



A path from planning commission to NITI Aayog

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Abstract

A Plan refers to an arrangement made to achieve specific goal. A plan concerned to the entire economic system of the economy, it includes production, distribution, investment, exchange etc., with a proper planning objective or goal can be reached in a appropriate way with minimum hurdles. So, proper planning with specific objectives plays a major role in the economic development of the country. All the Five Year Plans have achieved less than the Targets except few. NITI Aayog has some important functions for economic development like cooperative federalism, strategic planning, decentralized planning etc. NITI Aayog is based on 7 pillars of effective governance. Therefore the present paper is mainly focused on view of NITI Aayog for development of the country and also to distinguish between planning commission & NITI Aayog. The NITI Aayog will also seek to put an end to slow and tardy implementation of policy, by fostering better Inter-Ministry coordination and better Centre-State coordination. It will help evolve a shared vision of national development priorities, and foster cooperative federalism, recognizing that strong states make a strong nation.

So, finally the paper concludes that the planning commission had played a very important role for overall development of the country. Recent NITI AAYOG may add new ideas to the old planning commission to achieve further more development of the country. Very soon India will become a developed country from developing country.

Keywords: planning commission, five year plans, NITI Aayog, objectives

Introduction

A Plan refers to an arrangement made to achieve specific goal. In accordance with a key declaration made by Prime Minister Narendra Modi on Independence Day, the Union Govt. Today established NITI Aayog (National Institution for Transforming India), as substitute for the Planning Commission. This comes after extensive consultation from corner to corner the spectrum of stakeholders, including state governments, domain experts and appropriate institutions.

Economic planning

A plan concerned to the entire economic system of the economy, it includes production, distribution, investment, exchange etc., with a proper planning objective or goal can be reached in a appropriate way with minimum hurdles. So, proper planning with specific objectives plays a major role in the economic development of the country.

Economic Planning in India

In India the first systematic attempt of economic planning was made in 1934, M. Visvesvaraya published his book 'Planned Economy for India'. Again in 1937, India National Congress set up the national Planning committee with Pt. Jawaharlal Nehru as Chairman. In the meantime 8 leading industrialists of Bombay submitted the 'Bombay Plan' in 1943. Again Shri M. N. Roy also released simultaneously his '10 year people's plan'. After that the National Planning committee submitted its long awaited report in 1948. The Government of India also set up a Department of planning and development in 1944 and introduced short-term and long-term plans for restoration of

normalcy after war and for economic reconstruction and development.

But in India the real beginning of planning was made on March 1950 when the Indian planning commission was established. In July, 1951 the Commission Submitted its Draft outline of the First Five Year Plan to be effective from 1951-52 to 1955-56. Till date India has completed Twelve Five Year Plans.

Planning Commission in India

The planning commission was set up in March, 1950, Pt. Jawaharlal Nehru as a chairman. The commission is composed of eight members:

1. Prime Minister (chairman)
2. Four Full Time Members (Including Deputy Chairman)
3. Minister of Planning
4. Minister of Finance
5. Minister of Defense

In the Indian history, First Five Year Plan started from 1951-52 to 1955-56. India has completed Twelve Five Year Plans, and Annual Plans from 1951-52 to 2016-17. All the plans have certain objectives, targets and achievements. The major objectives of Indian planning are:

1. To achieve full employment and Economic Growth
2. To Increase National Income.
3. Self-reliance in agriculture.
4. Expansion of Industrialization.
5. Modernization of various sectors.
6. To attain Economic Equality and social justice.

7. To tackle the problem of poverty and unemployment.
8. Redressing Imbalances in the Economy.
9. Inclusiveness and Sustainability of growth.
10. Economic security.
11. Promotion of Infrastructural Facilities.

All the Five Year Plans have achieved less than the Targets except First Five Year Plan, though India has completed Twelve Five Year Plans still it is suffering from major issues like, poverty, unemployment, deficit balance of payment, inflation and low standard of living etc., NITI Aayog intends to overcome from the failures of planning commission. Major objectives of NITI Aayog are: food security, elimination of poverty and unemployment, Reddressal of gender inequality, skill development, Research on good governance etc.

NITI Aayog has some important functions for economic development like cooperative federalism, strategic planning, decentralized planning etc. NITI Aayog is based on 7 pillars of effective governance. Therefore the present paper is mainly focused on view of NITI Aayog for development of the country and also to distinguish between planning commission & NITI Aayog.

Source of data collection

Secondary data is collected from the published sources like economic planning in India, magazines, encyclopedia, journals, EPW and various govt. websites.

Need For a Change: NITI Aayog

India has undergone a model shift over the past six decades politically, economically, socially, technologically as well as demographically. The role of Government in national development has seen a parallel development. With changing structure timely, GoI has set NITI Aayog (National Institution for Transforming India), in the position of the former Planning Commission, as a means for providing better facilities and to achieve more in the path of development further NITI Aayog offers strategic and technical advice to the central and the state governments.

The new institution will be a vehicle in the developmental process; nurturing an overall enabling environment, through a holistic approach to development going beyond the limited sphere of the Public Sector and Government of India. This will be built on the foundations of:

- A group of people with authority entrusted by the government to formulate/regulate policies concerning transforming India.
- It is a commission to help government in social and economic issues.
- An empowered role of States as equal partners in national development; operationalising the principle of Cooperative Federalism.
- A knowledge hub of internal as well as external resources; serving as a repository of good governance best practices, and a Think Tank offering domain knowledge as well as strategic expertise to all levels of government.
- A collaborative platform facilitating Implementation; by monitoring progress, plugging gaps and bringing together the various Ministries at the Centre and in States, in the joint pursuit of developmental goals.

- According to experts, the replacement of the Planning Commission by NITI Aayog will help change the emphasis from projects and programmes to policy and institutions, from expenditure inputs to real outcomes through better governance, and from political disputation over incremental allocations to new challenges and opportunities.

Table 1: Development of NITI Aayog

Year	Developments
29 May 2014	According to the first IEO (Independent Evaluation Office) assessment report which was submitted to Prime Minister Modi on May 29, Planning Commission to be replaced by "Control Commission".
15-17 August 2014	Govt. of India officials viewed Planning Commission to be replaced with a diluted version of the National Development and Reform Commission (NDRC)
1 January 2015	Cabinet resolution to replace Planning Commission by NITI Aayog (National Institution for Transforming India).

Structure of NITI Aayog

NITI Aayog will be a lean organization, modeled as a network of expertise; focusing on functionality, flexibility and domain of knowledge.

Table 2

Chairperson	Prime Minister of India
Governing Council	Comprising the Chief Ministers of all States and Lt. Governors of Union Territories.
Regional Councils	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; with Regional Councils 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.
Special Invitees	Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
Vice-Chairperson	Appointed by the Prime Minister.
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.
Ex-Officio Members	Maximum of 4 members of the Union Council of Ministers nominated by the Prime Minister
Chief Executive Officer	To be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India.
Secretariat	As a deemed necessary

NITI Aayog seeks to provide a critical directional and strategic input into the development process. 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 will emerge as a "Think-Tank" that will provide Governments at the central and state levels with relevant

strategic and technical advice across the spectrum of key elements of policy. It seek to put an end to slow and tardy implementation of policy, by fostering better Inter-Ministry coordination and better Centre-State coordination. It will help evolve a shared vision of national development priorities, and foster cooperative federalism, recognizing that strong states make a strong nation.

Major Objectives of NITI Aayog

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 at the global level.
- 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.
- Economic policy that incorporates National Security Interest.
- Feedback for constant Innovative Improvements
- Partnerships with national and international Think-Tanks.
- State-of-the-art resource centre for Research on good governance.

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.

Major Functions of NITI Aayog

- Fostering cooperative federalism by providing structured support to states on a continuous basis.
- Formulation of a strategic vision and long-term policies and programme framework both for the macro economy and for different sectors.
- Acting as a Knowledge and innovation hub and providing research inputs by undertaking globally available research
- Providing a platform for interdepartmental coordination.
- Shared National Agenda
- Decentralized Planning

Guiding Principles of NITI Aayog

- **Antyodaya:** Prioritize service and uplift of the poor, marginalized and downtrodden, as enunciated in Pandit Deendayal Upadhyay's idea of 'Antyodaya'. 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' gender, region, religion, caste or class.
- **Village:** Integrate our villages into the development process, to draw on the vitality and energy of the bedrock of our ethos, culture and sustenance.
- **Demographic dividend:** Harness our greatest asset, the people of India; by focusing 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, making an awakened and participative citizenry the driver of good governance. This includes our extended Indian family of the Non-Resident Indian community spread across the world, whose significant geo-economic and geo-political strength must be harnessed.
- **Governance:** Nurture an open, transparent, accountable, pro-active and purposeful style of governance, transitioning focus from Outlay to Output to Outcome.
- **Sustainability:** Maintain sustainability at the core of our planning and developmental process, building on our ancient tradition of respect for the environment.

Specialized Wings

- **Research Wing** that will develop in-house sectoral expertise as a dedicated think tank of top notch domain experts, specialists and scholars.
- **Consultancy Wing** that will provide a market-place 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 match-maker 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. Each representative will:
 - ✓ Ensure every State/Ministry has a continuous voice and stake in the NITI Aayog.
 - ✓ Establish a direct communication channel between the State / Ministry and NITI Aayog for all development related matters, as the dedicated liaison interface.

Seven Pillars for Effective Governance of NITI Aayog:

1. **Pro-People:** Fulfils aspirations of society as well as individuals.
2. **Pro-active:** In anticipation of and response to citizen needs.
3. **Participation:** Involvement of citizenry.
4. **Empowering:** Women in all aspects.
5. **Inclusion of all:** SC, ST, OBC, Minorities, Garib, Gaon, Kisan.

- 6. **Equality:** Opportunity for the youth.
- 7. **Transparency:** Making government visible and responsive.

Table 3: Difference between NITI Aayog and Planning Commission

S. No.	Parameter	NITI Aayog	Planning Commission
1	Financial Clout	To be an advisory body, or a think-tank. The powers to allocate funds might be vested in the finance ministry	Enjoyed the powers to allocate funds to ministries and state governments
2	Full-time Members	The number of full-time members could be fewer than Planning Commission	The last Commission had eight full-time members
3	State's Role	State Governments are expected to play a more significant role than they did in the Planning Commission	State's role was limited to the National Development Council and annual interaction during plan meetings
4	Member Secretary	To be Known as the CEO and to be appointed by the prime Minister	Secretaries or member secretaries were appointment through the usual process
5	Part-time Members	To have a number of part-time members, depending on the need from time to time	Full Planning Commission had no provision for part-time members
6	Constitution	Governing council has state chief ministers and lieutenant governors.	The Commission reported to National Development Council that had state chief ministers and lieutenant governors
7	Organization	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	Had deputy chairperson, a member secretary and full-time members.
8	Participation	Consulting states while making policy and deciding on funds allocation. Final policy would be a result of that.	Policy was formed by the commission and states were then consulted about allocation of funds.
9	Allocation	No power to allocate funds	Had power to decide allocation of government funds for various programmes at national and state levels.
10	Nature	NITI is a think-tank and does not have the power to impose policies	Imposed policies on states and tied allocation of funds with projects it approved.

Major outcomes of NITI Aayog

1. The new National Institution for Transforming India (NITI) acts more like a think tank or forum and execute programs by taking the States along with them. This is in sharp contrast with the defunct Planning Commission which imposed five-year-plans and allocated resources while running roughshod over the requests of the various States.
2. NITI will include leaders of India's 29 states and seven union territories. But its full-time staff - a deputy chairman, Chief Executive Officer and experts - will answer directly to the Prime Minister of India, who is a chairman.
3. Despite being blamed by critics for the slow growth that long plagued India, the Commission survived the market reforms of the early 1990s, riling Mr Modi with its interventions when he was Chief minister of industry and investor friendly Gujarat.
4. Mr Modi, elected by a landslide last year on a promise to revive flagging growth and create jobs, had vowed to do away with the Planning Commission that was set up in 1950 by Congressman and Prime Minister Jawaharlal Nehru.
5. But his plans been derided by the Congress party, which wants to defend the Nehru legacy and describes Mr Modi's vision of "cooperative federalism" as cover for a veiled power grab.
6. India's first Prime Minister Jawaharlal Nehru, a socialist who admired Joseph Stalin's drive to industrialize the Soviet Union, set up and chaired the Commission to map out a development path for India's agrarian economy.
7. In 2012, the Planning Commission was pilloried for spending some Rs. 35 lakh to renovate two office toilets, and then it was lampooned for suggesting that citizens who spent Rs. 27 or more a day were not poor.
8. The commission had remained powerful over the decades because it had emerged as a sort of parallel cabinet with the Prime Minister as its head.
9. The Commission's power in allocating central funds to states and sanctioning capital spending of the central government was deeply resented by states and various government departments.
10. The NITI Aayog will also seek to put an end to slow and tardy implementation of policy, by fostering better Inter-Ministry coordination and better Centre-State coordination. It will help evolve a shared vision of national development priorities, and foster cooperative federalism, recognizing that strong states make a strong Nation.
11. Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister

Achievements of NITI Aayog

1. NITI Aayog appointed 3 subgroups of chief ministers to advise the central government on the subject of centrally sponsored scheme, skill development, and Swachh Bharat mission.

2. It has setup 2 task forces on agricultural development and elimination of poverty.
3. Aayog has formulated a model land leasing law, which MP has adopted and UP has substantially incorporated into a preexisting law.
4. It identified and spread the best practices across states in areas like health, msme development, education, innovation etc through regular interaction with state officials from relevant ministries.
5. Niti Aayog has recommended multiple reforms related to agriculture marketing and public distribution system. Recently Aayog also introduced agriculture marketing reform index for states.
6. In its policy making role at the centre, the Aayog has taken the initiative to identify numerous sick PSUs for closure or strategic disinvestment.
7. The Aayog has proposal for the replacement of Indian medical council act 1956 by a new Medical education commission act to overhaul medical education in India.
8. Aayog has also proposed comprehensive national energy policy draft.
9. Aayog is also working on the creation of 20 world class universities and reform of UGC act and AICTE act.
10. Aayog has also championed the launch of coastal employment zones to accelerate the creation of well paid jobs.
11. As a part of its think-tank function, the Aayog has brought out a book of the best practices; conducted workshops of state officials to spread these practices collaborated with think tanks created utility India energy security scenarios 2047, sponsored policy research and published several papers.
12. Aayog is also in the process of bringing out the 15 year vision, 7 year strategy and 3 year action plan documents.
13. It also organizes the transformative India lecture series.
14. Programs launched by Aayog for innovation Atal Innovation Mission.
15. Aayog has reviewed the working of RTE and recommended required reform to improve the implementation of RTE with quality.
16. Aayog also launched a new health index for states to make health welfare more competitive among states.

Suggestions for the Success of NITI Aayog

Considering failure of planning in India on various fronts, following suggestions are suggested

- Specifying objectives and priorities
- Cost-benefit Analysis of projects
- Evaluation of projects
- Physical Planning
- Shorter Gestation Period
- Emphasizing local needs
- Rapid development of agriculture sector
- Balanced growth
- Balance between public and private sectors
- Development and modernization of Small Scale and Cottage Industries
- Price Stability
- Control over Deficit in BOP
- Co-operation between centre and states

- Re-orientation of PSEs
- Development of Science and Technology
- Human Capital Formation
- Efficient Administrative Machinery.
- Pubic Co-operation.

The success of planning in India depends on efficient administrators, honest politicians and participation of the people with dedication. With the above suggestions NITI Aayog will achieve a grand success in coming years.

Conclusion

Planning is considered as a universal remedy for all economic evils. The Government of India also set up a department of planning and development in 1944 and it introduced short-term and long-term plans for restoration after war and for economic reconstruction and development. But in India actual planning took place in 1950 when the Indian planning Commission was established. Planning Commission arranged Plans very systematically for the sack of proper utilization of resources. Every Plan has its own objectives. The Planning Commission has achieved a success but in some sectors the achievements are less than the targets.

On January 1st 2015 the BJP Government of MODI has introduced the new concept of NITI AAYOG. The planning commission is replaced by NITI AAYOG. NITI AAYOG has some different objectives from planning commission. NITI Aayog has emerged as a "think-tank" that will provide central and state governments with relevant strategic and technical advice across the spectrum of key elements of policy. It is a commission to help government in social and economic issues. It is a Leverage of India's pool of entrepreneurial, scientific and intellectual human capital. NITI AAYOG is a group of people with authority entrusted by the government to formulate/regulate policies concerning transforming India.

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So, finally the paper concludes that the planning commission had played a very important role for overall development of the country. Recent NITI AAYOG may add new ideas to the old planning commission to achieve further more development of the country. Very soon India will become a developed country from developing country.

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