

## CABINET SECRETARIAT

## RESOLUTION

New Delhi, the 1st January, 2015

**No. 511/2/1/2015-Cab.**—Mahatma Gandhi had said: “Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position”. Reflecting this spirit and the changed dynamics of the new India, the institutions of governance and policy have to adapt to new challenges and must be built on the founding principles of the Constitution of India, the wealth of knowledge from our civilizational history and the present day socio-cultural context.

2. The Planning Commission was set up on the 15th of March, 1950 through a Cabinet Resolution. Nearly 65 years later, the country has metamorphosed from an under-developed economy to an emergent global nation with one of the world's largest economies.

3. From being preoccupied with survival, our aspirations have soared and today we seek elimination, rather than alleviation, of poverty. The people of India have great expectations for progress and improvement in governance, through their participation. They require institutional reforms in governance and dynamic policy shifts that can seed and nurture large-scale change. Indeed, the ‘destiny’ of our country, from the time we achieved Independence, is now on a higher trajectory.

4. The past few decades have also witnessed a strengthening of Indian nationhood. India is a diverse country with distinct languages, faiths and cultural ecosystems. This diversity has enriched the totality of the Indian experience. Politically too, India has embraced a greater measure of pluralism which has reshaped the federal consensus. The States of the Union do not want to be mere appendages of the Centre. They seek a decisive say in determining the architecture of economic growth and development. The one-size-fits-all approach, often inherent in central planning, has the potential of creating needless tensions and undermining the harmony needed for national effort. Dr. Ambedkar had said with foresight that it is “unreasonable to centralise powers where central control and uniformity is not clearly essential or is impracticable”.

5. At the heart of the dynamics of transforming India lies a technology revolution and increased access to and sharing of information. In the course of this transformation, while some changes are anticipated and planned, many are a consequence of market forces and larger global shifts. The evolution and maturing of our institutions and polity also entail a diminished role for centralised planning, which itself needs to be redefined.

6. The forces transforming India are many and include:

a. The industry and service sectors have developed and are operating on a global scale now. To build on this foundation, new India needs an administration paradigm in which the government is an “enabler” rather than a “provider of first and last resort”. The role of the government as a “player” in the industrial and service sectors has to be reduced. Instead, government has to focus on enabling legislation, policy making and regulation.

b. India's traditional strength in agriculture has increased manifold on account of the efforts of our farmers and improvements in technology. We need to continue to improve, and move from pure food security to a focus on a mix of agricultural production as well as the actual returns that farmers get from their produce.

c. Today, we reside in a ‘global village’, connected by modern transport, communications and media, and networked international markets and institutions. As India ‘contributes’ to global endeavours, it is also influenced by happenings far removed from our borders. Global economics and geo-politics are getting increasingly integrated, and the private sector is growing in importance as a constituent within that. India needs to be an active player in the debates and deliberations on the global commons, especially in relatively uncharted areas.

d. India's middle class is unique in terms of its size and purchasing power. This formidable group is increasing with the entry of the neo-middle class. It has been an important driver of growth and has enormous potential on account of its high education levels, mobility and willingness to push for change in the country. Our continuing challenge is to ensure that this economically vibrant group remains engaged and its potential is fully realised.

e. India's pool of entrepreneurial, scientific and intellectual human capital is a source of strength waiting to be unleashed to help us attain unprecedented heights of success. In fact, the ‘social capital’ that is present in our people has been a major contributor to the development of the country thus far and, therefore, it needs to be leveraged through appropriate policy initiatives.

f. The Non-Resident Indian community, which is spread across more than 200 countries, is larger in number than the population of many countries of the world. This is a significant geo-economic and geo-political strength. Future national policies must incorporate this strength in order to broaden their participation in the new India beyond just their financial support. Technology and management expertise are self-evident areas where this community can contribute significantly.

g. Urbanisation is an irreversible trend. Rather than viewing it as an evil, we have to make it an integral part of our policy for development. Urbanisation has to be viewed as an opportunity to use modern technology to create a wholesome and secure habitat while reaping the economic benefits that it offers.

h. Transparency is now a sine qua non for good governance. We are in a digital age where the tools and modes of communication, like social media, are powerful instruments to share and explain the thoughts and actions of the government. This trend will only increase with time. Government and governance have to be conducted in an environment of total transparency – using technology to reduce opacity and thereby, the potential for misadventures in governing.

7. Technology and information access have accentuated the unity in diversity that defines us. They have helped integrate different capabilities of our regions, states and eco-systems towards an interlinked national economy. Indeed, Indian nationhood has been greatly strengthened on their account. To reap the benefits of the creative energy that emerges from the Indian kaleidoscope, our development model has to become more consensual and co-operative. It must embrace the specific demands of states, regions and localities. A shared vision of national development has to be worked out based on human dignity, national self-respect and an inclusive and sustainable development path.

8. The challenges we face as a country have also become more complex:

a. India's demographic dividend has to be leveraged fruitfully over the next few decades. The potential of our youth, men and women, has to be realized through education, skill development, elimination of gender bias, and employment. We have to strive to provide our youth productive opportunities to work on the frontiers of science, technology and knowledge economy.

b. Poverty elimination remains one of the most important metrics by which alone we should measure our success as a nation. Every Indian must be given an opportunity to live a life of dignity and self respect. The words of Tiruvalluvar, the sage-poet, when he wrote that "nothing is more dreadfully painful than poverty", and "gripping poverty robs a man of the lofty nobility of his descent", are as true today as they were when written more than two thousand years ago.

c. Economic development is incomplete if it does not provide every individual the right to enjoy the fruits of development. Pt. Deen Dayal Upadhyaya had enunciated this in his concept of Antyodaya, or uplift of the downtrodden, where the goal is to ensure that the poorest of the poor get the benefits of development. Inequalities based on gender biases as well as economic disparities have to be redressed. We need to create an environment and support system that encourages women to play their rightful role in nation-building. Equality of opportunity goes hand in hand with an inclusiveness agenda. Rather than pushing everyone on to a pre-determined path, we have to give every element of society – especially weaker segments like the Scheduled Castes and Scheduled Tribes - the ability to influence the choices the country and government make in setting the national agenda. In fact, inclusion has to be predicated on a belief in the ability of each member of society to contribute. As Sankar Dev wrote centuries ago in the Kirtan Ghosh: "To see every being as equivalent to one's own soul is the supreme means (of attaining deliverance)".

d. Villages (Gram) continue to be the bedrock of our ethos, culture and sustenance. They need to be fully integrated institutionally into the development process so that we draw on their vitality and energy.

e. India has more than 50 million small businesses, which are a major source of employment creation. These businesses are particularly important in creating opportunities for the backward and disadvantaged sections of the society. Policy making must focus on providing necessary support to this sector in terms of skill and knowledge upgrades and access to financial capital and relevant technology.

f. Responsible development implies environmentally sound development. India is one of the mega-diverse countries. Our environmental and ecological assets are eternal, and must be preserved and safeguarded. The country's legacy of respect for environment is reflected in our reverence for trees and animals. Our legacy to future generations must be sustainable progress. Each element of our environment (pariyavaran) and resources, namely water, land and forest (Jal, Jameen evam Jungle) must be protected; and this must be done in a manner that takes into account their inter-linkages with climate (jal vayu) and people (jan). Our development agenda has to ensure that development does not sully the quality of life of the present and future generations.

9. The role of the government in achieving 'national objectives' may change with time, but will always remain significant. Government will continue to set policies that anticipate and reflect the country's requirements and execute them in a just manner for the benefit of the citizens. The continuing integration with the world – politically and economically - has to be incorporated into policy making as well as functioning of the government.

In essence, effective governance in India will rest on the following pillars:

- a. Pro-people agenda that fulfils the aspirations of the society as well as individual,
- b. Pro-active in anticipating and responding to their needs,

- c. Participative, by involvement of citizens,
- d. Empowering women in all aspects
- e. Inclusion of all groups, with special attention to the economically weak (garib), the SC, ST and OBC communities, the rural sector and farmers (gaon and kisan), youth and all categories of minorities.
- f. Equality of opportunity to our country's youth,
- g. Transparency through the use of technology to make government visible and responsive.

10. Governance, across the public and private domains, is the concern of society as a whole. Everyone has a stake in ensuring good governance and effective delivery of services. Creating Jan Chetna, therefore, becomes crucial for people's initiative. In the past, governance may have been rather narrowly construed as public governance. In today's changed dynamics – with 'public' services often being delivered by 'private' entities, and the greater scope for 'participative citizenry', governance encompasses and involves everyone.

11. The institutional framework of government has developed and matured over the years. This has allowed the development of domain expertise which allows us the chance to increase the specificity of functions given to institutions. Specific to the planning process, there is a need to separate as well as energize the distinct 'process' of governance from the 'strategy' of governance.

In the context of governance structures, the changed requirements of our country, point to the need for setting up an institution that serves as a Think Tank of the government – a directional and policy dynamo. The proposed institution has to provide governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy. This includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support. The institution has to be able to respond to the changing and more integrated world that India is part of.

An important evolutionary change from the past will be replacing a centre-to-state one-way flow of policy by a genuine and continuing partnership with the states. The institution must have the necessary resources, knowledge, skills and, ability to act with speed to provide the strategic policy vision for the government as well as deal with contingent issues.

Perhaps most importantly, the institution must adhere to the tenet that while incorporating positive influences from the world, no single model can be transplanted from outside into the Indian scenario. We need to find our own strategy for growth. The new institution has to zero in on what will work in and for India. It will be a Bharatiya approach to development.

12. The institution to give life to these aspirations is the NITI Aayog (National Institution for Transforming India). This is being proposed after extensive consultation across the spectrum of stakeholders including inter alia state governments, domain experts and relevant institutions. The NITI Aayog will work towards the following objectives:

- a. To evolve a shared vision of national development priorities, sectors and strategies with the active involvement of States in the light of national objectives. The vision of the NITI Aayog will then provide a framework 'national agenda' for the Prime Minister and the Chief Ministers to provide impetus to
- b. To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation
- c. To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government
- d. To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy
- e. To pay special attention to the sections of our society that may be at risk of not benefitting adequately from economic progress
- f. To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections
- g. To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think Tanks, as well as educational and policy research institutions
- h. To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners
- i. To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda

- j. To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stake-holders
- k. To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery
- l. To focus on technology upgradation and capacity building for implementation of programmes and initiatives
- m. To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above
13. The NITI Aayog will comprise the following:
- a. Prime Minister of India as the Chairperson
- b. Governing Council comprising the Chief Ministers of all the States and Lt. Governors of Union Territories
- c. Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. These will be formed for a specified tenure. The Regional Councils will be convened by the Prime Minister and will comprise of the Chief Ministers of States and Lt. Governors of Union Territories in the region. These will be chaired by the Chairperson of the NITI Aayog or his nominee
- d. Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
- e. The full-time organizational framework will comprise of, in addition to the Prime Minister as the Chairperson:
- i. Vice-Chairperson: To be appointed by the Prime Minister
- ii. Members: Full-time
- iii. Part-time members: Maximum of 2 from leading universities research organizations and other relevant institutions in an ex-officio capacity. Part time members will be on a rotational basis
- iv. Ex Officio members: Maximum of 4 members of the Union Council of Ministers to be nominated by the Prime Minister
- v. Chief Executive Officer: To be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India
- vi. Secretariat as deemed necessary
14. Swami Vivekananda said "Take up one idea. Make that one idea your life – think it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea and just leave every other idea alone. This is the way to success." Through its commitment to a cooperative federalism, promotion of citizen engagement, egalitarian access to opportunity, participative and adaptive governance and increasing use of technology, the NITI Aayog will seek to provide a critical directional and strategic input into the development process. This, along with being the incubator of ideas for development, will be the core mission of NITI Aayog.
15. This Resolution shall come into force and shall be deemed to have come into force with effect from the 1st day of January, 2015 and Resolution No. 1-P(C)/50 dated the 15th March 1950, shall stand superseded with effect from the date of coming into force of this Resolution.

SANJUKTA RAY, Director