

BIRTH OF NITI AAYOG: TOWARDS A NEW RESURGENT INDIA

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Abstract

*Keeping in tune with the changes and challenges of rapidly evolving socio-economic scenario in the country, the National Institution for Transforming India (NITI) Aayog aims at building pro people development agenda by pursuing a bottom up approach and with lively involvement of all stakeholders. The new entity extends its supporting hand on institutional reforms in governance and dynamic policy that looks after important changes to serve the present day economics especially in a rapidly changing global scenario. **The major challenge is to take all stakeholders on board to achieve the aspirations of common man and take the development to village level by making policies that are people friendly. The major objective of this paper is to explore how the new entity will bring about a seminal change in the development policy making by decentralizing the process and put India on high growth trajectory, providing an impetus to co-operative federalism which is healthy for the nation.** The key to the success of the dynamic institutional mechanism depends on adoption of a bold, unconstrained and unconventional approach and the degree of empowerment, confidence and credibility that it enjoys with the centre and the state government towards building a new resurgent India.*

Keywords: *Planning Commission, Federalism, Policy, Economic Development, Institutions*

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Introduction

The National Institution for Transforming India (NITI) Aayog is an interdisciplinary body, having a multi-sectoral approach, adopting bottom-up approach to planning with an incubator of ideas for development, offering a platform for resolution of inter-sectoral and inter- departmental issues to speed up the implementation of the development agenda, providing a stimulating factor to co-operative federalism (Singh, 2015). For dealing with existing challenges and avoiding the earlier one- size-fits-all approach, the NITI Aayog has come into being. India is a diverse country where its states are in various stages of economic development together with their own strengths and weaknesses. In this background, the planning commission cannot be able to make India competitive in today's global economy. In the context of India's rapidly changing urban and rural economic landscape, the involvement of states will facilitate the progress of policy markets in New Delhi to find out growth opportunities, recognizing geographic slivers of opportunity-states, metropolitan cities and their hinterland. For coping with the complexities of modern technological society and rapidly changing world, the NITI Aayog came into existence by putting an end to the perils of centralized planning and a command economy- the legacy of Nehruvian era.

The prime purpose is to make available strategic and technical advice on policy matters and economic issues to the central and state governments. Karl popper defends an open society rather than a totally planned society in which different proposals are subject to criticisms and error eliminations and effecting a change in the light of criticisms. Critical examination and discussion of inherent dangers and mistakes are parts of rational procedure. Mistakes are known and converted only when practical results are subject to critical examination. On the practical side, the centralized and command economy resulted in non-competitiveness, stagnation, low productivity, ecological destruction, declining Gross National Product etc. The NITI Aayog is an exceptionally good step to move India from a

command to a demand economy integrating itself with the entire world through a continuous process of self-correction **(Ramaswamy, 2015)**.

Nehru took up the Soviet Union path to industrialization where the onus of huge investments vested with the state. For India, private sector participation then was miniscule and investments were difficult to come by. But the scene has reversed today where a policy direction is required from the state as private sector players have turned major contributors of growth and can access cheaper funds from markets across the globe **(Thomas, 2015)**. Prime Minister Nehru was influenced by the Soviet Union's centrally planning model to a considerable extent. After independence, equitable growth of the economy and poverty alleviation was the main thrust, as Nehru had come into an inheritance an exploited India from East India Company. The planning commission took shape under these influences. The planning commission lost its importance in 1991 with the beginning of the era of economic liberalization. The commission was charged with working against the country's federal structure and centre's tool to dictate terms to the states. The setting of NITI Aayog sounded the death knell of 65-year old planning commission, heralding the beginning of co-operative federalism. It marked the demise of the command and control economy. The states will be financially empowered to get more central funding. With this new mechanism, it is hoped that in the coming years, better distribution and utilization of financial resources will be ensured and hence quality of life of the people will get better. The new set up will bring about a seminal change in the development policy making by decentralizing the process **(Thapa, 2015)**. The main objective of building NITI Aayog is pro people development by following a bottom up approach and with lively involvement of all stakeholders. It has been set up as a think-tank for formulating a new policy framework in accordance with the changes and challenges of rapidly evolving socio-economic scenario in the country.

The NITI Aayog is an honest endeavor to move away from centralized planning with a bottom-up approach, helping in formulation of plans at the village level and aggregating them at the higher level of government.

Keeping in view the diversity of the country, it has visualized emulating the norms of co-operative federalism, providing better opportunities to the states to adopt schemes according to their needs. The needs of the states are not similar. In some states the social indicators are highly developed in comparison to others. The body will address the needs of national security in economic strategy. It will pay attention to the sections of society who are not benefitted from economic progress. It will also monitor and evaluate the implementation of the programmes **(The Hindu, 2015)**. India is a country of diversities that has enriched the totality of Indian experience. The states do not want to be mere addition of the centre. They have necessary role in decoding the architecture of economic growth and development. The goal is to eliminate poverty not alleviate it. The Aayog lends its support for effective governance that includes pro-people agenda, citizen participation, all round women empowerment, equality of opportunity to the youth and transparency, socially and economically disadvantaged sections. The government has to focus an enabling legislation, policy making and regulation. The body provides necessary support to more than 50 million small businesses in terms of skill, knowledge upgrades, access to financial capital and relevant technology (The Hindu, 2015). 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 are major areas of focus of the new institution.

The proliferation of various centrally sponsored schemes with “one size fits all “design and cordiality contributed to severe misrepresentation of truth in public spending. The private sector and states were to function in a constrained environment. Now the economic liberalization has created vibrant private sector. The horizontal and vertical competition in a multi lateral fiscal system can be an important source of economic dynamism so long as a certain measure of competitive equality and cost benefit appropriability are ensured and predatory competition is prevented. In addition to it, the coordination costs are found be higher in the situation of

coalition governments and rule of parties in power are different in both center and state. All these calls for a need of an institution to develop healthy inter- governmental competitions and to promote “Coasean bargains” in the spirit of co-operative federalism **(Rao, 2015b)**. The establishment of NITI Aayog is in fact a momentous step to strengthen the role of the states in the process of economic development. Representation of States is stronger in NITI Aayog than in its predecessor.

Relevance

A pro-people, pro-active and participative development agenda stressing upon empowerment and equality is the guiding force behind NITI Aayog. The New body was set up with a 2,883 word long cabinet resolution. It is for governance across the public and private domains. In the past, governance was narrowly formed as public governance. In today’s dynamics, public services will be delivered by private entities. There will be greater scope for participative citizenry. Everyone has a stake in ensuring good governance and effective delivery of services. It will finish the slow implementation of policies, ensuring a fair centre state coordination. The cabinet resolution provides a good ideological framework, invoking Mahatma Gandhi on constant development in life, BJP ideologue late Deen Dayal Upadhaya for uplifting the downtrodden, Swami Vivekananda, constitution architect Dr. Ambedkar and Tamil Poet and philosopher Thiruvalluvar to let the NITI Aayog act as the pillars that provide a Bharatiya approach to development **(Gilani, 2015)**.

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, are other areas of focus for the new institution. Besides, the NITI Aayog will create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and partners. The Aayog is also expected to maintain a state-of-the art resource centre, which will be a repository of research on good governance

and best practices in sustainable and equitable development, and the domain experts, similar to young professionals, would be utilized to fulfill this mandate of the government's think tank **(Sharma, 2015)**.

NITI Aayog is narrated as a think tank for both the centre and the states on key policy matters for strategic and technical advice. The Aayog will design strategic and long term policy and programme frame work. It will also create a knowledge, innovation and entrepreneurial support system through a collaborative coordination of international experts, practitioners, and other partners. It will act as a directional and policy dynamo. It will provide the government both centre and state on the economic issues of national and international importance. It will provide a national agenda for Prime Minister and Chief Minister to foster co- operative federalism while recognizing that “strong states make a strong nation” **(The Asian Age, 2015)**. The market will determine the priorities and allocation of resources to various sectors, and not any planning authority. India needs an administrative paradigm in which the government is an enabler rather than provider of first and last resort. It will recommend a national agenda, including strategic and technical advice on elements of policy and economic matters. The institutions of governance will be built on the founding principles of constitution. This is a need to separate the process from the strategy of governance. Transforming India will involve two types of changes- consequences of market forces and those that would be planned. A- state- of-the-art resource centre for good governance is also proposed **(Mehra, 2015)**.

After having an extensive consultation across the spectrum of stakeholders, including state governments, domain experts and relevant institutions, this institution has come into existence. It will put an end to slow and tardy implementation of policies, by fostering inter-ministry co-ordination and better centre state coordination. It will help evolve a shared vision of national development priorities and foster co- operative federalism. It will also offer a platform for resolution of inter sectoral and inter- departmental issues in order to accelerate the implementation of the development

agenda. It will focus on technology up gradation and capacity building. It will try to leverage India's pool of entrepreneurial, scientific and intellectual human capital. It will incorporate the significant geo-economic and geo-political strength of non-resident Indian community. It will use urbanization as an opportunity to create a wholesome and secure habitat through the use of modern technology. It will use technology to reduce capacity and potential for misadventure in governance. It is unlikely to allocate funds or devise five year plans. It is more likely to focus on policy aspect of governance, policy formulation and coordination. Devolution of funds will no longer be a major responsibility of Aayog. The objectives are best suited to serve the interests of present day economic and changing global dynamics **(The Business Standard, 2015)**.

The new body will allow the state government to determine the architecture of economic growth and development. All states have a key role to express their views on issues pertaining to economic development. The historical step taken by Modi government will in fact give confidence for more participation of states in the policy making framework. The Chief Ministers will participate in the planning process which will give a boost to the overall development of the country and prosperity of its people. The Chief Ministers of various states will be better connected at the grass root level while framing policies at the national level. Earlier the state had hardly any say in policy formulation resulting in the lopsided development of the country **(The DNA, 2015)**. It will emerge as an active and important institution playing a pivotal role in India's development journey in years to come. It will provide key input on various policy matters. It is expected to transform India economy into formidable economic power in years to follow. It represents an innovative and institutional framework. The body celebrates India's diversity and plurality. It is expected to serve as a new source of ideas and achieve convergence for centre and states to evolve a long term vision for India. At the same time it is expected to coordinate various departments **(Kumar, 2015)**.

The Aayog is assigned with the task of strategic planning both at macro and sectoral levels. It will provide a framework for preparing plans to the state and the states to the lower levels of governments. It will provide a platform for facilitation of partnerships between stakeholders. It will provide a platform for experience sharing among the states. It has to ensure inter-governmental and inter departmental coordination. In the NITI Aayog, the states perspective was brought into the policy calibration.. To ensure efficient public service provision, competitive levels of infrastructure and to deal with market imperfections, the importance of second generation reforms was realized. Both horizontal and vertical inter-governmental co-operation assume immense significance to ensure harmonious calibration of policies and to ensure a common market. The parties in power in both centre and state may be different, but the systems and institutions should have to enjoy the trust and confidence of both the union and the states. Inter- governmental competition is a source of dynamism. Importing dynamism in a federation requires both fostering co-operation to calibrate policies in a conditional manner and harnessing competition to enhance efficiency and productivity. There is the dire need of an institutional platform in which both union and state governments come together to bargain, coordinate and resolve conflicts. There must be an independent platform for bargaining and conflict resolution and high quality research to quantify and demonstrate the implication of co-operation and competition. The end of the single party rule, the emergence of coalition governments with regional parties as pivotal members of the coalition and shortening time horizons of politicians have brought to the fore the imperativeness of an independent institutional mechanism for inter governmental bargaining and conflict resolutions. The newly created NITI Aayog is supposed to fill up the task **(Rao, 2015a)**. Institutional reform is far more important than policy reform.

Instead of control, the focus will be on being a catalyst and providing a platform for the States and the Centre to come together and discuss matters of economic policies and development plans. The planning will be organized at the village level and an aggregation of these inputs shall be

used to formulate national-level plans and policies. The States will now have a greater say. Previously it was the Planning Commission that formulated plans and then asked the States to implement them (provided they agreed), this time the States themselves will be able to actively take part in the planning so that there is no communication gap and the plans can be implemented properly. Prime Minister Narendra Modi, being an advocate of federalism, believes that decentralisation can play a big role in facilitating a balanced growth and making every individual State an important stakeholder, instead of the Centre acting like a big brother. Regional councils will be formed to address specific issues particular to those areas impacting the local populations. Issues of national security that were ignored so far, will be included at various levels of economic strategy and policy. All the necessary technological upgrades will be implemented and the functioning of the Aayog will be brought at par with any world-class organization involved in nation building.

Special emphasis will be laid on the benefits of those marginalized sections of the society who have been ignored and treated unimportant so far owing to the template-nature of the Planning Commission. When the central authority is minimized, the Aayog will be allowed to function in a more flexible manner, involving two types of changes-planned changes and changes influenced by the indigenous as well as global markets. Since the policy decisions will be made from the bottom of the pyramid and then move upwards, they will be more practical and people's friendly rather than something being prepared from an ivory tower.

The mantra of NITI Aayog is inclusiveness with states as partners, equality, transparency, pro people which was not visible in the planning commission. The states now have a greater say. In the NITI Aayog, states are consulted while making policy and deciding on funds allocation. Final policy would be a result of that. In the Planning Commission, policy was formed by the commission and states were then consulted about allocation of funds. NITI Aayog is a think-tank and does not have the power to impose policies. But the Planning Commission had imposed policies on states and tied

allocation of funds with projects it approved. NITI Aayog is characterized by genuine and continuing partnership of states. NITI Aayog is in fact participative in nature. The Governing Council will comprise of all Chief Ministers and Lieutenant Governors. The states governments will be able to take part in planning stage itself instead of implementing plans made by the planning commission. Instead of controlling and allocating resources among states unlike the planning commission, it will act as a catalyst and provide a platform for the centre and states to come together. All financial functions-generation and allocation of resources now rest with the Ministry of Finance. The states have an important role to play in shaping national policies. The Aayog will provide a critical directional and strategic input into the development process aligned with India's contemporary challenges **(Singh, 2015)**.

Niti Aayog, is going almost immediately to rank states on the basis of energy efficiency to help India achieve its international commitment of lowering energy consumption. The Aayog is now considering to rank states on the basis of how efficiently they consume energy. The first such ranking has to be called as the State Energy Efficiency Scorecard. This annual exercise will encourage states to compete for the top slot by considerably improving their energy efficiency. Data and statistics, across a wide spectrum of areas are made accessible to the public, besides all stakeholders by this institution to ensure that people are involved and informed at all stages of governance. Niti Aayog is eager to partner with leading organization to advance next generation mobility solutions. Mobility affects all sections of society and the transformative solutions now emerging will enable India to fulfill its aspirations for growth for all. India's ability to leverage new technologies to design integrated systems of public and private transportation could deliver seamless and convenient connectivity to urban and rural areas in India while creating new jobs, improving the lives of millions of people, and protecting the environment **(Government of India-Niti Aayog, 2017)**.

NITI Aayog will monitor and evaluate implementation of programmes and will seek to progress from "food security" to ensuring actual returns that farmers get from their produce; make ready the country to better handle with issues like poverty alleviation, safeguarding of environmental and ecological assets, redressal of gender, caste and economic inequalities and makes use of technology to reduce obscurity and potential for misadventure in governance. It also suggests giving policy support to more than 50 million small businesses to create jobs. The Aayog is also leading a campaign to achieve major reforms in agricultural marketing. In addition, it has expressed its eagerness to help resolve and speed up decisions on many issues of states pending for months with various central ministries. It also picks out and spreads the best practices across states in various areas by way of regular interactions with state officials from relevant ministries.

In its policy making role at the Centre, the Aayog has taken the initiative to find out numerous sick Public Sector units for closure. The Aayog has also identified several functioning units for strategic disinvestment. The Aayog is also working on the creation of 20 world-class universities and reform of the University Grants Commission Act, 1956 and All India Council of Technical Education Act, 1987.

It has also defended the launch of Coastal Employment Zones to accelerate the creation of well-paid jobs. A big bang reform proposed by the Aayog is the replacement of the Indian Medical Council Act, 1956, by a Medical Education Commission Act to overhaul medical education in India. The proposed Act would require entrance and exit examinations and replace input norms in the assessment of medical colleges by outcome norms. A comprehensive National Energy Policy draft is prepared to be put in public domain for wider consultation. The Aayog has also showed the way for the creation of a vibrant innovation and entrepreneurship ecosystem in the country through its Atal Innovation Mission (**Pangaria, 2017**).

Reactions

The substitution of the Planning Commission by the NITI Ayog is to provide enough space to the corporate-financial oligarchy and also to curb the states' economic powers. It carries forward simultaneously a highly centralized State in terms of political and economic authority. There is centralization of economic power in the hands of the federal authority within which the Finance Ministry becomes the apex of economic power. It implies that a handful of nominees of international finance capital are recruited into this Ministry and run the entire economy. The state governments depending on the largesse of the Centre will have to bow to its dictates, and remain committed to the "straight and narrow path" of promoting exclusively the interests of the corporate-financial oligarchy. The centralization of economic power will increase under the new dispensation. The winding up of the Planning Commission will inevitably mean a strengthening of the Ministry of Finance, It will imply that the flows which used to come to the states through the Planning Commission channel will now be effected through the Ministry of Finance. It will lead to the centralization of authority along with the simultaneous abolition of an apex body, the NDC. It was a forum where state Chief Ministers expressed themselves, not just on issues affecting their own states but on national development issues. The Centre was under some pressure at its meetings to accommodate states' demands. The states came to learn of each other's positions at the NDC meetings. The voice of the states in matters concerning national economic development will be downgraded in the new forum (**Pattnaik, 2015**).

The transition from planning commission to NITI Aayog is a transition from state professing anti-imperialism to a new liberal state. There are three main channels through which funds get devolved from the center to states. They are namely the finance commission, planning commission and discretionary transfers. The planning commissions and discretionary transfers express the discretion of the central government. The central writ is all powerful in the case of finance commission since its members are appointed by the centre. The centrally sponsored schemes are arbitrarily

fixed by the center, eroding the freedom of the states to make their own plans. Plan transfers will be doled out through finance ministry. It will entail a possible reduction in the total magnitude of transfers and definite increase in the centre's control over state plans, with the disappearance of planning commission. The NDC had a commanding presence where the chief ministers were represented. Its decisions were taken through consensus. The centre was often forced to yield on certain matters. The elimination of NDC is a major blow to the powers of the states. The present newly formed Governing Council of NITI Aayog is a purely formal body, concerned with the governance of the NITI Aayog , rather than with basic development issues. The meetings of the regional councils are likely to be occasions where the states supplicate to the centre for this or that favour. The centre will force the states to go in public private partnerships. The centre will free the states to vie with one another to attract private capital.

The congress ruled states like Kerala, Karnataka, Assam expressed fears about the sudden demise of 65years old body. Assam said it was not clear how sixth schedule areas in the state, which have a special financial dispensation would be treated by the new body. The body, dominated by a single party will do more harm than good. Tamil Nadu is afraid of the fact that if the NITI Aayog becomes a part of the PMO, it will create difficulty for the state departments. Kerala points out that the proposal is half backed, unwarranted and ignores the need of planned development of the country. Andhra Pradesh supports the scrapping of the planning commission. Punjab Chief Minister Prakash Singh Badal termed it as "historic step" and said it will implement "real federal structure" in the country. "With the formation of NITI Aayog, the chief ministers will have more involvement in the planning process, which will give boost to the overall development of the country and prosperity of its people," He added that Prime Minister Narendra Modi deserves applause for taking this visionary decision, which will transform the destiny of the countrymen.. U.P Chief Minister Akhilesh Yadav said that the practice of one size fits all ought to be discarded by the

new body to help states with differing needs to develop. Chief Ministers of BJP ruled states praised Mr. Modi's revamp plan.

Odisha points out that the new body should ensure that the state interest is gained top priority. Karnataka maintains that there is no need to create a new forum as the previous body was adapted to changed economic environment. Gujarat expects planning and execution process to be further streamlined under NITI Aayog. The NITI Ayog is described by the congress as a direct attack on the federal structure and a move to undermine the constitution. Both the left and congress saw the new body as a move to centralize power in Prime Minister's office. CPI(M) leader Sitaram Yechury termed the renewing of the planning commission as aniti aur durniti (no policy and bad Policy). The change of nomenclature and gimmickry does not serve any purpose. The opposition expressed the move as a fluff and will pave the way for discrimination as the corporate will call the shots in policy making in the country. Renaming is an effort to belittle the contribution of Jawaharlal Nehru, the architect of modern India. West Bengal Chief Minister Mamata Banerjee had written a letter to Prime Minister (PM) Narendra Modi requesting not to dismantle on existing functional mechanism without putting in place a credible and capable body. The former PM Manmohan Singh commented that the current structure has no futuristic vision in the post reform period.

Some Congress chief ministers opposed the disbanding of the existing set-up. Mr. Anand Sharma, congress spokes person, also reacted sharply on the unilateral decision of PM not convening the meeting of NDC or consulting the states .He took the arbitrary decision by making a new body scrapping the old one. The move is an attack on the freedom of the states and the panchayati raj institutions. It is a direct attack on federal structure and an attempt for centralization of authority. The proposed measure will cause more damage than any benefit. The NITI Aayog reflects a greater centralization of powers in the central government. The states will have limited say on policies and the flow of funds stands further eroded.

It is indeed a herculean task delivering on the promise of a new approach to development. Disappointment has begun to surface in some quarters and some questions crop up in the minds of countrymen. What will happen to state plans now, especially where such measures are chaotic? As long as the Planning Commission managed states, there used to be a degree of coherence. Also, can India survive without long-term perspective planning? Who will ensure coordination of these plans over long periods of time? Has the NITI Aayog made any changes in terms of attracting the right kind of experts (instead of the usual bunch of secretaries)? Has re-training and re-skilling been planned? Who would lobby with the Finance Ministry to protect Plan expenditure (in the backdrop of lack of clarity on widening the role of the Finance Commission), determine transfers to Centrally sponsored schemes or assign special category status to some States in the absence of the Planning Commission.

Who would now determine the special category status of States, as the Aayog has no such role? Will Niti Aayog be able to create such a type of model seen as non-partisan by the non-BJP states? The lack of constitutional legitimacy, the absence of an accountability structure and the inherent political nature of the Aayog may stand as stupendous blocs in its functioning.

There is no clearness regarding how the objectives of the new body will be achieved and the nature of the institutional mechanisms necessary or the changes that need to be effected in order to achieve the goals.

The poor interaction within the Aayog, even among its members and other officials may be attributed to vice-chairman's lack of experience at government-run organisations. He was away from India for long. He doesn't know how things work in India. Within NITI Aayog, there is a lack of coordination. Officials and some of the members are also upset that there aren't regular meetings to take stock of the functioning of the new entity **(Ulekh and Singh, 2016)**.

Tough Challenges Ahead

A major task before the Aayog is to actively monitor and evaluate the implementation of programmes and initiatives. The states should be given a free hand in determining their policies and plans indicating the redundant nature of five year plans. NITI Aayog will form different policies and help the government with the national agenda with regard to technical, economic and strategic matters. It is a mammoth task for the new institution to carry out the expectations of people seeking institutional reforms and large scale changes. The biggest challenge is to take all stakeholders on board to carry out the aspirations of common man and take the development to village level by making policies that are people centric. Time will tell whether the new institution turns out to be pro-people, steering a participative development agenda stressing on empowerment and equality.

The source of real change will be changes in the way in which central transfers are made to the states. This has to be done in the way that increase the flexibility and control of the states, but at the same time, increase their accountability, simplicity, timeliness, transparency, monitoring and evaluation of centre- state transfers- all need improvement. Without these fundamental changes, the NITI Aayog will not mark a difference to India's economic development. The NITI Aayog has to think beyond its own role to consider many other structures of Indian federalism.

The NITI Aayog serves a fund for public investment (FPI) for both the centre and states. Its share holders will be the central and state governments. The fund would appraise the projects proposed for their economic and social returns as well as feasibility and soundness of proposed financing. It has to define its role carefully. It can serve as a foundation for rethinking tax authorities for sub-national governments, improving the efficiency of government expenditures at all levels, decentralizing, streamlining and integrating the system of inter governmental transfers **(Singh, N. 2015a)**. Tensions are likely to prevail between the technocrats in the Aayog and various ministers on one hand

and bureaucrats on the other. The success of this institution depends upon its clarity of functions, quality of people steering the institution. It is now burdened with the prevailing milieu and historical legacy. Achieving inter-ministerial and inter-departmental coordination is indeed a difficult task which depends upon trust and co-operation of the members and ministries involved. The danger of excessive bureaucratization needs be avoided **(Rao, 2015b)**.

It should do everything in its power to increase governance capacity at the state level, introducing modern budgetary practices and monitoring and evaluation mechanism at the state level. The Aayog has the major task to provide a quality benchmark for state governments. Introducing rigorous project design standards, benefit cost analysis and post project evaluations for national level investments has to be the core task of the new institution. Another step required for the Aayog is to get rid of plan transfers. It has a role to create a common market by pushing to removal of internal barriers to trade **(Singh, N. 2015b)**.

Concluding Observations and Suggestions

With the change of government, new ideas and new concepts come in picture, but the tempo of development should not slow down. The country has to watch the working of NITI Aayog for some time about its movement and direction towards the development of the nation. Change for the sake of change is just whimsical act with political and other considerations. In the context of decadal transformation of India since independence, the new body comes into being at a challenging time. Domain expertise and long term prognosis are now imperative in policy making. The success of NITI Aayog depends upon its ability to take states along because states are where reforms take root and results show. The political climate in the country has also a greater role in determining the extent of influence of the body on India's development **(The Times of India, 2015)**. The Aayog can transform the ecosystem of development policy. But the gain from this would be lost if the rising tide of religious intolerance and obscurantism is

not countered. The need of a climate of tolerance of “different diets and incompatible gods is fostered by the political process. India is a country based on the principle of unity in diversity **(Desai, 2015)**. There is an important role of governance to achieve desirable social outcomes. Government and Governance has to be conducted in an environment of total transparency to bring about the institutional reforms. It is bold and long overdue initiative. It is a challenging task for the NITI Aayog to achieve all those objectives stated in the cabinet resolution **(Virmani, 2015)**.

Indubitably, the interface of the planning commission with the states has reduced over the years. The states were forced a lot to raise resources internally which made the commission less relevant for the states. The great challenge before the Aayog is that how it will define its role and bring states on board. How it will restore the trust worthiness of the consultation process with the states and to bring central ministers into equation in the absence of any financial power? **(Chandrasekhar, 2015)**.

The New institution needs to play the crucial role in respect of independent evaluation, spokesperson for the states, great flexibility in schemes, facilitating and mainstreaming reforms by the states and more devolved economy and policy in India. At the cutting edge of implementation, it should make a difference; otherwise it will be reduced to the shadow of the planning commission **(Shah, 2014)**. It is a change from Nehruvian School of Russian thought to a Modi- led philosophy of U S inspiration. The shift is a paradigm only when it would move plans and policies towards action and achievement in times to come. Its approach towards development issues is in fact heartening to note. It highlights the fact that the transformation of India would essentially be a blend of reactive and pro-active change-the former in consequence of market forces and the latter in anticipation of evolving and emerging paradigms. Without credible actions, much of the declared vision, mission and values would be reduced to plan rhetoric .The success of the body depends upon an honest analysis of hugely diverse ground realities in India and a good response to the aspirations of rising middle class.

To conclude, it can be said that acceptance of new ideas, techniques, institutions, processes develops from hard work and trial and error method. New concepts and new ideas are always there with the change of Governments in the democracies but continuity is also an indispensable factor. The adoption of innovations entails changing human behavior and the acceptance of change. For several reasons, there is a natural resistance to change, but change is inherent to development. A structured change through cooperative, competitive federalism can dismiss all resistance and usher in a New Resurgent India (**Government of India, 2015**).

In the context of the stark realities of the vast and diverse nation and varying local conditions and institutions, NITI Aayog is anticipated to face the challenges involved in providing sound, strategic and technical advice on the socio-economic issues and beef up the institutions of governance founded on the basic principles of federal structure mentioned clearly in our Constitution. The success of this new innovative institutional apparatus is dependent upon the degree of empowerment, confidence and credibility that it enjoys with the centre and the state government (**Dholakia, 2015**). NITI Aayog will have to adopt a bold, unconstrained and unconventional approach to manage the huge task of bringing Modi's vision of great nation into a reality within a reasonable time-frame. To take this country forward on a sustainable path of all-inclusive development on a substantially higher trajectory, the need of the hour is to find innovative ways to decide inherent contradictions of our systems and locate suitable solutions to the differences among the states on the one hand and between the centre and the states on the other.

The new institution calls for a combination of vision and leadership. The success of the NITI Aayog depends upon re-establishing the balance between the technical and political drivers of the planning process. The allocative role that continues to be relevant for a federal entity cannot be entirely separated from the political process. The main challenge would be

to articulate the vision of the NITI Aayog and in a manner that it becomes relevant to changing times. However, the success of this proposed structure lies in the implementation. Implementation is the deciding factor for the success of any reform.

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