

NITI Aayog, Composition, Objectives, Initiatives, Limitations

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NITI Aayog or the National Institution for Transforming India, established on **January 1, 2015**, is the policy **think tank** of the Indian government, replacing the **Planning Commission**. It focuses on inclusive development, cooperative federalism, and sustainable growth. The organization is led by the Prime Minister and members include state representatives and experts.

NITI Aayog works on key initiatives like the **Atal Innovation Mission** and the **Aspirational District Programme**, promoting innovation and addressing socio-economic disparities. Despite its advisory role and limitations in resource allocation, it plays a pivotal role in shaping India's policies and governance.

NITI Aayog Overview

NITI Aayog (National Institution for Transforming India) is a policy think tank of the Government of India, established on January 1, 2015, to replace the Planning Commission. It plays a pivotal role in formulating policies and fostering cooperative federalism by involving states in the economic policymaking process.

Key Functions of NITI Aayog

- **Policy Formulation:** Prepares long-term, strategic, and sectoral policies for India's economic development.
- **Cooperative Federalism:** Acts as a bridge between the central and state governments for coordinated policy implementation.
- **Monitoring and Evaluation:** Tracks the implementation of schemes and evaluates the outcomes.
- **Think Tank:** Provides knowledge, innovation, and thought leadership to address national challenges.

NITI Aayog Composition

The Governing Council of NITI Aayog comprises the Prime Minister, Chief Ministers of all the States and Union Territories with the legislature, Lt Governors of other UTs, Ex-Officio Members: Vice Chairman, NITI Aayog; Full-Time Members; and Special Invitees.

- **Chairperson:** The Prime Minister of India.
- **Vice Chairperson:** Appointed by the Prime Minister.
- **Ex-Officio Members:** Up to four members from the Union Council of Ministers are nominated by the PM.
- **Governing Council:** Known as "**Team India**," it includes the PM, Vice-Chairperson, ex-officio members, full-time members, Chief Ministers of states, and Lieutenant Governors of UTs.
 - **Special invitees** such as UT administrators of Chandigarh, Dadra and Nagar Haveli, Daman and Diu, and **Lakshadweep**.
- **Chief Executive Officer (CEO):** Appointed by the Prime Minister (PM) for a set term, manages NITI Aayog's daily operations and holds the rank of Secretary to the Government of India.
- **Full-Time Members:** Experts in the domains of economics, science, and other disciplines.
- **Special Invitees:** Experts, specialists, and practitioners from various fields.
- **Regional Councils:** Formed to address specific regional issues, these councils consist of Chief Ministers and Lieutenant Governors and are chaired by the PM or an appointed representative.
- **Supporting Cells and Departments:** NITI Aayog's specialized cells, including the Circular Economy Cell, Communication Cell, Library, North East Forum, and Voluntary Action Cell, support its mission of fostering inclusive growth and effective governance across India.

NITI Aayog Objectives

Objectives of NITI Aayog include promoting inclusive development, fostering cooperative federalism, focusing on vulnerable sections, ensuring credible planning, designing long-term policies, encouraging innovation, and establishing a resource centre for effective governance.

- **A shared Vision:** Implement strategies involving central and state governments to create a shared vision for inclusive development.
- **Fostering Cooperative Federalism:** Develop strategies for engaging key stakeholders in a multidimensional flow for cooperative governance.
- **Focus on weaker sections:** Pay special attention to sections of society at risk of not benefiting adequately from economic progress.

- **Planning is the Key:** Ensure credible planning at the village level and aggregate it progressively at higher levels of government.
- **Long-term policies:** Design strategic and long-term policy frameworks, monitor progress, and implement mid-course corrections.
- **Innovation and technology:** Focus on knowledge, innovation, entrepreneurial support system, and technology upgradation.
- **State of art resource centre:** Establish a research collection on effective governance and sustainable development.

NITI Aayog Pillars

NITI Aayog's operations are built upon **seven foundational pillars** defining its governance approach: Pro-People Orientation, Proactivity, Participation, Empowerment, Inclusivity, Equality and Transparency.

- **Pro-People Orientation:** Policies are designed to reflect societal and individual aspirations, ensuring an equitable approach that caters to diverse demographic needs.
- **Proactivity:** Adopting a forward-looking stance, NITI Aayog responds swiftly to emerging challenges and citizen needs, aiming for timely intervention and solutions.
- **Participation:** Upholding India's democratic ethos, NITI Aayog promotes public involvement in policymaking through consultations and community engagement, fostering inclusivity in decision-making.
- **Empowerment:** Prioritizing empowerment, particularly of women, youth, and marginalised communities, NITI Aayog fosters equal opportunities in education, employment, and leadership.
- **Inclusivity:** Committed to inclusive development, NITI Aayog ensures equal access and opportunities, focusing on disadvantaged groups, rural communities, and farmers.
- **Equality:** With equality as a foundation, NITI Aayog seeks to create an environment where youth and underrepresented groups can realize their full potential.
- **Transparency:** Transparency is integral, as NITI Aayog promotes accountability through open data initiatives and regular reporting, enhancing trust in governance.

Significance of NITI Aayog

NITI Aayog performs a multifaceted role in advancing India's development agenda by fostering cooperative federalism and driving strategic, inclusive, and sustainable policies tailored to India's unique socio-economic landscape, thereby promoting a **"Bhartiya" model** of development that is adaptive, inclusive, and forward-looking.

- **Cooperative Federalism:** NITI Aayog bridges the central and state governments, fostering collaborative dialogue to address regional priorities while supporting national goals, thus strengthening states to address local challenges.
- **Competitive Federalism:** NITI Aayog fosters competitive federalism by encouraging states to improve governance through transparent rankings like the **SDG Index** and promoting collaboration, autonomy, and local empowerment.

- **Strategic Policy Formulation:** As a think tank, NITI Aayog advises on long-term strategies across health, education, agriculture, and infrastructure, incorporating insights from state governments, experts, and civil society to ensure effective policies.
- **SDG Monitoring:** Tasked with overseeing **SDGs** in India, NITI Aayog aligns central and state schemes with global targets, ensuring India's development aligns with international standards.
- **Promoting Innovation:** Initiatives like the Atal Innovation Mission foster an innovation-friendly ecosystem, supporting startups and introducing best practices from domestic and global contexts to enhance governance.
- **Capacity Building:** Through training and technical support, NITI Aayog strengthens state capacities to implement national policies effectively, aligning them with local needs.
- **Inclusive Growth:** Focusing on marginalised communities, NITI Aayog promotes policies to bridge socio-economic gaps, thereby fostering social equity.
- **Transparency:** NITI Aayog emphasises open data and reporting, making government actions accessible and boosting public trust in governance.
- **Inter-Sectoral Coordination:** By addressing issues across sectors, NITI Aayog improves strategic coordination, allowing for streamlined policy implementation and enabling India to respond effectively to complex, global challenges.

NITI Aayog vs Planning Commission

The transition from the Planning Commission to NITI Aayog represents a significant shift in India's approach to governance and economic planning. Established to address the limitations of its predecessor, NITI Aayog aims to foster cooperative federalism and enhance participatory governance. Below is a detailed comparison of the two institutions, highlighting their key differences:

Aspect	NITI Aayog	Planning Commission
Nature	Advisory think tank	Extra-constitutional body
Establishment	January 1, 2015	March 15, 1950
Approach	Bottom-up approach	Top-down approach
Role of State Governments	- Active participation - Equal partners	- Limited role - Primarily spectators
Policy Imposition	No authority to impose policies	Had authority to impose policies on states
Funding Authority	Does not allocate funds	Authority to allocate funds for projects
Membership Composition	Includes members from diverse fields	Full-time members with limited expertise

Focus on Federalism	Emphasises cooperative federalism	Cooperative federalism was not a primary goal
Indices for Governance	Develops multiple indices for governance	Did not focus on creating governance indices
Functions	Policy formulation, innovation promotion, SDG monitoring, public participation	Drafted Five-Year Plans, allocated financial resources to states
Governance Structure	Chaired by the PM, with Chief Ministers and experts	Chaired by the PM, the bureaucratic structure focused on economic planning

NITI Aayog Key Initiatives

NITI Aayog's initiatives include the Atal Innovation Mission, National Data and Analytics Platform, and programs like Aspirational Districts and Poshan Abhiyan, focusing on innovation, data access, and socio-economic development. It also leads projects like the Methanol Economy and SDG Index for sustainable growth.

Initiative	Description
Flagship Initiatives	
Atal Innovation Mission (2016)	- It aims to foster a culture of innovation and entrepreneurship across the nation. - Components: Atal Tinkering Lab, Atal Incubation Centre, and Atal New India Challenges.
National Data and Analytics Platform	It enhances accessibility and utilization of government data, promotes data democratization , enforces data sharing norms, facilitates interoperability, and offers user-friendly tools.
Other Initiatives	
Aspirational District Programme (ADP)	- Launched to transform 112 districts historically showing low progress in key socio-economic sectors. - It includes real-time monitoring, dynamic ranking of districts, and effective partnerships between Central and State Governments.
Aspirational Block Programme	To improve governance and service delivery in India's remotest blocks by converging schemes, setting clear outcomes, and ensuring continuous monitoring to bridge development gaps.
Poshan Abhiyan	A flagship program to improve nutritional outcomes for children, women, and mothers through convergence and real-time monitoring.

E-Amrit Portal	A one-stop destination for information on electric vehicles developed as part of the UK-India Joint Roadmap 2030 .
LIFE	It promotes a global shift from mindless consumption to sustainable living by fostering eco-friendly habits, leveraging social networks, and creating a global ' Pro-Planet People ' (P3) community.
State Support Mission	To help state governments replace planning boards with NITI Aayog-like bodies for faster and more inclusive economic growth.
Poshan Gyan	Poshan Gyan, a NITI-BIU project, is a digital repository promoting nutrition awareness to improve maternal and child health outcomes.
Shoonya	The Shoonya campaign aims to improve air quality in India by accelerating the deployment of electric vehicles (EVs) for ride-hailing and deliveries.
Indices	
SDG Index	In collaboration with the United Nations to monitor India's progress towards UN Sustainable Development Goals .
Composite Water Management Index (CWMI)	Provides actionable guidance to states for enhancing water security .
Health Index	Rank states based on overall health performance, considering 24 indicators.
Agriculture Marketing And Farmer-Friendly Reform Index	Rank states and union territories based on the implementation of farm sector reforms.
India Innovation Index	Presents an evaluation of the innovation readiness of states and union territories, highlighting potential challenges .

NITI Aayog Limitations and Concerns

NITI Aayog's impact is limited by its advisory role, lack of fund allocation authority, centralised structure, varying state cooperation, bureaucratic delays, and minimal influence over investments, along with politicisation risks and the absence of accountability mechanisms.

- **Structural Limitations:** NITI Aayog's advisory role, centralised structure, and resource constraints—lacking fund allocation power, local adaptability, and sufficient staffing—limit its policy impact and effective implementation.
- **Functional Limitations:** NITI Aayog's effectiveness is limited by variable state cooperation, diverse socio-economic needs, bureaucratic delays, inconsistent data, and lack of authority over investments, impacting uniform policy application and economic influence.
- **Effectiveness Concerns:** Viewed as a "recommendatory body" with limited impact, NITI Aayog faces politicization risks and lacks mechanisms for accountability and enforcement of its recommendations.

NITI Aayog UPSC PYQs

Question 1: How are the principles followed by the NITI Aayog different from those followed by the erstwhile Planning Commission in India? **(UPSC Mains 2018)**

Question 2: The Government of India has established NITI Aayog to replace the **(UPSC Prelims 2015)**

- (a) Human Rights Commission
- (b) Finance Commission
- (c) Law Commission
- (d) Planning Commission

Answer: (d)

Question 3: With reference to 'Financial Stability and Development Council', consider the following statements : **(UPSC Prelims 2016)**

1. It is an organ of NITI Aayog.
2. It is headed by the Union Finance Minister.
3. It monitors macroprudential supervision of the economy.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 3 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Answer: (c)

Question 4: With reference to 'National Investment and Infrastructure Fund', which of the following statements is/are correct? **(UPSC Prelims 2017)**

1. It is an organ of NITI Aayog.
2. It has a corpus of ₹ 4, 00,000 crore at present.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer:(d)

Question 5: Atal innovation mission is set up under the **(UPSC Prelims 2019)**

- (a) Department of science of technology
- (b) Ministry of labour and employment
- (c) NITI Ayog
- (d) Ministry of skill development and entrepreneurship

Answer: (c)

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National Commission for Protection of Child Rights	Lokpal and Lokayukta
Central Information Commission	National Commission for Minorities
State Information Commission	Central Vigilance Commission
National Council for Transgender Persons	National Commission for Women
NITI Aayog	

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