Recent Changes in the Planning Architecture in India

Consequences for Decentralised Planning and Social Equity

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Context

Post-Independence, one of the primary objectives was to achieve balanced regional development, rapid economic growth and social equity in the country. In order to pursue this mammoth task of nation-building, the Planning Commission was constituted in 1950. In 1951, it had adopted the path of planning through resource allocation, policy formulation and preparation of Five Year Plans (FYPs) and Annual Plans. The Planning Commission, along with State Planning Boards and District Planning Committees, played a greater role in the formulation of Annual Plans whereas the Ministry of Finance and State Finance Departments largely decided the total quantum of public expenditure along with the Planning Commission and State Planning Boards.

Since 1951, after the adoption of a planned economy model, the total public expenditure mentioned in budget documents had been broadly categorised as Plan and Non Plan, Revenue and Capital expenditure and further broken up into schemes and programmes with certain objectives and purposes. The Non Plan envelope of public expenditure was broadly based on the nature and items of expenditure that are more or less committed by the administrative Ministries and Departments.

The component of Non Plan expenditure includes salaries, pension, subsidies, interest payment and all kinds of defence and administrative expenditure. The Plan expenditure envelope was based on the availability of resources that were not committed items of expenditure and comprised of development schemes and programmes formulated for the Plan period.

Over the recent years, a number of substantive changes have taken place in the domain of planning and budgetary processes. The major changes with regard to planning include abolition of the Planning Commission, discontinuation of FYPs, merger of Plan and Non Plan category of expenditure and formation of a new institution called NITI Aayog (National Institute for Transforming India) in place of the Planning Commission. The NITI Aayog was formed to work as a policy think tank of the Union Government. It has been argued by a few policy analysts that in an era of liberalised economy where the private sector controls a larger share of investment in the economy, there is no use for institutions like the Planning Commission. Now, the question is how the NITI Aayog (as a think tank) is going to be different from the erstwhile Planning Commission in terms of policy formulation, effective implementation and delivering better outcomes for people, particularly the marginalised sections of the population.

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In addition to the above-mentioned policy reforms, the Fourteenth Finance Commission (FFC) Report recommended greater devolution of funds to states and local governments. Subsequently, a restructuring was done in Centrally Sponsored Schemes (CSS) through the policy suggestions made by a Sub-Group of Chief Ministers on the Rationalisation of CSS constituted by the NITI Aayog. All these reforms undertaken by the Union Government have had implications on the implementation of decentralised planning and budgeting at different levels of government.

In light of the recent policy changes in the country, this chapter highlights how the dismantling of the Planning Commission and merger of Plan and Non Plan expenditure has affected the entitlements for Scheduled Castes (SCs) and Scheduled Tribes (STs) in terms of proportionate allocation to their total population through the Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP). Further, it also examines the consequences on decentralised planning processes, as now there is a no organic link between the district, state and national levels in terms of preparing a comprehensive decentralised plan. The chapter recommends that given the social and economic realities of our country, a needs-based planning of public resources is of pivotal importance and that the NITI Aayog must take up the responsibility of strengthening decentralised planning and promoting social equity in the country.

Objectives

The chapter highlights the issues related to the recent changes made in planning institutions and budgetary processes. The objective of the chapter is to examine the possible consequences of the recent changes on decentralised planning and social equity after the dismantling of the Planning Commission and merger of Plan and Non Plan expenditure. It also tries to review the idea behind the formation of the NITI Aayog and takes stock of the work done so far.

The chapter examines the following research questions:

1. Why was Planning Commission constituted?
2. What are the factors behind the recent changes in budgetary processes, planning institutions and the discourse on Planning Commission versus the NITI Aayog?
3. How far has the NITI Aayog been able to take initiatives to work towards its stated objectives?
4. What are the consequences of these changes on decentralised planning (State Planning Board, District Planning Committee)?
5. What are the possible implications of these changes on implementing Plan Strategies such as Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP)?

Structure of the Report

In terms of methodology, this report relies on secondary sources of literature and data. It has used secondary literature such as research papers, evaluation reports by the Government, and Plan budget documents by Union and State Governments and the websites of Ministry of Finance, State Finance Departments, State Planning Boards/Departments, NITI Aayog and Planning Commission. The chapter has been divided into five sections. In the first section, the rationale, objectives and role of the Planning Commission have been discussed. The second section locates the reasons for dismantling the Planning Commission and the rationale for the formation of the NITI Aayog. The third section assesses the current roles of the NITI Aayog and its functions. In section four, possible implications for State Planning Boards and District Planning Committees after dismantling

the Planning Commission have been discussed. The final section analyses the current state of implementation of SCSP and TSP after the merger of Plan and Non Plan categories.

Limitations

The report is largely qualitative in nature and is based on the review of existing literature and analysis of policy documents. As it assesses the issues related to changes in budgetary processes that took place in the recent years, very few documents are available in public domain that discuss the real impact of these policy and budgetary changes. Therefore, it is difficult for the report to make concrete policy recommendations for further improvement in policy and budgetary processes in the NITI Aayog era. This chapter therefore tries to give an overview of changes in budgetary policies and raises questions for further research.

I. Planning Commission: Constitution, Rationale and Objectives

The Planning Commission was constituted on 15 March 1950 vide a Government of India Cabinet Secretariat Resolution as the body instituted to conceptualise the grand overarching strategy for nation-building with a focus on Indian economic policy. After Independence, the country was in dire need of a central multifaceted institution that would draw a roadmap for development planning in order to shape and prioritise development goals for the country and maximise welfare of citizens. The Cabinet Resolution states that the objective of the government is to promote economic growth and a rapid rise in the standard of living of people by efficient exploitation of the resources of the country, increasing production, and offering opportunities to all for employment in the service of the community.

Box 1: Core Mandate of the Planning Commission

- Assessing all types of resources (material, capital, human and technical personnel) of the country, augmenting such resources which are deficient as per nation's requirements.
- Formulation of the Plan for the most effective and balanced use of the country's resources.
- Determining priorities for different stages of the Plan including allocation of resources for completion of each stage of the Plan.
- Identifying factors retarding economic development, and determining the conditions in terms of the current social and political situation for successful execution of the Plan.
- Determining the nature of the machinery which will be necessary for securing the successful implementation of each stage of the Plan in all its aspects.
- Appraisal of progress achieved during the implementation of each stage of the Plan and recommendations for the adjustment and revision of policy for successive plans.
- Making recommendations, in case of the prevailing economic conditions, current policies, measures and development programmes.
- An examination of such specific problems as may be referred to it for advice by Central or State Governments.

Source: Planning Commission

The Cabinet Resolution also states a number of reasons which necessitated the creation of an institution like the Planning Commission such as lack of coordination and sufficient information on resource availability (financial and natural) for Indian states, balance of payment difficulties, inflationary pressure, food shortages and displacement in the post-partition period and dislocation of certain essential raw materials in the country. Thus, the Planning Commission was setup to address the serious challenges confronted by a newly created system of governance and economy after Independence.

In terms of functioning, the Commission conceived a top-down approach to planning with strong central control to resolve the economic and social demand of weaker states. The planning process originated from the philosophy of the Nehruvian model of socialism. The Planning Commission envisioned a largely planned economy with the Central Government responsible for a dominant portion of public investment in the economy.

The Planning Commission played a key role in the formulation, appraisal, review and evaluation of the Five Year Plans. To carry out its function, the Planning Commission consisted of the Prime Minister as the Chairperson, the deputy chairperson, several full-time members and the ministers of Human Resource Development, of Finance and of Agriculture as ex-officio members. Besides these, there was a minister of state for planning. The deputy chairperson looked after the day-to-day work of the commission. The commission had assigned the responsibility to each member as in charge of group of subjects. The Planning Commission had more than 5,000 members of staff including a large number of research staff and experts from several fields of development. It had a large secretariat consisting of a number of divisions (as many as 30). It is argued that it worked as a parallel cabinet under the Prime Minister.

One of the foremost tasks of the Planning Commission was the preparation of the FYPs. In pursuance of which, the first step was to develop an 'Approach Paper' on the basis of estimates of long-

Box 2: Core Work Performed by the Planning Commission

Planning Commission used to function in the following areas:

- Allocation of Plan resource, vetting plan, policies and programmes formulated by States and Central Ministries.
- Providing advice on allocation of investments, particularly capital expenditure, among the Ministries of the Union Government.
- Formulating policies for removal of regional disparities and reducing inequalities among the disadvantaged sections of the population (Tribal Sub Plan, Scheduled Caste Sub Plan, Gender Responsive Budgeting and the Prime Minister's New 15 Point Programmes).
- Providing a long-term perspective and medium-term plan for the economy as a whole for important sectors of the economy.
- Advising the Union Government on transfer of funds to the State governments and approval of State Plans.
- Representing the interests of the States at the Union level.

Source: Planning Commission

term changes in the major parameters of growth. The approach paper covered past experiences, projected requirements for the future and likely availability of resources for the next plan. It consisted of many thematic working groups including officials from the Planning Commission, central ministries, other institutions, state governments, field experts and civil society organisations (CSOs). In this process, a large number of working groups and steering committees were formed to work on the Plan document towards the preparation of the five year plan.

After the completion and approval of the approach paper, the Planning Commission requested the central ministries and state governments to formulate detailed proposals of their plans. The plan proposals submitted by states were discussed in different working groups. The concerned division in the Planning Commission prepared a Status Paper on the Central Plan taking into consideration the recommendations of the concerned working groups, proposals of the relevant ministries, and its own assessment reports. Therefore, a systematic and rigorous process was followed in order to design, formulate and implement the FYPs. From the above discussion it can be concluded that after independence, a centralised planning institution was needed for nation-building which carried out a comprehensive assessment of all kinds of resources and formulating an all-inclusive policy strategy to minimise development deficits among different social groups and regions across the country. The Plans prepared by the Commission were plans meant for the whole country and not solely for the government in power. They were endorsed by the National Development Council that included chief ministers from different political dispensations from across the country.

II. Planning Commission to NITI Aayog: Some Debates and Arguments

Planning Commission

Since its formation, one of the primary objectives of the Planning Commission has been to provide a framework for economic and development policy. The focus of planning kept changing from one FYP to another with each FYP emphasising different sectors such as heavy industry, agriculture, poverty alleviation, social inclusion and infrastructure, depending on the needs of the economy at that particular time period. Over the initial decades, some of the positive results of such elaborate

Box 3: Achievements and Contributions of the Planning Commission

- Pioneering an inclusive planning process.
- Facilitating and mainstreaming reforms.
- Pushing decentralised planning forward by emphasising the principle of subsidiarity in recognition of the deep diversity of India.
- Rationalising Centrally Sponsored Schemes and introducing greater flexibility within them.
- Raising the demands from the states at the Centre.
- Coordinating different ministries and departments and also arbitrating disputes by taking a more long-term and holistic view of issues.
- Independent evaluation and critique of government programmes and policies.

Source: Nachane, 2013 and Shah, 2014

planning processes included achieving self-sufficiency in agriculture, building a successful and diversified industrial structure, considerable adoption of modern techniques, and developing a scientific and technological base (Nachane, 2013).

The early 1990s was a watershed period for the Indian economy. It was during this period that the process of new economic reforms was initiated when India faced the foreign exchange crisis and balance of payment problems during 1990–92. Accordingly, under the Liberalisation, Privatisation and Globalisation (LPG) model, the Eighth Five Year Plan (1992–97) laid more focus on promoting economic growth by minimising the role of the State in several sectors through deregulation, disinvestment and privatisation of the public sector.

As the Indian economy gradually moved towards a market-oriented economic model, it has been argued that the scope of the Planning Commission narrowed down. With over three-fourths of the total investment in the country being owned by the private sector, there was limited scope for the Commission to plan the distribution of resources in the country. Several research studies and independent reports have questioned the role and relevance of the Planning Commission and the process of preparation of FYPs in an economy where the private sector held such a place of prominence.

In the first eight Plans, the primary focus was on a growing public sector with massive investments in basic and heavy industries, but since the launch of the Ninth Plan in 1997, the emphasis on the public sector became less pronounced and more indicative in nature. In line with this, the Planning Commission had made a distinction between the role of investment by public and private sectors. The plan targets were prepared in a prescriptive form for the public sector. For the private sector, the plan targets were made only in an indicative form. Questions have been raised about the efficacy of indicative planning for the private sector in such a deregulated environment, on the instruments of enforcement of indicative targets and their alignment with the overall economic planning process. The Planning Commission has also been criticised for not being able to carry out its task of ensuring adequate public investment for the creation of required physical and social infrastructure in the country. Plans were formulated without assessing the capacities of the implementing agencies. Also, the planning processes could not help achieve the desired result in terms of empowering the population with skill levels for enabling them to productively participate in economic activities (Demands for Grants, 2012–13).

Although the Planning Commission was set up to facilitate decentralised planning and strengthen the federal structure of the polity, there were limitations in terms of the achievement of its set objectives. As one of the important roles of the Planning Commission was to act as a resource allocation agency, it controlled a large proportion of the plan funds. However, this meant that there was less autonomy and discretion for states in the matters pertaining to their own development (Dandekar, 1994). In addition, the fiscal space of the states diminished over the years due to flaws in the fund transfer system adopted by the Planning Commission. There was also a disjunction between planning and budgeting processes. Consequently, programmes could not be financed in a timely manner which led to extra time and cost overruns under several projects (Bagchi, 2007).

The practice of Plan and Non Plan expenditure classification has also been marred with controversies. The Administrative Reforms Commission (ARC), 2009 in its 14th Report stated that the 'Plan and Non Plan' distinction is not rational and leads to inefficiency in resource utilisation.[1] It creates complexity in the budget formulation processes by ministries/departments. Usually, the Plan budget was considered a development-oriented budget for creating infrastructure whereas the maintenance

component was not given adequate focus because it fell under the Non Plan section of the budget. A significant proportion of outlay of sectors/ministries covered by social and economic services was part of the plan expenditure. However, a large proportion of budgetary outlay on general services covered under Non Plan was not discussed or included in the FYP documents.

It was argued by several experts that the Plan and Non Plan distinction[2] needs to be done away with in favour of the Revenue and Capital classification of public expenditure. The argument given for removal of Plan and Non Plan expenditure was that in the planning system more emphasis was on planned expenditure, but now focus will be on all expenditures of the government. The Revenue and Capital classification would help create a clear and effective link between the government's overall earnings, spending and outcomes (Ministry of Finance, GoI, 2016). Thus, the budgetary classification of Revenue (recurring expenditure like salaries and maintenance) and Capital (non-recurring expenditure like creation of assets) is being used since financial year 2017–18.

There have also been arguments in defence of the Planning Commission. Kumar (2008) argued that the role of the Planning Commission in case of budgetary allocation and clearing of projects was merit-based and that it played a crucial role in economic growth and poverty reduction. It was argued that the government should explore the possibility of expanding the role of the Planning Commission to municipalities, districts and panchayats rather than limiting it to the Union and states.

India's 65-year-long experience with the Planning Commission, thus, has been a mixed one. While it helped provide a strong foundation to the economy in the initial years after Independence, gradually it became a large bureaucratic and technocratic setup. Over the years, the planning process got increasingly centralised and the objectives of decentralised planning could not be entirely achieved. The strategies formulated by the Planning Commission could not help tackle the low rate of national growth, high poverty ratio, growing inequalities (interpersonal, interstate and even inter-community), overprotected and uncompetitive industrial sector, widening parallel economy and balance of payments difficulties (Nachane, 2013). There were many instances where in-principle approvals of plans and projects, investment clearances, grants-in-aid and other decisions appeared to work in a bureaucratic manner instead of taking into account the broader national interest. Shah (2014) opines that the Planning Commission had visible remnants of the old Stalinist command and control and inspector raj mindset. There was an opaqueness in its functioning which was a matter of concern considering its role as a major allocator of resources to states and central ministries. The process of appointment of the deputy chairperson, lack of parliamentary oversight and lack of accountability of the members of the Planning Commission have been some areas of concern over the years (Independent Evaluation Office, 2013).

Largely, the debates around the role and functioning of the Planning Commission had suggested restructuring and reform in the Planning Commission rather than its abolition. However, until 2013–14, the Planning Commission resisted all attempts of reform in order to bring itself in line with the needs of a modern market economy and giving states more autonomy. It was recommended that the Planning Commission's role as an allocator of resources to the states should be taken up by the Finance Commission and the allocation of resources across central ministries should be carried out by the Ministry of Finance. The Independent Evaluation Office (GoI, 2013) recommended that the Planning Commission may be replaced with a think tank under the Union Government. This think tank could function as the

Reform and Solutions Commission. The role of the new commission could be that of a driver of new and dynamic thinking and serve as a repository of knowledge.

NITI Aayog (National Institution for Transforming India)

With the idea of abolition of the Planning Commission firmly in place, a number of suggestions were made regarding the mandate, structure and shape of the new body. Experts suggested that the architecture for the new institution would have to be crafted carefully, if it intended to serve as an institution to impart dynamism to the developmental process in a harmonious manner in the country. One of the crucial recommendations by experts for NITI Aayog was to develop a shared narrative of national development. This was important because the new body was not to have powers of allocation of funds and therefore it needed a mechanism that would ensure that the states and Union were still bound by a common objective of national development (CUTS, 2014).

The NITI Aayog was set to replace the Planning Commission to ensure a more effective institution in place. It was suggested that this new institution could work like the National Development and Reform Commission (NDRC) of China[3] which was a macro-economic management and planning agency focusing on fiscal decentralisation, accountability mechanisms, experimentation, learning and giving states a greater voice.

It was suggested that the NITI Aayog should focus on plan formulation at the national level but it should not indulge in over planning, learning lessons from six decades of India's experience with the Planning Commission. It was urged that the NITI Aayog must recognise that it is not engaged in just a technical exercise but must develop a deep understanding of the polity and the fact that the government plays a significant role in articulating an economic vision, as opposed to merely endorsing suggestions by the bureaucracy (Sen, 2017).

One of the questions Rao (2015) raised in this regard was whether the NITI Aayog will influence policy-making and implementation when it does not have the power to give grants and to make plan allocations to different ministries and departments. It has been argued that, for better implementation of development programmes, the NITI Aayog should work as an effective body doing away with the top-down process of transfer of central resources to states based on a vague, outmoded formula. Shah (2014) argues that there is a need for preparing a village development charter and consolidating it into the Annual District Plan. The 66 Plan schemes, which are Centrally Sponsored Schemes, need to be clubbed together and reclassified into 12 categories under social equity and growth-oriented schemes at the time of planning and budgeting.

In the process of transition from the Planning Commission to the NITI Aayog, however, there are apprehensions towards continued centralisation of power by the central government. The constraints on state governments may get further tightened and the NITI Aayog may not be able to work as an autonomous planning body in the neo-liberal state, unlike the way the Planning Commission was envisioned in the Nehruvian era (Patnaik, 2014). From the above discussion it has emerged that there is a big question before the NITI Aayog on how it is going to craft itself to fulfil its mandate.

III. NITI Aayog and its Current Role

In 2014, on Independence Day, the Prime Minister in his speech announced that the new institution that replaces the Planning Commission will have 'a new design and structure, a new body, a new soul, a new thinking, and a new direction'. He emphasised that the new institution should lead the country, based on 'creative thinking, public-private

partnership, optimum utilisation of resources, utilisation of youth power of the nation, and empower the federal structure'. It was envisioned that through the NITI Aayog, India will move away from the one-size-fits-all approach and forge a better match between the schemes and needs of the states. Subsequently in 2015, the NITI Aayog was formed via a resolution of the Union Cabinet. The Union Government conceived the NITI Aayog as the foremost think tank of the Government which would prepare the country's long-term development agenda, credible plans and provide an effective voice to state governments at the Union level (see Box 4).

There were several arguments and rationale for the formation of the NITI Aayog. There was an increasing realisation that the country should move from a centralised planning system to a decentralised method of planning or indicative planning. In the changed circumstances, there was a need to develop a more nuanced Centre-State relationship where states are given more autonomy for setting their own development priorities. The NITI Aayog promotes the adoption of a 'bottom up' approach, where decisions will be taken at the local level and then endorsed at the Central level. In addition, the NITI Aayog aims to work more closely with constitutional bodies like the Finance Commission and Inter State Council for resource allocation and dispute resolution, respectively related to Centre-State relations and relations between states. Overall, the NITI Aayog is designed to play the role of an advisory body to the Union and state governments. Its mandate is to facilitate India's transition from a developing to a developed economy by 2030, by providing a clear direction for the economic, social and political transformation of the country. It will work on the principle of the government being an 'enabler rather than a provider of first and last resort'.

Taking Stock of the Work Done So Far

At the current juncture, it has been about three years since the formation of the NITI Aayog and therefore it is difficult to assess its performance in such a short period of time. However, there are a few areas where this chapter tries to take stock of the work done so far.

As stated, the NITI Aayog has been designed to function like a national think tank and a knowledge repository. In terms of institutional structure and composition, so far,the NITI Aayog team consists of a chairperson, vice chairperson, three full-time

Box 4: Key Mandate of NITI Aayog

- Providing a framework for the National Development Agenda.
- Designing strategic policies and programmes and its monitoring and evaluation.
- Fostering cooperative and competitive federalism.
- Providing a knowledge repository and innovation support, state of the art resource centre.
- Mechanism for formulating credible plans at the village level.
- Incorporating interest of national security in economic strategy and policy.
- Partnership with stakeholders like national and international think tanks and research institutions.
- Resolution of interstate and inter-sectoral issues.
- Technology upgradation and capacity building on good governance and best practices.

Source: NITI Aayog Website

members and chief executive. There is no change in the structure of the NITI Aayog team from that of the Planning Commission except for the creation of the post of a Chief Executive in place of a Member Secretary. In terms of educational background and work experience, the vice chairperson and members come from the academic community. Looking at the composition of the NITI Aayog, it is a very small team (5 members including Vice Chairperson) to look into the enormous task of policy making. Whereas, the Planning Commission members (8–9 including the vice chairperson) were appointed from a diverse background in terms of education, work experience and social background.

Moreover, the NITI Aayog has not included members from the civil society, women, religious minorities, SCs and STs, whereas during the Eleventh and Twelfth FYP period, the Planning Commission tried to include members from these constituencies. This was a conscious effort on the part of the Union Government to effectively design and implement socially inclusive policies in the Eleventh and Twelfth FYP periods. During the planning process and preparation of Plan documents, the Planning Commission used to invite experts, academia and intellectuals to join the Working Groups and Steering Committees but there has been limited engagement with external stakeholders in the case of NITI Aayog. For the NITI Aayog to be a successful institution it needs to foster and strengthen its collaborations with other think tanks and civil society organisations and reach out to various key stakeholders across the country.

The NITI Aayog document states that its formation is an important evolutionary change from the Planning Commission and that the NITI Aayog acts as an ideal platform of the Government of India to bring the states to act together in national interest, and thereby foster Cooperative Federalism. In this process, NITI Aayog's Governing Council has replaced the National Development Council of the Planning Commission without any new measures. So far, the NITI Aayog has only convened two meetings of the Governing Council held on 8 February 2015 and 23 April 2017. However, several states ruled by political parties who are in the opposition claimed that they were not given adequate opportunity to raise and discuss their local problems and issues in the meetings of the Governing Council.

With regard to the national policy framework, the NITI Aayog envisioned a long-term new National Development Agenda in place of the earlier Perspective Plans and Five Years Plans. The National Development Agenda includes 10 sectors, namely, poverty, water, sanitation, infrastructure, agriculture, education, health, housing, urban development, law and order and environment (see Box 5). However, there is nothing new in the National Development Agenda; all the 10 sectors were already part of the agenda of the Planning Commission.

On the basis of the National Development Agenda, the NITI Aayog intends to prepare a 15-year Vision document (2017–18 to 2031–32), a 7-year Strategy document (2017–18 to 2023–24) and a 3-year Action Agenda. The 15-year long-term Vision document aims to make India a developed country which will be almost coterminous with the period of the Sustainable Development Goals (SDGs); whereas the 7-year Strategy Plan is in line with the mid-term period of the SDGs; while the 3-year Action Agenda will be concomitant with last three years of the 14th Finance Commission (see Box 6).

The NITI Aayog came out with an Action Agenda in 2017. The Action Agenda covers wide-ranging issues like fiscal framework, agriculture, industry, services, transport, digital connectivity, public private partnership, energy, science, technology, governance, taxation, environment, forest and water. Rather than a document infusing fresh

Box 5: National Development Agenda

1. Poverty Elimination: livelihood, jobs and skill development.
2. Drinking water and Swachh Bharat Abhiyan.
3. Rural connectivity, electricity, access to roads and communication.
4. Agriculture, including animal husbandry, fisheries, integrated watershed management and irrigation.
5. Education and Mid-Day Meal.
6. Health, nutrition, women and children.
7. Housing for all—rural and urban
8. Urban transformation
9. Law and Order, justice delivery
10. Others which may include wildlife conservation and greening

Source: NITI Aayog, Government of India

thinking, the agenda appears more like a document collating several policy recommendations provided by experts and governments formulated over the years. Mehta (2017) argues that the Action Agenda has limited or negligible focus on implementation challenges, bureaucratic reforms and government-citizen interaction which has led to several good ideas being left unimplemented.

Interestingly, the NITI Aayog released the Action Agenda before providing the Strategy and Vision documents. Logically, the Strategy and the Vision documents should have been released before

Box 6: Policy Documents of the NITI Aayog

Vision: Vision document keeping in view the social, economic and environmental goals proposed for Sustainable Development Goals (SDGs) for about 15 years, i.e., up to 2030. It aims to transform India into a prosperous, highly educated, healthy, secured, corruption-free, energy-abundant, environmentally clean and globally influential nation. The vision document will go beyond the traditional areas and also cover aspects of internal security and defence-related issues. All the Central Ministries/Departments, States/UTs will get involved in the preparation of the Vision document.

Strategy document: Seven-year Strategy document covering the period from 2017–18 to 2023–24 will convert the long-term vision into implementable policies.

Action Agenda: The Action Agenda is a part of the National Development Agenda with a mid-term review after three years (2017–18 to 2019–20) focusing on predictability of financial resources during the 14th Finance Commission Award period. This document would help translate the goals of the Government into actions to be achieved by 2019.

Source: NITI Aayog, Government of India

the Action Agenda. Moreover, even after three years of its existence, no outline or methodology has been made available with regard to preparation of the Vision and Strategy documents. Further, the Action Agenda does not talk much about the inclusion of SDGs and aligning it with the National Development Agenda and the scale of resources for implementing the SDGs.

Since its establishment, the NITI Aayog formed three subgroups of Chief Ministers on different issues such as Centrally Sponsored Schemes (CSS), Skill Development and Swachh Bharat (Clean India) Mission. The purpose of constituting these subgroups was to suggest changes in policies, design and budgets of ongoing development programmes. The subgroups of Chief Ministers on restructuring CSS recommended several reforms like reduction in the number of CSS from 66 to 28, categorising them as 'Core of Core' with six schemes, 'Core' with 20 schemes, and 'Optional' with 2 schemes; changes in the matching share between Centre and states and raising percentage share of flexi-funds. The existing funding pattern has been retained in the Core of the Core schemes. For Core schemes, the ratio for Centre and general category States has been prescribed as 60:40 and in the Optional schemes the ratio now is 50:50. For special category and North Eastern (NE) States, the funding pattern in Core and Optional is 90:10 and 80:20, respectively. It shows that special category and NE States are not going to see much impact on their finances but general category states will bear more financial burden due to the change in funding pattern.

With these changes there has also been a general direction given that it is only the capital expenses for the programmes at the state level that would be borne by the Union Government and the revenue expenditure by the states. As the capital expenditure by the states on most of the CSS is nominal and the revenue expenditure forms the bulk of the expenditure, it indicates that in the coming years it will be states that will have to bear the larger share of the total expenditure and also the eventual responsibility of devising and implementing much of the development schemes. This may, thus, mean that some important social sector interventions might wither away if individual states decide not to invest in these.

After the abolition of the Planning Commission, Normal Central Assistance for State Plan has been done away with. This was an important source of financing for State Sponsored Schemes. It was argued that the increase in the share of states in central taxes (from 32 per cent to 42 per cent) recommended by FFC would compensate for the reduction in transfers of funds through CSS and Central Assistance. However, research shows that there is a possibility of overall reduction in the total transfer to states because the tax-GDP ratio may decline in the coming years. Even if it increases, states do not have the flexibility in terms of increasing their total spending due to conditionalities imposed by Fiscal Responsibility and Budget Management Act (FRBM). The FRBM Act says that revenue and capital deficit should not exceed zero per cent and three per cent respectively in terms of GSDP. Due to this conditionality, the expenditure priority of states in the social sector would suffer in the future (Mitra, 2015). Moreover, it also reflects that states will not have as much fiscal autonomy in the future as claimed by the Union Government.

In terms of policy direction toward privatisation of services, the NITI Aayog has gone a step ahead of the Planning Commission. Recently, the NITI Aayog stated that the process of privatisation should be expedited and schools, colleges, hospitals and jails must be handed over to the private sector. It has argued that the government needs to move into new areas of Public Private Partnership (PPP) because in the past, the government has initiated a number of big projects but has been unable to scale up operations and provide proper maintenance; therefore, it may change the process of reversing the old BOT (build, operate and transfer) model

and sell projects to the private sector. Many trade unions and independent bodies blamed the NITI Aayog for focusing heavily on privatisation in many critical sectors (*Hindustan Times*, 2017).

Even after three years of its formation, the NITI Aayog has not been able to live up to the expectation of it being an independent think tank. On several issues, it took similar positions as the Central Government, such as on digital payments, promoting private investment in social sectors, demonetisation plan, and issues relating to land acquisition. It appears as if the NITI Aayog functions at the behest of the government to defend its policy initiatives rather than acting as an independent and impartial institution.

In sum, so far the NITI Aayog has not been able to address key issues like poverty, inequality, unemployment and the agrarian crisis faced by the country in the last few years, although it has constituted a few groups/committees for stock taking. Mehta (2017) opines that the NITI Aayog is yet to institutionalise a system of checks and balances to caution the government about the claims it makes, and apprise policymakers of ground realities. It is yet to initiate the robust planning mechanism that it promised in its mandate and this has affected planning processes and linkages of planning institutions between the Union, states' and local governments. Here, it can be concluded that although the NITI Aayog has formulated its long-term Development Agenda, the process adopted to translate this agenda into implementable action on the ground has been very slow.

IV. Implications for Planning: Functioning of Planning Board, District Planning Committees and Linkages with National Plan

The role of state governments in planning processes has undergone a major shift after the formation of the NITI Aayog at the national level. One of the stated objectives of the NITI Aayog is to 'build partnership with State Governments to promote co-operative federalism and to develop mechanisms to formulate credible plans at the village level and consolidate such plans progressively at the higher level of government'. Given these objectives, planning institutions like State Planning Boards/ Planning Departments and District Planning Committees in the states are considered as important stakeholders of the NITI Aayog.

After the setting up of the NITI Aayog and the elimination of the Plan and Non Plan distinction of expenditure, it was entirely left to the states to formulate their own State Perspective and Annual Plans. Until 2013–14, Annual Plans of states used to get approved by the Planning Commission after several rounds of discussions. Central Assistance to State Plan was given to states to prepare their Annual Plans. After doing away with the Plan and Non Plan classification in the budgetary processes, the question arose whether state-level planning processes should be continued. And if they should, then what would be the new role and form of these planning institutions.

An assessment of the functioning of State Planning Boards shows that Kerala is the only state which prepared the 13th Five Year Plan. Madhya Pradesh intends to prepare the District Annual Plan in 2018–19. Other states have already discontinued the FYP process and no document has been prepared post the 12th Plan except some efforts with regard to the implementation of SDGs. Uttar Pradesh has come out with a very brief and sketchy Action Plan and Karnataka prepared a document called Vision 2020. The State Planning Boards and Planning Departments no longer have to go to the NITI Aayog for resource allocation and approval of FYPs. However, states have largely not been able to provide their inputs for preparing the Vision, Strategy, and Action Agenda documents prepared by the NITI Aayog. In fact states should

have prepared these documents before the national Vision, Strategy, and Action Agenda documents were finalised by the NITI Aayog in order to incorporate inputs from the states.

Table 1 shows the documents prepared by 19 states after the dismantling of the Planning Commission and the elimination of the distinction between the Plan and Non Plan expenditure. Most states have adopted the process of preparing Gram Panchayat Development Plans (GPDP) since 2015–16. GPDP was initiated by the Ministry of Panchayati Raj (MoPR) in the context of increased devolution of the fund to Gram Panchayats (GPs) by the Fourteenth Finance Commission (FFC) and starting of an Intensive Participatory Planning Exercise for MGNREGA under the leadership of Gram Panchayats (GPs). GPDP stressed on preparing exclusive development plans for basic services within the functions devolved to GPs as per state laws before incurring expenditure under the FFC award. MoPR, in association with states and UTs, prepared guidelines and a manual on GPDP and in this process 22 states have already prepared state-level guidelines to adhere to the central guidelines. However, it is not known how effectively it is being implemented by the states.

Table 1: Status of Planning Institutions in Select States

S. N.	State	Existence of Planning Board/Planning Department	Document on Plan Process/SDG Document	District Planning Committees
1	Andhra Pradesh	Andhra Pradesh State Development Planning Society	Vision 2029	Decentralised Planning / GPDP
2	Assam	Planning and Development Department	Assam 2030	Decentralised Planning / GPDP
3	Bihar	Bihar State Planning Board	Road Map for SDGs	Decentralised Planning / GPDP
4	Chhattisgarh	State Planning Commission	Mapping of Department as per SDGs	Decentralised Planning / GPDP
5	Haryana	State Planning Board	Vision 2030	Decentralised Planning / GPDP
6	Himachal Pradesh	Department Planning	Aligning SDGs with State Plan	Decentralised Planning / GPDP
7	Jammu & Kashmir	Planning and Development Department		Decentralised Planning / GPDP
8	Jharkhand	Department of Planning and Development		Decentralised Planning / GPDP
9	Karnataka	State Planning Board	Vision 2020	Decentralised Planning / GPDP
10	Kerala	Kerala State Planning Board	13th FYP in Kerala	Decentralised Planning / GPDP

11	Madhya Pradesh	State Planning Commission	SDG cell for Perspective Planning and SDGs	Decentralised Planning Guidelines for 2018–19/ GPDP
12	Maharashtra	Planning Department		Decentralised Planning / GPDP
13	Odisha	State Planning Board The Planning & Convergence Department		Decentralised Planning / GPDP
14	Rajasthan	Planning Department		Decentralised Planning / GPDP
15	Tamil Nadu	State Planning Commission	Infrastructure Development Plan for six major sectors	Decentralised Planning / GPDP
16	Telangana	Telangana State Development Planning Society		Decentralised Planning / GPDP
17	Tripura	Planning Department	Vision and Strategy document	Decentralised Planning / GPDP
18	Uttar Pradesh	State Planning Commission	Action Plan	Decentralised Planning / GPDP
19	West Bengal	State Public Policy and Planning Board (SPPPB)		Decentralised Planning / GPDP

Source: Websites of Planning Department and State Planning Boards.

Currently, the State Planning Boards in India would not have any role in resource allocation and preparation of FYPs and Annual Plans. Even in the changed policy scenario with regard to planning, Planning Boards or Planning Departments have not yet lost their relevance entirely with regard to providing policy formulation and direction to states. They can take up responsibilities in several areas. First, Planning Boards have to prepare a Vision Document, Strategy Document and Action Agenda and align these with the SDGs and set targets and indicators upto 2030. Second, there is a need for greater inter-sectoral and inter-departmental convergence of decentralised planning needed to implement SDGs. The administrative departments need to work together in the formulation of appropriate strategies, polices, structure and processes with regard to SDGs. Third, the Planning Boards can conduct comprehensive research on the functioning of public policies. Fourth, they can provide hand holding and support to build capacities at both the district level and state department for decentralised planning and better implementation. Fifth, State Planning Boards have to focus on formulating policy for strengthening local institutions in terms of planning and implementation. Sixth, they can work as centres for information exchange and as knowledge repositories for designing policies and programmes on behalf of line departments. Seventh, they can strengthen the implementation of SCSP, TSP and gender budgeting. Last, they may monitor the programmes and schemes so that these deliver better outcomes.

District Planning Committee and Gram Panchayat Development Plan

An effective decentralised planning process is essential at the local level for devising socially inclusive development strategies and addressing implementation bottlenecks in the overall development programme. It encourages peoples' participation in local planning and ensures their needs and aspirations are captured in the process. Gram Sabhas are the bedrock of decentralised planning. Article 243-ZD was a landmark in providing a roadmap for decentralised planning in terms of five-year perspective plans and annual plans prepared through the constitution of the District Planning Committee (DPC).

Most states have constituted DPCs to consolidate the plans prepared by Panchayats and Municipalities in the district and to prepare a draft development plan (District Annual Plan) for the entire district. DPCs, while preparing the district plan, consider the matters of common interest between Panchayats and Municipalities including spatial planning, sharing of water and other physical and natural resources, as well as integrated development of infrastructure and environmental conservation. They also take into account the extent and type of available financial resources in consultation with specified institutions and departments. Until now, the approved District Annual Plan used to be incorporated into the state plan.

Now that most of the states except Kerala have discontinued their planning processes, the question arises whether preparing the Annual District Plan by DPCs remains relevant, because it is not going to feed into the state Annual Plan anymore like it used to. Unlike the Planning Commission and State Planning Boards, DPC is a constitutional body. With regard to changes required in the objectives and functioning of DPCs, there is a need for intervention by the Union Government.

It is found that the Government of India is pursuing states to prepare GPDPs but no provisions have been made for the integration of GPDP with DPC and State Planning Boards (GoI, 2015). The process of State and National Plans has already been discontinued. This shows that the commitment made by the NITI Aayog in terms of support to prepare decentralised plans and bottom up planning (aggregating at higher levels of the government) has not been fulfilled. What one can deduce is that the lack of integrated and decentralised planning processes in the country might have an adverse impact on devising socially inclusive development strategies for SCs and STs.

V. Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP)

One of the key issues for the NITI Aayog is to pay special attention to the disadvantaged sections of the population that may be at risk of not benefitting adequately from the process of economic growth. Since 1951, Dalit and Tribal communities were largely receiving incidental benefits from the development interventions by the Union and state governments until the initiation of SCSP and TSP in the1970s. The SCSP and TSP were conceived and implemented as Plan strategies by the Planning Commission. As per the guidelines, Plan funds should be earmarked for SCSP/TSP from the Central Government ministry's/department's Plan outlay at least in the proportion of the SC/ST population to the total population of the country (see Box 7). However, the provisions of SCSP and TSP were not implemented by the Union and state government in letter and spirit until 2009 (CBGA, NCDHR and UNDP, 2011).

In 2010, the Narendra Jadhav Committee was set up to restructure SCSP and TSP and it made recommendations for a minimum of 16 per cent and 8 per cent budgetary allocations to SCs and STs, respectively. The report identified several ministries and departments to allocate resources for the welfare

Box 7: Provision for SCSP and TSP by Planning Commission

- SCSP and TSP fund should be placed under separate budget heads/sub-heads for each ministry/department for implementing SCSP and TSP.
- In the 'Detailed Demands for Grants' (in State and Union Budgets), Tribal Sub Plan (with code 796) and Special Component Plan (with code 789) can be opened as minor heads below the functional major head/sub major head wherever necessary.
- Outlays for area-oriented schemes directly benefiting SC hamlets/villages having majority Scheduled Castes population/tribal hamlets and villages shall be included in SCSP and TSP.
- One of the important provisions made in the SCSP/TSP guidelines that focuses on designing proper and appropriate developmental programmes/schemes/activities specifically relevant/useful for the overall development of SCs and STs both within the existing general programmes across sectors, and also conceiving new avenues/programmes for this purpose, if not there so far.
- Only those schemes should be included under SCSP/TSP that ensure direct benefits to individuals or families belonging to SCs/STs. Wage component, especially under rural employment schemes, should not be included under SCSP/TSP.
- It also says that there is need for designing a special mechanism and making the same as the special agency responsible and accountable for formulation and implementation of SCSP and TSP effectively and meaningfully.
- Non-earmarking of funds under SCSP and TSP may result in non-approval of Five Year and Annual Plans of the States/UTs. The funds for SCSP and TSP should be released on time and it should be non-divertible and non-lapsable.
- The SCSP strategy needs to be evaluated at the end of the year in terms of financial allocations made and the expenditure incurred, and assessment of their impact through gauging physical achievements and ultimate outcomes.

Source: Planning Commission (Guidelines for SCSP and TSP for several Years)

of the SCs and STs. It also suggested that ministries and departments should introduce separate codes for SCSP and TSP in the budget documents. One of the important recommendations was pooling of funds. There was a suggestion to stop the diversion of lapsable funds. After the Jadhav Committee's recommendations, some progress was made in terms of increase in proportional allocation and introduction of accounting heads in Detail Demand for Grants (DDGs) by more ministries and departments. However, other provisions made by the Jadhav Committee were not adhered to by both the Union and state governments.

The Xaxa Committee Report (2014) has highlighted that the guidelines of the Planning Commission were not being followed by the Government, both Centre and states, in earmarking funds for Scheduled Tribes. So, in addition to inadequacy of funds, resources were not being utilised effectively for the welfare of STs. There have also been problems such as the diversion of funds meant for STs and the eventual lapse of funds due to non-utilisation.

The planning process had laid down a strong institutional framework in the form of Integrated Tribal Development Projects/Areas (ITDP/ITDA)

to be facilitated by the states. However, the Union Government lost focus on these institutions as they were primarily considered the responsibility of the states. Over the years 'states did not pay enough attention for maintaining and strengthening their institutional capabilities, providing manpower and modern infrastructure'. Thus, as stressed by the Xaxa Report 'the ITDAs have to be strengthened and fresh thinking on creation and strengthening of institutions of delivery is required', i.e., there is a critical need for developing a clear long-term strategy for the welfare of these disadvantaged sections of the population.

The Three Year Action Agenda of the NITI Aayog does mention that emphasis must be placed on needs-based planning and on a robust mechanism for monitoring and evaluation of outcomes. However, the thrust is on ensuring outcome-based monitoring of the SCSP and TSP. The focus is shifting from planning and budgeting for SCs/STs to mere monitoring of how the funds are being spent under SCSP/TSP.

After the formation of the NITI Aayog, there were some developments such as the merger of Plan and Non Plan expenditure and introduction of Revenue and Capital category. The reporting in SCSP since Union Budget 2017–18 marks a departure from the earlier statement as: (i) the structure of the sub-plan has been replaced by a statement giving 'Allocations for Welfare of Scheduled Castes', (ii) allocations for SCSP are now earmarked from the total schemes' allocations, segregated as Revenue and Capital expenditure, and (iii) the statement now appears as Statement 10A, instead of Statement 21. While Statement 10A remains important from the perspective of ensuring budgetary outlays for SCs across sectors, in the absence of any reference to SCSP, there is no clarity on parameters for assessing the allocations reported by different ministries/departments in this statement.

The main difference between the SCSP and the Statement 10A lies in the fact that while SCSP provided a norms-based framework to assess allocations reported by various ministries, Statement 10A does not do so. While the Budget Circular 2017–18 and 2018–19 did indicate (i) using Narendra Jadhav Task Force recommendations for earmarking by ministries, and (ii) ensuring that the allocations under schemes in SCSP are maintained at least at the levels earmarked in 2015–16 (BE) and 2016–17 (BE), how the reporting has actually happened remains unclear. Hence, it is important that new norms should be developed for reporting in SCSP by various ministries.

There has, thus, been a dilution of the entire SCSP strategy over the years. The inherent problem with the scheme-based earmarking approach is that what gets reported in the SCSP is merely 'incidental benefits' accruing to the SCs from general schemes and programmes. Such an approach does not encourage the ministries to identify the specific challenges confronting SCs in their respective sectors and ensure additional allocations for addressing the same. Therefore, what is missing is planning and budgeting for SCs to ensure targeted, policy-driven benefits, which was the objective of SCSP in the first place.

Similarly, TSP which was earlier reported under Statement 21A as 'Tribal Sub Plan' has been changed to Statement 10B—'Allocation for Welfare of Scheduled Tribes'. It is not clear what criteria have been followed by various ministries while reporting budget allocations on Revenue and Capital components in this statement. In its present format, TSP does not encourage needs-based planning and budgeting for STs, which was at the core of the TSP strategy earlier. For example, shortage of staff and basic infrastructure have been important factors responsible for the poor implementation of programmes and schemes in the health sector, leading to limited access to essential healthcare services in tribal areas. Addressing this requires

not just schematic interventions but also increasing the overall investment in health infrastructure and human resources in tribal areas, and amending the programmatic design to address specific challenges faced in tribal areas.

Implementation of SCSP and TSP in Select States

At the state level, there are two models of SCSP and TSP, with legislation (Telangana, Andhra Pradesh and Karnataka) and without legislation (rest of the states including the Union Government). Except Kerala, most of the states are following the Revenue and Capital classification in their budgets since 2017–18. In the budget 2017–18, many states have reported that they tried to allocate the proportionate funds for SCSP and TSP through some changes in classification of expenditure like share of allocation for SCs and STs in total scheme allocation, proportionate allocation to SC and ST in total development fund, and allocation to SCs and STs in total budget deducting the administrative expenses (see Table 2). It seems that there is not much clarity in terms of proportionate allocation to SCs and STs under SCSP and TSP in the states and also on the basis for allocation of expenditure under the Revenue and Capital expenditure category.

Table 2: Status of Implementation of SCSP and TSP in Select States

S.N.	State	Implementation of SCP/TSP
1	Andhra Pradesh	The allocation for SC component and ST component is calculated as a percentage of total schemes allocations.
2	Telangana	The government has allocated under SCSP and TSP in proportion to SC and ST population of total development fund (Pargatipaddu). Now SCSP and TSP are called SC Special Development Fund and ST special Development Fund. It has been decided to constitute Special Development Funds for SC and ST welfare and to carry forward unspent provisions under SC and ST Special Development Funds to the following year.
3	Karnataka	Now there will be a new basis for the calculation of SCSP. In this process, there is the exempted expenditure, not to be part of SCSP expenditure. It includes salary, salary GIA, pension, administrative expenditure, principal repayment and interest payment on account of the state government's borrowing and off-budget borrowings by the State Government Undertakings, and any such expenditure of administrative nature so notified by the Government will be excluded. Allocable budget, which is the Total Consolidated Fund expenditure less Exempted expenditure, will be used as a base to calculate the SCSP/TSP allocation. 24.1% of this base will be earmarked for SCSP/TSP. An Amendment to the Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, Allocation and Utilisation of Financial Resources) Act, 2013 to this effect will be moved in this Session.
4	Maharashtra	The amounts made available for SC and ST in both plan and non-plan together in 2015–16 will be kept as the minimum assured commitment for them. The powers of re-appropriation of district annual funds under special component and Tribal component plans, which has so far taken place at the state level, are shifted to the district level.

5	Kerala	9.81% of total outlay is being earmarked for SC population, who comprise 9.1% of total population. Same way, 2.83% is earmarked for STs who form 1.45% of the population. Rs 188 crore for Scheduled Castes and Rs 366 crore for Scheduled Tribes has been allocated in excess of the proportionate normative share. This allocation is higher than that of any other state in India. Kerala has not merged the Plan and Non Plan expenditure. Kerala is going to have a 13th Five Year Plan.
6	Haryana	Budget 2017–18 decided to dispense with the Plan and Non-Plan classification of expenditure and present the Budget in terms of revenue and capital classification, which would give a holistic view of sectoral allocations, leading to optimal allocation of resources to Departments. It attempted to classify the allocation of resources into rural and urban categories, wherever feasible, to have a clearer view about the fund flow to priority areas. The success of any effort is judged in terms of the benefits made available to the underprivileged sections of the society.
7	Madhya Pradesh	In the budget 2017–18, the government tried to give proportionate allocation to SCs and STs for their socio-economic development. The government will allocate the funds for SCs and STs in the schemes of social sectors and it will also create sub-schemes within those schemes for SCs and STs.
8	Chhattisgarh	In the budget 2017–18, the government tried to give proportionate allocation to SCs and STs for their socio-economic development. Government will allocate the fund for SCs and STs in the schemes of social sectors and it will also create sub-schemes in those schemes for SCs and STs.
9	Jharkhand	For the development of SCs and STs, the government presented ST and SC development budget. The government identified the development schemes where allocation to SCs and STs is possible. For monitoring and evaluation of SC and ST schemes, the government created a cell and appointed a joint secretary level officer to head it.
10	Rajasthan	No clarity about the methodology to calculate the allocation under SCSP and TSP in the budget.

Source: Budget Speech of State Finance Minister, 2017–18

From the foregoing discussion, it is clear that largely, Union and state governments have not come out with any comprehensive alternative strategy for the implementation of SCSP and TSP. It is evident that integrated, decentralised planning is needed to continue the SCSP and TSP strategy and ensure that it is proportionate to the SC and ST population. In the given context, there is an urgent need to develop a new framework at the national level (considering the Andhra Pradesh and Telangana models) for continued implementation of a community-specific strategy like SCSP and TSP.

Even after the introduction of the Revenue and Capital expenditure category there is a requirement for promoting needs-based planning at all levels of governance that has not happened so far, except in a few states. The lack of needs-based planning has been one of the main factors in the poor implementation of SCSP and TSP. To strengthen needs-based planning, each Ministry/Department should be encouraged to (i) identify the additional challenges confronting SC and ST communities in their sectors of work, (ii) take measures to address these challenges, and (iii) figure out what additional

resources would be required for such special measures. These additional resources devoted to the special measures for SCs and STs should then be reported under SCSP and TSP. The funds earmarked for SCSP and TSP should not be used as supplementary resources for general purpose expenditure. More importantly, the additional funds should be used to create interventions and projects meant exclusively for SC and ST communities.

Concluding Remarks

It is evident that in a market-oriented economy, the relevance of an institution like the Planning Commission has gradually diminished. However, it was argued that India cannot be governed efficiently without an overarching body like the Planning Commission which coherently plans and recommends allocation of central funds keeping in mind the converging needs and aspirations of the people. Experts argue that such planning cannot be left to the ministries alone as they do not have such a wide mandate and vision. However, the Planning Commission faced challenges in terms of its functioning such as the disjunction between the planning, budgeting and implementation processes, overshadowing states in a federal structure, and systemic flaws in the transfer of funds.

Most critics advocated for reforms in the Planning Commission and the continuation of planning processes instead of creating a new institution. However, in 2015, the NITI Aayog took over the role of the Planning Commission and was established as a think tank to provide policy directions to the Union Government and overcome the challenges faced by its predecessor. NITI Aayog has the mandate to design strategic policies and programmes, foster cooperative and competitive federalism, provide knowledge support and undertake evaluation and monitoring. To achieve these objectives, it formulated a National Development Agenda and initiated the process of developing the Vision (2016–2030), Strategy (2017–2023) and Action Agenda (2017–2021) documents based on the Sustainable Development Goals framework. However, as of now, only the Three Year Action Agenda is in the public domain. It is incomprehensible as to how an Action Agenda could be developed without having the Vision and Strategy in place. Moreover, the Action Agenda has negligible focus on systemic weaknesses, implementation challenges, bureaucratic reforms and government–citizen interaction. Further, there is no longer an organic link between a national-level institution such as the NITI Aayog and the sub-national-level institutions such as the State Planning Boards and District Planning Boards towards the preparation of a comprehensive National Development Agenda.

The abolition of the Planning Commission and discontinuation of FYPs has had implications for decentralised planning and social equity. The Planning Commission was pro-actively engaged in developing Plan budgets, preparation of FYPs, and overseeing the implementation of SCSP and TSP. On the other hand, the NITI Aayog has no direct involvement in planning and budgetary processes. With the merger of Plan and Non Plan, there is a need to revise the guidelines of SCSP and TSP for earmarking funds in proportion to the SC and ST population under the Revenue and Capital expenditure classification. In its present format, SCSP and TSP does not encourage needs-based planning and budgeting, which was at the core of these strategies earlier. The revised framework and new benchmarks for earmarking funds should be developed through an open and consultative process, with adequate representation from all relevant stakeholders. There is an apprehension that, in the absence of the guidelines to implement SCSP and TSP, these strategies could get diluted in the coming years.

In terms of the broad policy direction, NITI Aayog has not been able to make a clear distinction

between the roles and responsibilities of the public and private sectors. It lays greater emphasis on privatisation and argues for reducing the role of the government in the provisioning of essential services. It appears that the major agenda of the NITI Aayog is to promote privatisation in the provisioning of public goods and services. However, given the high levels of poverty and inequality in the country, there is a strong case for government intervention through pro-people fiscal policy measures. Reviewing the functioning of the NITI Aayog, we may conclude that it still has a long way to go towards establishing itself as an independent and credible think tank which would be able to effectively contribute to a progressive and inclusive policy discourse in the country.

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