

Niti Aayog: A Think Tank for Government Policy Formulation

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ABSTRACT

The planning commission was a single compact authoritative organization set up by a resolution of the Government of India on 15th March, 1950 which was functional till 31st December 2014. The union government of India announced the formation of NITI Aayog on 1st Jan, 2015 which replaced the 65-year-old planning commission. NITI means National Institution for Transforming India and is a group of people with authority entrusted by the government to formulate or regulate policies in social and economic issues with experts in it. NITI Aayog is responsible for formulating what the government described as a “Bharatiya approach to development”. The new NITI Aayog will act more like a think –tank or forum and execute programme by taking the state along with them, this is in sharp contrast with the defunct planning commission which imposed five-year plans and allocated resources. The Prime minister of India is its chairperson. Main Functions of NITI Aayog include Co-operative federalism, sustainable development, urban development, participatory development with the help of private sector and citizens, inclusive development, poverty elimination, development of small enterprises, monitoring, feedback and midway course correction.

INTRODUCTION

The Indian economy is the seventh largest economy of the world measured by the nominal GDP and third largest by purchasing power parity. The country has undergone a paradigm shift in its social, economic, cultural, political and demographic environment since its independence. When the Britishers left India, the economy was in shambles. There was a decline of cottage, handicraft and small-scale industries, the traditional economic base of Indian society. In the 1950's, nearly 5 percent of the total food grains available in the country were imported. This dependence worsened during the 1960's when two severe drought years led to a sharp increase in import of food grains. As a consequence, majority population in our country remained undeveloped and poverty-stricken. The various socioeconomic problems like poverty, unemployment, stagnation in agricultural and industrial production and inequality in the distribution of income and wealth were deep rooted. However, India as a nation has always been progressive with growth and development as its top most priority. Economic planning was soon realised and the Planning Commission was set up by a Resolution of the Government of India in March 1950 in accordance with article 39 of the constitution which is a part of directive principles of state policy. (<http://planningcommission.gov.in/>).

Differences between Planning Commission and NITI Aayog

Governing Council: It consists of the CM's of all the states and the LG's of all the Union Territories. This implies that the states will have a say in the proceedings of the new Commission. Earlier, this communication used to happen in the NDC which constituted the CM's of all the states and was headed by the Prime Minister. The states had less said on the

allocation of funds from the center to the states.

Advisory Body: The Planning Commission too was an advisory and non-statutory body. The problem with such kind of bodies is that once their credibility is established, their powers and influences know no bounds since they are not properly defined nor limited by any law or any provisions of the constitution.

Planning Approach: Earlier, the Planning Commission would prepare an approach paper regarding the next five-year plan, keeping in mind sectoral targets, implementation and progress of the present plan and overall growth profile envisaged for the economy for the next 15-20 years. Within this approach the states were then asked to formulate and submit their own plans which would then be taken up for discussions at the expert or political level. The NITI Aayog is constituted to do the opposite. It's working is supposed to be based on a bottom-up approach wherein the decisions will first be taken at local level and then endorsed by the central govt. The NITI Aayog will develop mechanisms to formulate credible plans to the village level and aggregate these progressively at higher levels of government".

Main Functions of NITI Aayog:

- A think tank for government policy formation.
- Co-operative federalism: Involving state government and village in planning process.
- Sustainable development: zero effect-zero defect.
- Urban development: Ensure the cities can remain habitable and provide economic venues to everyone.

- Participatory development with the help of private sector and citizens.
- Inclusive development: SC/ST and women too are benefitted.
- Poverty elimination: To ensure dignity and self-respect.
- Small enterprises: Focus on 5 crore small enterprises to generate more employment for weaker sections.
- Monitoring, feedback and midway course correction.
- Find the best practices from other counties.
- Make policies to reap demographic dividend and social capital.
- Regional councils will address specific issue for a group of states. Ex: Regional council for drought.
- Extract maximum benefit from NRI's geo-economic and geo-political strength for India's development.
- Use social media and ICT tools to ensure transparency, accountability and good governance.
- Ideas about national self-interest, capacity building, participating in global village etc.
- Knowledge, innovation and entrepreneurial support to system.
- Platform for resolution of inter-sectorial and inter-departmental issue.
- Monitor and evaluate the implementation of programs.

NITI Aayog is essentially an advisory body that seeks to provide critical direction and

strategic inputs across a spectrum of key elements of policy to centre as well as state. It also seeks to put an end to the slow and tardy implementation of the policy by inter ministry, interstate and inter ministry co-ordination. It follows the "bottom to top" development approach. It pays attention to the weaker section of the society that may not have been benefitted from economic progress (<http://niti.gov.in/>, <http://pib.nic.in/>)

Steps Taken by NITI Aayog to Reform Agriculture

The union budget 2015 announced the setting up of Atal innovation mission (ATM), Self-employment and talent utilization (SETU) and National agricultural market. Two task forces have been formed. The leader of the task force on Agriculture development of NITI Aayog is Prof. Ramesh Chand who has Ph.D. in Agricultural Economics from IARI, New Delhi and more than 30 years of experience in research & teaching in the field of Agricultural Economics & Policy. One to tackle the crucial subjects for agricultural development under the leadership of Mr. Ramesh Chand and the other one is elimination of poverty.

1. Market Liberalization for Horticulture Revolution at Small Farms: Fruits and vegetables give 4-10 times the return from other crop groups. A study on sources of growth indicates that diversification towards horticultural crops is the most powerful factor in raising growth rate of GDP.
2. NITI Aayog is considering a series of agriculture reforms that include changes in the fertiliser policy to allow free import of urea, explore transgenic crops in pulses and oilseeds and make land laws transparent.

NITI Aayog: Criticism

Like the planning commission, NITI Aayog is also a non-constitutional body which is not



responsible to the parliament. If line-ministries fail to achieve targets, NITI Aayog cannot punish them. NITI Aayog should have been created through a legal or Constitutional amendment. There should be a perspective plan spanning for 15 to 20 years as there are chances of dismantling by any new party which comes. Niti Aayog will conflict with Cabinet Secretariat (for inter-ministerial coordination) and constitutional body Inter State Council (for coordination with states). The formation of this body dismantled planning commission without consulting the states. Further, the UTs are represented by Lieutenant Governors, not by chief ministers which is against the principles of federalism. Fund allocation to welfare schemes may as well get affected. For example, there is a 20 % reduction in gender budgeting.

CONCLUSION:

NITI Aayog is directed towards adopting a Bhartiya approach to development - this will lead to change in emphasis from projects and

programmes (planning commission mandate) to policy and institutions. It will seek to facilitate and empower the critical requirement of good governance – which is people-centric, participative, collaborative, transparent and policy-driven. It hopes to replace the one-way Centre-to-State flow of policy with ‘cooperative federalism’. However, it is too early to say whether the NITI Aayog will be different from the Planning Commission or it is the same old wine in a new bottle. It is still an advisory and non-statutory body so it can be scrapped easily if it does not fit in the scheme of things. It's better to let it work for some time before coming to any conclusion.

REFERENCES

<http://niti.gov.in/>

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