
A Study on National Institution for Transforming India (NITI AAYOG)

Baljinder Kaur¹, Kajal Chaudhary^{2*}, SurjanSingh³, Milandeep Kaur⁴

^{1,2,4}Department of Commerce, Eternal University, Himachal Pradesh, India

³Department of Mathematics, Eternal University, Himachal Pradesh, India

*Corresponding Author

Abstract: For the past 65 years Planning Commission served India well but internal situation of the country as well as Global Environment has changed. For the purpose of better future and making better India, to face complex challenges NITI Aayog has been launched by the honorable Prime Minister Mr. Narendra Modi. The need for a change arises due to outdatedness of Planning Commission as it was made by late Prime Minister Jawaharlal Lal Nehru for the scarce resources in newly-born nation. The purpose of this study is to analyze the objectives and need for the future perspective by replacing Planning Commission to establish NITI Aayog. Now government is focusing on major sectors of economy i.e. Railways and Roads, Solar Energy and Coal gasification, Urbanization, Domestic electronic manufacturing and Policy initiatives like Coastal Employment Zones in this resolution with other such major planned programmes, schemes and policies. The study shows the progress under resolution and briefly highlighted missions and the major changes in India that took place in last 65 years, current scenario and future. India has undergone a paradigm 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 evolution. Keeping with these changing times, the government of India has decided to set up NITI Aayog (National Institution for Transforming India), in place of the erstwhile Planning.

Keywords: Niti Aayog, Planning Commission, Programmes, Paradigm, Demographically.

1. INTRODUCTION

The Planning Commission was an institution in the Government of India, which formulated India's Five-Year Plans, among other functions. In his first Independence Day speech in 2014, Prime Minister Narendra Modi announced his intention to dissolve the Planning Commission. It has since been replaced by a new institution named NITI Aayog. The National Institution for Transforming India (NITI) Aayog is a policy of Government of India 'think-tank' established by the honorable Prime Minister Narendra Modi to replace the Planning Commission. The main aim for the creation of NITI Aayog 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. "A Pro-people, pro-active and participative development agenda is the guiding principle behind NITI Aayog"- Prime Minister Narendra Modi. The structure of institution is divided into two large hubs. One is called knowledge and innovation hub and the other is team India hub.

2. NEED OF THE STUDY

There are a lot of reasons for this new institution to take place. Prime Minister announced NITI Aayog for the better future of India in comparison to developed nations. This study will analyze the need for creation of NITI Aayog and the difference between both Planning Commission and NITI Aayog.

3. OBJECTIVES OF THE STUDY

- To access the reasons for desolation of Planning Commission.
- To access the differences between Planning Commission and NITI Aayog.
- To find out the Programmes defined in NITI Aayog

4. REASON FOR DESOLATION OF PLANNING COMMISSION

Planning Commission was set up to optimize scarce resources in newly-born nation. During the tenure of Narendra Modi as Chief Minister of Gujarat, Modi found that state had never been given adequate funds to carry out development work.

PM said that, time has changed and the Planning Commission which was relevant once is of no use today. Moreover, Planning Commission never considered that world economy changes rapidly and hence, objectives set for future should change.

5. DIFFERENCE BETWEEN PLANNING COMMISSION AND NITI AAYOG

Planning Commission was an advisory body and Niti Aayog is also an advisory body. But there is a difference between them i.e. the powers to allocate funds to ministries and states will now be of finance ministry. Rather NITI Aayog is expected to have a greater role in implementation of policies.

Table1: *Difference between Planning Commission and NITI Aayog*

| Role | Planning Commission | NITI Aayog |
|---------------|---|---|
| Role of State | State's role was limited to the National Development Council and annual interaction during plan meetings. Enjoyed the powers to allocate funds to ministries and State Governments. | State Governments are expected to play a more significant role than, they did in the planning commission. It will be an Advisory body, or a 'think-tank'. The powers to allocate funds might be vested in the finance ministry. |
| Formulation | The planning commission formed Central Plans Niti Aayog will not formulate them anymore. It has been vested with the responsibility of evaluating the implementation of programmes. | One of the new functions of Niti Ayog is to address the need of the National Security in the economic strategy. |
| Time Period | There was 5 years plan under Planning Commission | There will be 15 year vision plan which will focus on sectors like Infrastructure, Education, Health, Poverty and Internal Security and Defence (earlier not part of Planning Commission). |

6. COMPOSITION OF NITI AAYOG

The figure 1 reveals about the composition of NITI Aayog in which, Full-time organizational framework composed of a Vice-Chairperson, three full-time members, two part-time members (from leading universities, research organizations and other relevant institutions in an ex-officio capacity), four ex-officio members of the Union Council of Ministers, a Chief Executive Officer (with the rank of Secretary to the Government of India) who looks after administration, and a secretariat.

With Prime Minister Narendra Modi as the Chairperson, the committee consists of:

- 1) Vice Chairperson: Arvind Panagariya
- 2) Ex-Officio Members: Rajnath Singh, Arun Jaitley, Suresh Prabhu and Radha Mohan Singh
- 3) Full-time Members: Bibek Debroy (Economist), V. K. Saraswat and Ramesh Chand (Agriculture Expert)
- 4) Special Invitees: Nitin Gadkari, Smriti Zubin Irani and Thawar Chand Chief Executive Officer: Amitabh Kant
- 5) Governing Council: All Chief Ministers and Lieutenant Governors of States an Union Territories

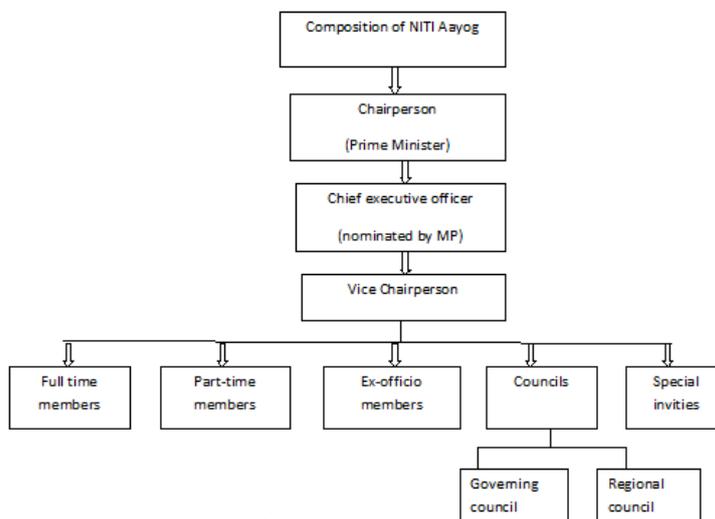


Fig 1: *Composition of NITI AAYOG*

6.1 Key objectives of NITI Aayog:

- a) Active Involvement of States
- b) Fostering Cooperative Federalism
- c) Long Term Policy Framework
- d) Learn Best from Foreign Nationals
- e) Aim at village level or Grassroot Level
- f) Resolve Inter-Sectoral and Inter-Departmental Issues
- g) Actively Monitor and Implement Programs
- h) Inclusion of All- Gareeb, Gaon and Kisaan
- i) Empowering Women
- j) Setting Transparency Level

6.2 Functions of NITI Aayog:

a) Shared National Agenda-It will provide a framework to the Prime Minister to work on shared national agendas on development and strategies with active involvement of states.

b) Decentralized Planning-It will be a planning process in bottom-up model empowering states and guiding local governments to plan at village level, progressively aggregate up the higher levels of government.

c) Vision & Scenario Planning-A design of medium and long term strategic framework giving India's big picture. It will address overall domestic and global environment evolving trends and emerging challenges. This would be a fundamental transition from where the nation's money goes, to planning where we want the nation to go.

d) Network of Expertise- Main stream external ideas through a collaborative community of national and international experts, practitioners.

e) Monitoring and Evaluation-Monitor the implementation of policies and programmes to evaluate their impact. This will track the weakness and will take necessary correction.

f) Conflict Resolution-A mutual resolution of inter-sectoral, inter-departmental, inter-state, as well as center-state issues to bring clarity and speed in execution.

h) Harmonization-Brings harmonization between different layers of government which involves overlapping issues across multiple sectors and emphasis on bringing all together.

6.3 NITI Aayog includes a house of special wings which include:

a) Research wing: It will develop in-house Sectoral expertise as a dedicated think tank of top experts, specialists.

b) Consultancy Wing: A panel of expertise for central and state governments matching their requirements and providing solutions. It will provide guidance and an overall quality check.

c) Team India wing: It will comprise a representative from every State and Ministry and serve as a permanent platform for national collaboration. Each representative will:

- Every state/ministry has a continuous voice and stake in the NITI Aayog.
- Establish a direct communication channel between the state/ministry

And a national Hub-Spoke institutional model will be developed with each ministry and state encouraged building dedicated mirror institutions, serving as the interface of interaction.

6.4 Atal innovation mission and self-employment and talent utilization:

Its objective is to serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas. The Atal Innovation Mission shall have two core functions:

- 1) **Entrepreneurship promotion** through Self-Employment and Talent Utilization, wherein innovators would be supported and mentored to become successful entrepreneurs
- 2) **Innovation promotion:** to provide a platform where innovative ideas are generated.

It is needed to:

- 1) Promotion of innovation and entrepreneurship in India
- 2) Establishment of Atal Tinkering Laboratory with Intel India
- 3) For adaptive Learning and Innovation Skills in Indian Youth
- 4) Total 500 labs(Initially 10 Established)
- 5) Investment = 150 crores
- 6) Impart skills to 2.5 Lakh Youths of 500 schools
- 7) It will take 3-4 years to Develop.

6.5 Some Facts about NITI Aayog:-

1. NITI Aayog is modeled on China's 'National Development and Reform Commission'.
2. NITI Aayog launches 'Women Transforming India' Campaign in partnership with the UN in India on March 8, 2016 International Women's Day.
3. NITI Aayog targets 50 medals for India in 2040 Olympics.

6.6 India, however, has changed dramatically over the past 65 years. While this has been at multiple levels and across varied scales, the biggest transformatory forces have been the following:

- 1) **Demography:** population of India increased to 121 crores which includes an addition of over 30 crore people to Urban India. As well as an increase of 55 crore youth (below the age of 35), which is more than one and a half times the total population of the country then.
- 2) **Economy:** Our economy has undergone a paradigm shift. It has expanded by over a hundred times, going from a GDP of Rs 10,000 crore to Rs 100 lakh crore at current prices, to emerge as one of the world's largest. Agriculture's share in this has seen a dramatic drop, from more than 50% to less than 15% of GDP. And our central government's Twelfth Five Year Plan size of Rs43 lakh crore, dwarfs the First Five Year Plan size of Rs2, 400crore. Priorities, strategies and structures dating back to the time of the birth of the Planning Commission, must thus be revisited. The very nature of our planning processes needs to be overhauled to align with this shift in sheer scale. 4Private enterprise: The nature of our economy, and the role of the Government in it, has undergone a paradigm shift as well. Driven by an increasingly open and liberalized structure, our private sector has matured into a vibrant and dynamic force, operating not just at the international cutting edge, but also with a global scale.
- 3) **Globalization:** Today, we live in a 'global village', connected by modern transport, communications and media, and networked international markets and institutions. As India 'contributes' to global dynamics, it is also influenced by happenings far removed from our borders. This continuing integration with the world needs to be incorporated into our policy making as well as functioning of government. States: The States of the Union of India have evolved from being mere appendages of the Centre, to being the actual drivers of national development. The development of States must thus become the national goal, as the nation's progress lies in the progress of States. As a consequence, the one-size-fits-all approach, often inherent in centralized planning, is no

| | | |
|-----|---|--|
| 11. | Capacity building for urban Transformation | MOU with Singapore Cooperation Enterprise-Partnership with 7 states, 3 workshops held |
| 12. | Simplification of laws (Total no. of State Laws in Rajasthan: 592(405 principal acts and 187 amending acts); 61 principal acts and 187 amending acts repeated by October 2015.) | By September 2016, trimming the no. of statutes to just 277; In next phase: the 277 statutes will be down to 150. |
| 13. | Competitive federalism in action (Framework for monitoring key performance indicators in Education, Health and Water Sectors) | Extensive collaboration to finalize the monitoring indices; Workshops and hand-holding support; Dynamic ranking portal; Audit and Validation; Enhanced Institutional efficacy. |
| 14. | Outcome based Evaluation and Monitoring | Road; Petroleum and Natural gas; Rural housing; Civil Aviation; Renewable energy; Rural roads; Digital; Shipping; Railways; Health; Sanitation; Power; Education; Rural livelihoods; Urban housing |
| 15. | Transforming Government Functioning | Outcome oriented monitoring for 1 st time; Short term targets driven by final outcomes; Monitoring for time bound actions with clear ownership; Best practice sharing between sectors and states; Cross sector teams formed to solve cross ministry issues. |
| 16. | Transforming India | Ministries made presentations at NITI Aayog on departmental action plans; NITI Aayog is Developing and Monitoring an interactive online dashboard; NITI is assisting ministries in breaking silos and promoting cross ministry collaboration. |
| 17. | Networking with Think Tanks | Development research Centre, China; National Development and Reform Commission, China; Institute of Energy Economics, Japan; International energy Agency; Bill and Melinda Gates Foundation; PEMANDU Malaysia; Australian Productivity Commission. |
| 18. | Sustainable Development Goals | Nodal body for monitoring the implementation of SGDs; Draft mapping of the goals on Ministries; Key Performance Indicators being developed. |
| 19. | Women Transforming India | Campaign launched on International Women's Day. Received over 1000 entries: stories of women making a difference. 12 women have been selected for. |

(Source: niti.gov.in)

8. SOCIAL INITIATIVES UNDER NITI AAYOG

NITI Aayog is contributing towards society to be ahead in every field so that our nation can grow faster and has taken many social steps some of what are:

8.1. NITI Aayog in sports: With India missing out in the recently concluded Rio Olympics, despite several near-perfect performances and returning with just two medals, Prime Minister Narendra Modi had set up a task force to prepare an action-plan for the next three Olympics till 2028.

The draft action plan, which was released on Wednesday for public comments, is in line with the target set for the nation to be able to win 50 medals at the 2024 Summer Olympic

8.2. NITI Aayog launches Women Transforming India: It was launched on 8, March 2016 i.e. on 'International Women's Day'. Under this, government of India launches a campaign seeking to engage women of urban and rural areas to come forward and take an initiative to write an essay or stories how they empower themselves or how they took up their challenges and opportunities.

9. SUSTAINABLE DEVELOPMENT GOALS

1. Nodal body for monitoring the implementation of SGDs
2. Draft mapping of the goals on Ministries
3. Key Performance Indicators being developed.



On September 25th, countries will have the opportunity to adopt a set of global goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years.

For the goals to be reached, everyone needs to do their part: governments, the private sector, civil society and people like you.

Fig 2: Sustainable Development Goals

(Source: https://www.google.co.in/search?q=sustainable+goals+niti+aayog&biw=1366&bih=667&noj=1&source=lnms&tbm=isch&a=X&ved=0ahUKEWjD4eKYjuLPAhXHvo8KHTmWDn0Q_AUICSgC#imgrc=WE_liq1RNhsnjM%3A)

10. The 12th 5 YEAR PLAN (2012-2017) UNDER PLANNING COMMISSION

Arvind Panagariya, NITI Aayog Vice-Chairman said the practice of Five-Year Plans will end after the current Plan gets over in 2016-17. "It would instead be replaced with three documents," he told that Vision Document is likely to implement before Budget 2017. These would include the short-term through a three-year Action Plan, the medium-term by seven-year strategy and the long-term by a 15-year Vision Document. "The Vision Document will give a sense of what to expect India to be in 2022-23. Measures like per capita GDP, GDP, agriculture, services and manufacturing, would be taken into consideration" he said, adding that the NITI Aayog has already talked with economists, agriculture specialists and scientists on the issue.

Consultations planned

Significantly, consultations with Defence and Internal security experts for the Vision document will also be conducted by Niti Aayog. An area that was not looked into under the Planning Commission. Meanwhile, sources said the appraisal of the Twelfth Plan (2012-17) would broadly cover the first four financial years and the Budget Estimate for the current fiscal. The economy and policies, macroeconomic factors, employment and skill development, governances, human resource development, physical infrastructure, environmental sustainability, agriculture and rural transformation and urban transformation are the nine broad themes that would be followed in appraisal.

PSU disinvestment

The NITI Aayog, which is in charge of identifying loss-making public sector units for strategic sales, has also submitted two reports to the government and is working on a third report on the issue. "We have submitted two reports — on loss making and sick PSUs and second on PSUs identified for strategic disinvestment," said Panagariya, adding that the third report would also focus on firms for majority stake sales.

11. PROGRESS OF NITI AAYOG

Prime Minister Narendra Modi reviewed the progress of key infrastructure sectors and in course of the presentation made by NITI Aayog, it was noted that there has been phenomenal progress in several key sectors, including renewable energy and railways. India would like to take advantage of China's expertise on redevelopment of Railway stations in India.

In the new renewable energy sector, the cumulative installed capacity has crossed 44 Gigga Watts and targets have been met for various components, and various projects under centre and State policies.

1. Progress made in key policy areas such as safety and connectivity.
2. Eight Indian airports are ranked among the top 5 globally in their respective categories.
3. Swachh Bharat is already being implemented and has set a huge example for nation to contribute their efforts for nation.
4. It has also reviewed the performance of ongoing plans and development goals. It includes the appraisal of the twelfth five-year plan, presentation on progress on infrastructure by the NITI Aayog and launching of a large-scale survey of 3500 firms to measure the ease of doing business in different states in India.
5. It also released a Good Practices Resource book 2015 which focuses on delivery in the social sectors in India. An expert committee report was also released on "Innovation and Entrepreneurship."
6. Prime Minister is stressing on the need to develop India's tourism potential. Partnerships with state for promoting development and boosting exports were need of the hour.

12. CONCLUSION

It is our honorable PM Narendra Modi who is taking every possible step towards successful India. Planning Commission was made to foster India but it lacks in its implementation and can't achieve the targets as decided under 5 year plans so NITI Aayog was born to fill the gap. NITI Aayog has set huge targets which will totally change the shape of our India in the coming 10 years and more as its name itself says 'transforming India' Certain policies are newly added which were not in Planning Commission as the main emphasis is given on the weaker sections of society i.e. villages and empowering women.

REFERENCES

- [1] <http://www.thehindubusinessline.com/economy/niti-aayog-action-plan-to-give-a-leg-up-to-olympicsstrategy/article9132571.ece>
- [2] <http://www.thehindubusinessline.com/economy/policy/niti-aayog-completes-appraisal-of-12th-fiveyear-plan/article8760789.ece>
- [3] <http://www.pmindia.gov.in/FA6312D0-C1CD-4A3E-AC2E>
- [4] <http://pib.nic.in/newsite/PrintRelease.aspx?relid=137721>
- [5] https://www.google.co.in/search?q=structure+of+niti+aayog&biw=1366&bih=667&source=lnms&tbm=isch&sa=X&sqi=2&ved=0ahUKEwjV7djah-LPAhUHK48KHVocAAEQ_AUIBigB#imgrc=HDtYoMomi6AEHM%3A
- [6] http://www.pmindia.gov.in/en/news_updates/establishment-of-atal-innovation-mission-and-self-employment-and-talent-utilisation-in-niti-aayog/
- [7] <http://www.gktoday.in/blog/difference-between-niti-ayog-and-planning-commission/.niti.gov.in>

AUTHORS' BIOGRAPHY

Ms. Baljinder Kaur has received B.Com. Degree from Chitkara University, Punjab campus. India. Presently a M.Com scholar at Eternal University, Baru Sahib, Himachal Pradesh, India. Area of specialization is finance.

Dr. Kajal Chaudhary has received (Ph.D.) from Chaudhary Charan Singh University, Meerut, Uttar Pradesh, India. Presently working as an Assistant Professor at Eternal University, Baru Sahib, Himachal Pradesh, India. She has 12 years of academic experience. Her area of interest is finance.

Dr. Surjan Singh has received (Ph.D.) from Banaras Hindu University, Varanasi, Uttar Pradesh, India. Presently working as an Assistant Professor at Eternal University, Baru Sahib, Himachal Pradesh, India. He has 12 years of academic experience. His area of interest is Mathematics.

Ms. Milandeep Kour has received B.Com. Degree from Jammu University, Jammu & Kashmir, India. Presently a M.Com scholar at Eternal University, Baru Sahib, Himachal Pradesh, India. Area of specialization is finance.