

# FEDERALISM AND NEW FACE OF PLANNING COMMISSION

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**ABSTRACT:** The paper analyzes federal framework in India. After a brief discussion on the evolution of Indian federalism and the description of the prevailing system, the paper brings out anomalies in assignments between center and states and States and local bodies. Federalism is a political concept in which a group of members are bound together by a covenant with a governing representative head. There is sharing of powers and resources between the central government and the states with the limitations. It gives the central government its authority but it also gives the states a great deal of power. Constitutional sanction has enabled the institution of local governments, but they do not play much role in providing public services, much less in raising resources.

**KEYWORDS:** Federalism and Niti Aayog.

## INTRODUCTION

India is a democratic country and has both constitutional and political system with some federal features. Federalism is a form of government in which the supreme authority of political power is divided into various units. These units are Centre, State and Panchayat or the Municipality. The Centre is also called union which is framed in 1950 by the Constitution.

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Federalism is a basic feature of the Indian Constitution in which Union is permanent and indestructible. Both the Centre and the States are independent and ought to exercise their powers with mutual adjustment, respect, understanding and accommodation. Conflicts of interests of the Centre and the respective unit are an integral part of federalism. Prevention as well as amelioration of conflicts is necessary. Thus, the Indian federalism was devised with a strong Centre.

The Central government with overarching powers and concentrates administrative and financial powers. The Centre has the power to reorganise the states through Parliament; the Centre appointed the governor and

parliament can overrule legislation passed by states for the national interests. The Governor plays an important role in the formation of state government and under the article 356 the Centre has vested with the Centre and the major taxation powers lie with the Central authority. There is a division of subjects between the Centre and states and a concurrent list. Judicial review of Centre-state relations exists as in a federal system.

The political mobilisation and intermittent struggle had marked the history of federalism and Centre-state relations in India to fashion a more federal set-up. But such efforts have not yet resulted in any major constitutional changes towards a more federal orientation. It will be useful to trace the oppressed course of the movement for federalism. In the first phase, the main concern of India's rulers was the task of nation building and development. The problems regarding separatist in Jammu & Kashmir and Nagaland in the North-East but these were seen more as challenges to national unity and issues of national security. In this period the flow towards centralisation also coincided with the period of Congress dominance both the Centre and in the states.

## The Planning Commission of India

The Planning commission was set up in March 1950 by a Resolution of the Government of India in pursuance of declared objectives of the Government to promote a rapid rise in the standard of living of the 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. The planning commission has responsibility of making assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilization of resources and determining priorities. The first Chairman of the planning Commission was Lt. Pt. Jawaharlal Nehru.

The first five year plan was launched in 1951 and two subsequent five year plans were formulated till 1965, when there was a break because of the Indo-Pakistan conflict. Two successive years of drought, devaluation of the currency and after three Annual Plans between 1966 and 1969, the fourth Five-year plan was started in 1969. Planning Commission plays an integrative role in the development of a holistic approach to the policy

formulation in critical areas of human and economic development. In the social sector, schemes which require coordination and synthesis like rural health, drinking water, literacy and environment protection have yet to be subjected to coordinated policy formulation. It has led to multiplicity of agencies.

Planning Commission concerns itself with the building of a long term strategic vision of the future and decides on priorities of nation. It works out sectorial target and provides promotional stimulus to the economy to grow in the desired direction. The emphasis of the commission is on maximizing the output by using limited resources optimally. Planning Commission attempts to play a systems change role and provide consultancy within the government for developing better systems. Planning Commission also plays an information dissemination role to spread the gains of experience more widely.

### **Organisation**

The Chairman of the Planning Commission is the prime minister who works under the overall guidance of the National Development Council. The Deputy Chairman and the fulltime members of the Commission, as a composite body, provide advice and guidance to the subject divisions for the formulation of Five Year Plans, Annual plans, State Plans, Monitoring Plan Programmes, Projects and Schemes. The Planning Commission functions through several Divisions, each headed by a Senior Officer. The divisions are Agriculture, Communication, Decentralized planning, Panchayati Raj and special Area Programme, Development Policy and Perspective Planning, Direct Benefit Transfer, Environment and Forests, Financial Resources, Health, Family Welfare and Nutrition, Housing and Urban Affairs, Human Resources Development, Industries, Infrastructure, International Economics, International Relations Cell, Labour, Employment and Manpower, Minerals, Minorities Division, Plan Coordination and management, Power and Energy, Project Appraisal and Management, Rural Development, Science and Technology, Social Justice and Social Welfare, Research Division, State Plans, Transport and Tourism, Village and Small Enterprises, Voluntary Action Cell, Water Resources Division, Women and Child Development, Programme Evaluation Organization.

### **Niti Aayog /Planning Commission**

On Independence Day the Union government, the Prime Minister Narendra Modi, has established Niti Aayog (National Institution for Transforming India) as replacement for the Planning Commission. The centre-to-state one-way flow of policy, that was the hallmark of the Planning Commission era, is now sought to be replaced by a genuine and continuing partnership of states.

Niti Aayog seeks to facilitate and empower the critical requirement of good governance, which has main focus on people, participative, collaborative, transparent and policy-driven. It will provide critical directional and strategic input to the development process, focusing on deliverables and outcomes. The core mission of Niti Aayog is incubator and disseminator of fresh thoughts and ideas for development.

Niti Aayog created to foster involvement and participation in the economic policy- making process by the State Government of India. The Niti Aayog is cooperative competitive federalism and to improve centre relation.

**The aims of Niti Aayog** is to enable India to better complex challenges, which are mentioned below:-

- Leveraging of India's demographic dividend and realization of the potential of youth men and women, through education, skill development, elimination of gender bias, and employment
- Elimination of poverty and the chance for every Indian to live a life of dignity and self-respect
- Reddressal of inequalities based on gender bias, caste and economic disparities
- Integrate villages institutionally into the development process
- Policy support to more than 50 million small businesses, which are a major source of employment creation
- Safeguarding of our environmental and ecological assets

### **The main objectives of Niti Aayog are:-**

- Fostering cooperative federalism and active involvement of states
- Formulation of plans at village level, aggregation at higher levels
- Special attention to the sections at risk of not benefiting adequately from economic progress
- Economic policy that incorporates National Security Interests
- Feedback for constant innovative improvements
- Partnerships with national and international think tanks
- Creating a knowledge, innovation and entrepreneurial support system
- Platform for resolution of inter- sectoral and inter departmental issues
- State of the art resources centre for research on good governance
- Focus on technology upgradation and capacity building

### **The Seven Pillars of Effective Governance**

- Pro- People :- Fulfils aspirations of society as well as individuals

- Pro- Activity :- In anticipation of and response to citizen needs
- Participation: - Involvement of Citizenry
- Empowering:- Women in all aspects
- Inclusion of All:- SC, ST, OBC, minorities, gareeb, gaon, and kisaan
- Equality:- Of opportunity for the youth
- Transparency:- Making government visible and responsive

### **Comparison between Planning Commission and Niti Aayog**

There are different parameters which can help to compare the Planning Commission and Niti Aayog. Firstly, Planning Commission enjoyed the powers to allocate funds to ministers and state government whereas Niti Aayog is to be an advisory body, or a think- tank. The powers to allocate funds might be vested in the finance ministry. Secondly, under planning commission the last commission had eight full-time members whereas in Niti Aayog there is fewer than planning commission. Thirdly, in planning commission, the state's role was limited to the national development council and annual interaction during Plan meetings whereas in Niti Aayog, the state governments are expected to play more significant role than they did in the Planning Commission. Secretaries or member secretaries of Planning Commission were appointed through the usual process but member secretary of Niti Aayog is to be known as the CEO and to be appointed by the Prime Minister. At last, in Planning Commission the full planning commission had no provision for part-time members but in Niti Aayog have a number of part-time members, depending on the need from time to time.

### **CONCLUSION**

The framers of the Indian constitution have equipped the Indian state to respond to the demands for autonomy through the dual mechanism of individual and group rights, as well as the federal construction of political power. It gives the central government its authority but it also gives the states a great deal of power. Both types of government are supreme within their proper sphere of authority.

The government had decided to replace the Planning Commission to Niti Aayog. Niti Aayog is incubator of ideas for effective governance. The guiding principle behind the Niti Aayog is agenda for A Pro-people, Pro-active and participative development and the objective is to evolve a shared vision of national development priorities, sectors and strategies with the active involvement of states in the light of national objectives. Niti Aayog has commitment to a cooperative federalism by promotion of citizen engagement, through participative and adaptive governance and by increasing the use of technology. It will help evolve a shared vision of national development priorities and foster cooperative federalism, recognizing that strong states make a strong nation.

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