

TRANSFORMATION OF PLANNING COMMISSION TO NITI AAYOG

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Abstract:

On 1 January 2015 a Cabinet resolution was passed to replace the Planning Commission with the newly formed NITI Aayog (National Institution for Transforming India). The 65 year-old Planning Commission had become a redundant organization. Planning Commission was established on 15th March 1950 by Late Jawahar Lal Nehru taking inspiration from Soviet Union's Experiment of planned development aiming towards having a socialistic society using process of hierarchical or top down model. It was also known for its **Five Year Plans**. From the ramparts of the Red Fort on 15th August 2014, the Prime Minister of India made statement to replace Planning Commission with NITI Aayog. NITI stands for **National Institution for Transforming India**. The transition from the Planning Commission to the NITI Aayog and its impact on our Federal pattern of governance create a combination of strong hypothesis and a scope for further reckoning and analysis. In the light of above discussion this paper is an attempt to discuss about the history of NITI Aayog, why the planning commission was changed into NITI Aayog? Function of both the planning commission and NITI Aayog, dissimilarities between Planning commission and NITI Aayog. Secondary data from books, journals, articles, newspapers, reports of the govt./institutions were used to analyse the causes responsible for the Transformation of Planning Commission into NITI Aayog.

Key words: Aayog, transform, government, hierarchical

Introduction:

The second name of Niti Aayog is policy think- tank of Government of India. It was established for the Sustainable Development Goals and to enhance cooperative federalism by fostering the involvement of State Governments of India in the economic policy-making process using a bottom-up approach. It was established by the NDA government in 2015, to replace the Planning Commission which followed a top-down model. Its initiatives include "Task Forces on Agriculture and Elimination of Poverty, "15 year road map", "7-year vision, strategy and action plan", Medical Education Reform, Indices Measuring States' Performance in Health, Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes, Sub-Group of Chief Ministers on Swachh Bharat Abhiyan, Sub-Group of Chief Ministers on Skill Development, AMRUT, Digital India, Atal Innovation Mission, agriculture reforms (Model Land Leasing Law, Reforms of the Agricultural Produce Marketing Committee Act, Agricultural Marketing and Farmer Friendly Reforms Index for ranking states),

The permanent members of the governing council are all the state Chief Ministers, along with the Chief Ministers of Delhi and Puducherry, the Lieutenant Governor of Andaman and Nicobar, and a vice chairman nominated by the Prime Minister. In addition, temporary members are selected from leading universities and research institutions. These members include a chief executive officer, four ex-official members and two part-time members.

History:

Finance Minister Arun Jaitley made the following observation on the necessity of creating NITI Aayog, "The 65 year-old 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 strengths and weaknesses. In this context, a 'one size fits all' approach to economic planning is obsolete. It cannot make India competitive in today's global economy."

On 29 May 2014, the Independent Evaluation Office submitted an assessment report to Prime Minister Narendra Modi with the recommendation to replace the Planning Commission with a "control commission." On 13 August 2014, the Union Cabinet scrapped the Planning Commission, to be replaced with a diluted version of the National Advisory Council (NAC) of India. On 1 January 2015 a Cabinet resolution was passed to replace the Planning Commission with the newly formed NITI Aayog (National Institution for Transforming India). The first meeting of NITI Aayog was chaired by Narendra Modi on 8 February 2015

Functions of the Indian Planning Commission:

1. To devise a plan for the most effective and balanced utilization of country's resources.
2. To specify the factors that tends to retard economic development
3. To determine the nature of the mechanism required for securing the successful implementation of each stage of the plan in all its aspects.

4. To make required recommendations from time to time regarding those things which are deemed necessary for facilitating the execution of these functions . Such recommendations can be related to the current economic conditions, current policies, measures or development programmes.

5. To determine the conditions which need to be established for the triumphant execution of the plan within the incumbent socio-political situation of the country .

6. To make an evaluation of the material, capital and human resources of the country, including technical employees, and investigate the possibilities of augmenting those are related resources which are found to be deficient in relation to the nation's requirement.

7. To define the stages, on the basis of priority, in which the plan should be implemented and propose the allocation of resources for the due completion of each stage.

Function of NITI Aayog:

1. To develop mechanisms to formulate credible plans at the village level and aggregate **these** progressively at higher levels of government.

2 To pay special attention to the sections of our society that may be at risk of not benefiting adequately from economic progress.

3 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.

4 To offer a platform for resolution of inter-sectoral and inter departmental issues in order to accelerate the implementation of the development agenda

5 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.

6. To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above.

7. To focus on technology up gradation and capacity building for implementation of programmes and initiatives.

8. 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.

9. To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.

10. To evolve a shared vision of national development priorities sectors and strategies with the active involvement of States in the light of national objectives.

Planning Commission Vs. NITI Aayog

Composition

- NITI Aayog has two new posts of CEO of secretary rank, and Vice-Chairperson. It has five full-time members and two part-time members. Four cabinet ministers serves as ex-officio members. CEO is appointed directly by Prime Minister. Current composition of NITI Aayog

- Planning Commission had deputy chairperson, a member secretary, and full-time members. Secretaries or member secretaries appointed by the usual process.

Planning

- NITI Aayog goes for bottom up approach to formulate national development strategy in a market economy integrated with the globalized world.

- *Planning commission goes for top-down planning for government with public sector resources.*

Role of States

- *NITI Aayog provides a partnership with state governments to promote co-operative federalism. It provides a platform for structured and regular interaction 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.*

Drawbacks of NITI Aayog

- *When an institution older than half a decade is replaced by a new one , people look up to it as bringing immediate change and development . This expectation of witnessing immediate changes from the people in general and from the intellectual critics (read : supporters of Nehruvian institutions) in particular might come as a hindrance to NITI Ayog .*
- *The NITI Aayog has a considerably large amount of members as compared to the planning commission . The membership ranges from ministers to subject experts to state executive heads.*
- *UTs are represented by Lieutenant Governors, not by chief ministers. This is against the principles of federalism*
- *Dismantled planning commission without consulting the states.*
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Conclusion:

As the finance minister stated that “The 65 year-old 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 strengths and weaknesses. In this context, a ‘one size fits all’ approach to economic planning is obsolete. It cannot make India competitive in today’s global economy.”

The replacement of the Planning Commission by NITI Aayog helped in 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. NITI Aayog gives more importance to state then the planning commission .That is why this this was important Action of NDA government of change in planning commission .as the study of both the function we found it that almost functions are same .but there is some structural change . NITI aayog give importance to states of India

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