



# REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

UGC APPROVED JOURNAL NO. 48514

VOLUME - 8 | ISSUE - 9 | JUNE - 2019



## TRANSFORMATION OF PLANNING COMMISSION TO NITI AAYOG

**Monika**

Assistant Professor, RGM College Uchana, Jind.

### ABSTRACT:

The Planning Commission was an institution in the government of India, which formulated India's five Year plans. It was established on March 15, 1950 as an advisory institution to form Five Year Plans in the country on the lines of USSR. All the Five Year Plans have achieved less than the Targets except few. 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 The need for a change arises due to outdated of Planning Commission as it was made by late Prime Minister Jawaharlal Nehru for the scarce resources in newly-born nation.

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. Recent NITI Aayog may add new ideas to the old planning commission to achieve further more development of the country. The purpose of this study is to analyze the objectives and need for the future perspective by replacing Planning Commission to establish NITI Aayog. The present paper is also focused on the objectives and achievements of NITI Aayog.



**KEYWORDS:** Planning Commission, Five Year Plan, NITI Aayog.

### INTRODUCTION

Jawaharlal Nehru in his famous "Tryst with Destiny" Speech rightly said, "A moment comes, which comes but rarely in history, when we step out from the old to the new". 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 It has since been replaced by a new institution named NITI Aayog. NITI stands for

**National Institution for Transforming India.** The Metamorphosis from the Planning Commission to the NITI Aayog is one such moment when we are stepping from the old to the new. 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.

### OBJECTIVE OF THE STUDY

- To study the Planning Commission and NITI Aayog.
- To study the transformation from Planning Commission to the NITI Aayog.

### The Planning Commission

The Planning Commission was set up by a Resolution of the government of India in 1950 in pursuance of declared objectives of the government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production and offering opportunities to all for employment in the service of the community. The Planning Commission was charged with the responsibility of making assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilization of resources and determining priorities. Jawaharlal Nehru was the first chairman of the Planning Commission.

The First Five-Year Plan was launched in 1951 and two subsequent five-year plan was formulated till 1965, when there was a break because of the Indo-Pakistan conflict. Two successive years of drought, devaluation of the currency, a general rise in prices and erosion of resources disrupted the planning process and after three Annual Plans between 1966 and 1969, the Fourth five-year plan was started in 1969 covering the period 1969-1974. Then the Fifth Five-year Plan (1974-1979) was launched which was terminated in its fifth year. Sixth Five Year Plan was started in 1980, covering the period 1980-1985 and followed by a Seventh Five Year Plan covering the period (1985-1990). The Eighth Five Year Plan could not take off in 1990 due to the fast changing political situation at the Centre and the years 1990-91 and 1991-92 were treated as Annual Plans. The Eighth Plan was finally launched in 1992 after the initiation of structural adjustment policies. It covered the period (1992-1997), followed by the Ninth, Tenth, Eleventh and Twelfth Five-Year Plan. Ninth Five Year Plan covered the period (1997-2002), Tenth Plan (2002-2007), Eleventh Plan (2007-2012) and Twelfth Five Year Plan launched in April 2012 is for the period (2012-2017). For the first Eight Five Year Plans insistence was on a growing public sector with massive investments in basic and heavy industries, but since the launch of the Ninth Five Year Plan in 1997, the emphasis on the public sector has become less pronounced and indicative nature of planning has become more conspicuous. Till date India has completed Twelve Five Year Plans. Abandoning the idea of Five Year Plans that India has been following since 1951, the National Institution for Transforming India (NITI) Aayog has come up with a 15-year vision document.

### The NITI Aayog

The National Institution for Transforming India, also called NITI Aayog, was formed via a resolution of the Union Cabinet on January 1, 2015. NITI Aayog is the premier policy 'Think Tank' of the Government of India, providing both directional and policy inputs. While designing strategic and long term policies and programmes for the Government of India, NITI Aayog also provides relevant technical advice to the Centre and States.

The Government of India, in keeping with its reform agenda, constituted the NITI Aayog to replace the Planning Commission instituted in 1950. This was done in order to better serve the needs and aspirations of the people of India. An important evolutionary change from the past, NITI Aayog acts as the quintessential platform of the Government of India to bring States to act together in national interest, and thereby fosters Cooperative Federalism

### OBJECTIVES OF NITI AAYOG

- Recognizing that strong states make a strong nation, to engage the states in planning on a continuous basis and encourage cooperative federalism.
- Its aim is to enable institutions and stakeholders to fulfill their role in achieving sustainable and more inclusive development.
- To develop procedure to formulate plans at the village level and aggregate these plans progressively at higher levels of govt.
- To pay special attention to the section of society that is not adequately benefited from the economic progress.
- To ensure that the interest of national security is given due importance while making economic policy.

- To design long term policies and programmes, and to evaluate their progress regularly. Lessons learnt from their evaluation and feedback will be used for making improvement and corrections.
- To encourage the participation of educational and research institutions, national and international experts and practitioners.
- To foster the economic development, it provides platform to resolve inter-Sectoral and inter departmental issues.
- For the better implementation of the development programmes and policies it focuses on the technology up gradation and capacity building.
- To monitor the implementation and evaluation of key projects of govt. like “Make In India”, “Digital India”, “Swachh Bharat Programme” etc. In collaboration with the state govt.
- To provide a critical, directional and strategic input into the development process.
- Emerge as “Think-Tank”, provide govt. at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy.
- Make economic policy that incorporates national security interests.
- Feedback for constant innovative improvements.

### NEED FOR A CHANGE: NITI AAYOG

India has undergone a model 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 development. With changing structure timely, Government of India has set NITI Aayog in the position of the former Planning Commission, as a means for providing better facilities and to achieve more in the path of development further NITI Aayog offers strategic and technical advice to the central and the state governments. The new institution will be a vehicle in the developmental process; nurturing an overall enabling environment, through a holistic approach to development going beyond the limited sphere of the Public Sector and Government of India.

Planning Commission of India has steered the country in nearly 65 years of its existence without a constitutional or statutory standing. The planning commission had immensely contributed in transforming an under-developed economy to an emergent global nation with one of the world's largest economies but it is vehemently criticized for being a centralizing institution of economic policy undermining the spirit of Federalism. The planning commission used to give a continuum of discretionary grants to the states under Article 282 of the constitution. The Finance Commission could not make recommendations on grants-in-aid (Art.275) and on discretionary grants (Art.282). These grants were within the Jurisdiction of Planning Commission. The states have been demanding greater role of the Finance Commission as against the Planning Commission on the plea that the latter was a political body likely to be susceptible to the central government. The Planning Commission role as the arbiter in the allocation of finances to the states and central ministries has also been criticized because states were not given a say in their own development. The new institution NITI Aayog is expected to be more federal due to two reasons. First, its governing council will have all the chief ministers of states and lieutenant governors of Union territories as its members. Second, Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. The Planning Commission was unpopular with chief ministers as it engaged in the promotion of Centre-to-state one-way flow of policy. Planning commission attracted much criticism for becoming central government entity without any representation from the state. It was criticized for becoming a mere appendage of the central government. This kind of centralization of planning was against the very spirit of Federalism. NITI Aayog promises a break from that kind of centralization. NITI Aayog allows state governments to determine their path of economic development in lieu of one size fits all approach of the erstwhile planning commission. NITI Aayog provides states autonomy to set their developmental priorities. The cabinet resolution for NITI Aayog quotes Dr. Ambedkar that it is unreasonable to centralize powers where central control and uniformity is not clearly essential or is impracticable.

### Achievements of NITI Aayog

- NITI Aayog appointed 3 subgroups of chief ministers to advise the central government on the subject of centrally sponsored scheme, “skill development”, and “Swachh Bharat mission.”
- It has setup 2 task forces on agricultural development and elimination of poverty.
- Aayog has formulated a model land leasing law, which MP has adopted and UP has substantially incorporated into a preexisting law.
- It identified and spread the best practices across states in areas like health, msme development, education, innovation etc. through regular interaction with state officials from relevant ministries.
- NITI Aayog has recommended multiple reforms related to agriculture marketing and public distribution system. Recently Aayog also introduced agriculture marketing reform index for states.
- In its policy making role at the Centre, the Aayog has taken the initiative to identify numerous sick PSUs for closure or strategic disinvestment.
- The Aayog has proposal for the replacement of Indian medical council act 1956 by a new Medical education commission act to overhaul medical education in India.
- Aayog has also proposed comprehensive national energy policy draft.
- Aayog is also working on the creation of 20 world class universities and reform of UGC act and AICTE act.
- Aayog has also championed the launch of coastal employment zones to accelerate the creation of well-paid jobs.
- As a part of its think-tank function, the Aayog has brought out a book of the best practices; conducted workshops of state officials to spread these practices collaborated with think tanks created utility India energy security scenarios 2047, sponsored policy research and published several papers.
- Aayog is also in the process of bringing out the 15 year vision, 7 year strategy and 3 year action plan documents.
- It also organizes the transformative India lecture series.
- Programs launched by Aayog for innovation Atal Innovation Mission.

### CONCLUSION

The 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. The main problem in India is not policy formulation but the implementation so the new institution 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. Let's hope for AACHE DIN for NITI Aayog.

### REFERENCES

1. Dr. RV Gangshetty. “A Path from planning commission to NITI Aayog.” “International Journal of Advanced Research and Development.” March 2018.
2. <http://www.shreeprakashan.com/Documents/20170613083524534.1.%20Anant%20Prakash.pdf>
3. <http://ijissh.org/wp-content/uploads/2017/03/IJISSH-020203.pdf>
4. <https://www.ijsr.net/archive/v6i9/25091701.pdf>
5. <http://planningcommission.gov.in/aboutus/history/index.php?about=aboutbdy.htm>
6. <http://niti.gov.in/content/overview>