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NITI AAYOG – TRANSFORMING INDIA’S DEVELOPMENT AGENDA

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Introduction:

Planning Commission or Yojana Aayog the prestigious policy making institution for a long period of 65 years, was dissolved on 17th August 2014. After India achieved independence, the formal model of soviet-style planning was adopted and accordingly planning commission was established on March 15, 1950 with the Prime Minister as its Chairman. In 1951 the first five-year plans was launched despite the economic liberalization initiated by Prime Minister P.V. Narasimha Rao in 1991, the Planning Commission continued but since 1997. It was felt that planning should be indicative in nature. However in view of the spirit and changed dynamics of New India’s approach of less government and a move away from centralized planning. NITI Aayog with a new structure and focus on Policy, replaced Planning Commission on 1st January, 2015. Finance Minister Arun Jaitly outlined the necessity for creating NITI Aayog as “the 65years Planning Commission had become a redundant organization. It was relevant in a command economy structure, but not any longer. India is a diversified country and its states are in various phases of economic development along with their own strength and weakness. In this context a one size a ‘one size fits all’ approach to economic planning is obsolete. It cannot make India competitive in today’s Global Economy.”

The utility and relevance of the planning commission had been questioned by different governments from time to time. Rajiv Gandhi called its members as ‘a bunch of Jokers’ while K. C. Pant Former Deputy Chairman of the Planning Commission and Manmohan Singh intended to brought changes. In 2009 Dr. Singh remarked that Planning Commission had outlived its utility and a lost relevance in the present day requirement of the country. In the Global Context he even asked the members to consider the changes to make it more relevant. In 2010 Arun Maira Former Member of the planning Commission recommended the changes in its structure, role functions and resources The present Prime Minister Narendra Modi when was the Chief Minister of Gujurat was critical of the commissions highhandedness in distributing grants to the states.

Conceptual Understanding:

In Sanskrit NITI Stands for morality, behavior, guidance, politics, management and many other things, but here it means policy. NITI stands for National Institution for Transforming India. The Government plans to adopt ‘Bharatiya’ Model of development in which the government is an enabler rather than provider of the first and last resort. The Institution of Governance and Policy have to face new challenges and must be based on basic principle of the Indian Constitution. Planning process is to be separated from strategy of governance. Our institutions and polity must endeavor to diminished centralized planning and also redefined it. NITI Aayog should be a resource centre for practice of good governance. NITI Aayog has both institution and commission in it. While Aayog stands for Commission the first ‘I’ in NITI is for Institution. Though both terms can be interchangeable, yet one of them would be redundant.

Reason for setting up the NITI Aayog:

As per the cabinet resolution of January 7, 2015 the reason for setting up of the NITI Aayog is that the people had great expectations for progress and improvement in governance through their participation. The arguments for setting up the NITI Aayog are as follows:

1. In the change circumstances centralized planning cannot work. When private investment is more than public investment, when market determines the priorities and becomes allocator of resources among various sectors and centre-state relations have undergone a considerable change under market economy, the planning Commission has lost its relevance.
2. There are serious charges against the functioning of the planning commission. It is far away from its visualized role. It has never treated state as equal partner with centre in the planning process rather enforced its diktat over different states. Another serious charge against the planning Commission is that it has become an agent of the ruling political party of ruling coalition at the centre and discriminatory allotted the grants to those state which have same political affinity with the ruling party in centre.
3. In the changed circumstance the states want more say in a federal setup. Nation cannot develop without development of the state. The process of policy-planning has to change from 'top to bottom' of planning commission era to 'bottom to top' by the new institution where decisions will be taken, planning will be made at the bottom and then endorsed at the top. States would be allowed for setting their own development priorities to develop effective mechanism to solve disputes among them. NITI Aayog aims to foster 'Cooperative federalism' by bringing change in the planning and centre's allocation of funds to the state.
4. In order to evolve a new federal culture, the new institution needs to work in conformity and not in confrontation with the constitutional bodies like the Finance Commission and the Inter- State Council. The Finance Commission allocates revenues between centre and state and Inter- States Council sorts out the bargaining issues between states. NITI Aayog can be fruitful innovation so long as it successfully tackled the issues and ushered in Co-operative federalism.
5. NITI Aayog has been set up for new India, which has discarded the old assumptions about low domestic savings, foreign exchange constraints and shallow financial markets. In the field of investment private sector had replaced the public sector and markets have played significant role in mobilizing savings and channeling them towards productive investment. The above things there by diminished the role and significance of planning commission though it had tried to reinvent itself as social sector schemes manager.
6. NITI Aayog should better play the role of an advisor and find out the binding constraints on economic development, like infrastructure, energy, water, education, environment and food production.
7. Weaknesses that crept into the planning commission is to be overcome by the new institution. NITI Aayog should be time-bound for economic, social and political transformation of the country over two decades and their by making India a developed nation by strengthening her federal structure, socio-cultural diversity, setting a global example of sustainable resource use strategy and by bringing reforms in public service delivery, in maintenance of law and order, administration of justice, electoral reforms to strengthen democracy, health, education, energy and environment management.

Objectives:

Through its commitment to a co-operative federalism, participatory democracy and egalitarian access to opportunity, participative and adaptive governance, increasing use of developing technology, NITI Aayog will attempt to provide a critical, directional and strategic input into the governance process. The objectives of the NITI Aayog are the followings:

1. To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of states. Again it is to provide a frame-work for national agenda for Prime Minister and Chief Ministers and work towards their accomplishments.
2. To foster collaborative and co-operative federalism through structured support of state on a continuous basis. Initiative and mechanisms should be established recognizing that strong states make a strong nation.
3. To ensured that interest of national security are incorporated in economic strategy and policy.
4. To pay special attention to the deprived section of society who are not benefitting adequately from economic progress.

5. To provide think-tank and to design long term policy and programme frame-work and initiatives to monitor their progress and efficiency as well as educational and policy research institutions.
6. To create knowledge, innovation an entrepreneurial support system with the help of national and international experts, practioners and other partners.
7. To create a platform to solve inter-departmental and inter-sector issues so as to accelerate the implementation of development agenda.
8. To maintain a knowledge hub, state-of-the-art resource centre, a repository of research on good governance and best practices in sustainable equitable development and help their dissemination to stake-holders.
9. To actively monitor and evaluate programmes implementation in order to strengthen probability of success and scope of delivery through process of technology up-gradation and capacity building.

Challenges ahead:

The success of NITI Aayog depends on the relationship between its head and the Prime Minister. NITI Aayog faces so many issues and challenges which are enumerated as below.

1. The efficacy of NITI Aayog will depend upon the quality of its experts members and the space Prime Minister gives it to allow to function independently an effectively.
2. Prime Minister stated goal of 'Co-operative federalism' depends on the enhanced participation of states chief ministers.
3. The National Development Council, Inter State Council and National Advisory Council were bundling together to form structure of NITI Aayog which made it cumbersome and complicated. Now the question is that who will lobby with the Finance Ministry to protect plan expenditure and also determine transfers to centrally sponsored schemes or assign special category status to some states.
4. The legacy issues do not end with the abolition of Planning Commission because there are parallel institutions in the state which need their transformation to meet the new situation. Similarly the Constitution requires setting up of District Planning Committee and Metro Politian Planning Committees and defines their role in new settings. They will provide help to NITI Aayog in formulating grass roots planning.
5. Another challenge is achieving interministerial and interdepartmental coordination and harmony between departments. There could be tension between the technocrats and minister on one hand and between the technocrats and bureaucrats on the other. There may be danger of bureaucratization of the Aayog.
6. Like its predecessors, the NITI Aayog does not have any Constitutional Status and only operate as a political entity of the ruling party at the centre. The lack of constitutional legitimacy, absence of an accountability structure and inherent political nature of the Aayog may obstruct its functioning and create a challenge before the Aayog.
7. Another issue before the NITI Aayog is that it lacks clarity about how the objectives will be achieved and the changes that need to be effected in order to achieve the goals. The only mechanism that has been hinted at is a Governing Council comprising Chief Ministers and lieutenant- Governors of Union Territories.

Conclusion:

For smooth functioning of the NITI Aayog care must be taken to ensure its Independence. It must be apolitical to win the trust of the Chief Ministers. The effectiveness of the NITI Aayog in transforming India will depend upon the clarity in the functions and role assigned, the status and power given and the quality of the people who steer the institution. So the first NITI Aayog has tremendous responsibility for carving out a niche for itself, shaping the character and charting a course to make it an important institution in the Indian federal polity to transform India.

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