



## Is the NITI Aayog relevant today?

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*The 'Yes, No, It's complicated' column of The Hindu for 21st September 2018, analyses the relevance of NITI Aayog in the governance system of India.*

**Background:** The National Institution for Transforming India, also called NITI Aayog, was formed via a resolution of the Union Cabinet on January 1, 2015, as a premier policy 'Think Tank' of the Government of India, providing both directional and policy inputs. NITI Aayog was constituted 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. The institution is headed by the Prime Minister, and its Governing Council comprises of State Chief Ministers and Lt. Governors of Union Territories.

### An Action Think Tank

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The institution was formed to act as a think tank- to introduce innovative and fresh ideas for governance. It acts as a point of convergence at various levels of governance, from policy formulation to the grassroot implementation of policies. It brings together ideas from industry, academia, civil society, foreign specialists and braids it with the available governing mechanisms. It connects the various ministries, the Central and State governments and reduces the possibilities of inertia within these various systems. Such interactions across the various sections of governance also facilitate multi-dimensional approaches in sectors that lie in the States' domain, such as agriculture, education and job creation. The institution also brings in a greater level of accountability in the system by keeping a check on the performance of various ministries on a real-time basis through its Development Monitoring and Evaluation Office. NITI Aayog brings the States to act together in national interest, and thereby fosters Cooperative Federalism. Also, it comes up with the performance-based rankings of the States and fosters a spirit of competitive federalism. Initiatives like Ayushman Bharat and Atal innovation Mission have emerged from brainstorming sessions held by the think tank and have been taken up by the various ministries for implementation. The policy formation remains a very challenging aspect of the governance and the institution plays a significant role to facilitate the same.

## **Wields No Influence**

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With the paradigm shifts taking place with respect to globalization, immigration, automation and financial sector policies, the transformation of Indian economy require foresighted and progressive planning. NITI Aayog as an institution, unlike the Planning Commission, lacks the power to influence government decisions. It cannot direct, public or private investment and have little hold on the policymaking with long-term consequences like demonetization or goods and services tax. The process of planning cannot be abandoned altogether for a developing economy. Long-term vision for the economy will require NITI Aayog to evolve into a much stronger organization than it is. Both policy planning and execution have to be synchronized in order to bring in sustainable growth.

## **Way Ahead**

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Substituting the centralized planning with a 'bottom-up' approach where the body supports the formulation of plans at the village level and aggregate them at higher levels of government is a welcome step. However, this needs to be within a specific time-frame supported by a bureaucracy that is more specialist than generalist in its approach towards implementation and policy execution.