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The Challenges and Opportunities of NITI Aayoga

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Abstract: ***The role of states in the planning commission era was limited. The states annually needed to interact with the planning commission to get their annual plan approved. They had some limited function in the National Development Council. Since Niti Ayog has all chief ministers of states and administrators of UT in its Governing Council, it is obvious that states are expected to have greater role and say in planning/ implementation of policies. The Government has replaced Planning Commission with a new institution named NITI Aayog (National Institution for Transforming India). A cabinet Resolution issued today gave details of the new institutions. The institutional framework of government has developed and matured over the years. This has allowed the development of domain expertise which allows us the chance to increase the specificity of functions given to institutions. Specific to the planning process, there is a need to separate as well as energize the distinct 'process' of governance from the 'strategy' of governance. In this study it has two objectives, to know the Challenges and Opportunities of NITI Aayog, to Examine Functional Comparison of Niti Aayog v/s Planning Commission.***
Keynote: Niti Aayoga, Challenges, Opportunities.

I. INTRODUCTION

NITI Aayog, or the National Institution for Transforming India is a Government of India policy think-tank established by the Narendra Modi government to replace the Planning Commission. The stated aim for NITI Aayog's creation is to foster involvement and participation in the economic policy-making process by the State Governments of India. The Union Government of India announced the formation of NITI Aayog on 1 January 2015, and the first meeting was held on 8 February 2015. The Prime Minister serves as the Ex-officio chairman.

A. History

On May 29, 2014, the Independent Evaluation Office submitted an assessment report to Prime Minister Modi with the recommendation to replace the Planning Commission with a "control commission". On August 13, 2014, the Union Cabinet scrapped the Planning Commission, to be replaced with a diluted version of the National Development and Reform Commission (NDRC) of India. On January 1, 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 February 8, 2015.

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 organisation. 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."

II. OBJECTIVES OF THE STUDY

A. To know the Challenges and Opportunities of NITI Aayog.
B. To Examine Functional Comparison of Niti Aayog v/s Planning Commission.

III. METHODOLOGY

The methodology is highly needed to construct the research work equally qualitative and quantitative methods were used in the study. This article has required secondary data, secondary data has been collected from published source, such as varies periodicals, articles, reports, books, journals, and literatures, on the subject. For the point of gathering the newest updated information's on the topic e-sources also sighted.

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A. Challenges

1) *Expectations:* 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 . Let us hope that it does things for the long run and does not bend down to the pressures.
2) *Too Many Voices:* 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. Coming up with a consensus and trying to convince everybody is going to be a challenge.

B. Advantages

1) *Enthusiasm:* A new structure brings in new hope and enthusiasm. As can be seen in the current NITI Ayog, there have been a spur in the planning and brainstorming activities for development.
2) *Flexibility:* This is the most important advantage. The planning commission was bound with the idea of 5-year plans, with the coming of NITI Ayog, there have been things like the 15 year vision document and mid-term goals of 7 years with periodic reviews and necessary amendments can be made in due course.
3) *Cooperative Federalism:* With the planning commission, the whole planning was central, but NITI Ayog takes into account constant consultations with the heads of state governments and union territories.
4) *Strength:* NITI aayog is one third of what PC used to be. I believe they are trying to be leaner in their operation and transforming into a think tank by taking less bureaucrats and more domain experts, as a result now many advisors are working on multiple sectors.
5) *Budget:* Earlier they used to have a budget allocated to programmes/studies which now they don't but get it from done from concerned state/union department.

C. Why was the Planning Commission replaced by NITI Aayog?

Director General, Independent Evaluation Office, laid the ground for the dissolution of the Planning Commission. He has been appointed as an independent evaluator by the Government of India, with full authority to evaluate any scheme, programme or project, without the government interfering in any manner whatsoever. He evaluate the Planning Commission itself.

The Planning Commission was created in 1950 through a mere Cabinet resolution. It has no Constitutional sanctity. It came into being through a mere executive order and then it just continued to grow, taking over jobs assigned to other institutions like the Finance Commission. For example, allocation of funds to the States was the job of the Finance Commission, sanctified by the Constitution, but the Planning Commission appropriated this task to itself. Because of a different historical context, it even got into micromanagement of devolution of funds, how schemes should be run and even to the extent of how the states should spend those funds. When we started looking at the schemes, and travelled to the States, we realised that the States were not very happy with the way such schemes were designed centrally and literally pushed down their throats.

The States were made to follow the "one size fits all" theory of the Planning Commission for the implementation of the schemes. The States wanted more flexibility; they wanted freedom to design their own schemes, the way they should be implemented and the way funds meant for various schemes should be spent. They wanted to experiment with new ideas, new ways of implementing ideas. At the moment they are denied this freedom. We realised that the real problem in schemes not benefiting people lay not so much in the schemes as such but in the way they were approached by the States. We realised that different approaches should have been adopted by different States, which, at the moment, is not available. The Planning Commission did try to inject some flexibility, but that did not have much impact. Also, the majority of the staff at the Planning Commission are generalists, not domain experts, which made it frustrating for the States to explain different issues. That is when we started looking at the Planning Commission itself. The then Prime Minister Manmohan Singh too said that we needed to reform the Planning Commission. So we started looking at the historical background, why it was created and whether it was still serving the purpose for which it was created. We realized that the Planning Commission was initially envisaged only as a think tank, but over a period of time it appropriated to itself the work of other institutions and started the tight-fisted approach of allocating funds between the Centre and the States and among different Central Ministries. This was a task which should have been done by the Finance Commission and the Finance Ministry, for which they are mandated, but the Planning Commission appropriated this job to itself. I have explained in the report how and why this happened and have recommended that they should just be a think tank, thinking big for the long term, generate fresh ideas, look at innovations, suggest systemic reforms and not get involved in the humdrum of routine administration.

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Functional Comparison for Niti Aayog Vs Planning Commission

Planning Commission	Niti Aayoga
Design FYP-five year Plans	Design National Agenda Cooperative Federalism
Decide two 'Money' Matters: ➢ How much money to give to each state for Centrally Sponsored Scheme. (CSS) ➢ How much money to give to each state's own state-five-year-plan.	➢ Mostly work as a "policy"-formation-hub". The Press release is 'silent' on money/funding. So, most probably it will be left to finance ministry. ➢ Some experts believe inter-state council will decide money allocation to states, then finance ministry will release the fund.
➢ States/ UT were represented in national development council. ➢ PC framed FYP->went to Cabinet ->NDC approved FYP-> Tabled in parliament.	➢ State /UT represented in governing council. But no specific mention about whether they can approve/reject/amend Niti Aayoga proposals.
➢ One size fits all. Top-down socialist planning by Armchair Nehruvian economist and IES cadre officers (Indian Economic Service).	➢ Press release talks about participatory planning but how exactly will they do that? No specific details laid out. ➢ IES officers are rarely invited in modi's meeting. ➢ But gives the entry of free market economists and technocrats, most probably it will be an indicative planning + core planning i.e, after inputs of state governments, a broad outline with selected targets, limited subsidies and monitoring through ICT.

D. The scope of NITI Aayog

The objective of NITI Aayog is to evolve a shared vision of national development priorities, sectors and strategies with the active involvement of states in the light of national objectives. Focusing on the same, the PIB states, through the following India will be able to face complex challenges:

1) 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.
2) Elimination of poverty, and the chance for every Indian to live a life of dignity and self-respect.
3) Redressel of inequalities based on gender bias, caste and economic disparities.
4) Integrate villages institutionally into the development process.
5) Policy support to more than 50 million small businesses, which are amajor source of employment creation.
6) Safeguarding of our environmental and ecological assets.

E. The NITI Aayog Comprises the Following

1) Prime Minister of India as the Chairperson
2) Governing Council comprising the Chief Ministers of all the States and Union territories with Legislatures and lieutenant governors of other Union Territories.
3) Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. These will be formed for a specified tenure. The Regional CouncilVUO by the Prime Minister and will be composed of the Chief Ministers of States and Lt. Governors of Union Territories in the region. These will be chaired by the Chairperson of the NITI Aayog or his nominee
4) Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
5) Full-time organizational framework (in addition to Prime Minister as the Chairperson) comprising
a) Vice-Chairperson: Arvind Panagariya
b) Members: Three (3) Full-time: economist Bibek Debroy, former DRDO chief V.K. Saraswat and Agriculture Expert Professor Ramesh Chand.
c) Part-time members: Maximum of two from leading universities research organizations and other relevant institutions in an ex-officio capacity. Part-time members will be on a rotational basis
d) Ex Officio members: Maximum of four members of the Union Council of Ministers to be nominated by the Prime Minister
e) Chief Executive Officer: To be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India. Amithab Kant has been appointed as the new Chief Executive Officer.
f) Secretariat as deemed necessary Present Members

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F. The Various Members of NITI Aayog are

1) *Chairperson:* Prime Minister of India
2) *CEO:* Amitabh kant
3) *Vice Chairperson:* Arvind Panagariya
4) *Ex-Officio Members:* Rajnath Singh, Arun Jaitley, Suresh Prabhu and Radha Mohan Singh
5) *Special Invitees:* Nitin Gadkari, Smriti Zubin Irani and Thawar Chand Gehlot
6) *Full-time Members:* Bibek Debroy (Economist), V. K. Saraswat (former DRDO Chief) and Ramesh Chand (Agriculture Expert)
7) *Governing Council:* All Chief Ministers and Lieutenant Governors of States and Union Territories

IV. FINDINGS

A. To be an advisory body, or a think-tank. The powers to allocate funds might be vested in the finance ministry.

B. The number of full-time members could be fewer than Planning Commission.

C. State governments are expected to play a more significant role than they did in Planning Commission. Participation of the states will make planning inclusive and more closer to the ground realities.

D. Another important feature is it will involve scientist or other technical experts.There will be sufficient autonomy to the members so that they can provide free and fair advice to the planning.

E. The body will also have Regional Councils to solve region based problems involving more than one state but there is lack of clarity on how its function will differ from the already established Inter-State Council.

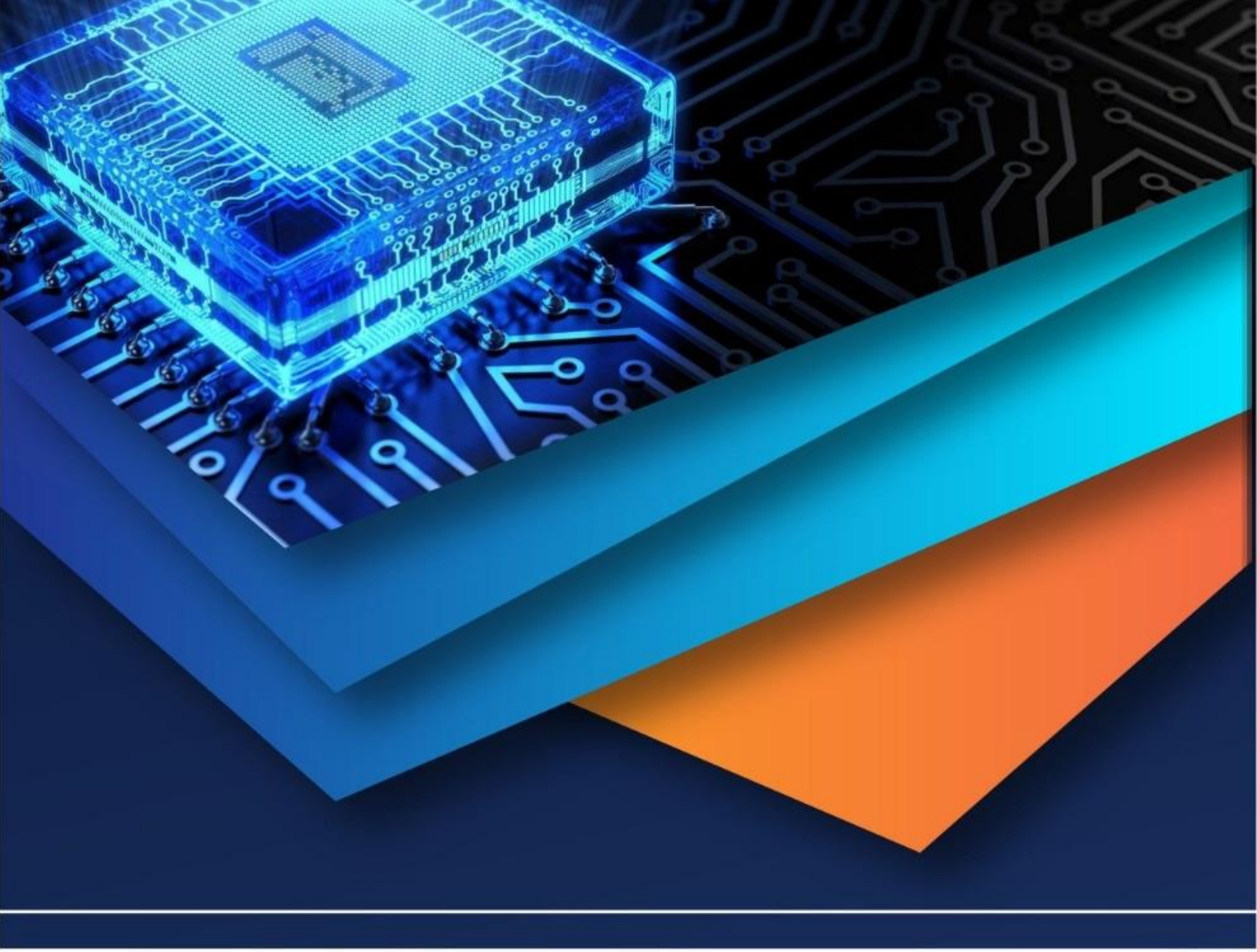
V. CONCLUSION

Prime Minister Narendra Modi, had announced the need for replacing the planning commission, a socialist era institution, with a new body keeping in view the changed economic scenario. The NITI Ayog is definitely a welcome step in the direction of contemplating planning in India from a fresh perspective. Let us hope that it succeeds against all the challenges in the path and takes India to a new level of growth - social and economic.

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