



K. CHANDRASEKHAR RAO

Hyderabad

Chief Minister
Telangana

5th August, 2022

Dear Shri Narendra Modi ji,

NITI AYOOG was started as a new institution with the lofty objective of bringing the States on the same page with the Centre for ensuring the equitable development of our country in the true spirit of cooperative federalism. The underlying principle was that cooperative federalism was the adhesive that would bind the States and Centre together as 'Team India' and help India emerge as a strong nation. The other idea behind the initiative of NITI AYOOG was the realization that only strong States can make a strong nation.

But recent unpleasant happenings have given rise to an inescapable realization that the federal structure of India is being systematically eroded by some deliberate actions by the Government of India. Needless to say, these developments are very much discouraging to trailblazing States like Telangana. The blatant discrimination against some states even in the legitimate functions assigned to them in the Constitution leaves much to be desired.

In the beginning, NITI AYOOG had constituted a group of Chief Ministers to give recommendations on developmental issues. A major recommendation of the group was that in respect of the central sector schemes, States should be given flexibility to design or modify the schemes based on their needs and conditions to ensure maximum benefit to the people. The basis of this recommendation was the unanimous belief that not all the schemes contemplated, designed and finalized by the mandarins of Delhi, serve their intended purpose considering the vast diversity and different needs of States.

With much pain and anguish, let me point out that such an important recommendation has been kept aside and on the contrary, I find the Centre micro-managing the schemes, giving a complete go by to State-specific needs which are best left to individual States. It is not just

in case of such schemes, but the Centre has also turned a Nelson's eye even to the recommendations of NITI Ayog itself as mentioned below.

Way back in 2016, NITI AYOJ had recommended a grant of Rs.5,000crore for Mission Kakatiya to restore minor irrigation tanks in Telangana. Another recommendation of the NITI Ayog was to provide a central assistance of Rs 19,205 crore (out of total project cost of Rs 42,850 crore) for Mission Bhagiratha, a pioneering scheme in the country, which has been completed in Telangana, to provide drinking water to every household in the State.

The Government of India had not only ignored these recommendations, but also did not release any money for the schemes. The Telangana government had completed both the schemes on its own ensuring supply of potable water to every household under Mission Bhagiratha project and repairing and restoring all the minor irrigation tanks in the State under Mission Kakatiya, whose benefits have greatly benefited the people as ground water levels increased dramatically, providing a fillip to agriculture sector and in general reviving the rural economy. These examples are sufficient to say that the institution of NITI Ayog is rendered useless.

When the facts are like this, the Centre had unabashedly issued statements taking credit for the achievements of Telangana byclaiming that Telangana is one of the States which provides drinking water to every household under the banner of Jal Jeevan Mission, a central scheme.

I may point out that the States depend, for their developmental needs, on open market borrowings raised in accordance with the provisions of the FRBM Act. However, recently the Centre has included the borrowings of State PSUs for their capital needs to be treated as state government borrowings.

This was not only done suddenly but with a clause of retrospective implementation, which put brakes on the progress of Telangana and many other States, as the works taken up with these borrowings are for development of public infrastructure, which in turn would promote development, growth and employment. This discrimination is

practiced against the States, without any compunction, even while the Government of India resorts to indiscriminate open market borrowings.

I may affirm that NITI AYOJ was started with an objective of cooperative federalism recognizing that strong States make a strong nation. But after seven years of its functioning, it is now clear that this explicit objective was observed more in breach. The Centre's actions show that the initiative has gone astray as States are not included as equal partners in the national development agenda.

States have not been co-opted in the preparation of agenda of NITI Ayog meetings. When Planning Commission was there, it used to have a detailed interactive discussion with the States on Annual Plan. Now there is neither a plan, nor any involvement of States and clearly NITI Ayog and its meetings serve no constructive purpose. The rigmarole of NITI Ayog meetings leave little scope for a meaningful dialogue, as participating Chief Ministers are given hardly a few minutes to speak and express their views, thereby not giving any scope to discuss anything in detail.

Because of no planning and no spirit of cooperative federalism, the country is passing through a most difficult phase with unprecedented problems of falling rupee value, high inflation, skyrocketing prices and increasing unemployment coupled with low economic growth. These issues impact people's lives and are causing a lot of concern to the nation. But these are not discussed in NITI Ayog meetings. I find the Union Government a silent spectator to this emerging serious scenario, often resorting to jugglery of words playing on people's emotions.

The irresponsible utterances of some leaders in high positions on use of bulldozers, encounter killings, 80:20 ratios and references with religious undertones are disrupting the communal harmony and the social fabric of the nation, besides inviting international criticism. Yet the Union Government does not take any action to control the situation.

Cooperative Federalism, the tenet enshrined in the Indian constitution is deliberately disregarded, which is evident from the increasing penchant for bringing legislations unilaterally in critical areas of agriculture, electricity etc. The one-sided decision to bring the new

farm laws and the so-called power sector reforms are only a few examples. Such ill-conceived decisions to meddle with laws dealing with agriculture and a lopsided procurement policy for agricultural produce have led to an overall distress in farm sector pushing the farming community into a state of despair with an insecure future.

Action of Central government in changing the All-India Services (AIS) rules to the disadvantage of States, inability of Centre as an arbiter and facilitator in resolving interstate water disputes are some glaring instances of Centre working against the spirit of cooperative federalism.

The propensity of Union Government to levy cess as an indirect tax is depriving States of their legitimate share in tax revenues. Such unilateral and irresponsible policies of Government of India, without taking into consideration, the States' interests, have nudged the country away from the development trajectory. This, I feel, is not good for the future of 140 crore Indians.

I may reiterate that India as a nation can develop only when the States develop. Strong and economically vibrant States alone can make India a strong country.

In view of these facts, I do not find it useful to attend the 7th Governing Council meeting of NITI AYOOG scheduled to be held on August 7, 2022 and I am staying away from it as a mark of strong protest against the present trend of Central government to discriminate against the States and not treating them as equal partners in our collective effort to make India a strong and developed country.

With regards,

Yours sincerely,



(K. CHANDRASEKHAR RAO)

Shri Narendra Modi,
Hon'ble Prime Minister of India,
New Delhi