



Government of Tamil Nadu
Department of Employment and Training

Course : TNPSC Combined Civil Services Examination - IV(Group IV / VAO)

Subject : Indian Economy

Topic : Planning Commission

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Commissioner,
Department of Employment and Training.

Planning Commission

- The Planning Commission is an autonomous body of consultation.
- This is a non-governmental organization established by the Union Cabinet.
- The Planning Commission was constituted on March 15, 1950. This committee will create a comprehensive plan for India's future every five years. The Indian Prime Minister is the chairman of the Planning Commission.
- The First chairman of the Planning Commission was Jawaharlal Nehru. A deputy chairman will be appointed. He is the real executive of Commission.
- He is responsible for creating a five year draft report, He is appointed by the Cabinet. But he is not a member of the Cabinet. He can attend the meeting without the right to vote.
- Gulzarilal Nanda, the first deputy chairman of the Planning Committee.
- Last deputy chairman is Montek Singh Ahluwalia.
- The planning department minister and the finance minister are appointed as its members.
- The main tasks of the Planning Commission are to evaluate the country's resources, to develop projects, and to divide resources in accordance with the priority of the projects.
- Each state will have a State Planning Commission.
- Chief Minister of the state is the Chief of State Planning Commission.

National Development Council (NDC)

- Project draft of planning commission is approved by NDC
- National Development Council was established on August 6, 1952.
- Chairman of the National Development Council is the Prime Minister
- National Cabinet Ministers, State CM, Finance Ministers, Subordinate Governors, Governors are the members of NDC.
- NDC is a non constitutional body enacted by parliamentary law.

Features of National Development Council

- National Development Team approves five year plan next to parliament. However, it can only provide advice to the Planning Commission.
 - Furthermore, its recommendations do not control the results of the Planning Commission.
 - National Development Board provides its recommendations to the central and state governments.
 - National Development Committee convenes and conducts meeting at least twice a year.
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National Institution for Transforming India (NITI) Aayog

- Government has replaced the erstwhile **Planning Commission** with the **NITI (National Institution for Transforming India) Aayog on January 1, 2015.**
- NITI Aayog has a unique innovative framework to facilitate states to participate in policy making. The Aayog has been mandated to serve as a policy think-tank for the central as well as state governments and has **Prime Minister as its Chairperson.**
- NITI Aayog represents an innovative and appropriate institutional framework to replace Planning Commission, which had lost its relevance and effectiveness in the post-reform era.
- With a new focus on sound strategic and technical advice covering the entire gamut of socio-economic policy issues within a unique framework of Cooperative Federalism, NITI Aayog is expected to transform Indian Economy into a formidable economic super power in the years to come.
- Unlike its predecessor, NITI Aayog will have all Chief Ministers and Governors on its Governing Council in the spirit of cooperative federalism.
- Besides, it will also have Regional Councils, which would be formed to address specific issues and contingencies impacting more than one state or a region.
- The Aayog will also have experts, specialists and practitioners with relevant domain knowledge nominated by the Prime Minister as special invitees.

Finance Commission

- As per Article 280, Finance Commission must be constituted within two years after implementation of constitution. Finance Commission is constituted in every Five year by The President.
 - Finance Commission Comprises 1 Chairman and 4 Members.
 - Finance Commission is a Constitutional and Quasi Judicial body.
 - It submits its recommendation based on Central and State resources.
 - Chairman of First Finance Commission – K.C. Niyogi
 - 14th Chairman of Finance Commission – Y.V. Reddy (2015-2020)
 - 15th Chairman of Finance Commission – N.K. Singh (2020-2025)
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