

Planning Commission of India

The Planning Commission, although no longer active (since it was replaced by the NITI Aayog), was an important feature of policymaking and governance in India.

Planning Commission Dissolution

Though it played a vital role in India's emergence from a beaten country during the days of the Raj to an independent nation with ambitious developmental goals, the Commission has often been accused of being a soviet-styled bureaucratic body that stifled economic growth. In 2012, the commission received flak for spending about Rs.35 lakhs for renovating two toilets and then suggesting that the country's citizens who spent more than Rs.27 per day were not poor.

In 2014, it was replaced by NITI Aayog, a more robust organisation. It is more like a think-tank that works with stakeholders for developing the country.

Planning Commission Background

Planning Commission of India was an organization in the Government of India, which formulated India's Five-Year Plans, among other functions. The planning commission was charged with the service of the opportunities to all for employment in the service of the community.

The Planning Commission was reporting directly to the Prime Minister of India. It was established on 15 March 1950, with Prime Minister Jawaharlal Nehru as the chairman. The Planning Commission did not derive its creation from either the Constitution or statute but was an arm of the Central/Union Government.

The Planning Commission was set up by a Resolution of the Government of India in March 1950. The prime objectives of the Government were to propel a rapid increase in the living standard of Indians by the productive exploitation of the country's resources, raising production and securing opportunities for everyone for employment in the service of society. The Planning Commission was assigned the responsibility of assessing all the resources of the country, enhancing scarce resources, drafting plans for the most productive and balanced usage of resources and ascertaining priorities. Pandit Nehru was the first Chairman of the Planning Commission.

The first Five-year Plan was launched in 1951 and subsequent Five-year plans were formulated till 1965 when a gap occurred due to the war with Pakistan. 2 consecutive years of drought, rupee devaluation, a general hike in prices and depletion of resources derailed the planning process and after Annual Plans from 1966 to 1969, the 4th Five-year plan was started in 1969.

The 8th Plan could not be launched in 1990 due to political situations altering and instabilities at the Centre and the years 1990-91 and 1991-92 received Annual Plans. The 8th Plan was finally kicked off in 1992 after the economic liberalization policies were started by the government. For the first 8 Plans, the focus was on an expanding public sector with massive investments in the heavy and basic industrial sector, but after the launch of the 9th Plan in 1997, the emphasis has shifted from heavy industries and moved on to the thinking that planning should largely be indicative in nature.

Planning Commission Functions

The 1950 resolution setting up the Planning Commission outlined its functions as the following:

- Make an evaluation of the capital, material and the human resources of the nation, including technical personnel, and study the possibilities of enhancing these resources for building up the nation;
- Draft a Plan for the most balanced and effective usage of the country's resources;
- Define the stages in which the Plan should be implemented and put forward the allocation of resources for the completion of every stage;
- Specify the factors that hamper economic development, and ascertain the conditions which, in view of the prevailing social and political situation, should be set up for the triumphant implementation of the Plan
- Determine the kind of machinery required for obtaining the successful execution of each stage of the Plan in all its aspects;
- Regularly appraise the progress achieved in the implementation of all stages of the Plan and propose the rectifications or recommendations of policy and measures that such appraisal may deem necessary;
- Make such interim or ancillary recommendations either for enabling the discharge of the duties assigned to it or on a consideration of the existing economic conditions, current policies, measures and development programme or on a study of such specific problems which the Central or State Governments can refer to it.

Composition of Planning Commission

The Prime Minister was the Chairman of the Planning Commission, which used to work under the overall guidance of the National Development Council. The Deputy Chairman and the full-time members of the Commission, as a composite body, provided advice and guidance to the subject Divisions for the formulation of Five Year Plans, Annual Plans, State Plans, Monitoring Plan Programmes, Projects and Schemes.

Members of the Planning Commission

- Chairman – Prime Minister; presided over the meetings of the Commission
- Deputy Chairman – de facto executive head (full-time functional head);
 - Was responsible for the formulation and submission of the draft Five-Year Plan to the Central cabinet.
 - Was appointed by the Central cabinet for a fixed tenure and enjoyed the rank of a cabinet minister.
 - Could attend cabinet meetings without the right to vote.
- Part-time members – Some central ministers
- Ex-officio members – Finance Minister and Planning Minister

Planning Commission vs NITI Aayog

Parameter	Planning Commission	NITI Aayog
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Members	Full-time: 8 full-time members Part-time: No provision as such for part-time members	Full-time: Fewer full-time members Part-time: Depends on the need
Financial Clout	Could allocate funds to ministries and state governments	Is a think tank and advisory body
Role of the States	Role limited to the NDC and the annual interaction during the Plan meetings	State governments play a more significant role
Secretaries	Secretaries or member secretaries were appointments through the usual process	Secretaries will be called CEO and be appointed by the Prime Minister
Policy formation	Policies were formed by the Commission after which states were consulted about fund allocation	Consulting would be done while the policy is being formulated
Power to allocate funds	Had the power to allocate funds	No power to allocate funds
Policy imposition	Imposed policies on states	No power to impose policies