

# **TITLE OF E-CONTENT**

## **NITI AAYOG**

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# NITI AAYOG

The NITI Aayog replaced the Planning Commission that had been running for 65 years. For a long time, the significance and utility of the Planning Commission had been questioned. The replacement of the Planning Commission seems to be more responsive and relevant considering the present economic needs and scenario in the country. The word “NITI” in Sanskrit means guidance, morality, behavior, etc. but, here NITI implies policy and it stands for “National Institution for Transforming India”. NITI Aayog works as a think tank and as an advisory body of the government. It provides advice to the government on matters related to strategic policy at the Center and the States. Further, it also includes economic issues of domestic as well as international importance.

NITI Aayog never plans, it formulates policies. The projects based on these policies are prepared by different ministries of the Central Government. The NITI Aayog supports a federal cooperative structure where both the Centre and the States prepare development policies together. At the same time, the Aayog also promotes healthy competition among developing states. The regional councils focus on development activities in specific areas.

## Evolution of the Niti Aayog

On 1st January 2015, the Union Government announced the establishment of the NITI Aayog. The resolution was passed by the parliament to replace the Planning Commission of India with the NITI Aayog.

The Planning Commission of India used to perform two main duties-

Implementation of the five-year plan.

Providing Finances to the states.

The Niti Aayog does not provide finances to states, the function of allocating funds is now transferred to the finance ministry. It aims at constructing a strong state that will boost India to develop as a major economy in the world and to create a strong and dynamic nation.

The NITI Aayog’s creation has two hubs known as:

The Team India Hub: It leads the participation of the Central government with the States.

The Knowledge and Innovation Hub: It helps in building the institution’s think tank capabilities.

NITI Aayog is developing itself into a State of the Art Resource Center, which has all the essential skills, knowledge, and that will empower it to act with advanced research, speed, and innovation. It will bestow the government with crucial policy and help in managing unforeseen issues.

## Composition of NITI Aayog

The composition of the NITI Aayog is as follows:

Prime Minister of India- He is the Chairperson of NITI Aayog.

Governing Council- Consists of Chief Ministers of all the States and Lieutenant Governors of Union Territories.

Regional Councils- These are created to address particular issues and possibilities that affect more than one state. The regional councils are formed for a fixed term and the Prime Minister summons the council. It consists of the Chief Ministers of States and Lieutenant Governors of Union Territories.

The Regional Council is chaired either by the Chairperson of the NITI Aayog or a person nominated by the Chairperson.

Special invitees: the Prime Minister nominates the eminent professional and experts who have

relevant domain knowledge.

The full-time organizational framework- it will include the Prime Minister as the Chairperson and: Vice-Chairperson who is appointed by the Prime Minister.

Members:

Full-time members

Part-time members: The Maximum number of members is 2 from leading research organizations, foremost universities, and other innovative organizations that are in an ex-officio capacity. The part-time members are selected on a rotational basis.

Ex Officio members: includes a maximum of 4 members of the Council of Ministers who are nominated by the Prime Minister.

Chief Executive Officer: The Prime Minister will appoint the CEO for a fixed tenure. He will be in the rank of Secretary to the Government of India.

Objectives of NITI Aayog

To evolve a shared vision for the development of national priorities, strategies, and sectors with the active involvement of the States.

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

To foster cooperative federalism with the help of structured support mechanisms and initiatives on a continuous basis with the States, recognizing that strong States help in building a strong nation.

To pay special attention to those sections of our society which may be at risk of not being adequately benefitted from the economic progress.

To ensure that the interests of national security are incorporated into economic policy and strategy.

To design strategic, long term policy and program initiatives and frameworks, and monitor their efficacy and progress. The lessons learned through feedback and monitoring will be utilized in making innovative improvements that will include essential mid-course corrections.

To provide advice and encourage partnership between key stakeholders and the national and international like-minded think tanks including the educational and research institutions.

To offer a platform for resolving inter-sectoral and inter-departmental issues to stimulate development performance.

To develop innovation, knowledge, and entrepreneurial support system through a national and international expert's collaborative community, practitioners, and other partners.

To maintain a state-of-the-art Resource Centre, and to be a repository of research on good governance and best practices in equitable and sustainable development along with helping the stake-holders with their dissemination.

To actively evaluate and monitor the implementation of initiatives and programs that comprises identification of the resources needed to strengthen the success probability and scope of delivery.

To focus on capacity building and technology up-gradation for implementing programs and initiatives.

To undertake such other activities as may be necessary to execute further the agenda of the national development, and the objectives mentioned above.

Aims of NITI Aayog

To provide a critical strategic and directional input in the development process of India.

To serve as a think tank of both Center and State-level Government. Also to provide relevant technical and strategic advice on key policy matters.

Try to replace the center-to-state, one-way flow of policy with an amicably settled policy with a continued and genuine partnership of state frames.

It seeks to put an end to the slow and tardy policy implementation. This is possible through better state-to-state and Inter-Ministry coordination.

To help in evolving a shared vision of development of national priorities and foster cooperative

federalism. That is to work with the view that: strong states = strong nations.

To develop mechanisms at the village level to formulate credible plans, to ensure that special attention is paid to those sections of society which carry the risk of not being benefited from the overall economic progress of the country.

To evaluate and monitor the implementation of programs and also focus to upgrade the technology and building capacity.

The NITI Aayog tries to accomplish the following opportunities:

To create a productive administration paradigm where the Government is an enabler rather than being a provider of the first and last resort.

To attain progress from food security, by focussing on agricultural production and the actual returns that farmers receive from their produce.

To ensure that India is an active participant in global deliberations and debates.

To ensure that the economically active middle-class is actively engaged and is utilized to its full potential.

Leveraging India's pool of scientific, entrepreneurial and intellectual human capital.

To incorporate the geopolitical and geo-economic strength of the NRI Community.

To use urbanization as an opportunity for creating a secure habitat via modern technology.

To use technology in reducing potential and ambiguity for misadventures in governance.

To leverage the demographic dividend of India and realize the potential of young men and women, which is done by imparting education, skill development, eliminating gender bias, and providing employment opportunities.

To eliminate poverty and to offer Indians a better chance to live a life with dignity and respect.

To redress inequalities that are based on gender bias, caste, and economic disparities.

To integrate villages into the development process of the country.

To provide policy support to more than 50 million businesses that are a major source of employment generation.

To safeguard our ecological and environmental assets.

Role of NITI Aayog on Social Development Goals

The NITI Aayog has been assigned with the role of coordinating 'Transforming our world: the 2030 Agenda for the Sustainable Development Goals' (SDGs). SDGs established for a time period between 2016-2030 have evolved through a long inclusive process achievement to the Millennium Development Goals (MDGs). 17 goals are covered by SDGs and 169 related targets have been resolved in the UN Summit from 25th to 27th September 2015, in which India was represented by the Hon'ble Prime Minister. These SDGs will stimulate and fulfill their action over the 15 years in crucial areas of humanity and the planet.

The NITI Aayog's task at hand is to act proactively and not just to periodically collect data on SDGs to fructify the goals and targets by maintaining high standards of quality and not just quantity. A parallel exercise has already been taken by the Ministry of Statistics and Programme Implementation (MoSPI) to interact with the ministries to evolve the targets and goals of SDG.

To accomplish these tasks, the initial step on a draft mapping of the targets and goals on proposed Nodal and other Ministries in consultation with MoSPI has already been carried out. Further, the Centrally Sponsored Schemes (CSS), including the 'core' and 'optional' and 'core of the core', schemes that are being executed by the States, have been mapped with some recent initiatives which are being undertaken by the Central Government. In addition to this Central Sector Schemes are being implemented by the Ministries and various State Schemes by the States to align with one or more SDGs. From the NITI Aayog website [niti.gov.in](http://niti.gov.in), this mapping can be accessed.

How is NITI Aayog relevant

Acted as an Action Tank: The formation of NITI Aayog took place to bring fresh ideas to the government of India. The first mandate of NITI Aayog is to act as a think tank.

NITI Aayog acted like an action tank and not just as a think tank. By collecting fresh and new ideas and sharing them with the government at the Central and State level, it lifts frontiers and ensures that there is no inactivity in any organization or institution.

Improving innovation: A commendable work has been done by The Atal Innovation Mission, which is established under NITI Aayog, it has helped in improving the innovation ecosystem in India. More than 1,500 Atal Tinkering Labs have been established in schools across the country and it is anticipated that this number will cross 5,000.

It has also set up Atal Incubation Centres to encourage start-ups and young innovators.

Acts like a funnel: Through which innovative and new ideas come from various possible sources such as industry, civil society, academia, or foreign specialists, and then these ideas flow for their implementation into the government system.

Initiatives: Some of the initiatives like Ayushman Bharat, water conservation measures, approach towards artificial intelligence, and a draft bill for establishing the National Medical Commission replacing the Medical Council of India, these all initiatives have been conceptualized in NITI Aayog, and respective Ministries are taking them forward.

The work of NITI Aayog also includes cutting across the silos within the government, for example, still, the maximum number of malnourished children in the world are in India.

POSHAAN ABHIYAAN by NITI Aayog is best placed to achieve this convergence and push the agenda forward.

NITI Aayog is also helping to bring about a greater level of responsibility in the system: Development Monitoring and Evaluation Office has been established by the NITI Aayog, which collects performance data of various Ministries on a real-time basis. These data are then used at the highest policy-making levels to improve performance and establish accountability.

This outcome-based real-time monitoring, performance, and evaluation of government work can help to improve the efficiency of governance.

By using such data, we also come up with ranks of the State based on their performance across various verticals that promotes a spirit of competitive federalism.

NITI Aayog plays a significant role in being the representative of States in Delhi and facilitates direct communication with the line ministries, which helps in addressing issues in a relatively shorter time.

Two major changes are required

If a strategy has to be implemented by the NITI Aayog within a planning framework in India, two major changes in the structure of governance are required.

First, within a five-year plan framework planning should become more decentralized.

Second, bureaucracy will have to be changed from generalist to specialist, and its accountability should be based on the outcome achieved and not on the input or money spent.

NITI Aayog should govern as to how to implement these reforms.

If NITI Aayog succeeds, it could emerge over time as an agent of change and contribute to the government's agenda of implementing innovative measures and improving governance for the better delivery of public services.

NITI Aayog with its unique and vibrant work culture remains an integral as well as a relevant component of the government's schemes to put in place a transparent, efficient, innovative, and accountable governance system in the country.

Arguments against NITI Aayog:

A deeply unequal society cannot be transformed into a modern economy by the NITI Aayog, that ensures the welfare of all the citizens, irrespective of their social identity.

NITI Aayog has no role in influencing private or public investment.

NITI Aayog does not seem to influence policy-making with long-term consequences. For example, demonetization and Goods and Services Tax.

If NITI Aayog is a think-tank, it should be maintaining a respectable intellectual distance from the government. Instead, what we see is uncritical praise of the Government-sponsored schemes and programs.

NITI Aayog has not been able to answer some specific questions, like why 90% of the workers are still working in an unorganized sector? and more informalisation is taking place in an organized sector.

Women's labor force participation rate is also decreasing when our neighbors like Bangladesh are registering an increase in women's labor participation.

Though things are working in the NITI Aayog, but not with the pace that is required, which should not be the case.

To make it relevant, Niti Aayog has been bestowed with too many powers but bestowing too many powers in a single body is not a good idea for governance.

The work of NITI Aayog includes to keep listening to the demands of the states and fulfill their needs which NITI Aayog has not been able to do till now.

The intention behind setting up NITI Aayog was to encourage participation in the economic policy and public involvement, it has done neither.

The prime minister himself is of the view that the NITI Aayog has not been able to do enough in promoting initiatives like Swachh Bharat Mission, Make in India, and smart city projects in the states. It does not have the power to analyze the performance of various government schemes.

Some questions that need to be answered

How can it be ensured that every working member of the Indian family has a decent job with at least a minimum wage and employment/social security?

How can a country like India transform itself with new strategies and ideas if it does not have a paradigm of planning development? Then, how can it help in lifting its poor?

Why don't the political leaders ask as to why more than 90% of the public in the workforce is still working in the unorganized sector in small farms and non-farm establishments with almost two-thirds of them working in poor conditions totally?

Why isn't a question asked as to why more than half of the workers in the organized sector end up as 'insecure' or 'informal labor'?

Why is the rate of women labor force participation so low and declining when our neighbors like Bangladesh have registered an increase in the same?

Why are 'Adivasis' and 'informal' labor still at the bottom of the ladder in all the conceivable economic and social indicators of well-being?

Why is there an increase in gender, regional, and other inequalities based on social identity?

(These questions mentioned above can be used in various critical evaluations that will help in enhancing critical appraisal.)

Therefore, India requires planning that will address social justice, help in reducing gender and regional inequalities, and also ensure environmental sustainability.

Changes required in NITI Aayog

The need of the hour is that NITI Aayog has to evolve into a much stronger organization as compared to what it is now. NITI Aayog should be engaged with the allocation of "transformational" capital in a formulaic manner, complete with incentive-compatible conditionalities. As now when the Planning

Commission has been dissolved, there is a vacuum especially as the NITI Aayog is primarily a think tank with no resources to dispense, which renders it toothless to undertake a “transformational” intervention.

The implications that should be enforced in a complex country like India which has become an industrial economy late is that the planning must continue as a central function of the state to bring the economy to long-run equilibrium.

However, it can be contended that the Planning Commission was not able to fulfill its function adequately. The reason why NITI Aayog came into force by replacing the Planning Commission, there was a necessity to grow into a much stronger organization.

The NITI Aayog should come up with new reforms, learn from the neighboring countries, for example learn from the experience of the now industrialized Chinese state. It ensured after its market-oriented economic reforms began at the State apparatus (China created special economic zones to push manufacturing and export-oriented industries. The general rules of business were eased in these zones, marked out in areas with better infrastructure and access to cheap labor for investors. Indian special economic zones that came up decades later lacked such push and better incentives to attract foreign investors in numbers and size to give China a competition. China made a shift by promoting green energy like solar power and reducing its dependence on coal massively. China has emerged as the second-largest solar energy producer. India may emulate Chinese example to reduce its dependence on coal and oil, most of which it imports).

The State Planning Commission should become more powerful by focussing on growth and poverty reduction. China with its proper implementation of strategies became the “factory of the world” that was backed by an industrial policy that is driven by the Reforms Commission and the National Development.

Similarly, in all Southeast Asian and East Asian countries, industrial policy has always been planned and has been executed as part of the five-year or longer-term plans.

While Southeast Asian and East Asian countries still have and had five-year plans, the thing that was also integral to their planning was the productive use of labor, the most abundant factor of these countries, through an export-oriented manufacturing strategy. Such strategies have been lacking in India’s planning.

## Conclusion

NITI Aayog should focus on the implementation rather than only focusing upon the recommendations of the policies. It should also be focussing upon the reforms and informing the government as to where it will have to face the consequences for non-implementation of its policies and where it is falling short. The establishment of NITI Aayog gave positive results but there is a need to change and focus on areas that have been discussed in this article.

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