

NITI AAYOG BALANCE WOES: COOPERATIVE OR COMPETITIVE FEDERALISM AND THE NEED FOR BALANCE: AN ESSAY

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ABSTRACT

Naveen Patnaik, the esteemed Chief Minister of Odisha, once articulated a resounding assertion that "federalism is an inherent cornerstone of our constitutional framework." This robust proclamation stands as a testament to the evolving role that federalism has played within the intricate tapestry of Indian society. As we delve deeper into our exploration, we encounter the dual facets of federalism: COOPERATIVE and COMPETITIVE. India hosts a plethora of organizations and bodies that employ these distinct modes, yet one institution, NITI AAYOG, stands out for its adept utilization of both paradigms. In this scholarly endeavor, our objective is to unravel the intricate interplay between these two forms of federalism within the framework of NITI AAYOG. Moreover, we endeavor to cultivate a comprehensive comprehension of NITI AAYOG itself, tracing its historical trajectory and delineating its multifaceted functions. The apex of NITI AAYOG's prominence recently materialized during the 8th Governing Council meeting in the bustling heart of New Delhi. This event witnessed a spectrum of participation, with some dignitaries withholding their presence. Chief Minister of Delhi, Arvind Kejriwal, vociferously articulated that "Cooperative federalism has turned into a jest." This raises the compelling question of whether NITI AAYOG has veered off course from its mission. However, definitive answers to this conundrum elude us, for it is a multifaceted issue that warrants comprehensive analysis, an endeavor that we shall undertake within the confines of this essay. Furthermore, we shall delve into the imperativeness of striking a harmonious equilibrium between cooperative and competitive federalism, an essential facet of this discourse.

On a visionary day on **28th May 2023**, as India's sun rose to its zenith, so did the ambitions of its people. Prime Minister Narendra Modi unveiled a grand dream, one that would shape the nation's destiny – "VIKSHIT BHARAT @2047." Picture a future where India stands tall among developed nations, where progress knows no bounds, and prosperity embraces all. But how can this colossal dream be woven into reality? Enter NITI AAYOG, the silent architect of India's transformation.

Intriguingly, NITI AAYOG isn't just an acronym; it's the guiding compass for India's journey. To understand its role in this epic odyssey, we must first unravel the dance of cooperative and competitive federalism, the intricate interplay that sets the stage for progress. But what makes NITI AAYOG the star of this show? Let's peel back the layers of this enigmatic organization, discovering its history, functions, and the heartbeat of its existence.

So, fasten your seatbelts as we embark on a riveting exploration of India's ascent towards 2047 and the indispensable role NITI AAYOG plays in shaping this remarkable narrative. Before that, why don't we look behind the curtains at the historical backdrop that led to the formation of NITI AAYOG as an organization? Well, to begin with, Niti Aayog was born on January 1, 2015, following a careful assessment report by an Independent Evaluation Office. This body revealed the inefficiencies of the 65-year-old Planning Commission and suggested a more adaptive and efficient body with a "control mechanism". Consequently, the NDA government, informed of these findings, made a strategic decision to dismantle the Planning Commission and usher in NITI AAYOG. NITI stems its derivation from the Sanskrit word of the same name which means "morality or guidance." For better facilitation of its powers, it has two hubs, namely,

- a) Team India Hub: an embodiment of cooperative federalism that aims to create a cordial relationship between center and state
- b) The Knowledge and Innovation Hub: an epitome of competitive federalism that envisions NITI AAYOG's role as a think tank.

Former Finance Minister "Arun Jaitley" made a quintessential statement on this new body: "The 65-year-old Planning Commission had become a redundant organization. It was relevant in a command economy structure, but not any longer. India is a diversified country and its states are in various phases of economic development along with their strengths and

weaknesses. In this context, a “one size fits all” approach is obsolete. It cannot make India competitive in today’s global economy”. Nevertheless, it can be said one of the best decisions ever taken. With a multitude of arenas of facilities such as individualized focus, amplified efficiency via different subheads and increased innovation, Niti Aayog was surely a game-changer.

A project cannot come into being without the idea makers, and the stakeholders. They can contribute to decision-making and impact the organization's actions in a way that is beneficial to the project management team. Similarly, NITI AAYOG too has stakeholders. At present, they encompass the Hon’ble Prime Minister of India “Narendra Modi”, Chief Minister of all States and Union Territories with Legislature, Lt Governor of Other Union Territories, Ex-Officio Members, Vice- Chairman, NITI AAYOG, Full-time members, and special invitees.

With this foundational understanding in place, let us delve into the fundamental concepts of cooperative and competitive federalism. Cooperative federalism is an idea that propagates the unity of all three bodies of the government. All levels of governance, i.e., center, state, and local bodies should collaborate for the greater public good. Furthermore, it also envisages cooperation among the three organs of the government (*legislature, executive, and judiciary*). In this type of federalism, no authority is superior. All occupy the same place across a horizontal line.

In juxtaposition to that, competitive federalism propagates a model of competition. States compete with each other for scarce resources and development. Furthermore, there’s also a rivalry between states and center for resources.

Strangely, NITI Aayog is a nascent executive body embodying both concepts. Niti Aayog was developed in 2015, replacing the earlier Planning Commission. It lives up to its vision: “Maximum Governance, Minimum Government.”

Niti Aayog strategically employs cooperative federalism through various channels.

Firstly, via a swift issue resolution system. To facilitate the rapid settlement of open issues, NITI AAYOG has developed a platform for direct issue-based contact between the State Government and the Central Government. It obsequiously follows the words of the 7th schedule. The legislative and functional responsibilities of the Union and State are outlined in this schedule. However, there is an overlap of tasks that calls for cooperation between the

Union and the States. Cooperation is needed in various fields such as energy and the environment, education, and many more. Herein, Niti Aayog serves as a linchpin in solidifying the federal structure to realize stable and sustainable development.

Secondly, the SATH program (Sustainable Action For Transforming Human Capital)ⁱ, was launched in 2017. As the name suggests, it advocates collaboration among the states in education and health. In addition to that, the center will ensure technical support in these fields to the states. Under this umbrella scheme, various initiatives have been implemented, including program governance structure, monitoring and tracking system, and support for various institutional measures. Perhaps, this vision is critical for realizing improved outcomes as they utilize various metrics MMR (measles, mumps, and rubella), IMR (infant mortality rate), severity of malaria, and others, the number of nurses and doctors, and adherence to IPHS (Indian Public Health Standard) guidelines. In its five years of inception, SATHⁱⁱ has yielded marvelous results. Several of them include implementing a workbook-based remedial education program and income development for over 2.3 crore children. Academic surveillance of schools, and students is about 1.5 lakh every month. Numerous teacher training sessions have also contributed to significant improvements in students' performance. For instance, after two years of the "Dakshta Unnayan" learning improvement program, thirty percent of pupils in Madhya Pradesh advanced to the highest learning level for grades 3–8 from lower-level fundamental literacy and mathematics cohorts.

Thirdly, NITI AAYOG in 2018 added a wonderful initiative called the NITI Forum for East India. The States work together for concrete and established proposals in collaboration with the North East Council. It aims to ensure sustainable development growth of North East India (NER) with a periodical review of development status. The North East states come together and again promote the goal of cooperative federalism.

Now let's explore NITI AAYOG's competitive federalism initiatives.

Perhaps, the foremost way it preaches competitive federalism is by way of indexesⁱⁱⁱ. This fuels competition among the states. The indices include the composite water index, global innovation index, School Education Quality Index, State Health Index, Composite Water Management Index, Sustainable Development Goals Index, India Innovation Index, and Export Competitiveness Index. Based on quantifiable, objective criteria, States are ranked in a variety

of social factors that act as a booster and motivate the States and even individual districts to level up their game.

Secondly, APD (Aspirational District Programme) ^{iv}has played a vital role in Fostering competition among states. Furthermore, this program has garnered international recognition, with the UNDP applauding it for being “a very successful model of local area development” that ‘should serve as a best practice for several other countries where regional disparities in development status persist for many reasons’. One of the broad contours of the program includes competition via delta ranking. The initiative does a month-on-month improvement ranking through an online Champions of Change dashboard. The NITI Aayog's Delta Ranking highlights the country's aspirational districts' incremental development in significant areas like financial inclusion, skill development, agriculture and water resources, health and nutrition, education, and basic infrastructure.

Thirdly, the government encourages competitiveness among the states through the Production-Linked Incentives scheme by providing incentives and royalties. For instance, it implemented incentives to encourage digital payments, which produced notable benefits in just 45 days. These rebates range from 1% for electronics to 20% for life-saving medications. Over a period of five years, payments are based on sales, performance, and the local value addition in sectors like batteries, textiles, and drones.

It is crucial to note that these are not the sole mandates employed by NITI AAYOG to fulfill its federalism mandate. There are chiliads of other initiatives and mechanisms at play. This essay, only provides an overview of the prominent approaches, recognizing a deeper approach might go beyond the scope of the piece.

NITI Aayog's remarkable contributions during the COVID-19 pandemic stand as a testament to its pivotal role in addressing pressing contemporary challenges. These contributions were duly recognized by Prime Minister Narendra Modi during a historic physical meeting held last year, marking a significant moment amidst the ongoing pandemic. The meeting underscored the principles of "collective" and "cooperative" federalism, reaffirming the organization's significance in the federal structure. In the Prime Minister's words, "Every state played a crucial role according to its strengths and contributed to India's fight against COVID. This led to India emerging as an example for developing nations to look up to as a global leader." Prime Minister Modi rightfully attributed this success to the state governments, commending their focus on

delivering public services to the population at large through cross-party collaboration. Recognizing the need for improved communication and collaboration between the states and the central government, NITI Aayog took a proactive step by releasing a comprehensive report titled "Mitigation and Management of COVID-19: Compendium of Ayush-Based Practices from Indian States and Union Territories." This document provides an extensive and detailed compilation of the various measures implemented by Indian States and Union Territories to control and mitigate the pandemic. The publication of this document not only highlights NITI Aayog's commitment to promoting effective strategies in the fight against COVID-19 but also serves as a valuable resource for disseminating best practices and fostering a culture of knowledge-sharing among states and union territories. This proactive approach further cements NITI Aayog's role as a central institution in coordinating responses to critical national challenges, including the COVID-19 pandemic.

In the present scenario, NITI AAYOG's role becomes peculiarly vital after the G-20 policy workshop on "A Green and Sustainable Growth Agenda for the Global Economy" in New Delhi. The VC "Suman Bery" set a new target for this executive body to achieve, i.e., carrying off sustainable and green development while simultaneously fulfilling its aim of Vikshit Bharat (Developed India) by the year 2047. Similarly, in the PM Address, Mr. Narendra Modi stated, "play a critical role in helping states to develop their strategies for the next 25 years and align them with the National Development Agenda" and, in this regard, they should work with the think tank so that the country "can take a quantum leap towards achieving its vision for the Amrit Kaal". This meeting held on 29th May, discussed various contemporary issues along with solutions and remedies. One of them includes "chintan shivir".^{vi} Its primary work remains to evaluate the ministry's performance and formulate a blueprint to carry out the Prime Minister's Vision 2047. According to a source, this "chintan shivir" will encompass five themes – "Vikshit Bharat", "bank of wisdom", "working with the states", "strengthening network" and "in-house capacity". Although it sounds like a grandiose fancy plan, an immediate query strikes our inquisitive brain, In what ways and methodology through which it strives to achieve them? Unbelievably, NITI AAYOG has framed a policy for that named "State Support Mission". They were deliberately designed to assist states and UTs in creating a plan that is in line with national priorities and key strengths. This mission was approved with a budget layover of about Rs 235.5 crores for two financial years (2023-24 & 2024-25). NITI Aayog will assist interested

states in setting up State Institutions for Transformation (SITs) under the State Support Mission. These institutions will function as a multidisciplinary resource unit, guiding development programs in the corresponding States/UT. To carry out the goal, NITI Aayog will establish a State Economic and Transformation Unit (SETU), led by a Joint Secretary Level officer who will serve as the goal Director and assisted by a Director, Assistant Director, Innovation Lead, and Young Professionals. Thus, as a result, it makes sure to fulfill its objectives of cooperative federalism.

Maintaining an equilibrium between competitive and cooperative federalism within NITI Aayog is paramount for India's future progress. Competitive federalism infuses the necessary dynamism, driving innovation and efficiency. However, it is equally imperative to temper the overarching influence of competitive federalism. A closer examination reveals that cooperative federalism primarily revolves around two crucial objectives: "equity" and "inclusiveness." It is about ensuring an even-handed allocation of resources to all states, regardless of their economic or political stature. In essence, it doesn't juxtapose Maharashtra against Odisha or weigh the political clout of Uttar Pradesh and Bihar. Its sole focus is on fostering social inclusivity and diminishing regional disparities. Conversely, competitive federalism sparks the creative potential of states in devising inventive solutions for public welfare and effective governance. It is essential to acknowledge that there won't always be seamless harmony between these two driving forces. Unresolved tensions between them can present a range of challenges.

The consequences of the imbalance between cooperative and competitive federalism are far-reaching and impact both the central and state governments profoundly. Recent events have highlighted instances of stagnation and inefficiency, which garnered significant global attention. Notably, the contentious issue of the three farmer's bills, a subject known to all. It serves as a compelling case study to decipher the complexities and reasons behind the widespread opposition. In an effort to understand and address this issue, NITI Aayog collaborated with the Ministry of Welfare and Farmers' Welfare. However, despite leveraging its federalism powers, the resolution remained elusive, underscoring the formidable challenges. Furthermore, when an equilibrium is not maintained, it can lead to inequality and disparities, a reality reflected in numerous index reports. While these reports provide a much-needed reality check, they also reveal that some states have struggled to improve their rankings or have shown only marginal progress. NITI Aayog stands as a pivotal institution bridging the center and

states, as we discussed earlier. It plays a critical role in organizing meetings to rebuild trust and collaboration. However, it's vital to note that persistent conflicts without resolution offer no solution. As the saying goes, "Too many cooks spoil the broth." Likewise, excessive competition can escalate into intense conflicts and legal challenges, tarnishing India's reputation on the international stage. Protracted court cases resulting from these conflicts can lead to significant legal costs, depleting public financial resources. The central consolidated fund is sustained by the hard-earned taxes of the general public, and the misallocation of these funds in futile legal battles erodes public trust and undermines the stability of both the central and state governments. These repercussions extend beyond mere financial implications. A lack of cooperation on critical issues can compromise the safety and security of citizens, emphasizing the urgent need for balance and collaboration. The preservation of harmony between cooperative and competitive federalism is not just a matter of governance but a vital component of India's national well-being and global standing.

To conclude this, I would like to suggest an intricate equilibrium between cooperative and competitive federalism. The viability of NITI AAYOG remains in its approach to balancing cooperation and competition. States can learn from their triumphs and failures thanks to NITI AAYOG's role in promoting discussion, knowledge exchange, and cooperative problem solutions. It additionally needs to guard against unhealthy competition that can result in a race to the bottom concerning developmental standards. NITI AAYOG must embrace agility and responsiveness if it wants to transverse through this hurdle of balance successfully. Its techniques must be evaluated and recalibrated on a regular basis to address new problems, shifting objectives, and the dynamics across states. This demands a complete balance between central control and state sovereignty to meet the demands of the states as well as success in national objectives. Different viewpoints of national interest need to be taken into account.

There are some tactics that can help NITI AAYOG achieve that. From my point of view, it needs to open a dialogue channel to maintain open and transparent communication. Frequent discussions and consultations might aid in comprehending the goals and worries of various stakeholders. Furthermore, for the data and reports released by it, a careful assessment body should be made. Just releasing the reports would not solve the impending problem. A careful assessment with probable solutions needs to be discussed. NITI AAYOG should lead the guidance process. A crucial takeaway that NITI AAYOG needs to learn is the customized

approach. Often, it fails to recognize the States' individual differences and makes a generalized plan for the implementation. This needs to be done away with. A customized plan that can also facilitate cooperation among the states is the need of the hour.

In summary, NITI AAYOG's embodiment of synergy between cooperative and competitive federalism can provide a strong framework for India's growth tale. NITI AAYOG can propel holistic development, empower states, and create a united yet heterogeneous landscape for growth in INDIA.

ENDNOTES

ⁱ NITI AAYOG, 'State Support Mission' (NITI Aayog, 13 February 2023) < <https://niti.gov.in/state-support-mission#:~:text=State%20Support%20Mission%20is%20an,with%20States%20and%20Union%20Territories>>.

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ⁱⁱ Shikha Goyal, "What is SATH Program?" (Jagran Josh, Jan 10, 2018) < <https://www.jagranjosh.com/general-knowledge/what-is-sath-program-1515483817-1>> Accessed 25th October, 2023

ⁱⁱⁱ Ajay Kumar Singh, 'The Union Model of Indian Federalism' (50 shades of Federalism, September 20, 2018) <<https://50shadesoffederalism.com/case-studies/union-model-indian-federalism/>> accessed 5 September, 2023

^{iv} Amitabh Kant, 'How ADP has Addressed Regional Disparity' (Hind Chakra, September 24, 2021) < <https://www.hindchakra.com/2021/09/24/how-adp-has-addressed-regional-disparity/>>, accessed 5 September 2023

^v Express News Service, "Niti Aayog to reimagine its role to fulfill Amrit Kaal vision at "chintan shivir"(2023) The Indian Express

^{vi} PIB Delhi, ' Union Home Minister and Minister of Cooperation, Shri Amit Shah presided over a 'Chintan Shivir' of senior officers of Ministry of Home Affairs in New Delhi today, 8 April 2023', <<https://pib.gov.in/PressReleasePage.aspx?PRID=1917761>> accessed 26th October, 2023