

NITI Aayog's Three Year Action Agenda

Why in news?

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The draft "Three Year Action Agenda" of the NITI Aayog has been circulated recently to its governing council.

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What is the Agenda about?

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- After dismantling Planning Commission and taking its place, NITI Aayog set to create **15-year long-term vision** and subsequently the **seven-year policy strategy** along with Three Year Action Agenda.

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- This set the phasing out of Five Year planning as a concept completely.

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- But for the NITI Aayog's initiative to be an improvement on the Five Year Plan, pragmatic moves, such as delinking planning from finance, will be required.

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- **The NITI Aayog's governing council**, which is currently reviewing the "Three Year Action Agenda", comprises all chief ministers, mirroring the erstwhile National Development Council.

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- The "Three Year Action Agenda" seeks to embark on "a path to achieve all-round development of India and its people" through concerted action, **outlined in seven parts** covering multiple facets of the Indian economy.

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What are the advantages of the Agenda?

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- **Electoral cycles do not synchronise with five-year plans**; quite often,

this entailed outcome accountability to rest with a successor government.

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- But a “Three Year Action Agenda” makes the government in office **more directly accountable** for the implementation of its plans.

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- It gives the government an improved prospect to make corrections and adaptations during its own term in office.

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- Augmenting the “Three Year Action Agenda” with a seven-year implementable policy strategy and a 15-year vision allows adaptation to changing times and exogenous variables.

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- It enables us to look into the future, particularly at evolving technology, demography and ecology, and accordingly align our policies.

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- The 15-year vision is also somewhat coterminous with the Sustainable Development Goals (SDGs) of the United Nations (UN).

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- **The new format thus combines domestic aspiration with global aims.**

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- The agenda projects three scenarios for nominal GVA (Gross Value Added), namely, low growth, baseline and high growth.

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What does the Agenda offer?

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- Relying on the proposals forwarded by the FRBM Review Committee, the action agenda estimates a fall in the share of non-development revenue expenditure, both as a proportion of total budget expenditure and GDP.

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- It rightly emphasises **the need for optimal utilisation of resources** and regular monitoring of progress.

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- The agenda rightly points out that a functional classification of public expenditure rather than distinction between revenue and capital expenditures will prove to be more meaningful.

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- The agenda says that there exist many exogenous factors: Unfavourable monsoons, global protectionist trends - could impinge our twin deficits which critically undermine our growth prospects.

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- The continued pursuit of an unconventional monetary policy approach by advanced economies could limit the manoeuvrability of our monetary authority.
- Agenda says credible efforts at enhancing tax compliance and realisation, deeper penetration of the digital economy and medium-term gains from the GST can be expected.
- Non-tax revenues, particularly from spectrum sale, necessitate structural changes in telecom policy.
- The public listing of PSUs will enable improved price discovery as per the agenda.

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How can this Agenda be realised?

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- It would be advantageous to constitute a **separate parliamentary committee on planning**, which could meaningfully engage with the NITI Aayog's policy prescriptions.
- It would also be desirable to create state-level bodies, to be called **Sub-National Institutes for Transforming India (SuNITI)**, in formulating and expediting state-specific policies.
- This should enable state assemblies to discuss state-level plans in sync with the "Three Year Action Agenda".
- In the notification constituting the NITI Aayog, there is a provision to form "**Regional Councils** to address specific issues impacting more than one state or a region".
- This is the right time to implement this enabling mandate.

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Source: The Indian Express

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