

NITI AAYOG AND ITS RECOMMENDATIONS WITH SPECIAL ACCENTUATION ON THE NATIONAL MONETISATION PLAN

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“A new institution with new design, structure, body, soul, new thinking, and direction will replace the Planning Commission. It’ll be one that caters to the ambitions of 21st century India.”

-Narendra Modi (Prime Minister of India)

Abstract

This research paper throws light upon the vital organisation that is NITI Aayog, and its structural and functional nuances. Aayog has been a vital cog to the development of this nation from its very inception that’s why it becomes paramount to as far as possible, deeply understand the Aayog. However, this particular paper is not limited to that and it also analyses a few of the important policy findings of this pertinent Aayog. On the hindsight it is also not improbable to think that one needs to understand the decisions of a body like Aayog to understand the Aayog completely. In the methodology, the means to end this research document is mentioned, then the aim indicates the main goal of this paper. History tells us briefly the relatively recent past of the NITI Aayog. There is directed focus on Aayog’s structural and functional differences compared to its previous counterpart that is the planning commission. While this paper mentions handful of the key strategy choices of the Aayog, key focus is on the very recent NMP¹ (National Monetary Plan or National Monetary Pipeline). The possible benefits and disadvantages related to the policies and especially NMP has been referred to in the analysis part and my opinions in regard to the possible disadvantages and solutions have been referenced in the conclusion part alongside the logical closure to this topic from my end. Several abbreviations have been used in the paper, kindly refer them from the list mentioned above the abstract.

¹ Deccan Herald. 2021. *National Monetisation Plan: A challenging, complex task*. [online] Available at: <<https://www.deccanherald.com/specials/sunday-spotlight/national-monetisation-plan-a-challenging-complex-task-1027129.html>> [Accessed 23 September 2021].

Introduction

The NITI Aayog or The National Institution for Transforming India, was shaped through a res. of the Cabinet of Ministers of the Union on January 1, 2015. Aayog has arisen as an imp. Research organization of the GOI, cultivating the true essence of agreeable federalism under the powerful initiative of Prime Minister Shri Narendra Modi. Since the time its origin the org. has taken numerous of drives pointed towards boosting the economy also, transforming the existences of millions across the nation.

Aayog is not merely a simple organization in the meaning that it also advises the GOI of the road of its policies and related decisions for the benefit of the Indian people. Aside from planning vital and long-haul arrangements and projects for the GOI, NITI Aayog likewise gives an important specialized exhortation to Centre, States, and Union Territories.²

The topmost Council or the gov. council of the Aayog is led by the Hon'ble Prime Minister and contains CMs of the relative multitude of States and Union Territories with law-making bodies and Lt. Governors of other Union Territories. The Gov. Council was reconstituted with a notification dated nineteenth February 2021 by the Cabinet Secretariat. However, Aayog is not one and only of its kind think tank research body India ever had, in fact it came in place for the Planning comm. that was constituted in 1950. Aayog aims to bring the states and centre together for a more inclusive, cooperative federalism.³

Methodology

This research paper is brought to its logical conclusion by the method of visiting several government websites and media reports.

²Dr. Richa Srivastava, i., 2021. *Abstract of India's Journey from Planning Commission to Niti Aa.* [online] Ijsr.net. Available at: <https://www.ijsr.net/get_abstract.php?paper_id=SR20226104106&gclid=Cj0KCQjwv5uKBhD6ARIsAGv9a-yYLFT8JQiaoTceboXf-9AbxDeI29OC3342UPewdrVzmJGYN3YylJIaArOqEALw_wcB> [Accessed 23 September 2021].

³2021. *NITI Aayog Transforming India.* [online] Available at: <https://www.pmindia.gov.in/en/major_initiatives/niti-aayog-transforming-indias-development-agenda/> [Accessed 23 September 2021].

Aim

To comprehend the functioning of NITI Aayog and its schemes, long term plans in the context of today's India especially the National Monetary plan.

History

On 29th May 2014 Independent Evaluation Office presented an appraisal report to PM Narendra Modi with the proposal to supplant the Planning Commission with a "control commission." But on 13th August 2014, the Union Cabinet rejected the Planning Commission, to be supplanted with a weakened rendition of the NAC of India. On 1st January 2015, a Cabinet res. was passed to supplant the Planning Comm. with the recently shaped NITI Aayog (National Institution for Transforming India). The legislature of India reported the development of Aayog on 1st January 2015. The very first meeting of Aayog was led by Narendra Modi on 8 February 2015.⁴

Finance Minister Arun Jaitley mentioned the accompanying objective fact on the need of making NITI Aayog, "The 65-yr-old Planning Comm. had become a repetitive association. It was pertinent in an order economy structure, however no more. India is an expanded nation and its states are in different periods of monetary improvement alongside their own qualities and shortcomings. In this specific circumstance, a 'one size fits all ' way to deal with monetary arrangement is old. It can't make India cutthroat in the present worldwide economy." It is a reconstruction plan of the everyday ways of life of individuals of India.

Background

The main reason why this research paper has come into existence is because of the introduction of NITI Aayog by the NDA Government in 2015. It is a natural question that why was there a need to remove the planning commission? what was expected of the planning comm. that was not fulfilled? These are some of the burning questions, that I'll try to answer via this paper.

⁴Niti.gov.in. 2021. *Overview / NITI Aayog*. [online] Available at: <<https://www.niti.gov.in/content/overview>> [Accessed 23 September 2021].

Structure of NITI Aayog

To understand the working of NITI Aayog, first we need to understand the structure of this esteemed institution because that's the only way we will be able to understand the working and strength of this body

- Chairman or The Prime Minister of India
- Then there is Governing Council - Headed by the Prime Minister, it includes the Chief Ministers of each and every state/UTs and the Lieutenant Governors/Administrators of UTs without an assembly.
- Also, the Regional Councils - these can be established to resolve explicit issues which, acc. to the PM, can influence more than one state in a locale. These Councils can be helmed by the PM or his candidate and incorporate the Chief Ministers and Lt. Governors/Admin. of States/UTs in the area.
- The full-time hierarchical structure of the esteemed Aayog comprises of,
- Vice-Chairperson who is accountable for its ordinary exercises, having the position of a cabinet minister.
- Three full-time individuals.⁵
- Two temporary individuals who are scholastics from top notch colleges, research associations, and so forth are delegated on a continuously changing premise.
- Union Cabinet Ministers, not surpassing four, are selected by the PM as EO individuals.
- A CEO having the position of Sec. to the GOI is delegated by the Prime Minister. He has a decent position and fills in as the Member-Sec. to the Aayog. He has a limited tenure.
- A Secretariat.⁶

⁵Niti.gov.in. 2021. *Overview / NITI Aayog*. [online] Available at: <<https://www.niti.gov.in/content/overview>> [Accessed 23 September 2021].

⁶Neostencil.com. 2021. *NITI Ayog- Function, Structure / NeoStencil*. [online] Available at: <<https://neostencil.com/upsc-indian-economy-niti-ayog-function-structure>> [Accessed 23 September 2021].

Objectives

- Actively involving the states in the development process of the GOI, so that the alliance can jointly promote the national development and progress agenda.
- To bolster the states at the same time promoting cooperation inter states and between different states and government.
- To work at the rural level and set up a strong grass root foundation from the very basic stage of the democracy.
- To ensure that areas that need urgent look in terms of finance and security are looked into
- To make sure that the vulnerable class that is most likely to be left behind the develop. of the nation are integrated in such a way that no one remains untouched.
- To create, plan various policies that maybe short term or very long term, in fact not only creation but also the implementation of these plans. Taking feedbacks and improving policies mid-way is one of the methods that NITI Aayog undertakes.
- To involve the key stake holders and educational institutions of the country to have a more holistic approach.
- To create a supportive environment for education and entrepreneurship with the help of many national experts.
- To develop and maintain a well-developed resource centre with sufficient research positive governance and also distribute such know how to the key stake holders in the process.
- To not only draft plans but also monitor them to ensure properly bringing them into action hence making it more certain that these plans work and not just another document in some pages and records.
- To lay emphasis on technological advancement and capacity upgradation for the proper implementation of schemes.
- To take other such actions as may be necessary for the national develop. aim and previously mentioned objectives.⁷

⁷Niti.gov.in. 2021. *Objectives and Features / NITI Aayog*. [online] Available at: <<https://www.niti.gov.in/objectives-and-features>> [Accessed 23 September 2021].

Recent Schemes and strategies**1. Strategies and visions of the NITI Aayog after the 12th 5-year plan**

After 2017, it was realised that 5-year plans are not comprehensive enough for complete inclusive development of the country, hence 15-year plans were introduced. These 15-year plans provide a better opportunity for the government machinery to work on the social, economic development agendas on a long-term basis.

2. Digital Payments Initiative

NITI Aayog comprised a Committee of Chief Ministers on Digital Payments on 30th November 2016 with Hon'ble Chief Minister of Andhra Pradesh, Chandrababu Naidu, as the Convener to advance straight forwardness, monetary incorporation, and a solid monetary system in the nation. The Committee presented its provisional report to the Hon'ble Prime Minister in January 2017.

It boosted the States/UTs for the advancement of computerized exchanges, Central help of Rs. 50 crores would be given to the regions to undertake Information, Education and Communication exercises to bring 5 crores Jan Dhan records to digitized age.

However, this was not all, further Cashback and reference extras plans were dispatched by the Hon'ble Prime Minister on 14.4.2017 to advance the utilization of computerized instalments through the BHIM App.

3. Atal Innovation Mission

NITI Aayog has suggested this mission to create an entrepreneur and innovation positive environment in the country by making organizations and projects that spike advancement in schools, universities, and business visionaries overall. In 2016-17, the accompanying significant plans were carried out such as the Atal Tinkering Labs (ATLs): followed to encourage inventiveness and logical attitude in understudies, AIM is assisting with setting up 500 ATLs in schools across India, where understudies can plan and make little models to settle difficulties, they see around them, utilizing fast prototyping advances that have arisen lately. And the Atal Incubation Centres (AICs): AIM will offer monetary help of Rs.10 crore and limit working for setting AICs across India, which will assist new businesses with

extending faster and empower advancement business venture, in centre areas like assembling, transport, energy, training, farming, water, and disinfection, and so on.

4. Team on Elimination of destitution in India

Constituted on the sixteenth March 2015 under the Chairmanship of Dr Arvind Panagariya, Vice Chairman, NITI Aayog, the report of the Task Force was finished and submitted to Hon'ble Prime Minister on eleventh July 2016. The report of the Task Force principally focuses on issues of estimation of destitution and procedures to battle destitution. Concerning neediness, the Task Force report expresses that "an agreement for either the Tendulkar or a higher destitution line didn't arise. Therefore, the Task Force has inferred that the matter is considered in more prominent profundity by the nation's top specialists on destitution before an official conclusion is made. As needs are, it is suggested that a specialist board of trustees is set up to show up at an educated, choice fair and square at which the indigence line ought to be set." regarding methodologies to battle destitution, the Task Force has made proposals on quicker indigence decrease through work escalated supported fast development and powerful execution of against destitution programs.

5. Changing India Lecture Series

As the public authority's head think-tank, NITI Aayog sees information building and move as the empowering influence of genuine change in States. To construct information frameworks for States and the Centre, NITI Aayog dispatched the 'NITI Lectures: Transforming India' series, with the full help of the Prime Minister on 26th August 2016. The talk series is pointed toward tending to the top strategy-making group of the Government of India, including individuals from the bureau and a few top layers of the organization. It attempts to get state of art thoughts, improvement strategies to Indian arrangement producers and people in general, to advance the reason for the change of India into a prosperous present-day economy. The Hon'ble Dep. PM of Singapore, Shree Tharman Shanmugaratnam, conveyed the principal address on the subject: India and the Global Economy. On November sixteenth, 2016, Bill Gates, Co-Founder, Bill and Melinda Gates Foundation, conveyed the second talk

in the sequence under the subject: 'Innovation and Transformation'.⁸ But in this paper our sharper focus is on the National Monetisation plan.

Current Scenario

Very recently NITI Aayog's key scheme the National Monetisation Plan is being talked about and in constant coverage by the media, so let us understand what the NITI Aayog has in store for us-

What is the National Monetisation Plan?

As per this plan the central government would be monetising 6 lakh crores worth of assets including important sectors like Roadways, railways and power. Not a hasty scheme at all, it was already announced in the Union budget speech (2021-22) by the Finance Minister Ms. Nirmala Sitharaman. In this scheme the ownership of the assets is not transferred to the private companies instead these assets are run by these companies for the aforementioned period.⁹

Which sector gets the biggest pie?

From the different sectors biggest piece of the pie is for the Roadways sector i.e., 1,60,200 Crore, 1,52,000 Crore for the railways sector, this is as according to the National Monetisation pipeline. It is to be noted that the time period for the scheme currently is 4 years.¹⁰

⁸Pib.gov.in. 2021. *Highlights of initiatives under NITI Aayog*. [online] Available at: <<https://pib.gov.in/newsite/PrintRelease.aspx?relid=163340>> [Accessed 23 September 2021].

⁹Bhatia, R., 2021. *Niti Aayog's Dr Rajiv Kumar breaks down the National Monetisation Plan and lessons learnt from past projects*. [online] The Economic Times. Available at: <<https://economictimes.indiatimes.com/news/economy/policy/niti-aayogs-dr-rajiv-kumar-breaks-down-the-national-monetisation-plan-and-lessons-learnt-from-past-projects/articleshow/85588713.cms>> [Accessed 22 September 2021].

¹⁰The Times of India. 2021. *Explained: Rs 1.5 lakh crore monetisation plan for Indian Railways assets; in 5 points & charts - Times of India*. [online] Available at: <<https://timesofindia.indiatimes.com/business/india-business/explained-rs-1-5-lakh-crore-monetisation-plan-for-indian-railways-assets-in-5-points-charts/articleshow/85683482.cms>> [Accessed 23 September 2021].

What are the benefits?

Benefits are plenty if Govt. is to be believed of its word. First and foremost, the amount of money raised that is 6 lakh crore and it would be used to improve infrastructure in the key sectors. Another important argument of the government for the naysayers is improved efficiency in the brownfield sectors by Public-private partnership or commonly known as PPP.¹¹

What are brownfield sector Investments and its benefits?

Brownfield sector investment are those investments where the buildings, infrastructure are already built hence there are very less to no setup costs, leading to a possible increase in profits for the companies involved in it. This reduces chances of the company going into losses incurred due to relentless investments in overall infra structure, thus making it a profitable avenue both for the public and the private sector.¹²

What is the PPP model proposed by the Aayog?

PPP means to handle the working and maintenance of the govt. machinery without the transfer of the ownership of the assets. These kinds of models are very useful when adopted in context of sectors that require significant money investment and skilled workforce.

PPP is an expansive term that can be applied to anything from a basic, momentary administration contract (with or without speculation necessities) to a drawn-out agreement that incorporates financing, arranging, building, activity, support, and divestiture. PPP courses of action are valuable for enormous ventures that require exceptionally gifted specialists and a huge monetary cost to begin. They are likewise helpful in nations that require the state to legitimately possess any foundation that serves the general population.

¹¹Bhatia, R., 2021. *Niti Aayog's Dr Rajiv Kumar breaks down the National Monetisation Plan and lessons learnt from past projects*. [online] The Economic Times. Available at: <<https://economictimes.indiatimes.com/news/economy/policy/niti-aayogs-dr-rajiv-kumar-breaks-down-the-national-monetisation-plan-and-lessons-learnt-from-past-projects/articleshow/85588713.cms>> [Accessed 23 September 2021].

¹²Investopedia. 2021. *The Difference Between Greenfield vs. Brownfield Investments*. [online] Available at: <<https://www.investopedia.com/ask/answers/043015/what-difference-between-green-field-and-brown-field-investment.asp>> [Accessed 23 September 2021].

Thus, drawing out from this conjecture that PPP being used by the govt. could mean a number of things but in this context, these are basically short term 4-year contracts between the govt. and the companies.¹³

Comparing and contrasting

Without comparing and contrasting the planning comm. and the Aayog I strongly believe it wouldn't be proper justice to the cause of this research paper and for that very reason let us understand the key differences between these two prominent bodies. Moreover, comparison is required to understand the full depth of effects of the Aayog.

NITI Aayog	Planning Commission
Aayog has not been given the command or powers to force arrangements on States. Aayog is essentially a research organization or a warning body.	The Planning Comm. had the ability to force approaches on States and for the tasks endorsed by the Planning Commission.
The potentiality for allotting portion of assets have not been given to the Aayog. The powers are with the Finance Ministry.	The Planning Comm. had the ability to distribute assets to the State Governments and different Central Government Ministries for different projects and activities at National and State Levels.
In Aayog, State Governments need to assume a	State Governments didn't play a lot of part because they were separated from

¹³WhatIs.com. 2021. *What is Public-private partnership (PPP)? - Definition from WhatIs.com.* [online] Available at: <<https://whatis.techtarget.com/definition/Public-private-partnership-PPP>> [Accessed 23 September 2021].

more proactive part.	taking impact in the gatherings. The State Government's job was bound to the National Develop. Council.
Compared to its earlier contemporary there are temporary individuals delegated in Aayog.	The Planning Comm. didn't have any arrangements for the recruitment of temporary individuals.
The Governing Council of the Aayog is made up of the Lt. governors of the union territories and CM of states.	The National Develop. Council had Lt. Governors and State Chief Ministers. Planning Comm. needed to answer to the National Develop. Commission.
The CEO of NITI Aayog is delegated by the Prime Minister. Secretaries are known as CEO.	Planning Comm. secretaries were named through the typical interaction.
The aggregate of full-time people in Aayog might be less than the numbers that the of planning commission.	The last Planning Comm. had octet (8) full-time people.
Under the Aayog association structure, new posts were made – CEO, Vice-Chairperson. President has the position of Sec. Four Cabinet individuals would fill in as ex-officio individuals. Aayog has two temporary individuals and three full-time individuals. ¹⁴	The Planning Comm. 's hierarchical design comprised of full-time individuals, a member sec., and a Dep. Chairperson. ¹⁵

¹⁴Niti.gov.in. 2021. *Overview / NITI Aayog*. [online] Available at: <<https://www.niti.gov.in/content/overview>> [Accessed 23 September 2021].

Analysis

Before going into the policy making of NITI Aayog let us also analyse the layout of this coveted organization in comparison to the planning comm. and some powers of these organizations.

In terms of structure the Aayog can certainly be said to be the better organization because it had the representation of the states in core policy making decisions which makes it a better representing organization compared to planning commission. States can now actively take part in policy making decisions and put forward their grievances, needs and specific requirements get done. Thus, empowering the cooperative federalism of the nation. It is believed that a strong nation is the one that keeps its sub units that is the states in India's case fulfilled and satisfied, and India through Aayog has taken a positive stride towards that goal.

This is however not the complete story because Aayog has also included two temporary individuals from eminent educational institutions again a feature that was quite overtly missing in the structure of Planning commission. This led to a lack of educational insight into the policies of Planning Commission.

In terms of powers, Planning commission quite clearly takes the cake because it had the powers to enforce its plans, place the funds to different states and central ministries. While Aayog is more of an advisory body, planning commission was a working body and not just an advisory part of the government.

Policy wise Aayog has taken a bottom-up comprehensive approach. Policies such as Atal innov. mission, Digital India have taken India into new and better era of entrepreneurship

And cashless transaction. It's a bottom-up approach because there are many steps to establish regional centres like the Atal incubation chambers and the Atal Tinkering Lab which are set up in 500 schools across districts as per the Atal innov. mission. It's comprehensive approach because Aayog has scrapped the 5-year plans by the planning commission and instead introduced the 15-year plan and it might have a positive impact because in a country as large as India, policy implementation takes time.

¹⁵BYJUS. 2021. *Difference between NITI Aayog and Planning Commission of India | NITI Aayog vs Planning Commission*. [online] Available at: <<https://byjus.com/free-ias-prep/difference-between-niti-aayog-and-planning-commission/>> [Accessed 23 September 2021].

The national monetisation plan by the government is another ambitious and possibly profitable deal for the country. What has the government achieved through this initiative is chance of gaining capital, improving infrastructure and possibility of increasing efficiency through private control of Government assets. It is to be noted that no ownership has been transferred hence in case some private company does poorly it can be replaced. This is a possibly game changing move however it is not bereft of possible limitations. Such as, a 4-year duration of asset working by a company, the company might be hesitant in making any big investments in the venture. These are just some of the possible concerns in the scheme. Time will truly tell that how efficient or inefficient this scheme leaves the country's assets after a few years.

Conclusion

The Aayog brings a fresh breath of air with regards to planning of our country's development. In terms of representation the Aayog is very varied because not only does it involve the top executives from the centre but also state chief ministers, lieutenant governors of Union territories. Proper state incorporation in the Aayog means that needs of states are not ignored, contrary to the planning comm. because there were chances that in the planning comm., state needs were ignored either intentionally or unintentionally. Aayog however lacks the teeth to enforce its advisory over the Govt. which in this regard can be called out as a negative. It is understandable that Govt. wants to make sure any policy by Aayog is double checked by the Govt., but it should be also made sure that the policies that are double checked and approved by the Govt. are indeed enforced. In terms of research acumen, it is appreciated that two temporary individuals from leading educational institutions are added in Aayog. However, if further improvements are to be made, few individuals from specialized research background for instance from the leading research institutions, medical background (for advice on medical policies) etc. could be added in order to further increase the credibility of Aayog. Overall, the policies of Aayog can be said to be quite comprehensive and progressive but the National Monetisation plan may be called to be one of the most audacious policies ever by the Aayog implemented by the Govt. To keep the interests of the destitute majority, Govt. must make sure despite being run by the private parties, these key sectors such as railways, roadways etc. which are the bread and butter of many poverty stricken and medium class

masses are not made out of reach of these people via the increased prices.¹⁶ Prices must hence be controlled by the government at least in the departments on which the poverty stricken rely. These are some of the concerns I have regarding the new policy and hopefully the govt. takes appropriate steps to prevent any mis happenings. All hopes and eyes now onto the leaders of the country that is India.

Abbreviations

GOI - Government of India

Aayog- NITI Aayog

NMP- National Monetary Plan/Pipeline

CM- Chief Minister

Lt.- Lieutenant

Gov.- governing

PM- Prime Minister

res – resolution

NAC- National Advisory Council

imp. – important

org. – organization

acc. – according

Admin. – Administrators

EO- Ex-officio

CEO- Chief Executive Officer

Sec.- Secretary

develop. – development

¹⁶Verma, V., 2021. *NITI Aayog: A Success or a Failure*. [online] iPleaders. Available at: <<https://blog.ipleaders.in/niti-aayog-a-success-or-a-failure/>> [Accessed 23 September 2021].

comm.- commission

dep. – deputy

innov. – innovation

govt. – government

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