



# Is the NITI Aayog relevant today?

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## **Highlights**

- The NITI Aayog was formed to bring fresh ideas to the government.
- Its first mandate is to act as a think tank.
- It can be visualised as a funnel through which new and innovative ideas come from all possible sources — industry, academia, civil society or foreign specialists — and flow into the government system for implementation.
- We have regular brainstorming sessions with stakeholders from various industries and sectors.
- Initiatives like Ayushman Bharat, our approach towards artificial intelligence and water conservation measures, and the draft bill to establish the National Medical Commission to replace the Medical Council of India have all been conceptualised in NITI Aayog, and are being taken forward by the respective Ministries.

## **An action think tank**

- NITI Aayog can be action tank rather than just a think tank.
- By collecting fresh ideas and sharing them with the Central and State governments, it pushes frontiers and ensures that there is no inertia, which is quite natural in any organisation or institution.
- If it succeeds, NITI Aayog could emerge as an agent of change over time and contribute to the Prime Minister's agenda of improving governance and implementing innovative measures for better delivery of public services.

## **Accountability**

- NITI Aayog is also bringing about a greater level of accountability in the system.
- Earlier, we had 12 Five-Year Plans, but they were mostly evaluated long after the plan period had ended.
- Hence, there was no real accountability.
- NITI Aayog has established a **Development Monitoring and Evaluation Office** which collects data on the performance of various Ministries on a real-time basis.
- The data are then used at the highest policymaking levels to establish accountability and improve performance.
- This performance- and outcome-based real-time monitoring and evaluation of government work can have a significant impact on improving the efficiency of governance.

## **Competitive Federalism.**

- Using such data, we also come up with performance-based rankings of States across various verticals to foster a spirit of **competitive federalism**.
- That is another big mandate of NITI Aayog.
- Identifying the best practices in different States in various sectors and then try to replicate them in other States, also play an important role of being the States' representative in Delhi, and facilitate direct interactions with the line ministries, which can address issues in a relatively shorter time.

### **Improving innovation**

- The **Atal Innovation Mission**, which is also established under NITI Aayog, has already done commendable work in improving the innovation ecosystem in India.
- It has established more than 1,500 Atal Tinkering Labs in schools across the country and this number is expected to go up to 5,000 by March 2019.
- It has also set up 20 Atal Incubation Centres for encouraging young innovators and start-ups.

With its current mandate that is spread across a range of sectors and activities, and with its unique and vibrant work culture, NITI Aayog remains an integral and relevant component of the government's plans to put in place an efficient, transparent, innovative and accountable governance system in the country.

### **NITI aayog analysed critically**

- Its replacement by NITI Aayog looks more apologetic than substantial for the task of transforming a deeply unequal society into a modern economy that ensures the welfare of all its citizens, irrespective of their social identity.
- It has no role in influencing, let alone directing, public or private investment.
- It does not seem to have any influence in policymaking with long-term consequences (for instance, demonetisation and the Goods and Services Tax).
- NITI Aayog is supposed to be a think tank, implies that while generating new ideas, it maintains a respectable intellectual distance from the government of the day.
- Instead, what we see is uncritical praise of government-sponsored, acronym-infested schemes.
- It sings paeans to the virtues of the private corporate sector as the saviour of the Indian economy without realising, let alone appreciating, the foundational and socially oriented contribution of India's vast public sector.
- India requires planning that addresses social justice, reduces regional and gender inequalities, and ensures environmental sustainability.

### **It will need to evolve into a much stronger organisation than it is now**

- While the laissez faire economy was the product of deliberate state action, subsequent restrictions on laissez faire started in a spontaneous way.
- Laissez faire was planned; planning was not.
- In other words, planning for a developing economy can be abandoned, but only at its own peril. The implication for a complex country like India that became an industrial economy late is that planning would, and should, remain a central function of the state in the medium run.

- However, we would contend that the Planning Commission, unfortunately, did not fulfil its function adequately.
- NITI Aayog will need to evolve into a much stronger organisation than it is.

### **Two changes required**

- If NITI Aayog is to implement such a strategy within a planning framework in India, two major changes in governance structures are needed.
- First, planning will have to become more decentralised, but within a five-year plan framework.
- Second, bureaucracy will need to change from generalist to specialist, and its accountability will have to be based on outcomes achieved, not inputs or funds spent.

NITI Aayog should spell out how these reforms will be implemented.

### **Additional Info:**

#### **NITI AAYOG**

- The NITI Aayog, also called National Institution for Transforming India, is a policy think tank of the Government of India, established with the aim to achieve Sustainable Development Goals and to enhance cooperative federalism by fostering the involvement of State Governments of India in the economic policy-making process using a bottom-up approach, it 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.

### **Team India Hub and the Knowledge and Innovation Hub**

- At the core of NITI Aayog's creation are two hubs - Team India Hub and the Knowledge and Innovation Hub.
- The Team India Hub leads the engagement of states with the Central government, while the Knowledge and Innovation Hub builds NITI's think-tank capabilities.
- These hubs reflect the two key tasks of the Aayog.

NITI Aayog is also developing itself as a State of the Art Resource Centre, with the necessary resources, knowledge and skills, that will enable it to act with speed, promote research and innovation, provide strategic policy vision for the government, and deal with