

## The Hindu Important News Articles & Editorial For UPSC CSE

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It's about quality

Pulicat Lake near Sriharikota, Andhra Pradesh, has become a vibrant hub for flamingos and other migratory birds with the onset of the northeast monsoon.

➡ The brimming lake highlights its ecological significance as a key wintering site for avian species.

### *Winged visitors*



Flamingos are back at the Pulicat Lake near Sriharikota in Andhra Pradesh. With the onset of northeast monsoon, the lake is brimming, attracting flocks of migratory birds. PTI

### About Greater Flamingo:

- ➡ **Physical Characteristics:** Tall wading birds with pinkish plumage, long necks, and legs. The color comes from their diet of algae and crustaceans.
- ➡ **Conservation Status:** Least Concern (IUCN), but face threats like habitat loss and pollution.
- ➡ **Species Diversity:** Six recognized species, with the Greater Flamingo and Lesser Flamingo most commonly found in India.
- ➡ **Diet:** Feed on algae, diatoms, and small aquatic organisms, using their specialized beaks to filter food.
- ➡ **Habitat:** Prefer shallow water bodies like lagoons, estuaries, and salt pans.
- ➡ **Behavior:** Highly social, they form large flocks to feed and breed.
- ➡ **Breeding:** Build mud mound nests and lay a single egg.
- ➡ **Significance:** Indicators of wetland health, they attract ecotourism and contribute to biodiversity.



- **Migration to India:** Flamingos migrate to India during winter, seeking favorable feeding and breeding conditions in wetlands like Pulicat Lake and Rann of Kutch.





### Page 04: GS 2 & 3 : International Relations & Environment

The news discusses India's position during a landmark hearing at the International Court of Justice, where it criticized developed nations for causing the climate crisis and failing to meet climate finance commitments.

- India highlighted the unequal responsibility for climate degradation and its own climate goals.
- The country also raised concerns about the burden on its citizens in addressing climate change.

#### India's Stance at the ICJ on Climate Crisis

##### Developed Countries' Role in the Crisis

- India criticized developed countries for their historical contribution to the climate crisis.
- India stated that these countries exploited the global carbon budget and failed to fulfill their climate finance promises.
- Despite their minimal contribution to global emissions, developing countries are bearing the brunt of climate change impacts.

##### Unequal Responsibility for Climate Degradation

- India emphasized that responsibility for climate change should be distributed equally, considering the unequal contribution to global degradation.
- India stressed that those who have benefited the most from fossil fuel usage are now discouraging developing nations from utilizing their own energy resources for growth.

##### Climate Finance Commitments Unfulfilled

- India highlighted the failure of developed countries to honor climate finance commitments, particularly the \$100 billion pledge made at the Copenhagen COP in 2009.
- The new climate finance package from COP29 was criticized as insufficient and distant, failing to address the immediate needs of the Global South.

##### Commitment to Climate Targets with Caution

- India reaffirmed its commitment to the Paris Agreement but expressed concerns about overburdening its citizens.
- The country emphasized the need to balance climate action with the socio-economic realities of sustaining one-

## At ICJ, India blames developed nations for the climate crisis

**Press Trust of India**  
NEW DELHI

India slammed developed countries for causing the climate crisis during a landmark hearing at the International Court of Justice (ICJ) on Thursday, saying they exploited the global carbon budget, failed to honour climate finance promises and are now demanding that developing countries restrict their resource use.

The court is examining what legal obligations countries have to address climate change and the consequences if they fail.

Representing India, Luther M. Rangreji, Joint Secretary in the Ministry of External Affairs, said, "If the contribution to degradation is unequal, the responsibility must also be unequal." India said developing nations were the hardest hit by climate change, despite contributing the least to it.

"The developed world, which historically contributed the most, is ironically the best equipped with the technological and economic means to address this challenge," Mr. Rangreji said.

He criticised rich countries for enjoying the benefits of fossil fuels while discouraging developing nations from using their own energy resources.

**The International Court of Justice is examining legal obligations countries have to address issue of climate change**

"Countries which have reaped development benefits from exploiting fossil fuels demand developing countries to not utilise the national energy resources available to them," he said.

India also slammed the lack of action on climate finance commitments.

"The \$100 billion pledged at the Copenhagen COP in 2009 by developed country parties and the doubling of the contribution to the Adaptation Fund have not yet been translated into any concrete actions," India noted. It called the new climate finance package for the Global South agreed at COP29 in Baku "too little, too distant" to meet the urgent needs of developing countries.

India also reaffirmed its commitment to its climate targets under the Paris Agreement but warned against overburdening its citizens. "There is a limit on how much we burden our citizens, even when India is pursuing Sustainable Development Goals for one-sixth of humanity," it said.

sixth of the global population while pursuing Sustainable Development Goals.

### International Court of Justice

- **Principal judicial organ of the United Nations:** Settles legal disputes between states and gives advisory opinions on legal questions referred to it by authorized UN organs and specialized agencies.
- **Located in The Hague, Netherlands:** Known as the "World Court," it is the successor to the Permanent Court of International Justice.
- **15 Judges:** Elected to nine-year terms by the UN General Assembly and Security Council.
- **Two types of cases:** Contentious cases between states and advisory proceedings on legal questions.
- **Judgments are binding:** However, the ICJ has no way to enforce its decisions.
- **Official languages:** English and French. These languages are used for the court's proceedings, documents, and communications.

### UPSC Mains Practice Question

**Ques :** Discuss the implications of the International Court of Justice's examination of legal obligations on climate change. How does India's stance on climate finance and the burden on developing nations reflect global challenges in addressing climate change? (150 Words /10 marks)

The PROBA-3 mission, launched aboard ISRO's PSLV-C59, showcases ESA's breakthrough in precise formation flying using twin spacecraft.

- It aims to study the Sun's corona through artificial eclipses, marking a milestone in advanced space mission capabilities.

# PSLV-C59 places PROBA-3 satellites into designated orbit with precision

**Sangeetha Kandavel**  
SRIHARIKOTA

After being rescheduled for a day as an anomaly was detected, the Indian Space Research Organisation (ISRO) on Thursday successfully launched the PROBA-3 (Project for On-board Autonomy) mission of the European Space Agency aboard a Polar Satellite Launch Vehicle-C59 rocket. The vehicle took off with a powerful roar precisely at 4.04 p.m. from the first launch pad at the Satish Dhawan Space Centre, Sriharikota.

"The PSLV-C59/PROBA-3 mission is successfully accomplished. The spacecraft has been placed in the right orbit," ISRO Chairman S. Somanath said. The agency said the mission had successfully achieved its launch objectives, deploying the satellites into their designated orbit with precision.

Josef Aschbacher, Director-General, ESA, said:



**Roaring start:** A PSLV-C59 rocket takes off with the PROBA-3 Mission from the Satish Dhawan Space Centre on Thursday. R. RAGU

"The latest member of ESA's family of in-orbit demonstration missions, PROBA-3 comprises two spacecraft launched together which, once safely in orbit, will separate to begin performing precise formation flying... Almost instantaneously after separation, Yatharagga station in Australia started to receive the spacecraft's signal. Telemetry is flowing to ESA's mission control centre in Belgium."

On its website, the ESA said: "A pair of spacecraft

were launched together today from India with the potential to change the nature of future space missions. ESA's twin PROBA-3 platforms will perform precise formation flying down to a single millimetre, as if they were one single giant spacecraft. To demonstrate their degree of control, the pair will produce artificial solar eclipses in orbit, giving prolonged views of the Sun's ghostly surrounding atmosphere, the corona."

The ESA said the two sa-

tellites stacked together separated from their upper stage about 18 minutes after launch. The pair will remain attached while initial commissioning takes place, overseen from mission control at the European Space Security and Education Centre in Redu, Belgium.

PROBA-3 mission manager Damien Galano said, "Today's lift-off has been something all of us in ESA's PROBA-3 team and our industrial and scientific partners have been looking forward to for a long time."

Details shared by the ESA show that if PROBA-3's initial commissioning phase goes to plan, then the spacecraft pair will be separated early in the New Year to begin their individual check-outs. The operational phase of the mission, including the first observations of the corona through active formation flying, should begin in about four months.



### PROBA-3: Key Information

- **Purpose:** Designed to create artificial solar eclipses, enabling prolonged studies of the Sun's corona, the outermost layer of its atmosphere.
- **Agency:** The European Space Agency (ESA) oversees PROBA-3.
- **Spacecraft Configuration:** Comprises two spacecraft launched together that separate in orbit to function as a single unit through coordinated flying.
- **Technological Advancement:** Demonstrates formation flying with millimeter precision, a significant step for future multi-satellite missions.
- **Launch Details:** Successfully launched aboard ISRO's Polar Satellite Launch Vehicle-C59 from Satish Dhawan Space Centre, Sriharikota.
- **Orbit Operations:** Initial commissioning will last several months, with operational observations expected to begin in about four months.
- **Significance:** Paves the way for advanced in-orbit demonstrations, enhancing capabilities for astronomical studies and future space missions.

**Page 10 : GS 2 – International Relations**

The Syrian civil war, which began in 2011, has seen intermittent phases of conflict and relative calm.

- Recently, Islamist militants launched an offensive, capturing significant territories, including Aleppo and Hama, destabilizing the Assad regime's control.
- Geopolitical shifts, including Russia's preoccupation with Ukraine, have contributed to the regime's vulnerabilities.



**Renewed Conflict in Syria**

- Islamist militants launched a surprise offensive in northwest Syria, capturing key territories, including Aleppo.
- This marks the resumption of active conflict after a relative calm since 2016.

**Shift in Territorial Control**

- Prior to Russia's intervention in 2015, the Assad regime controlled only Damascus and coastal cities.



- Post-2016, the regime regained territories with Russian and Iranian support, pushing militants into Idlib.
- Last week's offensive allowed militants to more than double their territorial holdings, including Aleppo and parts of Hama.

# Is Syria's Assad regime in danger?

What was the role of Russia in the Syrian civil war back in 2016? How was the Bashar al-Assad regime able to recapture Aleppo then? Who are the Hayat Tahrir al-Sham and what is their connection to the al-Qaeda? How were the militants able to make such extensive territorial gains?

## EXPLAINER

Stanly Johny

### The story so far:

Islamist militants in Syria's northwest launched a surprise attack last week against the forces of President Bashar al-Assad and made dramatic territorial gains. The Syrian civil war, which broke out in 2011 amidst Arab Spring-inspired anti-government protests, had entered into a frozen stage in late 2016 after the regime recaptured most of its territories. There was relative calm, but no real peace in the Arab republic. With the latest clashes, peace has been broken and hot war has resumed.

### How has Syria's control map changed in the span of a week?

In 2015, before Russian President Vladimir Putin decided to send troops to Syria, the Assad regime was on the brink of collapse. He had lost most of the population centres, except Damascus and the Alawite-dominated coastal cities. There were multiple rebel and jihadist factions such as the Free Syrian Army, Jabhat al-Nusra (al-Qaeda's Syria branch) and the Islamic State (IS). The IS was controlling eastern Syrian cities of Raqqa and Deir Ezzor as well as the ancient city of Palmyra. Al-Nusra and the Free Syrian Army were controlling parts of Idlib in the northwest. Other militant groups were controlling Hama, Homs, and even some neighbourhoods of Damascus. In the south, Daraa and Quneitra were restive.

The Russian intervention played a pivotal role in turning around the civil war. While Kurdish militias, backed by the U.S., fought the IS in the east and in the Kurdish border towns, the Syrian army, backed by Russia, Iran and Hezbollah, fought other rebel groups, recapturing lost territories. For example, by December 2016, more than a year after the Russian arrival, the regime retook Aleppo, Syria's second largest city and its commercial capital. The militants continued to hold on to Idlib when the war got frozen.

Last week, the rebels launched their offensive from Idlib. Their initial objective was to capture the western neighbourhoods of Aleppo. But the ease with which they pushed the regime forces out of Aleppo's suburbs prompted them to expand the scope of the offensive and march towards the city. Within days, they captured Aleppo. They have now entered Hama, a regime stronghold. In the northeast of Aleppo, militants have captured territories from Kurdish rebels. In less than a week, the Idlib militants have more than doubled the territories they hold.

### Who are the main actors?

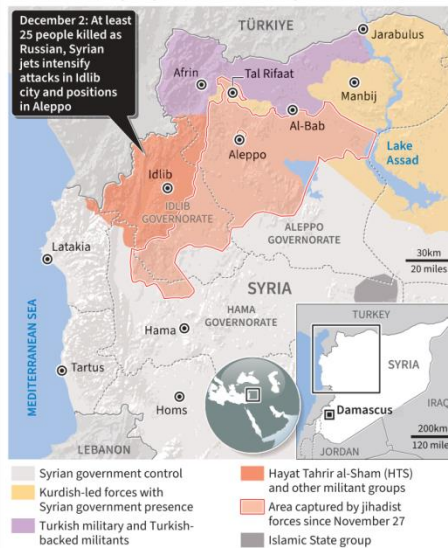
There are three main actors in Syria today. The most important actor is the regime, which is backed by Iran and Shia militias from Iraq and Russia. The second player is the Syrian Democratic Forces (SDF), which is basically an umbrella militia group involving the People's Protection Forces (PPF), the main Syrian Kurdish militia that controls Syrian Kurdistan (Rojava). From the early stages of the civil war, the regime and the YPG had entered into a detente. The Kurds, who got their relative autonomy, and the regime forces stayed away from targeting each other. The third actor is Hayat Tahrir al-Sham (HTS), the main anti-government force that is in control of Idlib. The Turkey-backed Free Syrian Army, which they today called the Syrian National Army



**Dramatic offensive:** Militants of the Hayat Tahrir al-Sham drive along a street in al-Rashideen, Aleppo province, Syria on November 29. REUTERS

## The extent of the militants' advance

It took four years for Bashar al-Assad to recapture Aleppo in 2016. It took just four days for him to lose it to the Hayat Tahrir al-Sham. The regime faces a full-blown civil war, with Syria getting ready for another prolonged spell of bloodshed



(SNA), is practically a sidekick of the jihadist HTS. The ongoing offensive is led by the HTS, along with the SNA.

### What is HTS?

The HTS is led by Abu Mohammad al-Julani, a 42-year-old Syrian militant. Julani had moved to Iraq in his early 20s to fight the American occupation of the country (2003) and joined the al-Qaeda. When the al-Qaeda in Iraq was commanded by Abu Bakr al-Baghdadi, Julani emerged as one of his close lieutenants. When Baghdadi decided to send a contingent of al-Qaeda jihadists across the border to Syria to fight President Assad after the civil war broke out, he chose Julani to lead the pack. He set up Jabhat al-Nusra. Later, Julani fell out with Baghdadi as the former wanted al-Nusra to join the Islamic State. Julani wanted to retain his group as an autonomous al-Qaeda branch in Syria.

When the world's focus shifted towards the Islamic State, Julani steadily built his

empire in Idlib. The Islamic State was defeated and Baghdadi was killed, but Julani emerged as the face of the anti-regime Syrian militancy. He first changed the name of al-Nusra to Jabhat Fateh al-Sham. Later, the name was changed again to Hayat Tahrir al-Sham (HTS) as he sought to distance his group from al-Qaeda – though the HTS never renounced its Islamist ideology. Over the years, Julani's men built a parallel state in Idlib. Julani is a U.S.-designated terrorist, but, after establishing his rule over Idlib, he declared that his fight was against Mr. Assad, not against the U.S. He has not faced any major attacks from the U.S., which still has hundreds of soldiers in eastern Syria.

**Why did the militants attack now?** Julani had always said that bringing down the Assad regime was one of his objectives. The Syrian regime wanted to attack Idlib and recapture the governorate. But it could not have carried

out such an attack against an enclave of 3 million people without Russia's active support. Turkish President Recep Tayyip Erdogan staunchly opposed any offensive at Idlib, saying it would trigger another refugee influx into Turkey. This was also the time Russia's Mr. Putin and Mr. Erdogan entered into an entente. Russia forced Syria to accept a ceasefire, leaving Idlib in the hands of the HTS and the SNA. This led to the tense calm in Syria.

However, geopolitical dynamics have since shifted. Russia launched its invasion of Ukraine on February 24, 2022. Moscow is today preoccupied with the ongoing war, and has also withdrawn thousands of soldiers from Syria. During the height of the civil war, Qassem Soleimani, the charismatic Iranian Quds Force General, was in charge of building and deploying Shia militias in Syria that fought the anti-regime militants. Gen. Soleimani was assassinated by the Americans in January 2020. Over the past year, several senior Iranian Generals were killed in Syria by Israeli air strikes. Hezbollah, which fought on the frontlines against the rebels during the early phase of the civil war, is today busy reorganising itself after months of direct fighting with Israel. Israel's repeated air strikes in Syria over the past several years have substantially weakened Iranian, regime and Hezbollah positions in the country. These geopolitical developments provided an opportunity for the militants to launch their offensive. Without direct support from Iran, Hezbollah and Russia, Syria's troops were vulnerable. The militants, reportedly backed by Turkey, made use of that vulnerability and made swift advances to capture the whole of Aleppo.

### What happens next?

It took four years for Mr. Assad to recapture Aleppo in 2016. It took just four days for him to lose it to the HTS. This is an embarrassing setback for the regime. On December 5, the militants entered Hama, the central city. They are now likely to march towards Homs. The collapse of the regime forces in the north has reinvigorated other smaller rebel groups elsewhere in the country who started attacking government positions, especially in the south. The regime faces a full-blown civil war. It's too early to rule out Mr. Assad, who survived a years-long civil war once. His regime has deep roots in the coastal regions and among the country's minorities. After the initial setback, regime forces are now coordinating with Iran for reinforcements. Thousands of fighters from Iraqi militias such as Kataib Hezbollah and Badr Organisation have already joined the battle. But the regime's inability to arrest the militant advances should set alarm bells ringing in Damascus. The militants on the other side sense a great opportunity in expanding their territorial control. Syria appears to be getting ready for another prolonged spell of bloodshed.

## THE GIST

Islamist militants in Syria's northwest launched a surprise attack last week against the forces of President Bashar al-Assad and made dramatic territorial gains.

The HTS is led by Abu Mohammad al-Julani, a 42-year-old Syrian militant. Julani had moved to Iraq in his early 20s to fight the American occupation of the country (2003) and joined the al-Qaeda. When the al-Qaeda in Iraq was commanded by Abu Bakr al-Baghdadi, Julani emerged as one of his close lieutenants.

Without direct support from Iran, Hezbollah and Russia, Syria's troops were vulnerable. The militants, reportedly backed by Turkey, made use of that vulnerability and made swift advances to capture the whole of Aleppo.

## Key Actors in the Conflict

## Daily News Analysis

- ➡ The Regime: Backed by Russia, Iran, and Shia militias, it seeks to retain control.
- ➡ Syrian Democratic Forces (SDF): Kurdish militias backed by the U.S., controlling northeast Syria.
- ➡ Hayat Tahrir al-Sham (HTS): A jihadist group leading the current offensive, along with the Syrian National Army (SNA).

### **HTS: A Leading Militant Group**

- ➡ HTS evolved from al-Qaeda's Syrian branch, led by a U.S.-designated terrorist.
- ➡ It controls Idlib and has declared its fight against the Assad regime, not the U.S.

### **Geopolitical Factors Driving the Offensive**

- ➡ Russia's focus on Ukraine and reduced presence in Syria weakened regime support.
- ➡ Iran and Hezbollah, key allies of Assad, are overstretched or weakened due to external conflicts and airstrikes.
- ➡ Turkey reportedly backed the militants, exploiting the regime's vulnerabilities.

### **Implications for the Future**

- ➡ Rebel advances signal a potential resurgence of civil war across Syria.
- ➡ Regime forces are regrouping with reinforcements from Iraqi militias, but prolonged bloodshed is likely..

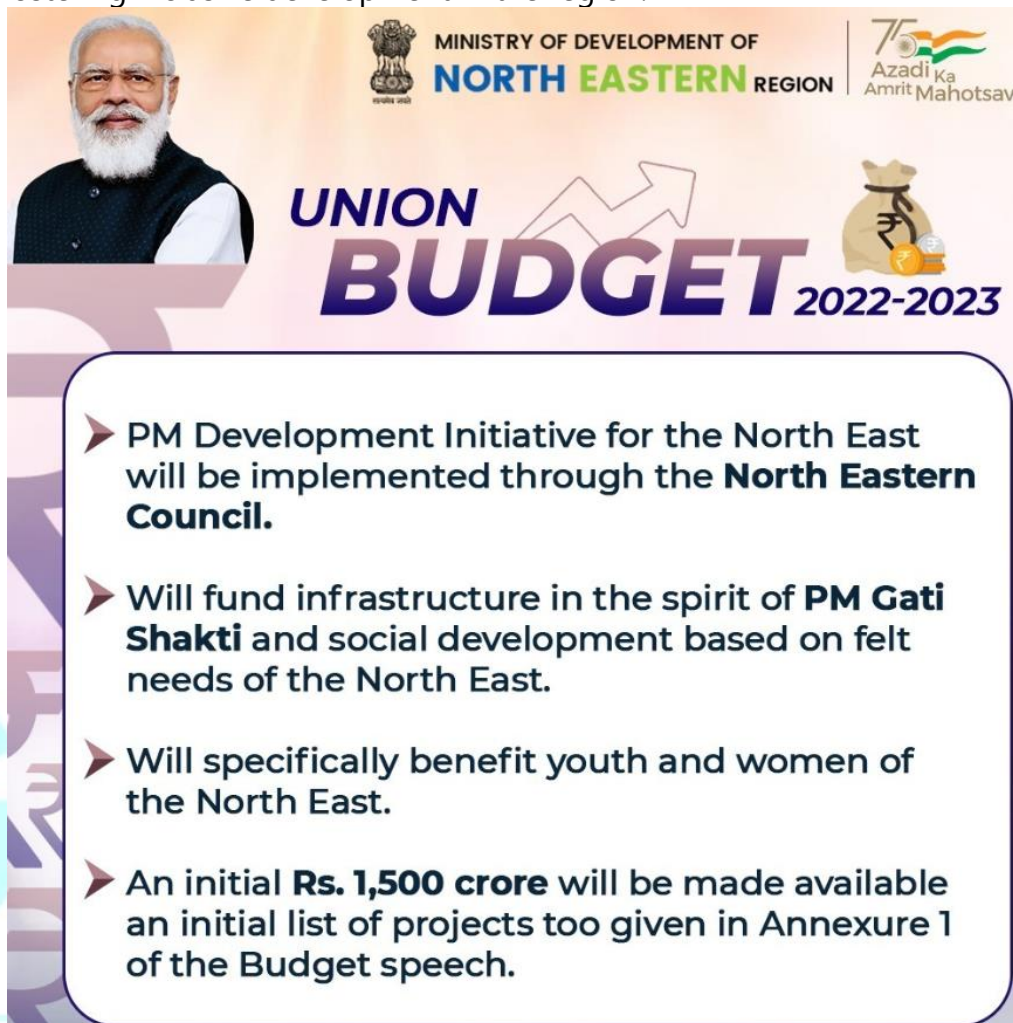
### **UPSC Mains Practice Question**

**Ques : Discuss the impact of the Syrian Civil War on India's foreign policy and energy security. (150 words/10m)**

### In News : North-East Region Development

The PM-DevINE scheme focuses on infrastructure and social development in the Northeast Region (NER), promoting holistic growth through Central funding.

- Complementing it, the UNNATI initiative supports industrialization, employment generation, and resilience, fostering inclusive development in the region.



The poster features a portrait of Prime Minister Narendra Modi on the left. The top right corner includes the Ministry of Development of North Eastern Region logo and the 75th Azadi Ka Amrit Mahotsav logo. The central text reads 'UNION BUDGET 2022-2023' with a large upward-pointing arrow. Below this, a list of four bullet points details the PM Development Initiative for the North East.

- PM Development Initiative for the North East will be implemented through the **North Eastern Council**.
- Will fund infrastructure in the spirit of **PM Gati Shakti** and social development based on felt needs of the North East.
- Will specifically benefit youth and women of the North East.
- An initial **Rs. 1,500 crore** will be made available an initial list of projects too given in Annexure 1 of the Budget speech.

#### PM-DevINE Scheme Overview

- Announced in the Union Budget 2022-23 as a Central Sector Scheme with 100% Central funding.
- Initial outlay of ₹1,500 crore, later increased to ₹6,600 crore for FY 2022-23 to FY 2025-26.
- **Objectives:**
  - Funds infrastructure projects aligned with PM Gati Shakti.
  - Supports social development initiatives based on the needs of the North East Region (NER).
  - Promotes livelihood activities for youth and women.
  - Addresses development gaps in various sectors.
- **Progress:**



- 35 projects worth ₹4,857.11 crore sanctioned as of November 2024.

### Industrialization Initiatives in NER

#### ➡ North East Industrial Development Scheme (NEIDS):

- Launched in 2017 and ended on March 31, 2022.
- Aims at promoting industrialization in NER.
- Uttar Poorva Transformative Industrialization Scheme (UNNATI) Scheme:
- Launched on March 9, 2024.
- Focuses on enhancing infrastructure, employment, and regional prosperity.

#### ➡ Incentives provided:

- Capital Investment Incentive.
- Capital Interest Subvention.
- Manufacturing & Services Linked Incentive.

### Budgetary Allocation for NER Development

- ➡ Non-exempt Union Ministries/Departments are required to allocate 10% of their Gross Budgetary Allocation for NER.
- ➡ Provisional expenditure of ₹3,53,412 crore incurred between 2019-20 and 2023-24.



**Page : 08 Editorial Analysis**

# States and the challenge before the Finance Commission

**T**he Government of Tamil Nadu recently hosted the Sixteenth Finance Commission, which was chaired by Arvind Panagariya. With its distinguished experts from various fields, the Commission is uniquely positioned to address the critical fiscal challenges facing India and rectifying the skewness in the relationship between the States and the Union.

## Opportunities from global changes

The decisions taken by this Finance Commission will not only shape the fiscal fate of the nation for the next five years but will also influence India's economic trajectory in the decades to come. The Sixteenth Finance Commission's work coincides with significant shifts in global economic trends. Concepts such as "friendshoring" and "reshoring" are reshaping international trade and investment patterns. These trends present a unique opportunity for India and Tamil Nadu. To seize these opportunities, the critical challenge for the Finance Commission lies in striking a balance between equitable redistribution and incentivising growth in high-performing States such as Tamil Nadu.

Since 1951, when the first Finance Commission was formed, each Finance Commission has adapted its own approach towards the fiscal challenges of its time. Every Commission has sought to achieve an equitable redistribution of resources by increasing the share of States under vertical devolution and channelling funds to less-developed States through horizontal devolution.

But there have been clear gaps between their declared objectives and outcomes; therein lies



**M.K. Stalin**

President of the Dravida Munnetra Kazhagam (DMK) and the Chief Minister of Tamil Nadu

There needs to be a progressive resource allocation methodology for performing States such as Tamil Nadu

our case for a new and fair system of distribution of resources. For instance, while the Fifteenth Finance Commission awarded the vertical share of the divisible pool to the States as 41%, the effective devolution to States in the first four years of the award period amounted to only 33.16% of the Union's gross tax revenue. The unprecedented levying of cess and surcharges by the Union is the fundamental reason for this effective decline in devolution.

## Hike States' share, incentivise performers

The States, which are near to people, bear substantial developmental expenditures, and, hence, their share should be further increased substantially. The financial strain on the States has been particularly severe due to increases in counterpart funding for centrally sponsored schemes on the one side and inadequate devolution on the other side. Hence, a fair and equitable share for States would be 50% devolution of the gross central taxes, allowing States greater fiscal autonomy in funding and implementing locally relevant schemes.

On horizontal devolution, it is evident that the redistribution policy followed for the first four and a half decades in our country has yielded limited results in driving real growth. Hence, the fundamental question would be this: should the focus be on a smaller national pie with a larger share for less-developed States or a larger national pie with equitable distribution that provides greater absolute resources for all? The answer is difficult, yet a more balanced approach would ensure a larger national economic pie, allowing for reasonable shares for less-developed States and adequate resources for progressive

States to continue their upward trajectory. This would clearly necessitate a progressive resource allocation methodology for the performing States so as to allow them to fulfil their potential to be India's growth engines.

## Unique challenges in progressive States

Amidst this, it is also important to note that progressive States such as Tamil Nadu also face unique challenges in demography and urbanisation. With a median age higher than the national average, the State's capacity to generate consumption-based tax revenue is declining, even as the costs of supporting an aging population are rising. It is imperative to ensure that such States do not fall into the "middle-income trap", where growth stagnates and they "grow old before becoming rich". Next, the challenges due to urbanisation in fast-growing States merit adequate addressal. A State like Tamil Nadu is witnessing the fastest rate of urbanisation in the country, due to which it will have a 57.30% urban population in 2031, against the expected national average of 37.90%. The resources for fulfilling the infrastructure needs of urbanisation should be earmarked to ensure the long-term sustainability of our growth.

We should keep in mind that the mandate of the Commission goes beyond fiscal arithmetic. It is about envisioning a future where every State contributes to and benefits from the nation's progress. Whether it is fostering manufacturing, addressing urbanisation challenges, or ensuring climate resilience, the Commission's decisions will impact millions of lives and determine the trajectory of the country's destiny, to take its place among the world's leading economies.

## GS Paper 02 : Indian Polity – Constitutional Bodies

**PYQ: (UPSC CSE (M) GS-2 2021):** How have the recommendations of the 14th Finance Commission of India enabled the States to improve their fiscal position? (150 words/10m)

**UPSC Mains Practice Question:** Critically analyze the role of the Sixteenth Finance Commission in addressing fiscal disparities between the Union and States. How should resource allocation be restructured to meet the emerging economic challenges? (150 Words /10 marks)

### Context :

- The article discusses the Sixteenth Finance Commission and its role in addressing fiscal challenges and resource distribution between States and the Union.
- It also focuses on the global economic shifts, challenges faced by progressive States like Tamil Nadu, and the need for a balanced fiscal approach.

### Overview of the Commission's Mandate

- The Sixteenth Finance Commission, chaired by Arvind Panagariya, was recently hosted by the Government of Tamil Nadu.
- This Commission is tasked with addressing critical fiscal challenges and ensuring a fair relationship between States and the Union.
- Its decisions will significantly influence India's fiscal policies for the next five years and shape the country's long-term economic trajectory.

### Opportunities Arising from Global Changes

- Global shifts in economic trends, including "friendshoring" and "reshoring," are reshaping international trade and investment.
- These trends present India with a unique opportunity to enhance its economic prospects.
- The Finance Commission's challenge is to balance equitable redistribution of resources while encouraging growth in high-performing States like Tamil Nadu.

### Challenges in Resource Distribution

- Since the establishment of the first Finance Commission in 1951, there has been a consistent attempt to redistribute resources equitably among States.
- However, discrepancies have remained between the Commission's declared goals and actual outcomes.
- The Fifteenth Finance Commission's decision to allocate 41% of the divisible pool to States resulted in only 33.16% effective devolution due to the Union's increasing reliance on cess and surcharges, which hindered devolution.

### Increasing State Share and Incentivizing Performance

- States, which manage substantial developmental expenditures, should receive a larger share of the gross central taxes—suggested to be around 50%.

## Daily News Analysis

- This would grant States greater fiscal autonomy, enabling them to fund and implement schemes that cater to local needs.
- The current policy of horizontal devolution has limited results in driving growth, and a more balanced approach is necessary to allow both less-developed and high-performing States to thrive.

### Challenges in Progressive States

- States like Tamil Nadu, Maharashtra face unique challenges, such as an aging population and increasing urbanisation.
- Tamil Nadu's aging demographic limits its capacity to generate consumption-based tax revenue, while incurring the costs of supporting an older population rise.

### The Commission's Broader Role

- The Finance Commission's mandate is not just about fiscal arithmetic but about fostering a future where every State contributes to and benefits from national progress.
- The Commission's decisions will have far-reaching impacts, including in sectors like manufacturing, urbanisation, and climate resilience, shaping India's potential as a leading global economy.

### Sixteenth Finance Commission:

- **Constituted:** December 31, 2023
- **Chairman:** Dr. Arvind Panagariya (former Vice-Chairman of NITI Aayog)
- **Purpose:** To recommend how India's tax revenue should be shared between the central government and the states.
- **Term:** 5 years (starting April 1, 2026)
- **Key Considerations:** Fiscal stability, economic growth, and equity among states.
- **Previous Commission:** The 15th Finance Commission's recommendations are in effect until March 31, 2026.
- **Important Task:** Determining the principles for giving financial aid to states from India's Consolidated Fund.
- **Additional Role:** Suggesting measures to increase the resources of the Consolidated Fund to support local governments (Panchayats and Municipalities).
- **Current Status:** The Commission is in the process of gathering information and conducting consultations with various stakeholders.