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THE EVOLUTION OF INDIA'S PLANNING FRAMEWORK :A STUDY OF NITI AAYOG

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I. ABSTRACT

As Prime Minister Narendra Modi so eloquently put it, " A major institutional reform is the move away from merely planning, to transforming India. The setting up of NITI Aayog, is a step in this direction.³The essence of the revolution that NITI Aayog represents is emphasized in this quote. Not only is the name being changed, but the entire approach to governance is being rethought with the goal of promoting cooperative federalism and sustainable development. This paper examines how economic planning and policy have changed in India, with a particular emphasis on the change from the Planning Commission to the NITI Aayog. It explores the structural and compositional elements of NITI Aayog after providing an introduction and historical background. We look at the responsibilities and roles of NITI Aayog and the Planning Commission to see how they each affect Indian governance. The creation of NITI Aayog and the Planning Commission's subsequent dissolution signaled a dramatic change in how policies were developed. Understanding the differences between these two organizations is essential to comprehending how they view cooperative federalism and how it affects society. Discussions of both institutions' criticisms offer a fair-minded viewpoint. The results are summed up in the conclusion, which also considers the wider ramifications for India's future economic strategy.

II. KEY WORDS

Niti Aayog, planning commission, India, cooperative federalism.

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³ <https://www.azquotes.com/quote/1304247> (Last visited on 3.07.2024)

III. INTRODUCTION

"A moment comes, which comes but rarely in history, when we step out from the old to the new, when an age ends, and when the soul of a nation, long suppressed, finds utterance," Jawaharlal Nehru correctly stated in his well-known "Tryst with Destiny" speech. It is appropriate that we dedicate ourselves to serving India and her people as well as the greater cause of humanity at this terrible moment⁴ (Tharoor, 2006, p. 15). One such instance of moving from the old to the new is the transformation of the Planning Commission into the NITI (National Institute of Transforming India) Aayog. This is another Tryst with Destiny where we opted to go forward by redefining our institutional framework and establishing NITI Aayog since the development and maturation of our institutions and polity rendered centralized planning unnecessary.

In his speech to the NDC on November 9, 1954, in Delhi, Jawaharlal Nehru stated: "If the Planning Commission has a static outlook, it will be of no use at all." In this manner, we sit, sleep, and recuperate. It is necessary to have a dynamic perspective on change of all kinds, including political, economic, and social development. This move from the Planning Commission to NITI Aayog is an example of that adaptable and dynamic mindset. This kind of change was expected given Narendra Modi's ascent to the top democratic position in India. Modi harshly criticized the Planning Commission for its dictatorial style and one-size-fits-all methodology.

This change reflects the socialist economy of India becoming a neo-liberal market economy. This historical shift and how it affects our federal system of government give rise to some compelling theories as well as opportunities for additional thought and investigation. We will examine the planning commission's operational procedures and assess the scope and capabilities of the new organization in order to comprehend this shift. It will be interesting to learn more about the mission and operations of the new organization and how it will promote cooperative federalism in light of the Cabinet

⁴ Sashi Tharoor, *India: From Midnight to the Millennium and Beyond* (Arcade Publishing, 2006), 15.

resolution establishing the NITI Aayog's explicit emphasis that the shift from Planning Commission to NITI Aayog will usher in a new era of cooperative federalism. The untimely dissolution of the Planning Commission left many unanswered problems, which makes the study extremely important. In order to determine its shortcomings and drawbacks, we must examine India's six decades of planned economic development. To lessen the issues and improve the chances of cooperative federalism in the Indian federation, a detailed examination of the Planning Commission's influence on India's fiscal federal relationship is required.

IV. HISTORY OF NITI AAYOG

Change in Organization: Planning Commission to NITI Aayog In its 67 years of existence, the planning commission has created twelve five-year plans. In 1951, India initiated a program of planned economic development with the introduction of the First Five-year Plan. Two more five-year plans, the Second Plan (1956–1961) and the Third Plan (1961–1966), were developed after the First Five Year Plan, which covered the years 1951–1956, ended. Following that, there was a Plan Holiday because to the 1965 Indo-Pakistani War. Following three annual plans between 1966 and 1969, the planning process was hampered by two years of drought, currency devaluation, general price increases, and resource loss.

The fourth five-year plan, which covered the years 1969 to 1974, was began in 1969. After that, the Fifth Five-Year Plan (1974–1979) was started, but due to a change in government, it was abandoned in the fifth year. In 1978, the Janata Party government introduced a second Five Year Plan, this one covering the years 1978–1983. However, a new Sixth Five Year Plan spanning the years 1980–1985 was initiated in 1980 with the return of the Indira Gandhi Government, and a Seventh Five Year Plan covering the years 1985–1990 followed.

Due to the rapidly shifting political landscape at the Center, the Eighth Five Year Plan was unable to get off the ground in 1990. As a result, the years 1990–1991 and 1991–1992 were handled as Annual Plans. Finally, in 1992, the Eighth Plan was implemented

following the start of policies for structural adjustment. It covered the years 1992–1997. The Ninth, Tenth, Eleventh, and Twelfth Five-Year Plans came after it. The Ninth Five-Year Plan was implemented from 1997 to 2002; the Tenth Plan from 2002 to 2007; the Eleventh Plan from 2007 to 2012; and the Twelfth Plan from April 2012 to 2017 was announced. The first eight Five Year Plans placed a strong emphasis on the public sector's expansion and large investments in both basic and heavy industries.

However, since the Ninth Five Year Plan was introduced in 1997, the public sector's importance has waned and the indicative nature of planning has become more apparent. Following the completion of the Twelfth Plan, there won't be any more five-year plans once the planning commission is eliminated. A 15-year vision document has been developed by the National Institution for Transforming India (NITI) Aayog, in place of the Five Year Plans that India has been using since 1951.

The Union Cabinet passed a resolution creating the NITI Aayog, which will have a multi-tiered structure with the prime minister as its chair, a governing council made up of lieutenant governors of union territories and chief ministers of all states, regional councils focused on issues unique to individual states and regions, and experts and specialists invited as special guests of the prime minister. The e-book "Planning to NITI - Transforming India's Development Agenda," published by NITI Aayog, highlighted the following points:

By adopting a comprehensive approach to development that extends beyond the boundaries of the Public Sector and the Government of India, the new institution will foster an overall enabling environment and act as a catalyst for the process of development. The following will serve as the cornerstones upon which this will be constructed:

- An empowered role for States as equal participants in national development; operationalizing the cooperative federalist principle.

- A cooperative platform facilitating implementation by tracking progress, filling in gaps, and bringing together the various Ministries at the Center and in States in the shared pursuit of developmental goals. ⁵(NITI Aayog, 2015, p. 7).
- A knowledge hub of internal and external resources, acting as a repository of best practices in good governance and a Think Tank providing domain knowledge and strategic expertise to all levels of government.

The main vehicle for bringing cooperative federalism to life will be NITI Aayog. With the combined power of the prime minister and chief ministers, this will allow the states to actively participate in the creation of national policy and to implement quantitative and qualitative goals on schedule. The Union and State Governments will engage in systematic and structured engagement to accomplish this better, comprehend developmental difficulties and come to an agreement on tactics and methods of execution. A true and revitalized center-state collaboration would take the place of the one-way policy flow from the center to the state with the implementation of NITI Aayog. The dynamic of competitive federalism, in which the states and the center compete with one another and with one another in the shared goal of national growth, would further strengthen this cooperation.

In its nearly 65 years of existence, the Planning Commission of India has guided the nation without being granted any formal constitutional or statutory authority. The Planning Commission is fiercely condemned for being a centralizing institution of economic policy that undermines the spirit of federalism, although having made a significant contribution to the transformation of an underdeveloped economy into an emerging global nation with one of the greatest economies in the world. Under Article 282 of the Constitution, the planning commission used to provide the states with a range of discretionary grants.

⁵ 7e-book Planning to NITI - Transforming India's Development Agenda ; available from <http://www.pmindia.gov.in/wp-content/uploads/2015/05/NITI-08.02.2015.pdf> (last visited on 4.07.2024)

The Finance Commission was not authorized to offer recommendations about discretionary grants (Article 282) or grants-in-aid (Article 275). The Planning Commission had jurisdiction over these funds. The states argue that the Planning Commission is a political body that could be influenced by the federal government, hence they are demanding that the Finance Commission play a bigger role. Since states were not allowed to participate in their own development, the Planning Commission's function as the arbiter in determining how much money to distribute to central ministries and the states has also come under fire. For two reasons, it is anticipated that NITI Aayog, the new organization, will be more federal.

First, all of the state chief ministers and lieutenant governors of Union territory shall serve as members of its governing council. Second, to handle particular problems and emergencies affecting multiple states or an area, Regional Councils will be established. Chief ministers disliked the Planning Commission because it promoted a one-way flow of policy from the Center to the States. The Planning Commission received a lot of flak for becoming an organization of the federal government without state representation. It received flak for turning into a menial extension of the national administration.

The fundamental spirit of federalism was being violated by this type of planned centralization. A departure from that level of centralization is promised by NITI Aayog. NITI Aayog will give state governments the freedom to choose their own course for economic growth rather than the planning commission's one-size-fits-all approach. States would have the freedom to choose their own priorities for development thanks to NITI Aayog. Dr. Ambedkar is quoted in the cabinet resolution creating NITI Aayog as saying it is irrational to centralize authority when it is either not possible or not evidently necessary to maintain central control and uniformity.

V. DEMISE OF PLANNING COMMISSION⁶

The Planning Commission's Death 2014 saw the dissolution of the Planning Commission, which had served as the backbone of India's economic planning for more than 60 years, and the NITI Aayog's replacement.

- **Reasons for demise:** Indications of the Death The decision to replace the Planning Commission was influenced by several factors
- **Centralized Planning:** The top-down strategy used by the Planning Commission was criticized for frequently creating a gap between the creation of policies and the reality on the ground.
- **Rigid Five-Year Plans:** In a fast-evolving economic environment, the inflexible framework of five-year plans was deemed antiquated.
- **Lack of Flexibility:** The Planning Commission was seen as being rigid and bureaucratic, which impeded the making of decisions quickly.
- **Introduction to Cooperative Federalism:** State participation in policymaking required a more cooperative approach, which was becoming increasingly apparent.

1) Five-Year Plans Are Ineffectual

- **Unrealistic Targets:** The five-year plans frequently set lofty goals that were hard to meet, which damaged their credibility.
- **Lack of Flexibility:** The plans inflexible framework made it difficult to adjust to shifting economic conditions.

2) Intersecting Roles and Bureaucracy

⁶ demise of planning commission: <https://www.epw.in/journal/2014/31/letter/demise-planning-commission.html> (last visited on 22.07.2024)

- **Duplication of Efforts:** There were overlaps and inefficiencies in the planning process due to the involvement of numerous government ministries.
- **Making Slow Decisions:** Decision-making was frequently delayed by the Planning Commission's bureaucratic framework.

3) Economic Landscape Changing

- **Globalization and Liberalization:** India's economic transition to a market-oriented system lessened the requirement for centralized planning.
- **States Become Economic Powerhouses:** A few states showed rapid economic expansion, which put the Planning Commission's top-down strategy to the test.

4) Perception in Public

- **Detrimental Effect:** As India grew, there was a growing perception that the Planning Commission was out of date and unrelated to its goals.
- **Lack of Accountability:** There was a vague lack of accountability about the plans' results. (epw.in 2014)

VI. RISE OF NITI AAYOG

If the new NITI Aayog is to function as an organization that harmoniously adds vitality to the developmental process, then its architecture, engineering, and management components will need to be carefully designed. How well it steers itself will determine how effective it is. The Aayog's ability to exert influence in the absence of grant-making authority and plan distribution authority to other ministries and agencies is a crucial question. M. Govinda Rao, the former director of the National Institute of Public Finance and Policy, served as a member of the Fourteenth Finance Commission.

The Planning Commission's demise Ever since the prime minister announced in his 2014 Independence Day speech that the Planning Commission will be replaced by a new institution, there have been extensive discussions over the function and mandate of the new organization. The National Institution for Transforming India (NITI) is a new institution that the government unveiled its general framework for in a cabinet resolution on January 7. With time, NITI Aayog's mission and operations will become more apparent. This note examines the potential role it may play and the difficulties it may encounter in carrying out the mandate given to it. Few people will be grieving over the Planning Commission's elimination.

Actually, the outgoing prime minister had advocated for revising its function to take into account evolving circumstances. There was very little application of the planning exercise that was conducted to the market economy. Its role in encouraging public-private partnerships was primarily viewed as obstructive, and it did very little to plan and implement even public sector investments for infrastructure. The process of approving governmental plans seemed to be a form of patronage distribution.

The spread of numerous centrally sponsored schemes (CSS) with conditionality and a "one size fits all" design led to significant distortions in public spending. The Finance Commissions' standards were frequently violated by the Planning Commission, which frequently proposed discretionary transfers to states to cover non-plan revenue shortfalls. Very little was done to address this anomaly even though a member of the Planning Commission was a part-time member of the Finance Commission. The institutional structure limiting the economic environment over time and the Indian development agenda were at odds in two ways.

The first is the conflict between the market's function and the planning framework. A planning framework was necessary in the early years following independence to allocate the low levels of savings to prioritize sectors and much-needed infrastructure in order to overcome the economy's lack of competitiveness and serious infrastructure deficiencies. But as the liberalizing changes were started, the framework was unable to change with

the times. The planning exercise became less and less relevant as political economy variables crowded out infrastructure spending with transfers and subsidies and fiscal constraints became more and more binding. In a federal democracy, the states' developmental role and the centralized control over resource distribution presented the second paradox.

The conflict between centralized planning within a federal framework was highlighted by the end of one-party control, the formation of coalition governments, and the inclusion of regional parties in the central coalition. The central government's answer was to further centralize, even if it meant encroaching into state legislative powers through a variety of strategies, such as the expansion of CSS. As a result of the aforementioned, the states and the private sector—two significant sources of economic dynamism—had to operate under restricted parameters. If NITI Aayog is to function as an institution, its engineering, architectural, and management elements must be properly considered to harmoniously provide dynamism to the developing process.

VII. STRUCTURE AND COMPOSITION OF NITI AAYOG ⁷

The following are members of the NITI Aayog:

The Indian Prime Minister will serve as the chair. The Lieutenant Governors of Union Territories and the Chief Ministers of each State make up the Governing Council. Regional Councils will be established to deal with certain problems and emergencies that affect many states or regions. These will be established for a given amount of time. The Prime Minister will call the Regional Councils, which will be made up of the Lieutenant Governors of the Union Territories and the Chief Ministers of the States. The NITI Aayog Chairperson or a designee shall preside over these. experts, specialists, and practitioners who have been nominated by the prime minister and have relevant domain knowledge as special invitees.

⁷ Structure and composition: <https://www.samanyagyan.com/eng/gk-niti-aayog-information> (last visited on 9.07.2024)

A permanent organizational structure (with the Prime Minister serving as Chairperson) that includes:

- 1) **Vice-Chairperson:** Arvind Panagarya
- 2) **Number of Members:** Two (2) Completely A maximum of two part-time members may be appointed ex officio from eminent universities, research organizations, and other pertinent establishments. Part-time members will rotate in shifts of four;
 - a. **Ex Officio members:** The Prime Minister may nominate up to four members of the Union Council of Ministers;
 - b. **Chief Executive Officer:** The Prime Minister may appoint the Chief Executive Officer, who will serve as Secretary to the Government of India, for a set period of time.
- 3) **The secretariat when needed**
 - Chairperson person : Formerly the Chief Minister of all States and
 - Governor or Uninis: an organization established to deal with particular problems and situations that affect many states or areas. The State level will serve as the foundation for NITI Aayog's strategy and planning.

The Prime Minister will call meetings of regional councils for priority domains that have been determined, with affiliated subgroups of States (formed around shared geographic, economic, social, or other characteristics) and Central ministries .

4) **Councils Regional**

- Have set tenures and be tasked with developing a plan and supervising its execution.
- Have a corresponding Central Minister and one of the group Chief Ministers leading them jointly, either by rotation or otherwise.

- Assist State Ministers and Secretaries along with the relevant sectoral Central Ministers and Secretaries. It will be connected to relevant academic institutions and domain experts.
- Establish a specific support cell within the Secretariat of NITI Aayog.
- States would therefore have the authority to set the national agenda. Consequently, decision-making would be better informed by grassroots.

Since recommendations are developed together, they would have greater ownership.

Special Invitees: Individuals nominated by the Prime Minister who possess pertinent domain knowledge and are considered as experts, professionals, and practitioners.

Completely Framework for Organization: will include the Prime Minister serving as the Chairperson, as well as:

- **Vice-Chairperson:** the prime minister will appoint.
- **Members:** professionals with international exposure who work full-time.
- **Part-time Members:** up to two may serve as ex-officio members from eminent universities, research centers, and other pertinent establishments. Part-time employees will work in shifts.
- **Ex-Officio Members:** The Prime Minister may nominate up to four Union Council of Ministers members.
- **Chief Executive Officer:** to be nominated by the Prime Minister to the position of Secretary to the Government of India for a predetermined period of time.
- **Secretariat:** as thought to be required.

VIII. NITI AAYOG SPECIALIZED WING

- **Research Wing:** a specialized think tank comprising leading academics, professionals, and domain experts that will cultivate in-house sectoral expertise.

- **Consultancy Wing:** This will give the federal and state governments access to a marketplace of pre-screened panels of funds and expertise, linking their needs with national and international public and private solution providers.

NITI Aayog will be able to concentrate its resources on matters of priority by acting as a matchmaker rather than offering the full service, while still offering advice and an overall quality check to the remaining projects. Team India Wing: made up of delegates

IX. AIMS AND OBJECTIVES OF NITI AAYOG ⁸

NITI Aayog is primarily an advisory organization that works to give the federal government and the states vital strategic and directional contributions on a wide range of important policy issues.

The central tenet is that "strong states make strong nations," and the Aayog will promote cooperative federalism by creating a common understanding of the goals for national development.

The bottom-top development approach is intended to be followed, meaning that mechanisms will be developed to create credible plans down to the village level and then gradually aggregate these at higher levels of government.

Through a network of partners, practitioners, and specialists on a national and international level, it would establish a system of knowledge, innovation, and entrepreneurial assistance.

It will also keep an eye on and assess how programs are being carried out, with a particular emphasis on capacity building and technological advancement.

- To design a national development strategy and plan with the States' active participation. Economic strategy and policy ought to take the interests of national security into account.

⁸ aims and objectives: <https://www.niti.gov.in/objectives-and-features> (last visited on 30.07.2024)

To monitor the implementation of long-term plans and programs and to pay attention to the segments of our society that are not receiving enough benefits from economic advancement.

Here, periodic observation and input will serve as the foundation for implementing the required adjustments and enhancements.

- To promote the involvement of influential parties, think tanks, academic institutions, and policy research centers.
- To establish a system that supports entrepreneurship, innovation, and knowledge.
- To provide a shared forum for resolving any kind of sector-specific or interdepartmental conflicts in order to expedite the execution of the development plan.
- To create and keep up an advanced resource and research center focused on best practices and good governance.
- To prioritize technical advancements for the effective execution of programs and initiatives.
- To carry out a range of additional tasks necessary to expedite the realization of the national development agenda and other goals.⁹(niti aayog, n.d)

X. RESPONSIBILITIES AND ACTIVE INVOLVEMENT OF STATES IN NITI AAYOG

The purpose of the NITI Aayog is to encourage every State to be actively involved, continuously involved, and in cooperation with it. Now that the national goals are within reach, the State Governments may actively contribute to accomplishing them while also prioritizing their own requirements. In contrast to the previous Planning Commission, the States will not be subject to Central dictates or control. This implies that the States will

⁹ http://www.pmindia.gov.in/en/major_initiatives/niti-aayog-transforming-indias-development-agenda/ (last visited on 09.07.2024)/

be able to participate more actively and directly in the creation of plans thanks to the new NITI Aayog. As a result, there would be no communication gaps of any kind and plan implementation would be more successful. The government of India has tasked NITI Aayog with creating a 15-year Vision Document that aligns with the nation's National Development Agenda and the 2030 Agenda for Sustainable Development, which includes the 17 Sustainable Development Goals. A 7-year Strategy Paper for Agenda Achievement (from 2017-18 to 2023-24) and a 3-year Action Plan after March 31, 2017, for the country's general development, will complement the 15-year vision of the Vision Document, which ends in 2030.

The Planning Commission of India was founded in 1950 with the goal of properly utilizing India's resources. The Commission develops numerous programs and policies intended for the advancement of society with the goal of giving people greater employment opportunities. The Planning Commission of India's primary duty is to ensure that the nation's wealth is utilized in a balanced manner. There are a few more units that are primarily in charge of creating projects for the development of the Western Ghats, India's border region, and other areas. The National Development Council is the governing body of India's Planning Commission.

The Planning Commission's members provide the various divisions with appropriate direction so that the significant plans can be implemented successfully. The Commission has developed a variety of plans, such as: Programs for Monitoring Plans, Five-Year Plans, Annual Plans, Projects, and State Plans

XI. NITI Aayog Hubs:

1. Team India Hub acts as a State-Center interface.
2. Knowledge and Innovation Hub creates the NITI Aayog think-tank acumen. 1/3 Three documents were scheduled to be released by the Aayog: a 15-year vision document, a 7-year medium-term strategy paper, and a 3-year action agenda.

XII. PILLARS:¹⁰

Seven guiding principles serve as the foundation for NITI Aayog, India's top policy-making organization, helping it to accomplish its objectives. These support structures are:

- **Pro-people:** Puts the wants and goals of the populace first, making sure that laws are made with their best interests in mind.
- **Pro-active:** Puts more of an emphasis on preparing for and handling problems than just responding to them.
- **Participatory:** Promotes public and stakeholder participation in the formulation of public policy.
- **Empowering:** Seek to enable people to make a positive contribution to the development of their communities and nation, particularly women.
- **Inclusive:** Aims to involve all societal segments in the process of development, irrespective of caste, creed, or gender.
- **Equal:** Encourages equal chances for everyone, especially young people.
- **Transparent:** Promotes accountability and openness in governance.

XIII. COMPOSITION AND FUNCTION OF PLANNING COMMISSION¹¹

- **Organization of the Planning Commission:** The Planning Commission is divided into three main sections, which are the General Secretariat, Technical Divisions, and Program Advisors.
- **Program Advisers:** Four senior officers are named as advisers in this category, holding the title of former Additional Secretaries to the Government of India. They

¹⁰ <https://unacademy.com/content/karnataka-psc/study-material/polity/niti-aayog/> (last visited on 23.07.2024)

¹¹ Composition and function of planning commission: <https://www.jagranjosh.com/general-knowledge/planning-commission-of-india-1437203373-1> (last visited on 24.07.2024)

support the Commission members in areas pertaining to field research, the assessment of different plans and initiatives, and the development of their implementation and management. The advisors also provide careful consideration to the administrative, financial, and public cooperation issues related to the plans' implementation.

- **General Secretariat:** The General Secretariat is composed of four branches: the Administrative Branch, the General Coordination Branch, the Information & Publicity Branch, and the Plan Coordination Branch. These branches work together to execute various tasks.
- **Technical Divisions:** Technical Divisions and Sections comprise twenty (20) and are often classified into two groups. General Divisions and Branch of Subject Divisions are these two categories. The subject divisions look at various facets of these difficulties quickly, while the general divisions tackle the issue of overall economic and social planning.

A. FUNCTIONS

- India's Planning Commission's duties The Planning Commission of India was established by a resolution on March 15, 1950, which stipulated the following duties:
- Assessing the nation's material, capital, and human resources, including technical personnel, and looking into ways to augment those that are found to be inadequate for the country's needs.
- Formulating a plan for the most efficient and balanced use of the resources available to the nation, deciding on the plan's priorities, and allocating resources to various plan sectors.
- Establishing the order of importance for the projects and programs included in the plan. eliminate any obstacles to economic progress given the nation's existing sociopolitical situation.

- To identify the impediments to economic growth and ascertain the prerequisites that must be met for the plan to succeed.
- To ascertain the type of machinery or assemble the machinery necessary to ensure the plan's successful execution.
- To periodically evaluate the plan's progress and suggest necessary modifications to policies and measures; also, to make necessary changes to policies and plan execution in compliance with advice or recommendations from the federal or state governments.
- To offer suggestions for improving the way it carries out its responsibilities, for taking into account the state of the economy, the policies, initiatives, and development plans in place, or for looking into issues that the federal government or state governments have brought to it for guidance.

Through its numerous divisional units, the Commission carries out a number of significant tasks. Every unit is overseen by a proficient officer. The following are a few of the Planning Commission's significant divisions in India:

The divisions that make up Administration & Services, Agriculture, Backward Classes, Communication & Information, Development Policy, Education, Environment & Forest, Financial Resources, Health, Nutrition, & Family Welfare, Housing, Urban Development & Water Supply, and Industry & Minerals divisions.

B. COOPERATIVE FEDERALISM:

In India, cooperative federalism is greatly aided by NITI Aayog. With the intention of encouraging more state competitiveness and cooperation, it has taken the place of the Planning Commission. The following are a few of the major projects that NITI Aayog has launched to support cooperative federalism:

C. GOVERNING COUNCIL:

Leaders of all states' ministries, lieutenant's governors of union territories, and the prime minister make up the Governing Council. On matters of national importance, it offers a forum for debate and consensus formation.

1) Subcommittees of Chief Ministers:

These subcommittees facilitate in-depth talks and knowledge exchange among states by concentrating on particular issues like as education, health, and agriculture.

- **Sharing of Best Practices:** To enhance overall governance and development outcomes, NITI Aayog helps states share effective policies and programs.
- **Policy Support and Capacity Building:** The organization helps states in a number of areas improve their capacity to implement policies by offering technical support and capacity building assistance.
- **Aspirational Districts initiative:** By encouraging healthy competition among them and giving them the resources they need, this initiative seeks to change the 112 most undeveloped districts in the nation.
- **Theme-Based Engagements:** To bring stakeholders from the Center and states together, NITI Aayog hosts conferences, workshops, and consultations on a range of development subjects.
- **Model Law Development:** To help streamline procedures and enable reforms, the organization creates model laws on significant topics including land leasing and marketing agricultural.
- **Interventions Tailored to an Area:** To address the unique development difficulties of regions such as the North-East and Himalayan states, NITI Aayog offers tailored help.

By promoting cooperative federalism, NITI Aayog aims to create a more competitive and efficient federal structure in India, leading to better governance and faster development.

XIV. DIFFERENCE BETWEEN NITI AAYOG AND PLANNING COMMISSION¹²

A. Structure and Composition

- **Planning Commission:** Headed by a Deputy Chairperson, with full-time members.
- **NITI Aayog:** Headed by the Prime Minister, with a Vice-Chairperson, full-time and part-time members, and Chief Ministers of all states as ex-officio members.

B. Role of States

- **Planning Commission:** States had a consultative role, primarily through the National Development Council.
- **NITI Aayog:** States play a pivotal role as equal partners, with their active participation in policy formulation.

C. Policy Implementation

- **Planning Commission:** Had a more directive role in policy implementation.
- **NITI Aayog:** Focuses on policy advocacy and capacity building, leaving implementation primarily to states.

D. Focus and Objectives

- **Planning Commission:** Primarily focused on drafting five-year plans, with a strong emphasis on physical targets and resource allocation.
- **NITI Aayog:** Aims at fostering cooperative federalism, promoting economic growth, and addressing developmental challenges through a bottom-up approach.

¹² Vijay Jaiswal, "Functions of Planning Commission" (Planning Machinery in India) August, 2013

E. Overall Approach

- **Planning Commission:** Adhered to a centralized planning model.
- **NITI Aayog:** Promotes a market-based economy with a focus on competition and innovation. (Jaiswal, 2013).

XV. CRITICISMS OF NITI AAYOG:

Although NITI Aayog was founded to take the place of the Planning Commission and promote cooperative federalism, it has come under fire from a number of quarters:

1. Lack of Implementation Power

- **Dependency on Government:** NITI Aayog's recommendations may or may not be implemented by the government, which will determine their efficacy.
- **Advising Role:** Without the power to enact its own recommendations, NITI Aayog essentially serves as an advising body. This reduces the influence it has on policy.

2. Focus on Economic Growth Over Social Welfare

- **Inequality:** NITI Aayog's proponents contend that by emphasizing economic growth, the concentration on GDP and other economic metrics has grown, possibly at the expense of social welfare concerns and inequality.
- **Exclusionary Approach:** Some people think that the demands of vulnerable and marginalized groups in society have not been sufficiently met by NITI Aayog's initiatives.

3. Lack of Transparency and Accountability

- **opaque Decision Making:** NITI Aayog's decision-making procedure is frequently criticized for being opaque, which raises questions regarding accountability.

- **Limited Public Consultation:** The public's lack of participation in the policy-making process has drawn criticism.

4. Overemphasis on Competitive Federalism

- **Disparity:** Although the goal of competitive federalism is to motivate states to perform better, it can also exacerbate existing gaps between them.
- **Neglect of Cooperation:** As cooperation is necessary to handle shared difficulties, a too competitive mindset may impede state-to-state cooperation.

5. Political Interference

Lack of Independence: According to some, NITI Aayog's efficacy and neutrality have been compromised by political concerns.

6. Ineffective in Addressing Complex Issues

Limited Impact: The inability of NITI Aayog to offer tangible answers to difficult problems like unemployment, poverty, and agricultural hardship has drawn criticism.

XVI. CONCLUSION

The Ministries of the Central Government and State governments will work closely with NITI Aayog in terms of consultation, cooperation, and coordination. The Central and State Governments will still be in charge of making and carrying out decisions, even though it will provide recommendations to them. The primary goal of NITI Aayog is to enable and strengthen the essential elements of good governance, which include being transparent, collaborative, people-centered, participatory, and policy-driven. It will concentrate on deliverables and outcomes while offering crucial strategic and direction guidance to the development process. This will be the main goal of NITI Aayog, along with serving as a hub and distributor of new ideas and concepts for growth.

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