

Difference between NITI Aayog and Planning Commission

394. DR. BHALCHANDRA MUNGEKAR : Will the Minister of PLANNING be pleased to state:

(a) in what manner the NITI is different from the Planning Commission, the details thereof; and

(b) whether it was not possible to make the changes by retaining the name Planning Commission;

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING (RAO INDERJIT SINGH): (a) A copy of the Government of India Resolution dated March 1950 vide which the Planning Commission was set up and the Resolution dated Jan 1, 2015 vide which NITI Aayog has been set up are given at Statement-I and II (*See below*) respectively which indicate the difference between both the organizations.

(b) No Sir, India has undergone a paradigm shift over the past six decades. The role of the State as well as the state of the Economy has changed dramatically over the last few decades. __ India is now an emerging economy in an increasingly integrated globalized world. The State has now moved away from allocating government resources in a command and control ecosystem to a more complex role - that of mediating through policy action, favourable conditions for private investment, providing public goods and essential services __ and most importantly, directly intervening in areas that are traditionally neglected by markets i.e. social security and essential entitlements of food, health, nutrition, education and - Livelihoods to the vulnerable and marginalized groups,

In its 35th Report, on Demand for Grants (2011-12) the Standing Committee on Finance of the 15th Lok Sabha had observed that

"The Committee are of the view that while planning is very much relevant in India, the Planning Commission has to come to grips with the emerging social realities to reinvent . itself to make itself more relevant and effective for aligning the planning process with. economic reforms and its consequences, particularly for the poor".¹.

It was felt that such desired changes can be better effected by setting up a new Institution with structure and functions that can enable it to perform the task envisaged in the above recommendation. ².

Statement-I

Government of India's Resolution setting up the Planning Commission

GOVERNMENT OF INDIA

CABINET SECRETARIAT*

RESOLUTION

(Planning)

New Delhi, the 15th March, 1950

No.I-P(C)/50 - For some years past, the people of India have been conscious of the importance of planned development as a means of raising the country's standard of living. This consciousness found expression in the appointment in 1938 of the National Planning Committee by the Indian National Congress. The work of the Committee was, however, interrupted by political and other developments in the beginning of the war, although much useful material has since been published. In 1944, the Government of India established a separate Department of Planning and Development and at its instance, the Central as well as the Provincial Governments prepared a number of development schemes to be undertaken after the war. Problems of planning were reviewed towards the end of 1949 by the Advisory Planning Board which was appointed by the Interim Government of India, an important recommendation of the Board being the appointment of a Planning Commission to devote continuous attention to the whole field of development, so far as the Central Government was concerned with it.

2. During the last three years, the Centre as well as the Provinces have initiated schemes of development, but experience has shown that progress has been hampered by the absence of adequate co-ordination and of sufficiently precise information about the availability of resources. With the integration of the former Indian States with the rest of country and the emergence of new geographical and economic facts, a fresh assessment of the financial and other resources and of the essential conditions of progress has now become necessary. Moreover, inflationary pressures inherited from the war, balance of payments difficulties, the influx into India of several million persons displaced from their homes and occupations, deficiencies in the country's food supply aggravated by partition and a succession of indifferent harvests, and the dislocation of supplies of certain essential raw materials have placed the economy under a severe strain. The need for comprehensive planning based on a careful appraisal of resources 26 and on

an objective and on an objective analysis of all the relevant economic factors has become imperative. These purposes can best be achieved through an organization free from the burden of the day-to-day administration, but in constant touch with the Government at the highest policy level. Accordingly, as announced by the Honourable Finance Minister in his Budget speech on the 28th February, 1950, the Government of India have decided to set up a Planning Commission.

3. The Constitution of India has guaranteed certain Fundamental Rights to the citizens of India and enunciates certain Directive Principles of State Policy, in particular, that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social economic and political, shall inform all the institutions of the national life and shall direct its policy towards securing, among other things:-

(a) that the citizens, men and women, equally, have the right to an adequate means of livelihood;

(b) that the ownership and control of the material resources of the community are so distributed as best to sub serve the common good; and

(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

4. Having regard to these rights and in furtherance of these principles as well as of the declared objective 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 will:-

1. Make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements;

2. Formulate a Plan for the most effective and balanced utilisation of the country's resources;

3. On a determination of priorities, define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage;

4. Indicate the factors which are tending to retard economic development, and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan:

5. Determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the Plan in all its aspects;

6. appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary; and"

7. make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the" duties assigned to it, or on a consideration of the prevailing economic conditions, current policies, measures and development programmes; or on an examination of such specific problem as may be referred to it for advice by Central or State Governments.

5. The Planning Commission will be composed of the following:

Chairman: Shri Jawaharlal Nehru

Deputy Chairman: Shri Gulzarilal Nanda

Members: Shri V.T. Krishnamachari

Shri Chintaman Deshmukh

Shri G.L. Mehta

Shri R.K. Patil

Secretary: Shri N.R. Pillai

Deputy Secretary: Shri Tarlok Singh

6. The Planning Commission will make recommendations to the Cabinet. In framing its recommendations, the Commission will act in close understanding and consultation with the Ministries of the Central Government and the Governments of the States. The responsibility for taking and implementing decisions will rest with the Central and the State Governments. The Government of India feel confident that the States will give the fullest measure of help to the Commission, so as to ensure the maximum coordination in policy and unity in effort.

7. The work of the Planning Commission will affect decisively the future welfare of the people in every sphere of national life. Its success will depend on the extent to which it enlists the association and cooperation of the people at all levels. The Government of India, therefore, earnestly hope that in carrying out its task the Commission will receive the maximum support and goodwill from all interests and in particular, from industry and labour.

8. The headquarters of the Commission will be at New Delhi.

Statement-II

THE GAZETTE OF INDIA EXTRAORDINARY [PART I-SEC. 1]

CABINET SECRETARIAT

RESOLUTION

New Delhi, the 1st January, 2015

No.511/2/1/2015-Cab-Mahatma Gandhi has said: "Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position". Reflecting this spirit and the changes dynamics of the new India, the institutions of governance and policy have to adapt to new challenges and must be built on the founding principles of the Constitution of India, the wealth of knowledge from our civilization history and the present day socio-cultural context.

2. The planning Commission was set up on the 15th of March, 1950 through a Cabinet Resolution. Nearly 65 years later, the country has metamorphosed from an under-developed economy to an emergent global nation with one of the world's largest economies.

3. From being preoccupied with survival, our aspirations have soared and today we seek elimination, rather than alleviation of poverty. The people of India have great expectations for progress and improvement in governance, through their participation. They require institutional reforms in governance and dynamic policy shifts that can seed and nurture large-scale change. Indeed, the 'destiny' of our country, from the time we achieved Independence, is now on a higher trajectory.

4. The past few decades have also witnessed a strengthening of Indian nationhood. India is a diverse country with distinct languages, faiths and cultural ecosystems. This diversity has enriched the totality of the Indian experience. Politically too, India has embraced a greater measure of pluralism which has reshaped the federal consensus. The states of the Union do not want to be mere appendages of the Centre. They seek a decisive say in determining the architecture of economic growth and development. The one-size-fits all approach, often inherent in central planning, has the potential of creating needless tensions and undermining the harmony needed for national effort. Dr. Ambedkar had said with fortitude that it is "unreasonable to centralise powers where central control and uniformity is not clearly essential or is impracticable".

5. At the heart of the dynamics of transforming India lies a technology revolution and increased access to and sharing of information. In the course of this transformation, while some changes are anticipated and planned, many are a consequence of market forces and larger global shift. The evolution and maturing of our institutions and policy also entail a diminished role for centralised planning, which itself needs to be redefined.

6. The forces transforming India are many and include:

- a. The industry and service sectors have developed and are operating on a global scale now. To build on this foundation, now India needs an administration paradigm in which the government is an "enabler" rather than a "provider of first and last resort". The role of a government as a "player" in the industrial and service sectors has to be reduced. Instead government has to focus on enabling legislation, policy matching and regulation.
- b. India's traditional strength in agriculture has increased manifold on account of the efforts of our farmers and improvements in technology. We need to continue to improve and move from pure food security to a focus on a mix of agricultural production as well as the actual returns that farmers got from their produce.
- c. Today, we reside in a 'global village' connected by modern transport, communication and media and networked international market and institutions. As India 'contributes' to global endeavours, it is also influenced by happenings far removed from our borders. Global economics and geo politics are getting increasingly integrated, and the private sector is growing in importance as a constituent within that. India needs to be an active player in the debates and deliberations on the global commons, especially in relatively uncharted areas.
- d. India's middle class is unique in terms of its size and purchasing power. This formidable group is increasing with the entry of the neo-middle class. It has been an important driver of growth and has enormous potential on account of its high education levels, mobility and willingness to push for change in the country. Our continuing challenge is to ensure that this economically vibrant group remains engaged and its potential is fully realised.
- e. India's pool of entrepreneurial, scientific and intellectual human capital is a source of strength waiting to be unleashed to help us attain unprecedented heights of success. In fact the 'social capital' that is present in our people has been a major contributor to the development of the country thus far and, therefore, it needs to be leveraged through appropriate policy initiatives.

- f. The Non-resident Indian opportunity, which is spread across more than 200 countries, is larger in number than the population of many countries of the world. This is a significant geo-economic and geo-political strength. Future national policies must incorporate this strength in order to broaden their participation in the new India beyond just their financial support. Technology and management expertise are self-evident areas where this community can contribute significantly.
- g. Urbanisation is an irreversible trend. Rather than viewing it as an evil, we have to make it an integral part of our policy for development. Urbanisation has to be viewed as an opportunity to use modern technology to create a wholesome and secure habitat while reaping the economic benefits that it offers.
- h. Transparency is now a sine qua non for good governance. We are in a digital age where the tools and modes of communication, like social media, are powerful instruments to share and explain the thoughts and actions of the government. This trend will only increase with time. Government and governance have to be conducted in an environment of total transparency- using technology to reduce opacity and thereby, the potential for misadventures in governing.

7. Technology and information access have accentuated the unity in diversity that define us. They have helped integrate different capabilities of our regions, states and eco-systems towards an interlinked national economy. Indeed, Indian nationhood has been greatly strengthened on their account. To reap the benefits of the creative energy that emerges from the Indian kaleidoscope, our development model has to become more consensual and co-operative. It must embrace the specific demands of states, regions and localities. A shared vision of national development has to be worked out based on human dignity, national self-respect and an inclusive and sustainable development path.

8. The challenges we face as a country have also become more complex:

- a. India's demographic dividend has to be leveraged fruitfully over the next few decades. The potential of our youth, men and women, has to be realized through education, skill development, elimination of gender bias, and employment. We have to strive to provide our youth productive opportunities to work on the frontiers of science technology and knowledge economy.
- b. Poverty elimination remains one of the most important metrics by which alone we should measure our success as a nation. Every Indian must be given an opportunity to live a life of dignity and self respect. The

words of Tiruvalluvar, the sage-poet, when he wrote that nothing is more dreadfully painful than poverty", and "gripping poverty robs a man of the lofty nobility of his descent", are as true today as they were when written more than two thousand years ago.

- c. Economic development is incomplete if it does not provide every individual the right to enjoy the fruits of development. Pt. Deen Dayal Upadhyaya had enunciated this in his concept of Antyodaya, or uplift of the downtrodden, where the goal is to ensure that the poorest of the poor get the benefits of development. Inequalities based on gender biases as well as economic disparities have to be redressed. We need to create an environment and support system that encourages women to play their rightful role in nation-building. Equality of opportunity goes hand in hand with an inclusiveness agenda. Rather than pushing everyone on to a pre-determined path, we have to give every element of society - especially weaker segments like the Scheduled castes and Scheduled Tribes - the ability to influence the choices the country and government make in setting the national agenda. In fact, inclusion has to be predicated on a belief in the ability of each member of society to contribute. As Sankar Dev wrote centuries ago in the Kirtan Ghosh: "To see every being as equivalent to one's own soul is the supreme means (of attaining deliverance)".
- d. Villages (Gram) continue to be the bedrock of our ethos, culture and sustenance.
They need to be fully integrated institutionally into the development process so that we draw on their vitality and energy.
- e. India has more than 50 million small business, which are a major source of employment creation. These business are particularly important in creating opportunities for the backward and disadvantaged sections of the society. Policy making must focus on providing necessary support to this sector in terms of skill and knowledge upgrades and access to financial capital and relevant technology.
- f. Responsible development implies environmentally sound development. India is one of the mega-diverse countries. Our environmental and ecological assets are eternal, and must be preserved and safeguarded. The country's legacy of respect for environment is reflected in our reverence for trees and animals. Our legacy to future generation must be sustainable progress. Each element of our environment (pariyavaran) and resources, namely water, land and forest (Jal, Jameen evam Jungle) must be protected; and this must be done in a manner that takes into account their interlinkages with climate (jal, vayu) and people (jan). Our development agenda has to ensure that

development does not sully the quality of life of the present and future generations.

9. The role of the government in achieving 'national objectives' may change with time, but will always remain significant. Government will continue to set policies that anticipate and reflect the country's requirements and execute them in a just manner for the benefit of the citizens. The continuing integration with the world- politically and economically - has to be incorporated into policy making as well as functioning of the government.

In essence, effective governance in India will rest on the following pillars:

- a. Pro-people agenda that fulfils the aspirations of the society as well as individual.
- b. Pro-active in anticipating and responding to their needs.
- c. Participative, by involvement of citizens,
- d. Empowering women in all aspects
- e. Inclusion of all groups, with special attention to the economically weak (garib), the SC, ST and OBC communities, the rural sector and farmers (gaon and kisan), youth and all categories of minorities.
- f. Equality of opportunity to our country's youth.
- g. Transparency through the use of technology to make government visible and responsive.

10. Governance, across the public and private domains, is the concern of society as a whole. Everyone has a stake in ensuring good governance and effective delivery of services. Creating Jan Chetan, therefore, becomes crucial for people's initiative. In the past, governance may have been rather narrowly construed as public governance. In today's changed dynamics- with 'public' services often being delivered by 'private' entities, and the greater scope for 'participative citizenry', governance encompasses and involves everyone.

11. The institutional framework of government has developed and matured over the years. This has allowed the development of domain expertise which allows us the chance to increase the specificity of functions given to institutions. Specific to the planning process, there is a need to separate as well as energize the distinct 'process' of governance from the 'strategy' of governance.

In the context of governance structure, the changed requirements of our country, point to the need for setting up an institution that serves as a Think Tank of the government- a directional and policy dynamo. The proposed institutions has to provide governments at the central and state levels with relevant strategic

and technical advice across the spectrum of key elements of policy. This includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations. The infusion of new policy ideas and specific issue-based support. The institution has to the changing and more integrated world that India is part of.

An important evolutionary change from the past will be replacing a centre-to state one way flow of policy by a genuine and continuing partnership with the states. The institution must have the necessary resources, knowledge, skills and ability to act with speed to provide the strategic policy vision for the government as well as deal with contingent issues.

Perhaps most importantly, the institution must adhere to the tenet that while incorporating positive influences from the world, no single model can be transplanted from outside into the Indian scenario. We need to find our own strategy for growth. The new institution has to zero in on what will work in and for India. It will be a Bhartiya approach to development.

12. The institution to give life to these aspirations is the NITI Aayog (National Institution for Transforming India). This is being proposed after extensive consultation across the spectrum of stakeholders including inter alia state governments, domain experts and relevant institutions. The NITI Aayog will work towards the following objectives:

- a. To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of states in the light of national objectives. The vision of the NITI Aayog will then provide a framework 'national agenda' for the Prime Minister and the Chief Ministers to provide impetus to.
- b. To foster cooperative federalism through structured support initiatives and mechanisms with the states on a continuous basis, recognizing that strong States make a strong nation
- c. To develop mechanism to formulate credible plans at the village level and aggregate these progressively higher levels of government.
- d. To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy.
- e. To pay special attention to the sections of our society that may be at risk of not benefitting adequately from economic progress.

- f. To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections.
- g. To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think Tanks, as well as educational and policy research institutions.
- h. To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.
- i. To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.
- j. To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stakeholders.
- k. To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery.
- l. To focus on technology upgradation and capacity building for implementation of programmes and initiatives.
- m. To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above

13. The NITI Aayog will comprise the following:

- a. Prime Minister of India as the Chairperson
- b. Governing council comprising the Chief Ministers of all the States and Lt. Governors of Union Territories
- c. Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. These will be formed for a specified tenure. The Regional Councils will be convened by the Prime Minister and will comprise of the Chief Ministers of states and Lt. Governors of Union Territories in the region. These will be chaired by the Chairperson of the NITI Aayog or his nominee

- d. Experts, specialist and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
- e. The full-time organizational framework will comprise of, in addition to the Prime Minister as the Chairperson:
 - 1. Vice-Chairperson: To be appointed by the Prime Minister
 - 2. Members: Full-time
 - 3. Part-time members: Maximum of 2 from leading universities research organizations and other relevant institutions in an ex-officio capacity. Part time members will be on a rotational basis
 - 4. Ex Officio members: Maximum of 4 members of the Union Council of Ministers to be nominated by the Prime Minister
 - 5. Chief Executive Officer: To be appointed by the Prime Minister for a fixed tenure, in the rank of secretary to the Government of India.
 - 6. Secretariat as deemed necessary

14. Swami Vivekananda said "Take up one idea. Make that one idea your life- think it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea and just leave every other idea alone. This is the way to success." Through its commitment to a cooperative federalism, promotion of citizen engagement, egalitarian access to opportunity, participative and adaptive governance and increasing use of technology, the NITI Aayog will seek to provide a critical directional and strategic input into the development process. This, along with being the incubator of ideas for development, will be the core mission of NITI Aayog.

15. This Resolution shall come into force and shall be deemed to have come into force with effect from the 1st day of January, 2015 and Resolution I-P(C)/50 dated the 15th March 1950, shall stand superseded with effect from the date of coming into force of this Resolution.

Status of UIDAI Bill

395. SHRI SHANTARAM NAIK: Will the Minister of PLANNING be pleased to state :

(a) whether National Identification Authority Bill is pending before the Parliament ; if so, the essential features of the Bill;