

Unit 28. NITI Aayog: The new ‘think-tank’ to replace Planning Commission



Government of India has replaced the old planning commission started in 1950 with a new institution called NITI Aayog on 1 January 2015. It works under the chairmanship of Prime Minister. NITI Aayog (National Institution for Transforming India) will seek to provide a critical directional and strategic input into the development process. It focuses on co-operative federalism.

What's new with NITI Aayog?

The centre-to-state one-way flow of policy, that was the hallmark of the Planning Commission era, is now sought to be replaced by a genuine and continuing partnership of states.

- NITI Aayog = more a “think tank” than a finance distributing agency.
- NITI Aayog will provide Governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of the policy.
- With NITI Aayog, there will be multi-directional flow of policy (from Center to States, from States to Center, between ministries etc.)
- Better inter-ministry coordination.
- The NITI Aayog will develop mechanisms to formulate credible plans to the village level and aggregate these progressively at higher levels of government.
- The NITI Aayog will create **a knowledge, innovation and entrepreneurial support system** through a collaborative community of national and international experts.

NITI Aayog: Know more

- The National institution for Transforming India will act as a catalyst for the development by a holistic approach.
- NITI Aayog is based on the 7 pillars of effective governance – (1) Pro-People (2) Pro-Activity (3) Participation (4) Empowering (5) Inclusion of all (6) Equality (7) Transparency.
- In NITI Aayog, the state governments has an equal role in nation's development process and NITI Aayog promises the principle of co-operative federalism.

- NITI Aayog is planned as a think tank institution which stands not only as a hub for knowledge but also for good governance.

Objectives of #NITIAayog

**fostering COOPERATIVE FEDERALISM,
active involvement of states**

**formulation of plans at VILLAGE-level,
aggregation at higher levels**

**SPECIAL ATTENTION to sections at risk of not
benefitting adequately from economic progress**

**economic policy that incorporates
NATIONAL SECURITY INTERESTS**

**feedback for constant
INNOVATIVE IMPROVEMENTS**

**partnerships with national and
international THINK TANKS**

**creating a KNOWLEDGE, INNOVATION
& ENTREPRENEURIAL support system**

**platform for RESOLUTION of inter-sectoral
& inter-departmental issues**

**state-of-the-art resource center for
RESEARCH on good governance**

**focus on TECHNOLOGY upgradation
and CAPACITY BUILDING**

Source: PIB.NIC.IN

- It's a platform for monitoring and implementation of all government policies by bringing together various ministries at the center and state level.
- Priorities include upliftment of the poor, marginalized and downtrodden.
- Empower vulnerable and marginalized sections, redressing identity-based inequalities of all kinds – gender, region, religion, caste or class.

NITI Aayog: Objectives and Opportunities

NITI Aayog will aim to accomplish the following objectives and opportunities:

- An administration paradigm in which the Government is an **“enabler”** rather than a “provider of first and last resort.”
- Progress from “food security” to focus on a mix of agricultural production, as well as **actual returns that farmers get from their produce.**
- Ensure that **India is an active player in the debates and deliberations** on the global commons.
- Ensure that the economically vibrant middle-class remains engaged, and its **potential is fully realized.**
- Leverage **India’s pool of entrepreneurial, scientific and intellectual human capital.**
- Incorporate the **significant geo-economic and geo-political strength of the Non-Resident Indian Community.**
- Use urbanization as an opportunity to create **a wholesome and secure habitat through the use of modern technology.**
- **Use technology to reduce opacity** and potential for misadventures in governance.

NITI Aayog: Aims

The NITI Aayog aims to enable India to better face complex challenges, through the following:

- Leveraging of India’s demographic dividend, and realization of the potential of youth, men and women, through education, skill development, elimination of gender bias, and employment
- Elimination of poverty, and the chance for every Indian to live a life of dignity and self-respect
- Reddressal of inequalities based on gender bias, caste and economic disparities
- Integrate villages institutionally into the development process
- Policy support to more than 50 million small businesses, which are a major source of employment creation
- Safeguarding of our environmental and ecological assets

Structure and Composition of NITI Aayog

- **Chairperson:** Prime Minister of India
- **Governing Council:** Comprising the Chief Ministers of all States and Lt. Governors of Union Territories.

Composition of #NITIaayog

Chairperson

- Prime Minister

Governing Council

- CMs (States) and Lt Governors (UTs)

Regional Councils

- Formed on need-basis, comprising CMs and Lt Govs of the region

Members

- Full-time basis

Part-time Members

- Max 2, rotational, from relevant institutions

Ex-officio Members

- Max 4 from Council of Ministers, nominated by PM

Special Invitees

- Experts, specialists, practitioners with domain knowledge

Chief Executive Officer

- Appointed by PM for fixed tenure, Secy rank

Secretariat

- As deemed necessary

Source: PIB.NIC.IN

- **Regional Councils:** Will be formed to address specific issues and contingencies impacting more than one state or region.

Strategy and Planning in the NITI Aayog will be anchored from State-level. Regional Councils will be convened by the Prime Minister for identified priority domains, put under the joint leadership of related sub-groups of States (grouped around commonalities which could be geographic, economic, social or otherwise) and Central Ministries.

Regional Councils

- Have specified tenures, with the mandate to evolve a strategy and oversee implementation.
- Be jointly headed by one of the groups Chief Ministers (on a rotational basis or otherwise) and a corresponding Central Minister.
- Include the sectoral Central Ministers and Secretaries concerned, as well as State Ministers and Secretaries. It will be linked to corresponding domain experts and academic institutions.
- Have a dedicated support cell in the NITI Aayog Secretariat.
- States would thus be empowered to drive the national agenda. As a consequence, deliberation would be more grass-roots informed, and recommendations would have more ownership, given their joint formulation.
- Special Invitees: experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister.

Full-time Organisational Framework:

Will comprise of, in addition to the Prime Minister as the Chairperson:

1. Vice-Chairperson: to be appointed by the Prime Minister.
2. Members: full-time: specialists with international exposure.
3. Part-time Members: maximum of 2, from leading universities, research organizations and other relevant institutions in an ex-officio capacity. Part-time members will be on a rotational basis.
4. Ex-Officio Members: maximum of 4 members of the Union Council of Ministers to be nominated by the Prime Minister.
5. Chief Executive Officer: to be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India.
6. Secretariat: as deemed necessary.

NITI Aayog specialized Wings

- Research Wing – that will develop in-house sectoral expertise as a dedicated think tank of top domain experts, specialists and scholars.
- Consultancy Wing – that will provide a marketplace of whetted panels of expertise and funding for Central and State Governments to tap into; matching their requirements with solution providers, public and private, national and international. By playing matchmaker instead of providing the entire service itself, NITI Aayog will be able to focus its resources on priority matters, providing guidance and an overall quality check to the rest.
- Team India Wing – comprising representatives from every State and Ministry, will serve as a permanent platform for national collaboration.

Difference between NITI Aayog and Planning Commission

Organization:

- Planning Commission – Had deputy chairperson, a member secretary, and full-time members. Secretaries or member secretaries appointed by the usual process.
- NITI Aayog – 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. CEO is appointed directly by Prime Minister.

Planning:

- Planning commission goes for top-down planning for government with public sector resources.
- NITI ayog formulate national development strategy in a market economy integrated with the globalized world.

Relation with states

- The planning commission was a central government institution and no representation of state government. There was no structural mechanism for interaction with states.
- NITI ayog provides a partnership with state governments to promote co-operative federalism. It provides a platform for structured and regular interaction with states.

Finance

- The role of Finance Commission was greatly reduced with the formation of Planning Commission. Allocation of funds were decided by the Planning Commission.
- NITI ayog don't any role in fund allocation. Finance ministry to decide the share of taxes to states, fund allocation to CSS and Union assistance to the state plan.

Constitution and Reporting

- Planning Commission- The commission reported to National Development Council that had State Chief Ministers and Lieutenant governors.
- Niti Aayog – Governing Council has State Chief Ministers and Lieutenant Governors.

Niti Aayog: Criticism

- Like planning commission, it's also a non-constitutional body which is not responsible to parliament.
- Dismantled planning commission without consulting the states.
- UTs are represented by Lieutenant Governors, not by chief ministers. This is against the principles of federalism.
- Fund allocation to welfare schemes may get affected. For example, there is a 20 % reduction in gender budgeting.

Conclusion

NITI Aayog will function in close cooperation, consultation and coordination with the Ministries of the Central Government and State governments. While it will make recommendations to the Central and State Governments, the responsibility for taking and implementing decisions will rest with them. NITI Aayog will seek to facilitate and empower the critical requirement of good governance – which is people-centric, participative, collaborative, transparent and policy-driven. It will provide critical directional and strategic input to the development process, focussing on deliverables and outcomes. This, along with being as incubator and disseminator of fresh thought and ideas for development, will be the core mission of NITI Aayog.



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