

NITI AYOOG – A FEW CLARIFICATIONS

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Goodbye Planning Commission

India, after independence, chose mixed economy. Pure capitalist economy was not feasible due to scarce and shy domestic private capital to finance ambitious Mega projects of development. Pure communist model was also not considered suitable in the backdrop of Indian Entrepreneurial culture and paucity of investible surplus with the state.

Hence a mid-way was adopted. Planning Commission of National level was established in 1950. It was a feature of communist economy where no private capital was there and state was the exclusive owner of capital. What was planned could be implemented by the state with iron hand of a dictator. But India was a democratic soft state with fundamental rights of individuals in Indian Constitution. Therefore, what was planned could not be executed with an iron hand of a dictator.

There was wide gap between planned targets and real achievements. Then, the preamble to our constitution talked about India as a democratic socialist state. We had two major self contradictions:

- I. Macro level planning without dictatorial power to execute it and
- II. Democracy and socialism- really obvious bad fellows.

No socialist country had a democratic government and fundamental rights of individuals, except India. We earned a name as a country of excellent planners but very poor executors.

Further, the queer mixture of private and public sectors in mixed economy has led to growth of crony capitalism and crèche capitalism. The state power was misused to serve personal and party interest by greedy rent seekers. Therefore, NDA Government headed by Shri Narendrabhai Modi must be complimented for their bold decision to wind up Planning Commission. In fact, planning commission had lost its relevance totally after adoption of liberalization, privatization and globalization (LPG). Policy in 1991. The former P.M. Manmohan Singh had realized this but could not decide due to fetters on his authority as P.M. The Yojana Bhavan was considered to be a safe and free vehicle parking place in New Delhi. No tears need to be shed on this long awaited decision. It deserves happy good by with a smiling face.

Welcome Niti Ayog:

Now the new institution to replace Planning Commission is NITI AYOOG which has taken birth on January 1, 2015 through a cabinet resolution.

Before we extend hearty welcome to new baby, we have to clarify certain issues raised in Media Reports.

➤ Mismatch between Hindi and English Names.

In English, it is named as a National Institute to Transform India. NITI is an acronym. In Hindi, it is named as “NITI AYOOG” as written on new sign board. Hindi name “NITI AYOOG” when translated into English becomes Policy Commission. The first issue raised regarding mismatch between Hindi and English names of the newly born institution is valid. In order to avoid legal and administrative problems in future the Govt. Of India may consider the following solution suggested by the author.

Name in Hindi: “NITIAYOG” (“*Bharat ke rupantaran hetu ekrashtriya sansthan*”)

Name in English: Policy Commission (A national Institution to transform India)

➤ The same composition – is it old wine in new bottle?

The prime minister will be ex-officio chairman of the new institution also. Vice –chairman will be a noted economist with cabinet minister rank. Four cabinet ministers of Govt. Of India will be ex-officio members. Three cabinet ministers will be special invitees. Vice chairman and one noted economist and one ex-bureaucrat have been made full time members of the commission. The governing council will replace national development council. But it will have all state chief ministers and lieutenant Governors of Union Territories as ex officio members as in the past.

The NITI AYOOG will have full time secretary. Special invitees from various fields may be nominated by the prime minister. It is also provided that special regional councils may be constituted in the body.

Broadly speaking the organization structure and composition of new body presents no major change. It may be considered broadly true that old wine is presented in new bottle as far as its composition is concerned.

A ticklish issue needs careful examination with impartial and independent mind. Since prime minister is Chief Executive officer responsible to implement

recommendations, he being ex-officio chairman of the new body means he will be CMD (Chairman-cum-Managing Director) in corporate parlance.

All the weaknesses or limitations of CMD system as compared to separate part time non executive chairman may creep into the new organization also. We have to be cautious of it.

The world's economy, including Indian Economy has a bitter experience of putting great reliance on competence of noted economists. It would have been more prudent to have tried alternative domain expertise like management/Technology to achieve the purpose of transforming India. Now – a- day's people call economists as ANARTH SHASTRIS. Faith in foreign returned economists is very weak because they apply U.S. solutions to Indian Economy.

We must welcome good policy practices and knowledge from any part of the globe. But we should also remember India's rich cultural heritage treasure available in shanti parva, vidur niti in mahabharat epic, chanakya niti, ram rajya model of good governance in ramcharitmanas which have great contemporary as well as eternal relevance for rulers without any limitation of time and space being eternal truth.

➤ **Roles and responsibilities of new body not clear.**

What has appeared in media may be summed up as follows:-

The new institution will serve as a “directional and policy dynamo” it will provide the govt. (Centre and State) strategic and technical advice on key policy matters. It will prove as a “Policy think tank for the Central and State governments.

The P.M. Modi has tweeted “A Pro-people, pro-active and participative development agenda on empowerment and equality is the guiding principle behind NITIAYOG. We bid farewell to a “one size fits all” approach towards development .The body celebrates India's diversity and plurality “it will emerge as an active and important institution that will play a pivotal role in India's development journey in the years to come.”

The cabinet resolution establishing NITI AYOG makes a significant mention of cooperative federalism recognising that strong states make a strong nation. It will also interact with national and international think tanks and with educational and policy research institutions.

It is true that strong states make a strong nation. But it is equally true that a strong centre is also needed to be a strong Nation. State govt. And central govt. must be strong in the areas of function earmarked for them in Indian Constitution.

Is it a policy think tank for governments only? Nothing is

mentioned about its relationship with private sector which will be required to play a leading role in implementing macro level policy at micro level. True that vested interest groups must not find place in NITI AYOG. Inputs from private sector business leaders and their representative associations may be welcome in govt.'s business policy formulation. Open public participation must be there.

We may suggest a simple and transparent statement on the following lines:

Vision statement: The NITIAYOG will transform India by 2025.

Mission statement: The transformed India means

- Freedom from corruption, black money, inflation, low productivity, growth, inequality, unemployment, injustice, insecurity.
- Spiritual and cultural global leadership, vibrant India – prosperous, peaceful and happy.

Value system: Cooperative federalism, strong states, strong centre, strong nation, sab ka sath sab ka vikas .Holistic and inclusive, justice and fair play, Equality social justice competence, excellence loyalty to nation etc.

Goals/objectives:

- To identify pressing problems and to develop alternative solutions, analyze them and recommend decisions.
- To visualize problems, idea generation to prevent them.

Roles:

- To act as think tank for policy, strategy and tactics formulation.
- To recommend /advise the centre and state govt's, on policy strategy and tactics to resolve problems faced by people.
- To act as special think tank to advice on solving specific problems of specific regions.
- To provide technical support in planning, programming, scheduling and targeting.
- To provide technical support in project execution, monitoring, evaluation and review system development and installation, organization structure design, organization development, process Re-engineering, etc.
- To interact with national and international think tank and research organization/individual experts.

- Thus it will be a recommendatory body on policy, strategy and tactics or strategic management of India's transformation to a global leadership.

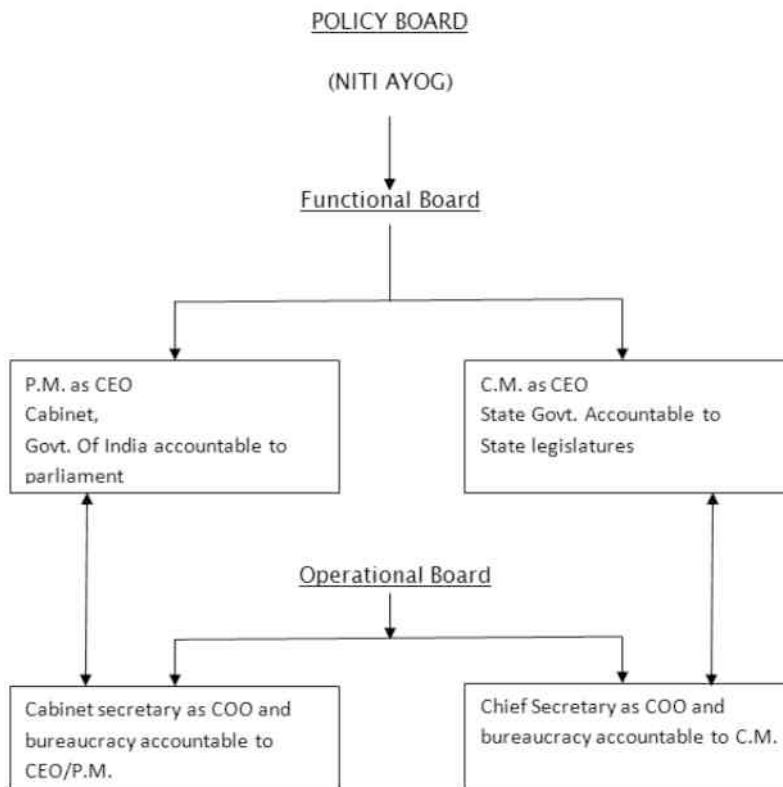
Note: The above statement is illustrative and not exhaustive.

How does it help the cause of good governance promised by Shri Narendra Modi?

Voters are keenly interested to know how NITI AYOOG helps the cause of good governance. It is a welcome change from

mere planning to policy formulation. No well deliberated policies and strategies will go a long way in serving the cause of good governance in the form of freedom from corruption, inflation, unemployment, insecurity and delayed costly justice. India's rich cultured heritage is revived and India again becomes Vishwa spiritual Guru. Education to earn money may be preceded by education to make good human beings and responsible citizens.

If we borrow from corporate governance, the structure of governance of nation should take the following shape:-



Local self Govt.'s will be accountable to their Boards and the state Governments will be accountable to voters. 65 years we have spent on planning with the weak execution .The NITI AYOOG should lead to national consensus on major policy issues and elected leaders must ensure honest, faithful and speedy execution with devotion, dedication and commitment.

Nation must be put above party and personal interests. Words must be translated into action. Politicians must remember that either in power or opposition, they must safeguard public interest. Otherwise if they act irresponsibly when in power they will be voted out and if in opposition they will become irrelevant.

Minister of planning – Do we need now?

As Planning Commission has been wound up a relevant issue is being debated, “Do we need a minister for planning? At first glance, with the closure of Planning Commission, Ministry for planning becomes redundant. But Planning as first function of management can't be wished away. Without Plan, other functions of management can't be performed effectively. Policy, strategy, tactics, planning, programming and control are intertwined. Nomenclature of ministry of planning may be changed to ministry for strategic management or strategic policy and its role and responsibilities may be redefined. It may serve as a link between cabinet and NITIAYOOG.