

From Planning Commission to NITI Aayog -India's Transition to Cooperative Federalism.

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Received : 22 February 2025

Published : 28 April 2025

Revised : 06 March 2025

DOI : <https://doi.org/10.54443/morfai.v5i2.2829>

Accepted : 29 March 2025

Link Publish : <https://radjapublika.com/index.php/MORFAI/article/view/2829>

Abstract

The Planning Commission an erstwhile extra constitutional body was set up in March 1950, constituted a “one Size fits all approach “as acclaimed by the Union Government. The Modi government abolished the planning Commission on 13th August 2014 and on that place the NITI Aayog was installed to actualise the important goal of cooperative federalism and to enable good governance in India. On the promise that strong states make a strong nation, NITI Aayog acts as the quintessential platform for the government of India by bringing states together as ‘Team India’ to work towards the national development agenda.

Keywords: *Planning Commission, NITI Aayog, Cooperative federalism, one size fits all approach.*

Introduction

It is imperative to discuss federalism before cooperative federalism is to be understood. The word federalism means a political concept where power is divided between a central authority and a number of regional governing authority. So, it is the division of power of government at Centre and the state level. The origin of word ‘federalism’ is from Latin word ‘Foedus’ meaning treaty or covenant. Broadly, there are two kinds of states --- Union and federal. In the union form of government, the powers of the government are centralised in one Government i.e. Central government, whereas, in federal states the power is divided in both centre and its states. In the federal system, the states and the centre work together for inclusive growth and all round national development. The framers of the Indian constitution took note of the federation as it was operating in countries like US and Australia. They took note of the practical needs of the country and recognised the need for a system that would be able to sub serve the needs of a vast and diverse country like India. The Indian constitution is neither purely federal nor purely unitary but a combination of both. It is based on the principle that in spite of federation the national interest and unity are paramount.

On the 13th August, 2014, the Modi Government scrapped the 65 year planning commission and introduced NITI Aayog (National Institution for Transforming India) as the successor of the Planning Commission. The scholars of political science called this move as the transformation of India to a “Cooperative federation”. While explaining the reason for replacing the planning Commission with the NITI Aayog, the union government made the following observation: “India has gone a paradigm shift over the past six decades --- Politically, economically, socially, technologically as well as demographically. The role of government in national development has seen a parallel evolution. Keeping with these changing times, the Government of India has decided to set up NITI Aayog, in place of the erstwhile planning commission, as a means to better serve the needs and aspirations of the people of India.”

Objectives

- (I) To analyse and examine the role of Erstwhile Planning Commission in reshaping the countries future.
- (II) To evaluate the role of the NITI Aayog in transforming India to a cooperative federation.

Methodology

The methodology adopted in the study is descriptive, analytical, historical and empirical. Required information is collected from various journals of political science, books, newspapers and research articles.

Discussion

The discussion will be held on what does “Cooperative federalism” mean, role of Erstwhile Planning Commission and the major focus of this paper will be how NITI Aayog transformed India into a “Cooperative federation”.

Understanding Cooperative federalism

Federalism may be executive, cooperative, collaborative or competitive. Cooperative Federalism Is a concept or subset of federation where national, state and local government interact Cooperatively and collectively to solve common problems and to deliver goods and services to the People. According to State of Rajasthan V. Union of India, the Indian System of government is cooperative. “In a sense, the Indian Union is federal. But the extent of federalism in it is largely watered-down by the needs of progress and development of the country which has to be nationally integrated, Politically and economically co-ordinated and socially, intellectually and spiritually uplifted. With Such a system, the States cannot stand in the way of legitimate and comprehensively planned development of the country in the manner directed by the Central Government”. In cooperative federalism, a horizontal relationship is seen between the centre and the state. They focus on national development by working in the same direction. Cooperative federalism advocates variety of issues and concerns of the states and union Territories with the union ministers. There is no supremacy in this kind of federalism structure.

The states and the centre have a healthy and flexible relationship and they have to work together. In cooperative federalism, union Government is expected to play a role of elder brother. Grandville Austin calls Indian federation as cooperative federation however Morris Jones called India as an example of bargaining federation. In bargaining model centre acts a big brother. However, because of the coalition government in contemporary times there is a comparative Increase in the bargaining powers of state government as well. Unlike USA, neither all states have Equal representation in union parliament nor all states have equal status. There are variety of Provisions for different states. Alfred Stepen calls USA as ‘Demos constraining model’ whereas India as ‘Demos enabling model’. In USA, all states irrespective of the population have two seats In senates & thus there is under representation of demos/people. Whereas in India seats are Whereas in India seats are Allocated in Rajya Sabha according to the population and hence more representation which is why it is called ‘Demos enabling model’. Hence according to Alfred Stepens, India is a better example than USA with respect to the model of federation for new countries.

Sarkaria Commission on Indian Federalism

After Independence, strong centralising tendencies arose in India because of the rule of one monopoly party. This power of Congress Party was however broken in 1967 and several political and regional parties have emerged since then. The States are at a strong position and can also bring Pressure on the Centre. Now since the scenario has changed and demands of re-ordering of Indian federalism have been made time and again. But mostly, they are unrealistic and exaggerated. The Sarkaria Commission's report made the following recommendations:

- ✓ The residuary powers should not be transferred from Centre to the States.
- ✓ The need for federal supremacy for a successful functioning was emphasized.
- ✓ Article 356 is a very debatable provision but the demand to remove it was rejected. However, it should be used in a restrictive manner and with great caution.
- ✓ The contention of merging Finance and Planning Commission was also rejected.
- ✓ The Commission also recommended the need for Intergovernmental Council under Article 263.

Legal Framework supporting Cooperative Federalism

- Article 1 of the Constitution quotes that “India shall be a Union of States.” This clarifies that Union and the states are inseparable and are constitutionally obliged to cooperate with each other.

- Schedule 7 of the Constitution of the constitution consists of three lists – the Union list, the State list and the Concurrent list which lists down the subject matters on which the said authority Can make laws. The matters that are mentioned in Concurrent list are matters on which both state and union can make laws.
- Article 263 Of the Indian Constitution establishes Inter-state council to investigate upon the subject matters that are of larger public interest and are necessary to investigate. The council is responsible for making recommendations for better implementation and coordination between centre and state which is a major challenge of cooperative federation. This council also has a function to resolve the disputes arising between the states as mentioned under article 263 (a). It helps in promoting horizontal and vertical cooperation. Four regional councils have been established to make recommendations for better co-ordination of policy relating to sales tax which is a state subject. The supreme court proposed the formation of a council under article 263 to discuss and resolve issues of central state taxation in Dabur India Limited vs. State of Uttar Pradesh.
- Under Article 282, the Union or State can make grants for public purposes even when the public Purpose are beyond their respective legislative competences as laid down in the seventh schedule. Fiscal transfers to states are also implemented through Article 282. It is done for the Centrally Sponsored Schemes (CSS).
- The Full Faith and Credit clause 9 in Article 261 provides that all public acts, documents, and judicial proceedings of the Union and each State shall be given full confidence and credit Throughout the territory of India. This is a step toward increasing collaboration and trust between the federal government and the states.

Role of the NITI Aayog in making India a “Cooperative federation”.

NITI Aayog has been constituted to enable good governance in India. It formulates special schemes and policies to ensure sustainable development. NITI Aayog is evolving into a cutting-edge resource centre with the requisite expertise and skills to respond quickly, stimulate research and Innovation, offer the government with a strategic policy vision, and cope with unforeseen difficulties. It has an affiliated office, the Development Monitoring and Evaluation Organisation (DMEO) , a flagship initiative, the Atal Innovation Mission (AIM). Cooperative federalism reassures that the government at all levels take steps towards the national development. NITI Aayog aims to achieve national development with active involvement of states through Structured support initiatives and policies with states on a continuous and regular basis and recognizes that strong states make a strong nation. It also focuses on integrated bottom to top planning approach by formulating plans at village level and aggregating those plans progressively at higher level of governance.

In 2017, the NITI Aayog called out for competitive “cooperative federalism” stressing that this formula would redefine the relationship between the Centre and the States. Former vice chairman of the Aayog Arvind Panagariya put the burden on the States to reimagine brand India. There appears to be a silver lining in the functioning of the Aayog in enabling states competing with each other to promote governance initiatives in the spirit of co-operative, competitive federalism. The Aspirational Districts Programme is the flagship initiative of NITI Aayog in the competitive cooperative federalism. The programme focuses on 112 least developed districts of the country. It ranks these districts on 5 Pillars – Health & Nutrition, Education, Agriculture & Water Resources, Financial inclusion & Skill Development, and, Basic Infrastructure. The rankings promote a sense of competitive as well as cooperative federalism. It also follows a 3C's approach – Convergence, Collaboration and Competition. It creates a strong set of innovative practices and creates a real time feedback mechanism to rank these districts.

The Erstwhile while Planning Commission

The erstwhile Commission was established in March 1950 by an executive resolution of the Government of India, (i.e.; the Union Cabinet) on the recommendations of the Advisory Planning Board constituted in 1946, under the chairmanship of K.C. Neogi. This, the erstwhile Planning Commission was neither a constitutional body nor a statutory body.

Functions and Composition

The erstwhile Planning Commission performed a wide range of functions: (I) To make an assessment of material, capital and human resources of the country and investigate the responsibilities of augmenting them. (II) To formulate a plan for the most effective and balanced utilisation of the country's resources. (III) To formulate a plan for the most effective and balanced utilisation of the country 's resources. (IV) To indicate the factors that retard economic development. As far as the composition of the erstwhile Planning Commission was concerned --- the prime minister of

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India was the chairman of the commission. He presided over the meetings of the commission. The commission had a deputy chairman. He was responsible for the formulation and submission of the draft of Five – year plan to the central Cabinet. In addition to this, some Central ministers were appointed as part time members of the commission. The erstwhile Planning Commission was originally established as a staff agency with advisory role but in the course of time it had emerged as a powerful and directive authority whereby it's recommendations were considered both by the union and states. The critics had described it as a 'super cabinet ', an 'Economic Cabinet ', a 'Parallel Cabinet ', the 'fifth wheel of the coach' and so on.

Conclusion

Indian Constitution and its basis of power sharing do not confirm to the general set up of a federation, is a fact we have to agree with. I will quote here K.C. Where who called Indian federation "a Quasi – federal" -- a unitary state with subsidiary federal features, rather than a federal state with subsidiary unitary features. Hence, the Constitution makers did not conceive India as a federation in its real sense of the term, but only a cooperative unit a strong union government given the peculiar geo political situation of India. Thus, Indian federation is a 'flexible federation' or 'cooperative federation' with strong union at the centre as a thread of unity.

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