up the National Planning Committee (N.P.C.) towards the end of 1938. The NPC produced a series of studies on various issues of economic development.

Besides NPC, eight leading industrialists of India conceived a plan of 'Economic Development' which was popularly known as "Bombay Plan".

Historical Perspective of Indian Planning

- There was also a 'Gandhian Plan' which was prepared by Mr. Shriman Narayan.
- The world famous revolutionary M.N.Roy formulated the 'People's Plan'.
- All these plan were only of historical importance because they were just paper plans which were never implemented.
- Just after attainment of independence the Prime Minister Mr. Nehru set up 'Planning Commission' in 1950 to access the country's need to formulate economic plans.

Various Plans

Plans	Year	Chairman	Objective(s) & Preferences
The Visvesvaraya Plan: Ex-Dewan of Mysore	1934	M.Visvesvaraya	Democratic capitalism - Industrialization
The Congress Plan	Oct., 1938	J. L. Nehru	Development of all major areas of the economy
The Bombay Plan	1944- 1945	Purshotamdas Thakurdas	Agrarian restructuring, rapid industrialization, development of essential consumer goods, promoting SSIs, Social welfare,.
The Gandhian Plan	1944	Sriman Narayan Agarwal	Emphasis on Agriculture, promoting cottage & village industries.
The People's Plan	1945	M.N. Roy	Equal development of agriculture & Industrial sector
The Sarvodaya Plan	1950	Jayprakash Narayan	Development of Agriculture & SSIs ,self reliance, no dependence on foreign capital & tech., & land reforms.
The Planning Commission	1950	Chairman – Prime Minister of India	Overall development of sectors



Why Planning?

Rationale of Planning

1. Market failure & limitations of market mechanism.
2. The need for Social Justice.
3. Resource Mobilisation & allocation of resources.
4. Need to strike a changed equation with developed nations.

Meaning of Economic Planning

- Since Economic Planning has assumed different forms in different countries there is a little agreement among economists on the said concept. Economic Planning has different meaning in four different sense-
- First, economic planning implies existence of an economic system in which production uses only productive resources allocated to it. This meaning of planning has been adopted in Socialist countries.

Meaning of Economic Planning

- In second sense, economic planning means merely laying down the targets of some public or private enterprises. Such a policy is sometimes persuaded in Capitalist economy.
- In third sense, planning refers to setting of targets for the economy as whole support to allocate the country's resources between the various branches (sectors) of the economy.
- In forth & final sense, planning refers to the system whereby the Government enforces upon private enterprises, certain targets which is determined for them.

Economic Planning

- In general, *“planning is a conscious, deliberate and carefully thoughtful process with certain pre-determined and well defined objectives to be achieved within a given period of time.”*

Types of Planning

Financial Planning:

..refers to the technique of planning in which resource allocation is done in money terms for realizing the objectives of the plan.

- Financial Planning

Physical Planning:

..implies setting of targets in physical terms and the resource allocation in terms of labour, materials and capital equipment for their realization.

- Physical Planning

Planning by Direction & Market

Planning

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graph TD; A[Planning] --> B[By Direction]; A --> C[By Market];
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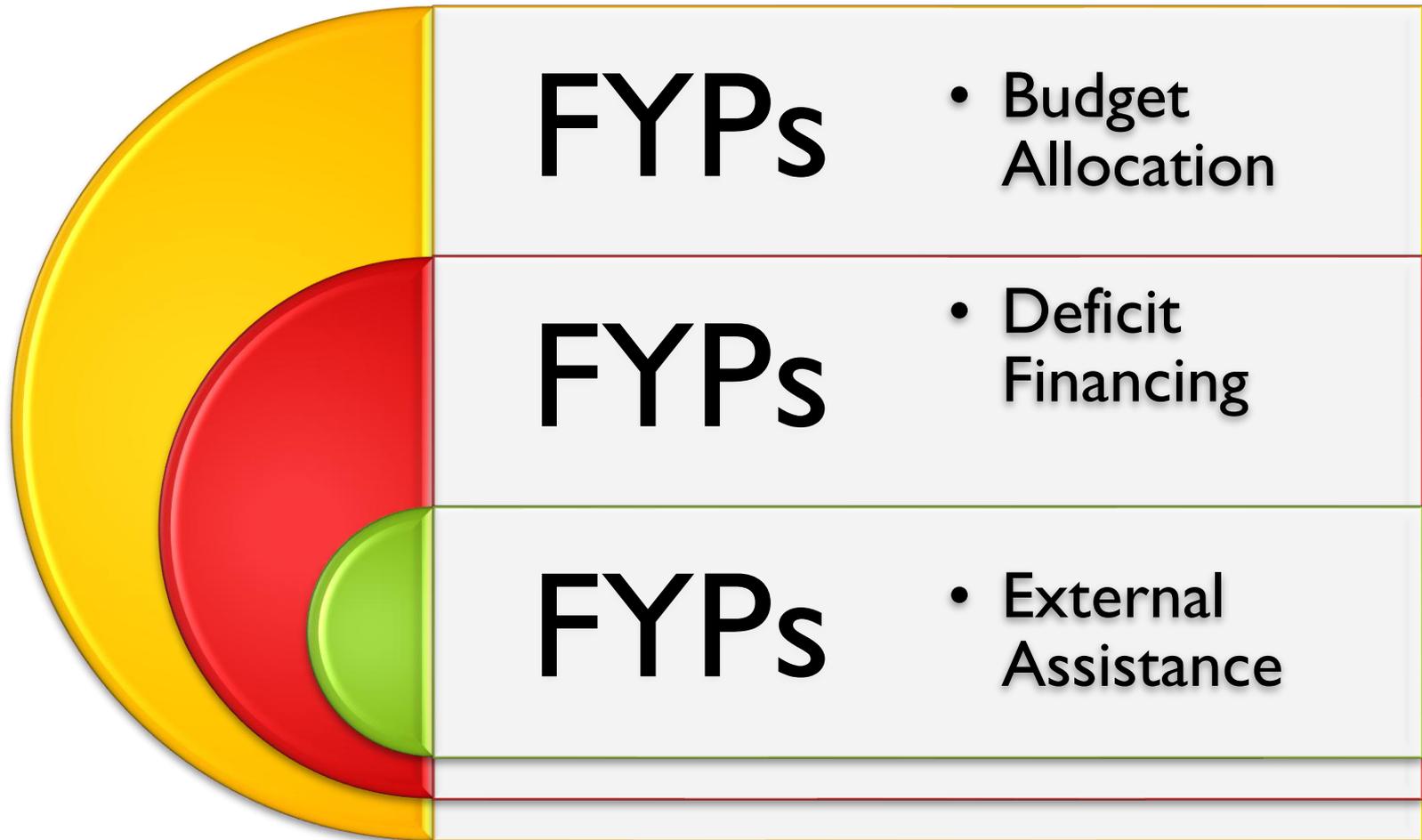
By Direction: refers to a system under which the State has complete control over the means of production. In addition, it formulates a plan for the entire economy in the light of goals set by the Government.

By Market : refers to planning by inducement or indicative planning. Here, the State largely relies on monetary & fiscal measures.

Planning Practice

- Formation of Planning Body.
- Survey of resources & collection of necessary data.
- Determining the objectives of planning.
- Defining priorities.
- Formation of strategy & development policy.
- Balancing in the plan.
- Resource mobilization.
- Raising administrative efficiency.

Sources of Capital for Plans



Features of Indian Economic Planning

1. Indicative economic planning.
2. Physical planning.
3. Indian planning is social planning.
4. Democratic & Decentralized Planning.
5. Mixed Economy.

Time Period of India's Five Year Plan

Five Year Plans	Period
I	1951-1956
II	1956-1961
III	1961-1966
Holiday Plans	1966-1969 (Three Annual Plans)
IV	1969-1974
V	1974-1978
Holiday Plan	1978-1980
VI	1980-1985
VII	1985-1990
Holiday Plans	1990-1992
VIII	1992-1997
IX	1997-2002
X	2002-2007
XI	2007-2012
XII	2012-2017

Note: Each plans commence on 1st of April & ends at 31st of March of planning period.

Objectives of Indian Economic Planning

1. Economic Growth & Rapid Economic Development
2. Self Reliance.
3. Removal of Unemployment.
4. Reduction in Income Inequalities.
5. Elimination of Poverty.
6. Balanced regional development.
7. Modernization.
8. Inclusiveness & Sustainability of Growth.
9. Development with Social justice.
10. Consistent or stable development.

An Overview of Indian Planning

Plan	Total Outlay (In Rs. Crs.)	Av. Annual Growth Rate of N.I. (In %) (At 2004-05 prices)	Av. Annual Growth Rate of P.C.I. (In %) (At 2004-05 prices)	Priorities & Objectives
I	1,960	3.7	2.4	Agricultural development & Refugee Settlements.
II	4,672	4.2	2.2	Rapid industrialization & Employment generation.
III	8,573	2.8	0.3	Self reliance in agriculture for industrial development
IV	16,774	3.4	0.9	Growth with stability & removal of regional disparities.
V	39,426	4.9	2.6	Elimination of Poverty & economic reliance
VI	1,09,292	5.4	3.1	Increase in the industrial productivity & modernization.
VII	2,18,730	5.6	3.3	Elimination of Poverty & illiteracy ; provision of basic infrastructural facilities ; optimum utilization of resources

Plan	Total Outlay (In Rs. Crs.)	Av. Annual Growth Rate of N.I. (In %) (At 2004-05 prices)	Av. Annual Growth Rate of P.C.I. (In %) (At 2004-05 prices)	Priorities & Objectives
VIII	4,34,100	6.6	4.6	To overcome economic crisis- market friendly & not controlled ; importance to Pvt. sector
IX	8,59,200	5.7	3.5	Social sector development (education, health, family welfare, housing, etc.)
X	15,25,639	7.6	5.9	Increase in MEC, transparency in administration & development of capital market
XI	36,76,936	9.0	8.0	Inclusive growth
XII	-	-	-	Sustainable development

Growth Trends during Planning Era

Five Year Plan	Period	Target	Actual
I	(1951-56)	2.1	4.6 *
II	(1956-61)	4.5	4.1
III	(1961-66)	5.6	3.3
IV	(1969-74)	5.7	3.0
V	(1974-79)	4.4	5.0 *
VI	(1980-85)	5.2	5.3 *
VII	(1985-90)	5.0	5.8 *
VIII	(1992-97)	5.6	6.5 *
IX	(1997-2002)	6.5	5.4
X	(2002-07)	8.0	7.6
XI	(2007-12)	9.0	7.5
XII	(2012-17)	8.0	-

Targets for Twelfth Five Year Plan (2012-17)

- G.D.P. – 8.0 % p.a.
- Agriculture Growth – 4.0 % p.a.
- Industrial Growth – 7.6 % p.a.
- Service Growth – 9.0 % p.a.
- Fixed Capital Investment – 34.2 % of G.D.P.
- G.D.S. – 33.6 % of G.D.P.
- Current Account Deficit - 3.4 %

Assessment of Indian Planning

- Achievement of Indian Economic Planning:
 1. Initiation of the process of growth.
 2. Development of Infrastructure.
 3. Development of basic & capital goods industries.
 4. Agrarian reforms & green revolution.
 5. Growth of the public sector.

Assessment of Indian Planning

- Failure of Economic Planning:
 1. Inappropriate form of economic planning
 - a. heavy reliance on multi-sector models.
 - b. excessive power assigned to planners & full authority of decision power.
 - c. Wrong political philosophy- too much importance to public sector.
 2. Absence of Financial strategy-
wrong assumption involved that 'what is physically possible is financially possible too.'
 3. Misplaced faith in investment.

Assessment of Indian Planning

4. Flaws in industrial strategy- structural retrogression or industrial deceleration.
5. Neglect employment strategy – no exclusive strategy for employment.
6. Neglect of social justice – not much attention to the objectives of alleviation of poverty & reduction in income inequalities.
7. Implementation failure-
 - a. Authorities are inefficient to collect relevant information.
 - b. Time lags in implementation.
 - c. No or little capacity of planning authorities for the agencies who implement plans.

Assessment of Indian Planning

- Reasons for Plan Failure
 - I. Inconsistencies in plan objectives. (Phillips Curve)
 - II. Inappropriate plan strategies.
 - III. Insufficient data & unreliable data.
 - IV. Institutional Weakness.
 - V. Lack of political will.

National Institute for Transforming India NITI Aayog



सत्यमेव जयते

NITI Aayog

Premier Policy Think Tank of Government of India

- Est. year: 1st Jan.,2015
- Chairperson: Prime Minister (Shri Narendra Modi)
- Vice Chairperson: Shri Suman Bery
- CEO: Shri B.V.R. Subrahmanyam
- Link: niti.gov.in

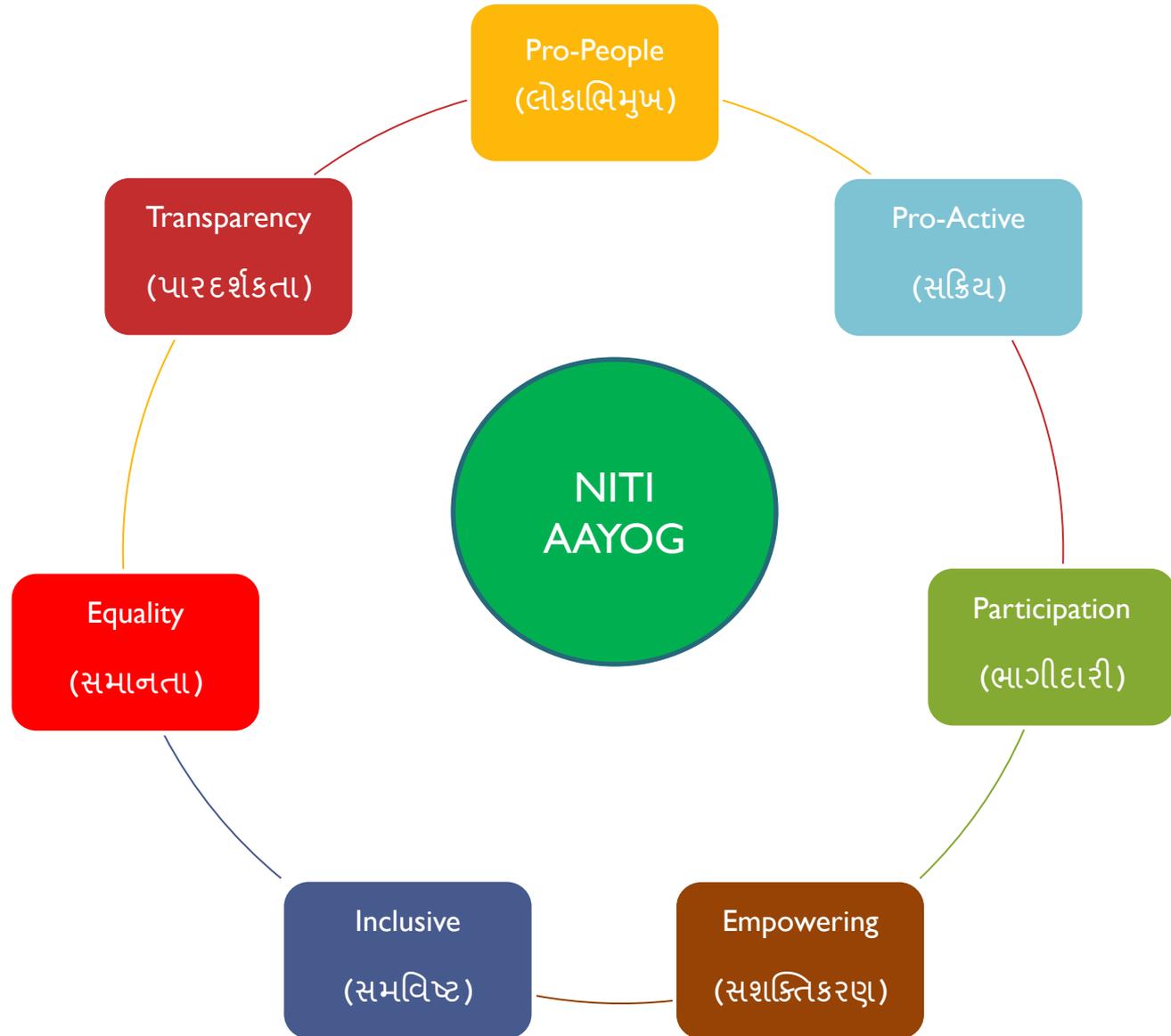
Establishment of NITI Aayog

- On account of the said reasons, many economists advocates dismantling of the Planning Commission. In line with this thinking, the Gol established the NITI (National Institution for Transforming India) Aayog as replacement for the Planning Commission on January 1, 2015 with Mr. Arvind Panagariya as its Vice Chairperson. Prime Minister will be the Chairperson as was in the case of Planning Commission.
- **NITI Aayog is a policy think-tank of the Government of India & aims to involve the States in policy making in India.**

Composition of Governing Council of NITI Aayog

Designation	No.	Name
Chairperson	1	Prime Minister Shri Narendra Modi
Vice-Chairperson,	1	Shri Suman Bery
Ex officio Members	4	<ol style="list-style-type: none"> 1. Shri Raj Nath Singh, Minister of Defence 2. Shri Amit Shah, Minister of Home Affairs 3. Smt. Nirmala Sitharaman, Minister of Finance and Minister of Corporate Affairs 4. Shri Arjun Munda, Former Minister of Tribal Affairs & Agriculture and Farmers
Full-time Members	4	<p>Shri V.K. Saraswat (Former DRDO Chief) Prof. Ramesh Chand (Agriculture Expert) Dr. V. K. Paul (Public Health Expert) Dr. Arvind Virmani (Economist) .</p>
Governing Council Members	33	CMs & Lt. Governors of all states & UTs.
Special Invitees of NITI Aayog will be Special Invitees of Governing Council	5	<ol style="list-style-type: none"> 1. Shri Nitin Jairam Gadkari, Minister of Road Transport and Highways; Minister of Micro, Small and Medium Enterprises 2. Shri Virendra Kumar, Minister of Social Justice and Empowerment. 3. Shri Piyush Goyal, Minister of Commerce and Industry 4. Shri Rao Inderjit Singh, Minister of State (Independent Charge), Minister of the Ministry of Statistics and Programme Implementation and Minister of State (Independent Charge) of Ministry of Planning. 5. Ashwini Vaishnav, Former Railway Minister
C.E.O.	1	Shri B. V. R. Subrahmanyam
Total Members	49	Inclusive of all CMs , Lt. Governors & Union Ministers

Seven Pillars of NITI Aayog

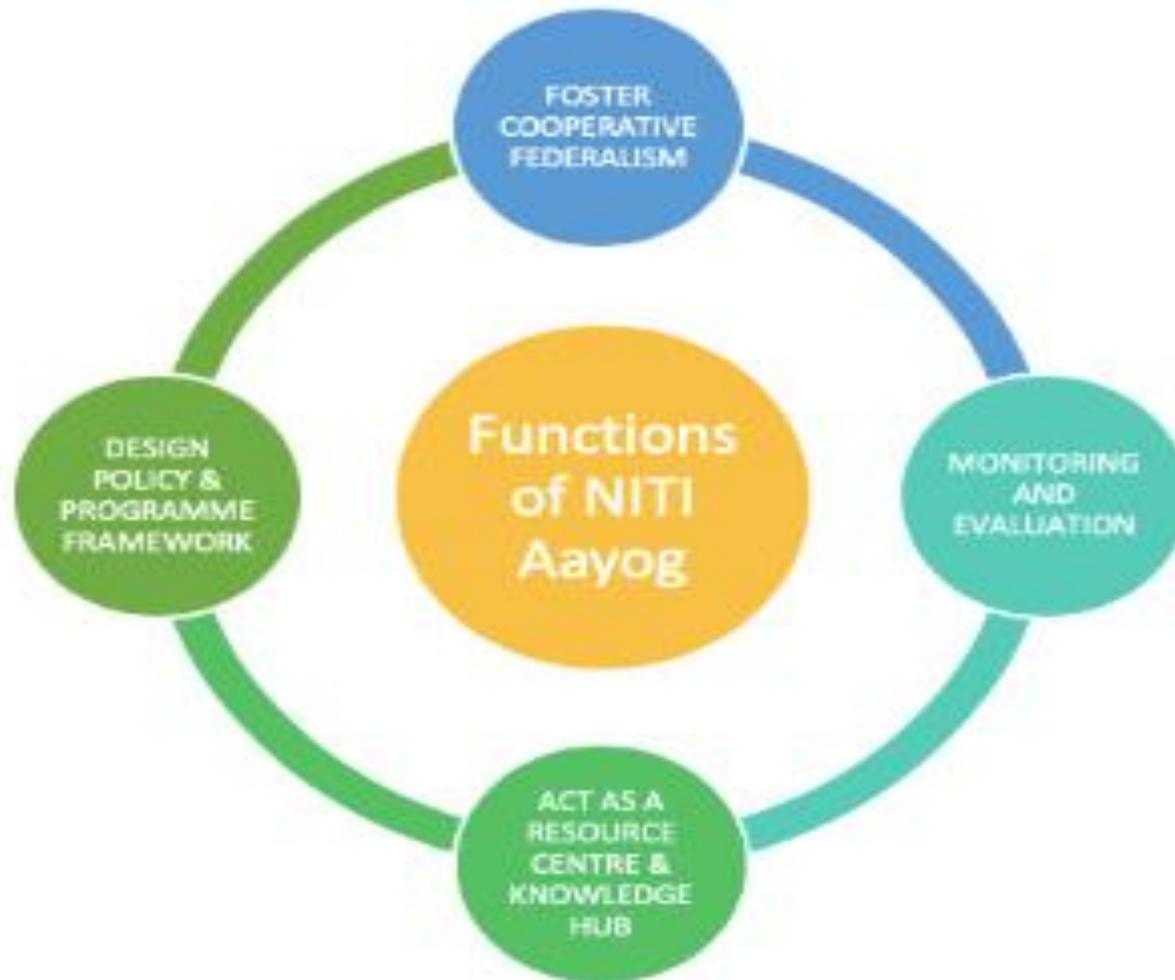


Objectives of NITI Aayog

- 1.To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of States.
- 2.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.
- 3.To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government.
- 4.To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy.
- 5.To pay special attention to the sections of our society that may be at risk of not benefiting adequately from economic progress.
- 6.To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections.
- 7.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.
- 8.To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.
- 9.To offer a platform for resolution of inter-sectoral and inter departmental issues in order to accelerate the implementation of the development agenda.
10. 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.
- 11.To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery.
- 12.To focus on technology up gradation and capacity building for implementation of programmes and initiatives.
- 13.To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above.

Specific Functions of NITI Aayog

NITI Aayog's entire gamut of activities can be divided into four main heads.



Functions of NITI Aayog

1. Cooperative & competitive federalism.
2. Shared national agenda.
3. States' best friend at the centre.
4. Decentralized planning.
5. Vision & Scenario planning.

Verticals of NITI Aayog

- ❑ The different verticals of NITI provide the requisite coordination and support framework for NITI to carry out its mandate. The list of 23 verticals is as below:
 - Agriculture
 - Health
 - Women & Child Development
 - Governance & Research
 - Human Resource Development - HRD
 - Skill Development & Employment
 - Rural Development
 - Sustainable Development Goals
 - Energy
 - Managing Urbanization
 - Industry
 - Infrastructure
 - Financial Resources
 - Natural Resources & Environment
 - Science & Tech
 - State Coordination & Decentralized Planning (SC&DP)
 - Social Justice & Empowerment
 - Land & Water Resources
 - Data management & Analysis
 - Public-Private Partnerships
 - Project Appraisal and Management Division (PAMD)
 - Development Monitoring and Evaluation Office
 - National Institute of Labour Economics Research and Development

Guiding Principles of NITI Aayog

1. Antyodaya : Priority to subtle class.
2. Inclusion: To empower marginalized.
3. Village: To integrate village.
4. Demographic Dividends: To harness our greatest asset.
5. People's Participation: To transform the development process into people's driven one.
6. Governance: To nurture open, transparent, accountable, proactive & purposeful style of Governance.
7. Sustainability: To protect environment.

Specialized Wings in the Aayog

- Research Wing.
- Consultancy Wing.
- Team India Wing.- State Participation

The Way Forward...

STRATEGY FOR 2022

Growth

Steadily accelerate GDP growth rate to achieve a target of 8%

Raise investment rates to 36% of GDP.

Increase tax-GDP ratio to 22% of GDP.

Work with states to improve ease of business and rationalize land & labour regulations.

Employment & Labour Reforms

Fully codify central labour laws; Enhance Female Labour Force Participation to 30%

Enhance skills & significantly increase number of apprenticeships.

Improve data collection on employment.

Ease industrial relations to encourage formalization.

Technology & Innovation

Achieve a position among top 50 countries in Global Innovation Index

Establish an empowered body to holistically steer the management of science.

Take steps for enhancing technology commercialization by public funded institutions.

Create a non-lapsable 'District Innovation Fund'.

Industry

Double the current growth rate of the manufacturing sector

Develop self-sufficient clusters of manufacturing competence, with plug & play parks for MSMEs.

Launch a major initiative to push industry to adopt Industry 4.0.

Introduce a "single window" in states providing a single point of contact between investor & government.

STRATEGY FOR 2022

Doubling Farmers Income I

Modernize technology, increase productivity & agro-processing; diversify crops

Increase area under drip irrigation, adoption of hybrid seeds.

Reorient ATMA to include bottom-up planning for developing Strategic Research Extension Plans.

Encourage diversification to High Value Crops.

Doubling Farmers Income II

Promote policies that enable farmers to capture a higher share of value addition

Abolish APMC; Adopt Model APLM Act, Model Contract Farming Act & Model Land Leasing Act.

Formulate a coherent & stable agricultural export policy. Eliminate ban on agro-exports.

Focus on precision agriculture; raise research spending.

Doubling Farmers Income III

Create modern rural infrastructure & an integrated value chain system

Accord infrastructure status for agriculture value chains.

Link production to processing, set up village-level procurement centres.

Develop export-oriented clusters.

Financial Inclusion

Ensure universal access to bank accounts, insurance & pension

Integrate an *Arthik Shiksha Abhiyan* in the regular school curriculum.

Use technology to improve assessment of credit-worthiness of small borrowers & households etc.

Facilitate growth of online digital & paperless banking.

STRATEGY FOR 2022

Housing for All

Provide every family with a pucca house, water connection, toilet & 24x7 electricity supply

Shift focus of projects to life cycle cost approach instead of cost per square foot approach.

Use land lying idle with sick/loss making PSUs of central/state governments.

Consider a sub-category under priority sector lending for affordable houses.

Travel, Tourism

Increase India's share in global international tourist arrivals from 1.2% to 3%

Develop 100 "Smart Tourist Destination Sites".

Launch e-visa awareness campaign; enhance number of annual visits allowed under e-medical visa.

Notify tourism infrastructure projects more than INR 1 crore as 'infrastructure'.

Mining

Target average growth of 8.5%; double area explored from current 10% of OGP

Launch a mission "Explore in India" by revamping minerals exploration & licensing policy.

Provide single window & time-bound environment & forest clearances.

Create a National Mineral Regulatory Authority with subordinate state authorities.

Energy

Make available 24x7 power to all; achieve 175 GW renewable energy generation capacity

Bring oil, natural gas, electricity & coal under GST to enable input tax credit.

Promote smart grid & smart meters.

Provide mechanism for cost-effective power grid balancing.

STRATEGY FOR 2022

Surface Transport

Double length of national highways; reduce number of road accidents & fatalities by 50%

Complete key projects e.g. *Bharatmala Pariyojna* Phase-1.

Maintain NH assets by adopting a maintenance management system.

Earmark 10% of annual budget for road & highways maintenance.

Railways

Ensure an efficient, safe, cost-effective & accessible rail network; achieve zero fatalities

Rationalize fare structures & subsidies, & monetize assets to generate revenues.

Implement the 22 recommendations of the High-Level Safety Review Committee chaired by Dr. Kakodkar.

Set up an independent regulator for the Indian Railways.

Civil Aviation

Increase domestic ticket sales from 103 to 300 million; double air cargo handled

Ensure time-bound completion of airports under UDAN. Privatize Tier 1 city airports.

Reduce taxes on MRO services & consider granting infrastructure status for MRO.

Promote "Fly-from-India" through the creation of transshipment hubs.

Ports, Shipping & Inland Waterways

Double the share of freight transported by coastal shipping & inland waterways

Complete *SagarMala* project. Open up India's dredging market.

Enact new Merchant Shipping Bill.

Facilitate access to capital for inland vessels under priority sector lending.

STRATEGY FOR 2022

Logistics

Reduce the logistics cost to less than 10% of GDP from the current level of 14%

Develop an IT-enabled platform for integrating different modes of transport.

Rationalize tariffs & determine prices in an efficient manner across different modes.

Create an overarching body that maintains a repository of all transport data.

Digital Connectivity

Achieve digital connectivity across states, districts; deliver government services digitally

Explore efficient spectrum allocation in large contiguous blocks.

Consider putting in place a credible system to track call drops, weak signals etc.

Focus on digital literacy at primary school level through the National Digital Literacy Mission.

Smart Cities

Drive job creation & economic growth; improve efficiencies in service delivery

Establish a dedicated Metropolitan Urban Transport Authority in 1 million plus population cities.

Launch single-window facility for urban poor to access basic services.

Mainstream the resilient cities approach & integrate it with service levels.

Swachh Bharat Mission

Make India open defecation free; change attitudes towards sanitation & promoting hygiene.

Plan behavior change through communication & inter-personal communication campaigns.

Consider expenditure on bio-toilets/bio-digesters for concession from GST.

Nudge ULBs to charge adequate user charges for disposal of waste & toilet maintenance.

STRATEGY FOR 2022

School Education

Universal access & retention; improvement in learning outcomes

Formulate mechanisms to enforce regulations on teacher qualifications, absenteeism etc.

Rationalize public school structure, undertake individualized tracking.

Give children the option of branching into vocational courses.

Higher Education

Increase gross enrolment ratio from 25% in 2016-17 to 35%

Ensure effective coordination of higher education regulators.

Compulsorily accredit all higher education institutions.

Link funding to outcomes through MHRD & Higher Education Funding Agency.

Teacher Education & Training

Enforce minimum standards; improve in-service training; resolve teacher absenteeism

Establish a committee to develop objective criteria to recognize institutions.

Redesign in-service teacher professional development programmes.

Set up a national electronic teacher registry; develop teacher-demand forecast models for all levels.

Skilling

Increase proportion of formally skilled labour from 5.4% of workforce to 15%; ensure inclusivity

Establish single regulatory body to lay down minimum standards for players.

Initiate vocational education from class VIII.

Streamline claim process for reimbursement under National Apprenticeship Promotion Scheme.

STRATEGY FOR 2022

Public Health Action

To revamp radically the public & preventive health system

Co-locate AYUSH services in 50% of PHCs, 70% of CHCs & 100% of district hospitals.

Institute a public health & management cadre in states.

Create a focal point for public health at the central level with state counterparts.

Primary Health Care

Scale-up a new vision for comprehensive primary health, on the platform of Health & Wellness Centres

Accelerate the establishment of a network of 150,000 HWCs; Enable mechanisms for rapid scale up.

Coordinate action to address social determinants of health.

Catalyse people's participation for a healthy India: *Swasth Bharat Jan Andolan*.

Human Resources for Health (HRH)

Achieve doctor-population ratio of 1:1400 & nurse-population ratio of 1:500

Reform governance of medical, nursing, dentistry, pharmacy councils.

Promote integrative medicine curriculum.

Develop comprehensive HRH policy in states; generate data on HRH.

Universal Health Coverage

On platform of PM-JAY, cover 75% of population with publicly financed health insurance

Strengthen public sector health facilities e.g. institutionalise district hospital rankings.

Trigger private investments in supply deficit areas through incentives for hospital empanelment.

Establish research consortia for high priority diseases.

STRATEGY FOR 2022

Gender

Enhance FLP rate to at least 30%; create a work environment without barriers

Strengthen legal frameworks to eliminate discrimination against women.

Generate gender-disaggregated data & rank states on key indicators.

Provide gender friendly facilities in upcoming towns & big cities.

Social Inclusion I

Enable senior citizens, PwDs & transgender persons to participate in economic development

Revise National Policy for Older Persons; emphasize concept of 'ageing in own home'.

Generate disaggregated data on PwDs.

Provide for identification of transgender persons in government & non-government records.

Social Inclusion II

Accelerate development of SCs, STs, OBCs, DNTs, NTs, SNTs & minorities through focused affirmative action

Design schemes narrowly focused on the needs of specific communities.

Establish residential schools in uncovered blocks with facilities for vocational training.

Vest primary responsibility for schemes implemented by Ministry of Minority Affairs with line ministries.

Aspirational Districts

Uplift 115 districts currently lagging behind in development parameters

Create a positive narrative of development by making it a mass movement.

Use data to inform decision-making & spur competition among districts.

Establish institutional mechanisms for teamwork between centre, states & districts.

STRATEGY FOR 2022

North-East Region

Develop physical connectivity for enhanced trade; focus on waterways, financial inclusion

Encourage each NER state to draw up a development blueprint.

Address connectivity issues e.g. transit treaties for NER & its neighbours.

Promote eco-tourism & adventure tourism; ensure early completion of irrigation projects.

Legal, Judicial, Police Reforms

Ensure safety & security of citizens & access to effective legal systems

Create a repository of all existing central & state laws, rules & regulations.

Address backlog of pending cases e.g. shift part of workload out of regular court system.

Create task force under MHA to skill personnel & identify non-core functions for outsourcing.

Civil Services Reforms

Establish a reformed system of recruitment, training & performance evaluation of civil services

Promote an officer-oriented culture & focus on expanding the number of officers.

Alter current system of training to meet job-outcome oriented goals e.g. managing urban areas.

Consider replacing annual confidential reports with multi stake holder feedback.

City Governance

Transform cities into economically vibrant & environmentally sustainable habitats

Recognise each city as a distinct unit of the economy; develop a quarterly city dashboard.

Articulate a framework for city governance that includes development authorities, other parastatals etc.

Establish a modern national framework for spatial planning of cities.

STRATEGY FOR 2022

Water Resources

Provide adequate & safe piped drinking water & water for sanitation

Increase the water storage capacity from 253 bcm to 304 bcm.

Launch a pilot scheme to irrigate 10 lakh ha with treated waste water.

Develop recharging zones to make groundwater resources sustainable.

Sustainable Environment

Reduce PM2.5 to <50; effective implementation of solid waste management rules

Upscale technologies for crop harvesting & utilization of farm residue.

Encourage nationwide implementation of bio-digester toilets.

Convert urban vacant areas to urban green areas.

Land Resources

Strengthen land markets by efficient allocation, secure property rights etc.

States may consider the Model Land Leasing Act, 2016.

Implement effectively the Forest Rights Act in all states.

Update & digitize land records in a user-friendly manner.

Data-Led Policy making

Ensure timely generation & dissemination of data for evidence-based policy-making

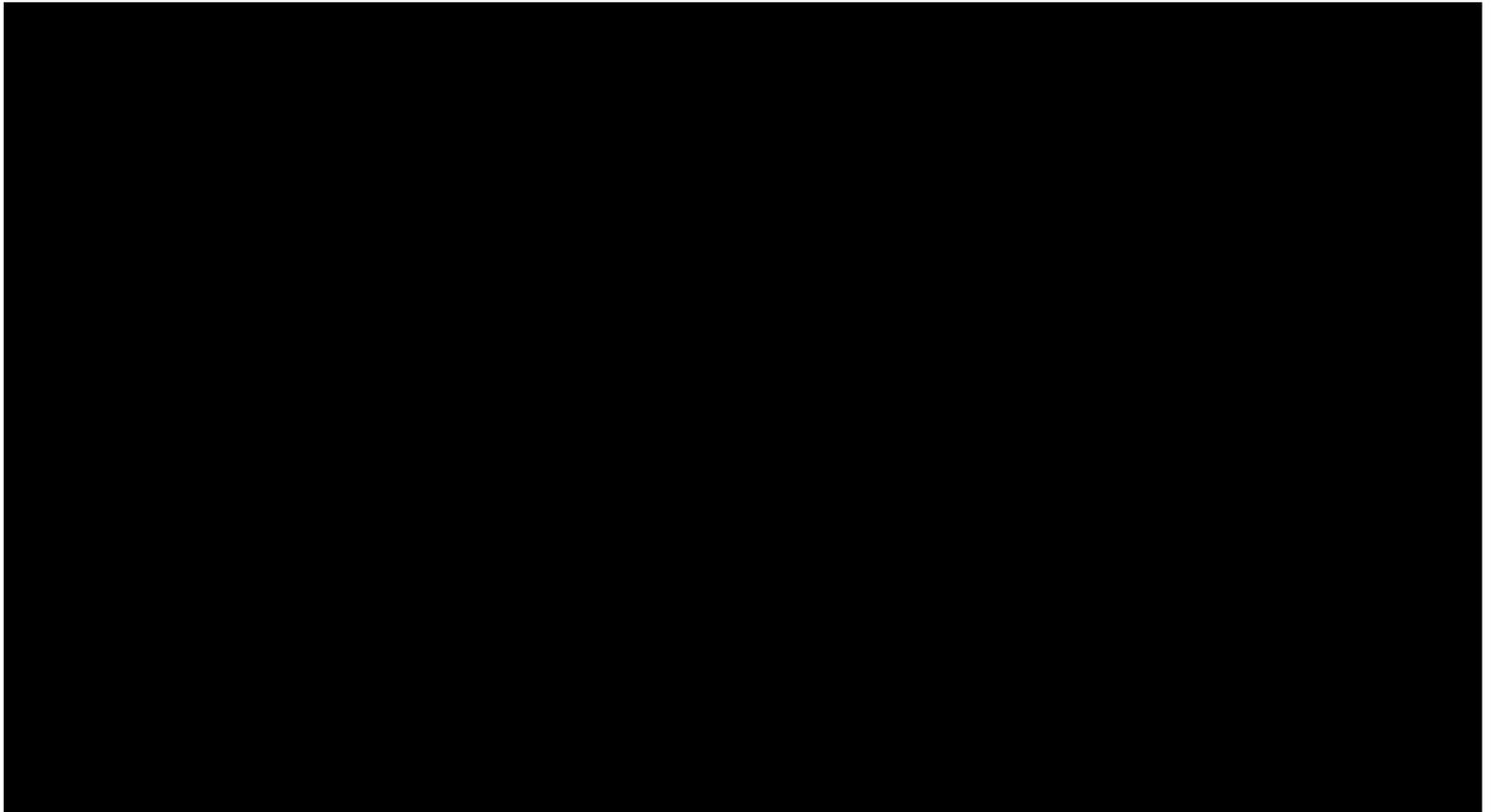
Create state data repositories based on guidelines drawn up by central government.

Use tertiary big data collected by private third parties.

Update government statistical organizations on new technologies.

Women Entrepreneur Platform By NITI Aayog

<https://youtu.be/C27GMX2uaFc>



□ Data Source:

(I) <http://www.worldbank.org/region/SAS>

Access on: 16/08/2015 ; 1100 hrs. IST.

(II) <http://www.finmin.nic.in>

(III) niti.gov.in

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