

[Abhijit Banerjee](#)

August 19, 2014

First Published: 22:22 IST(19/8/2014)

Last Updated: 23:09 IST(19/8/2014)

 Print

The new plan body must have a certain oomph

Call me sentimental. The first time I went to the Planning Commission was when it was under KC Pant, a long time ago. Since then I have been back there many, many times to the point where the many people who seem to spend their lives sitting outside the various offices and even the patches of grime in the hallways and stairwells began to look familiar. I will miss it when it's not there anymore.

I see the reasons why the government wants it gone. A lot has changed since 1950: We are liberalised now, placing our faith in the wisdom of the market over that of the State.

Equally important, we are much more federal as a nation, relying more on state governments to provide us with direction.

Our states have more expertise and more confidence in their different ways of doing things than they did in 1950 (though I wish I could say that we have a more competent set of leaders).

In all of this I can see how the Commission may end up being a slightly overbearing presence, demanding compliance to some grand plan that does not pay enough respect to the different ambitions and issues that animate the individual states.

This is what, I believe, drew that famously testy response from Narendra Modi when he was chief minister of Gujarat.

But the production and enforcement of five-year plans is only one of the many functions that the Commission has served over the recent past.

First, there is the economic analyst function, what the Congressional Budget Office does in the US: Someone needs to think through important shifts in policy and their consequences carefully.

I am unhappy that Modi did not use his honeymoon to get rid of fuel subsidies, but the one explanation that I find somewhat reassuring is that he did not want to act in haste — eliminating the subsidies is easy, but dealing with happens after is not.

The right strategy almost surely is to combine the announcement of the elimination of the fuel subsidy with the announcement of a new income subsidy programme for the poor that is cheaper, less distorting and better targeted.

But to do that, someone would have had to think through the entire design of the new programme.

If the government was flush with good economists, these responsibilities could perhaps be handled by the economists in the relevant ministries. But it is not: A joke making the rounds in Delhi last month is that

finance minister Arun Jaitley was so short-handed at the ministry of finance that he asked P Chidambaram to do the budget for him.

Given how hard it is to recruit high quality economists into the government, the strategy of using the prestige associated with being a member of the Commission to create a crack economic team within the government makes a lot of sense.

Modi says that he will replace the Commission with a think tank. I can imagine a think tank that plays this role, but it will take some doing to attract high-quality people to work for it.

There is also a role for asking tough questions: The PM wants every family to have two bank accounts, but what is the evidence about how much those accounts will get used? And given that what will be the net cost of this programme? Is there a better way to use that money? A think tank could ask these questions, but would they dare, if it requires coming up against the PM? I am not remotely implying that every Commission member has always been able to stand up to higher authorities.

But the long established protocols of communication between the Commission, the ministries and media must make it easier for it to deliver an unwanted message and moreover, the public status of its members probably makes it harder for a minister to intimidate them for bringing up a piece of unhelpful evidence.

And what if there is no reliable evidence? The think tank would need to have enough credibility (both in terms of neutrality and competence) that its judgment about the evidence would be trusted, enough clout that they would be able to stare down a ministry that is all fired up to go and the resources and the skill to go out and generate the necessary evidence by collecting data and conducting rigorous experiments.

The same goes, of course, for programmes that have already been scaled up; it is just harder, since programmes create their own constituencies.

But if the programme cannot be shut down whatever the evidence, perhaps it can be tweaked to work better? The officials in line ministries are supposed to do this, but do they have the competence or the right incentives? It is a rare minister, at least in India, who encourages his staff to stick their neck out.

These are all the reasons why the previous government set up the Independent Evaluation Office (IEO) and placed it under the Commission to give it some political weight. I am sure a new home will be found for the IEO, but it's vital that it has the political clout and the independence from the line ministries.

Finally to the extent that there was one, the Commission served as the institutional base for the much-needed crosscutting innovations in government.

For example, take malnutrition: I was once put in the awkward position of chairing a meeting on this at the Commission, where there were senior representatives from at least five ministries — maternal and child welfare, food, water and sanitation, health and education (because of the school meals).

The only thing they all agreed upon was that the core problem was poverty and so outside all of their particular domains.

How many think tank members will have the political influence (or oomph) to get past their carefully constructed defences and get them all talking about how to solve the problem? I certainly did not.

(Abhijit Banerjee is Ford Foundation International Professor of Economics and Director, Abdul Latif Jameel Poverty Action Lab, MIT. The views expressed by the author are personal.)

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