# Current Affairs 07-06-2025

## Credit - Drishti Ias

# Regulation under Article 240 and Ladakh's Demand for 6th Schedule

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**For Prelims** : **Article 240** , **Sixth Schedule** , **Article 370** , **Article 371** , **Autonomous District Councils** , **Articles 244(2)** , **Governor** , **High Court** .

**For Mains** : Overview of recent administrative measures for Ladakh and their shortcomings, key features of the Sixth Schedule, and further actions needed to improve Ladakh's governance.

**Source: IE**

## Why in News?

To address the **long-standing demands** for **job reservations** , **language recognition** , and **political representation** of Ladakh's people, the Centre has issued **few regulations for Ladakh under Article 240** , rather than granting the **Sixth Schedule status** as was widely requested.

### Note

- **Article 240** empowers the **President** to make **regulations** for the **peace and good governance** of certain **Union Territories** , with these rules having the same force as **Acts of Parliament** and the power to **amend or repeal existing laws** .

## What are the Demands of the People of Ladakh and the Regulations Notified by the Government?

- **Key Demands:** After the abrogation of **Article 370** in August 2019 and the implementation of the **Jammu and Kashmir Reorganisation Act, 2019** , **Ladakh** was designated as a **Union Territory without a legislature** .
  - In response, the **Leh Apex Body (LAB)** and the **Kargil Democratic Alliance (KDA)** have been advocating for Ladakh's inclusion in the **Sixth Schedule of the Constitution** to safeguard their **land, jobs, and cultural identity** .
  - **Key Demands Included** :
    - Inclusion under the **Sixth Schedule** for constitutional protection.

- **Land ownership restrictions** to prevent outsider influx.
- **Legislative Assembly** for representative governance.

- As an alternative, **the Union government** proposed extending **Article 371 -like protections** to the region.

- **Key Regulations for Ladakh:**
  - **Domicile Based Protection:** For the first time, **domicile-based job reservations** for all government jobs has been introduced in Ladakh.
    - The **domicile criteria** include **15 years of residency** , **7 years of education and appearance in Class 10 or 12 from Ladakh** among others.
  - **Provision for Reservations: Total reservations** for **SCs, STs, OBCs** , and other **socially and educationally backward groups** in Ladakh are capped at **85%** , while the **10% reservation for Economically Weaker Sections (EWS)** remains intact.
    - These provisions are also extended to **professional colleges** , enhancing **local access** to **medical and engineering education.**
  - **Preservation of Local Languages:** The law designates **English, Hindi, Urdu, Bhoti, and Purgi** as **official languages** of Ladakh, while promoting **Shina, Brokskat, Balti, and Ladakhi** to preserve the region's **linguistic and cultural diversity.**
  - **Representation for Women:** **Ladakh Autonomous Hill Development Councils LAHDC Act, 1997** has been amended to reserve **one-third of the seats for women** in the LAHDC of Leh and Kargil, through **rotation** .


## Why are Ladakhis Demanding 6th Schedule Status of the Constitution?

- **Constitutional Protection: Sixth Schedule status** is being demanded because, unlike regulations issued under **Article 240** —which can be **revoked or amended unilaterally by the Centre** — the **Sixth Schedule** is **constitutionally protected** , ensuring greater **autonomy** and **security** for **local governance** .
- **Safeguards for Land Rights: Sixth Schedule status** is needed to **restrict non-domiciles from**

**buying land** in Ladakh whose **fragile ecosystem** is threatened by unchecked tourism and infrastructure development.

  - With over **97% tribal population** dependent on land for their **cultural and economic survival** , protecting land rights is critical.

- **Legislative Autonomy: Sixth Schedule status** provides for **Autonomous District Councils (ADCs)** that can legislate on **land, forests, water resources, customary laws, and education** .
  - LAHDCs remain **administrative bodies dependent on the Centre** for major decisions, limiting true **self-governance** .
- **Symbolic Cultural Recognition:** Sixth Schedule status is essential **for preserving indigenous languages** such as **Bhoti, Purgi** , and others, as it ensures **education in local languages** and the **use of Ladakhi dialects in official communication** .
  - **ADCs** under the **Sixth Schedule have constitutional authority over primary education** and cultural preservation.

# What is the Sixth Schedule of the Indian Constitution?

- **About:** The **Sixth Schedule** ( **Articles 244(2)** ) of the Constitution provides for the **administration of** tribal areas in the **four northeastern states** — **Assam, Meghalaya, Tripura, and Mizoram** — where tribes have largely preserved their traditional ways, unlike other tribal populations in India.
- **Key Features:**
  - **Autonomous Districts and Regions:** Tribal areas are constituted as **autonomous districts** , which remain under the executive authority of the respective state.
    - The **Governor** has the power to **organize, reorganize, or redefine** the boundaries of autonomous districts and divide them into **autonomous regions** if multiple tribes coexist.
  - **Autonomous District and Regional Councils:** The **Governor** is empowered to create **Autonomous District Councils (ADCs)** and **Autonomous Regional Councils (ARCs)** in these four states.
    - Each autonomous district has a **district council** of 30 members (26 elected by adult franchise and 4 nominated by the Governor), and currently, there are **10 such ADCs.**
    - Autonomous regions have their own **regional councils.**
    - Councils hold office for 5 years unless dissolved earlier.
  - **Legislative Powers:** Both **ADCs** and **ARCs** can **make laws** on matters like **land, forests, water, shifting cultivation, village administration, marriage, inheritance, and social customs** , subject to the **Governor's assent** .
  - **Judicial Powers:** Councils can constitute **village councils or courts** for tribal disputes and hear appeals.
    - The **High Court 's jurisdiction** over these matters is defined by the Governor.
  - **Administrative Powers:** Councils can manage **primary schools, dispensaries, markets, roads, ferries, fisheries** , and regulate **money lending and trading by non-tribals** with Governor's approval.
    - They can also **assess and collect land revenue and impose certain taxes.**
  - **Autonomy from State and Central Laws:** Acts of Parliament or the state legislature may **not apply or apply with modifications** to these autonomous districts and regions.

- **Governor's Oversight:** The Governor can appoint commissions to review administration and **recommend dissolution** of councils if necessary.


## What Measures Can Address Ladakh's Unique Needs?

- **Constitutional Safeguards:** If **Sixth Schedule inclusion** is not viable, a **customized framework** under **6th Schedule** can be enacted by **Parliament** to safeguard Ladakh's **demographic identity** and empower **elected bodies.**
    - Alternatively, the **Sixth Schedule** can be **amended** to include **Ladakh-specific provisions** , given its **geopolitical and ecological sensitivity.**
- **Land Safeguards: Land ownership restrictions** , similar to those in **Jammu & Kashmir** , **Sikkim** , or **Himachal Pradesh** , are essential to **prevent outsider acquisition** , safeguard **traditional livelihoods** , and protect **Ladakh's fragile ecosystem** .
    - A **special Land Regulation Law** should be enacted to **limit land transfers to domiciled locals** , with **mandatory government approval** for purchases by **non-residents.**
- **Strengthening LAHDCs: LAHDCs** should be **granted legislative powers** akin to **ADCs** under the **Sixth Schedule** , enabling them to enact laws on **land, water, forests, education, and culture.**

- **Financial autonomy** should be given to manage **local resources** such as **tourism revenue** and **mining royalties** , strengthening **self-governance** and **regional development.**

- **Environmental and Tourism Regulation:** Enforce **ecotourism policies** , **carrying capacity limits** , and **environmental impact assessments** , while promoting **community-led conservation** and restricting **commercial construction** in **ecologically fragile zones.**

# Conclusion

The new Ladakh regulations under **Article 240** address **job reservations** and **language recognition** but fall short of **Sixth Schedule protections** . **Land rights** and **legislative autonomy** remain unresolved. A **customized constitutional safeguard** , **land ownership restrictions** , and **empowered LAHDCs** are essential to balance **development** , **tribal rights** , and **ecological sustainability** in this strategic region.

> ***Drishti Mains Question:***
>
> Examine the significance of the Sixth Schedule of the Indian Constitution and evaluate its applicability to Ladakh in the context of recent demands and regulations.

[Watch Video on YouTube: ▶ https://www.youtube.com/embed/r5BViilk8i4 ]

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### *Prelims*

**Q. Which of the following provisions of the Constitution of India have a bearing on Education? (2012)**

1. Directive Principles of State Policy
2. Rural and Urban Local Bodies
3. Fifth Schedule
4. Sixth Schedule
5. Seventh Schedule

**Select the correct answer using the codes given below:**

(a) 1 and 2 only

(b) 3, 4 and 5 only

(c) 1, 2 and 5 only

(d) 1, 2, 3, 4 and 5

**Ans: (d)**

**Q. Under which Schedule of the Constitution of India can the transfer of tribal land to private parties for mining be declared null and void? (2019)**

(a) Third Schedule

(b) Fifth Schedule

(c) Ninth Schedule

(d) Twelfth Schedule

**Ans: (b)**

**Q. The Government enacted the Panchayat Extension to Scheduled Areas (PESA) Act in 1996. Which one of the following is not identified as its objective? (2013)**

(a) To provide self-governance

(b) To recognize traditional rights

(c) To create autonomous regions in tribal areas

(d) To free tribal people from exploitation

**Ans: (c)**

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### *Mains*

**Q.** Why are the tribals in India referred to as ‘the Scheduled Tribes? Indicate the major provisions enshrined in the Constitution of India for their upliftment. (2016)

# Foreign Direct Investment in India

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**For Prelims** : **Reserve Bank of India (RBI) , Foreign Direct Investment (FDI)** , **ASEAN** , **Non-tariff Barriers** , **Foreign Exchange Management Act (FEMA), 1999** , **Startups** , **Competition Commission of India (CCI)** , **Niyamgiri Hills** , **Special Economic Zone (SEZ)** .

**For Mains** : Status of FDI inflow and outflow in India, importance and challenges associated with India and way forward.

**Source: TH**

## Why in News?

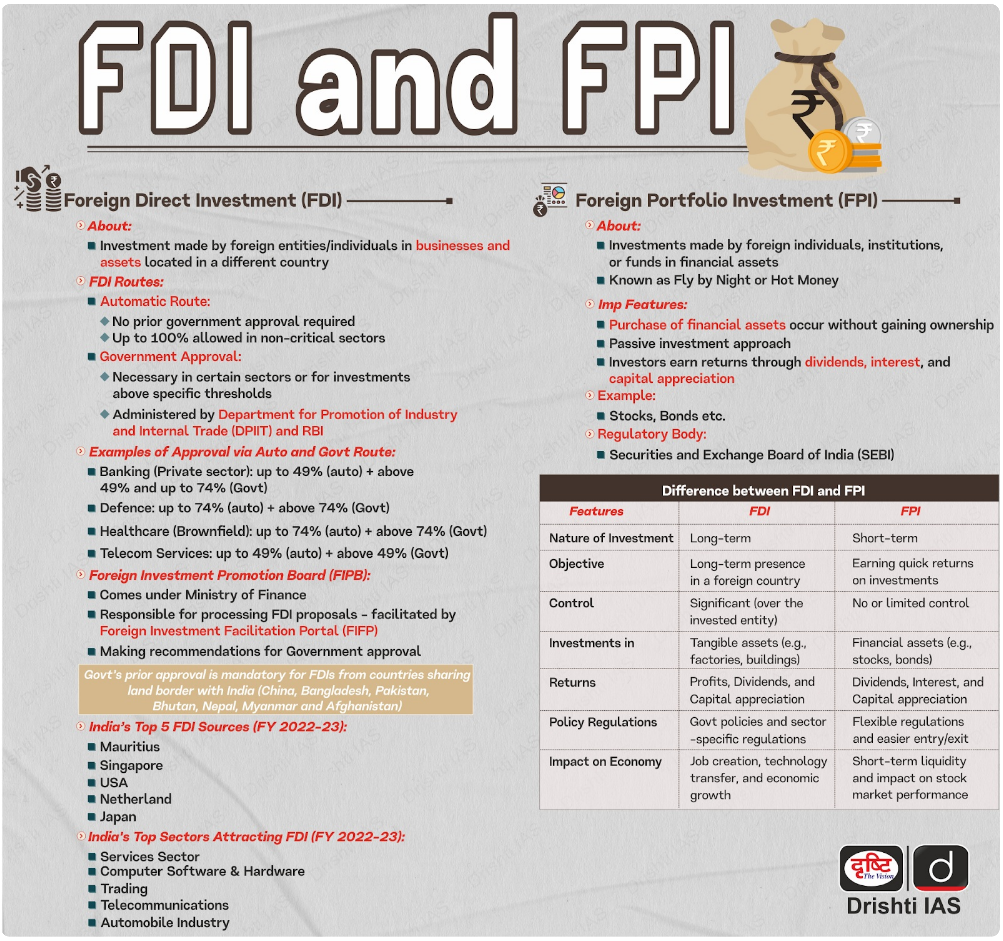
According to the **Reserve Bank of India (RBI) ,** India's **net foreign direct investment (FDI) crashed** from **USD 10.1 billion** in **2023–24** , and just **USD 0.4 billion** in **2024–25.**

- The sharp decline in net FDI is mainly due to **increased repatriation and disinvestment** by foreign firms, totaling **USD 51.5 billion** in 2024-25, coupled with a rise in **Outward FDI (OFDI)** by Indian companies.

## What is Foreign Direct Investment?

- **About: FDI** refers to **investment** made by a **person residing outside India** through **capital instruments** in either an **unlisted Indian company** or in at least **10%** of the **post-issue paid-up equity capital** (on a fully diluted basis) of a **listed Indian company** .
  - It is typically a **long-term investment** and mainly represents a **non-debt capital flow** .
- **FDI Routes:** Under the **FDI Scheme** , non-residents can invest in **shares** , **fully convertible debentures** , and **preference shares** of Indian companies through **two routes** :
  - **Automatic Route:** An overseas investor is **only required to inform the RBI** after the investment is made.
    - E.g., **Agriculture & Animal Husbandry** , Air-Transport Services, Auto-components, Automobiles, Biotechnology (Greenfield) etc.
  - **Government Approval Route:** A **foreign investor** must obtain **prior approval** from the relevant **Ministry or department** before proceeding.
    - Banking & Public Sector, **Broadcasting Content Services** , Food Products Retail Trading, Uploading/Streaming of 'News & Current affairs' through digital media etc.
- **FDI Regulation:** Currently, **FDI in India** is regulated by the **FDI Policy 2020** and the **FEMA (Non-debt Instrument) Rules, 2019** under the **Foreign Exchange Management Act (FEMA), 1999** .
  - The **Department for Promotion of Industry and Internal Trade (DPIIT)** , under the **Ministry of Commerce and Industry** , is the main regulator of **FDI in India** .
  - **RBI** also plays a key role by enforcing the **FDI Rules.**

- **FDI Prohibition in India:** FDI is **strictly prohibited** in sectors like **atomic energy generation, gambling and betting, lotteries, chit funds, real estate,** and the **tobacco industry.**
- **Current Status of FDI in India:**
  - **Strong Gross FDI Inflows: Gross FDI** rose to **USD 81 billion** in **2024–25** , up from **USD 71.3 billion** in **2023–24** and **$71.4 billion** in **2022–23** .
    - Key sectors attracting FDI were **manufacturing** , **financial services** , **energy** , and **communication services** , together making up **over 60%** of total inflows.
    - Top investing countries— **Singapore** , **Mauritius** , **UAE** , **Netherlands** , and the **United States** — contributed **over 75%** of gross FDI.
  - **Outward FDI by Indian Companies: Outward FDI** by Indian companies surged to **USD 29.2 billion** in **2024–25** , a **75% increase** from 2023-24. Top destination countries for Indian OFDI were **Singapore** , **United States** , **UAE** , **Mauritius** , and the **Netherlands.**
    - The sectors driving over **90%** of OFDI growth included **financial, banking and insurance services** , **manufacturing** , and **wholesale and retail trade, restaurants, and hotels.**
  - **Mature Investment Ecosystem: Repatriation and disinvestment** by foreign companies in India rose to **USD 51.5 billion** in **2024–25** , indicating a **mature market** that allows **smooth entry and exit** , reflecting positively on the **Indian economy.**



**Note:** To prevent opportunistic takeovers or acquisitions of Indian companies amid the Covid-19 pandemic, the Government amended the **FDI Policy 2017 .**

- It mandates that entities from countries sharing a **land border with India** , or whose **beneficial owners** are from such countries, can invest in India **only with prior government approval.**
- For the above purposes, India identifies **Pakistan** , **Afghanistan** , **Nepal** , **Bhutan** , **China (including Hong Kong)** , **Bangladesh** , and **Myanmar** as **countries sharing a land border** with India ( **Bordering Countries** ).

## What are the Primary Drivers Behind the Growing Trend of Outward FDI by Indian Companies?

- **Global Expansion for Market Diversification:** Indian firms are **investing abroad** to access **new markets** in **Africa** , **Southeast Asia** , and **developed economies** , with companies like **Tata** , **Reliance** expanding globally to **reduce reliance on the Indian market.**
  - In April 2025, India's **outward FDI** rose sharply by 90% YoY to **USD 6.8 billion** , led by **Tata Communications, LIC, and JSW Neo Energy** .
- **Securing Access to Critical Resources:** Resource acquisition is a **key driver** for outward FDI by Indian firms, as they look to secure **essential natural resources like oil, gas, minerals, and agricultural products** to ensure long-term supply chains.
  - Companies like **ONGC Videsh and Adani Group** have actively invested in international resources, particularly in **oil and gas fields** and **mining operations** , to meet both domestic and international demands.
- **Gaining a Competitive Edge through Cost Efficiency:** Firms like **Infosys** , **TCS** , and **Sun Pharma** expand to **low-cost countries** (e.g., **Eastern Europe** , **Mexico** ), while Indian auto firms invest in **ASEAN** to **bypass strict non-tariff barriers of** developed countries.
  - Also, Companies like **Havells and Dixon Technologies** have expanded their manufacturing units and export operations to the US, aiming to tap into the **North American market.**
- **Capitalizing on Trade Agreements:** As India increasingly signs **Free Trade Agreements (FTAs)** with countries and regional blocks such as the **India-UAE FTA** and **Australia-India Economic Cooperation and Trade Agreement (ECTA)** , Indian firms are positioning themselves to benefit from reduced tariffs, easier market access, and improved business relations with trading partners.
- **Globalization of Service Sector: Globalization** of Indian service sector **firms** —especially in **IT, fintech, and banking** —drives **outward FDI** as companies expand into developed markets to **strengthen client ties** , **ensure regulatory compliance** , **improve service delivery** , and **access new customer bases** for long-term growth **.**

## Why is Foreign Direct Investment Pivotal to India's Sustainable Economic Transformation?

- **Macroeconomic Growth:** FDI contributes to **capital formation, infrastructure development, and industrial expansion** .
  - In 2020, Facebook invested **USD 5.7 billion** in Jio Platforms, marking the largest deal in India's tech sector and strengthening the **digital economy** .

- **Employment Opportunities:** Foreign investments have been pivotal in driving job creation across various sectors. By funding **startups** , establishing factories, offices, and R&D centers, foreign companies generate millions of jobs.
  - E.g., India's **startup ecosystem** , heavily supported by **FDI** , has generated over **1.6 million jobs** across the country.
- **Advanced Technology & Innovation:** FDI brings **advanced technology** , **automation** , and **R&D** to India, enhancing global competitiveness through **technology transfer** and **best practices** from multinational corporations.
  - E.g., Tesla's proposed EV and **battery plant in India** could introduce **advanced battery technology** like **Powerwall** , supporting **India's renewable energy goals** .
- **Infrastructure Development:** FDI has been instrumental in financing large-scale projects that enhance the country's infrastructure capacity such as **roads** , **ports** , **airports** , and **smart cities** .
  - **E.g., Japan** is investing in the **Mumbai-Ahmedabad Bullet Train** , and **Singapore's sovereign wealth fund , GIC, is investing** over **USD 615 million** in Indian roads.
- **Enhanced Exports:** FDI plays a **crucial role** in transforming India into a **key export hub,** helping reduce the **trade deficit** by boosting **foreign exchange earnings** . Foreign companies set up **production facilities** in India that cater to both d **omestic and global markets,** enhancing India's export capacity.
  - **E.g., iPhone exports** from India surged to **USD 12.1 billion in 2023-24** , while **Toyota** and **Hyundai** export cars from India to **Africa** and **Europe.**
- **Encourages Competition & Efficiency:** The influx of **FDI** encourages **domestic companies** to enhance their **competitiveness** by adopting **international standards** of **quality** , **efficiency** , and **customer service.**
  - **E.g., Amazon** and **Flipkart** encouraged Indian retailers to **go digital** , while **Starbucks** and **McDonald's** raised **food service standards** in India.

## What are the major barriers to attracting and sustaining FDI in India?

- **Challenging Regulatory Environment: Complex regulations** such as **tax laws** and **transfer pricing** create **compliance challenges** for foreign investors, leading to **legal disputes** , **financial losses** , and **loophole exploitation** .
  - E.g., **Vodafone** faced legal issues due to **retrospective taxation.**
- **Infrastructural Deficiencies:** Although there has been **significant progress** , India still faces **challenges related to inadequate infrastructure** , especially in sectors like **transportation** , **power supply** , and **logistics** ( **14–18% of GDP** as per Economic Survey 2022–23).
  - **Poor infrastructure** can **increase the cost of doing business** , cause **delays in supply chains** , and **discourage FDIs.**
- **Challenges in Market Competition:** Structural challenges in India's market, such as **predatory pricing** by **e-commerce platforms** , hinder **fair competition** and pressure traditional retailers.
  - Although **regulations exist** , bodies like the **Competition Commission of India (CCI)** struggle to effectively curb **anti-competitive practices** and ensure a **level playing field** .
- **Uneven Distribution of FDI: FDI inflows** are heavily concentrated in a few **sectors** like **services** and in **urban areas** of states such as **Maharashtra** and **Karnataka** , causing unequal **development opportunities** .

    - Additionally, **inadequate infrastructure** , especially in **rural areas** , deters **FDI attraction.**
- **Environmental and Sustainability Concerns:** As global investors prioritize **sustainability** and **environmental responsibility** , India's **environmental regulations** and **enforcement mechanisms** have raised concerns.
    - While India has improved its **environmental laws** , the **implementation** of rules on **pollution** , **waste management** , and **resource conservation** remains **inconsistent** .
    - E.g., **Mining** in the **Niyamgiri Hills** faced strong opposition from **activists.**

# What Measures can India Adopt to Boost FDI Inflows?

- **Policy & Regulatory Reforms: Single-window clearance** for FDI approvals by merging processes in **DPIIT** , **RBI** , and state processes.
    - **Fast-track dispute resolution** via dedicated **commercial courts** to avoid delays like the **Vodafone tax case.**
    - **Establishing clear, time-bound frameworks** for **resolving disputes** could **enhance investor confidence** and signal that **India is serious** about maintaining a **business-friendly environment.**
- **Addressing Structural Challenges:** To boost **FDI** in **underdeveloped sectors** , India should offer **incentives** like **tax breaks** , **grants** , and **low-cost capital** in key areas such as **agro-processing** , **healthcare** , and **renewable energy** . Special **investment packages** for **states with low FDI inflows** can reduce **regional disparities** and promote **growth** .
- **Encouraging Reinvestment and Reverse FDI:** India should create a more favorable environment for managing **outward FDI** . Offering **tax incentives** for foreign firms that **reinvest their profits** in India could help attract a steady flow of **reinvested capital** .
    - Additionally, **relaxing restrictions** on **dividend repatriation** related to new investments would further encourage **multinational companies** to **re-invest in India** and **streamline cash flows** across borders.
        - A notable example is **Tata Motors' acquisition of Jaguar Land Rover,** which later led to substantial investments in India's automotive sector.
- **Infrastructure and Skill Development:** To ensure balanced FDI inflows across the country, India must prioritize investments in infrastructure, especially in **Tier-II and Tier-III cities.**
    - Improving multimodal connectivity, including **roads, rail, and air, as well as enhancing logistics networks,** would make these regions more attractive to investors.
        - This would not **only alleviate congestion in major urban centers but also support the balanced development** of India's economy.
    - There is also a need to upskill the **workforce** and develop **sector-specific clusters** and **Special Economic Zone (SEZ)** to boost foreign investments in emerging sectors.

### Gross FDI and Net FDI

**Gross FDI** refers to the **total amount of foreign investment** made by investors from one country into another during a specific period, **without subtracting any disinvestments or withdrawals** .

- **Net FDI** is the **total foreign investment** coming into India ( **gross FDI** ) minus the **money repatriated** by foreign companies and **outward FDI** by Indian companies.
  - **Therefore, Gross FDI** = **Total inflows of foreign direct investments** .
  - **Net FDI** = **Gross FDI inflows – FDI outflows (disinvestments).**

## Conclusion

**Despite strong gross inflows, India’s net FDI has declined due to rising disinvestment and outward FDI.** Addressing **regulatory bottlenecks** , **infrastructure gaps** , and **sectoral imbalances** is vital. A **balanced, investor-friendly environment** with **equitable regional growth** , **policy certainty** , and **global competitiveness** can **sustainably enhance FDI** and **strengthen India's economic resilience.**

> ***Drishti Mains Question:***
>
> Q.Evaluate the role of Foreign Direct Investment in India’s economic development. What steps can be taken to make FDI more inclusive and sustainable?

[Watch Video on YouTube: ▶ https://www.youtube.com/embed/dDZKLvhpBo0 ]

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### *Prelims*

**Q. Consider the following: (2021)**

1. Foreign currency convertible bonds
2. Foreign institutional investment with certain conditions
3. Global depository receipts
4. Non-resident external deposits

**Which of the above can be included in Foreign Direct Investments?**

(a) 1, 2 and 3

(b) 3 only

(c) 2 and 4

(d) 1 and 4

**Ans: (a)**

**Q. With reference to Foreign Direct Investment in India, which one of the following is considered its major characteristic? (2020)**

(a) It is the investment through capital instruments essentially in a listed company.

(b) It is a largely non-debt creating capital flow.

(c) It is the investment which involves debt-servicing.

(d) It is the investment made by foreign institutional investors in Government securities.

**Ans: (b)**

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### *Mains*

**Q.** Justify the need for FDI for the development of the Indian economy. Why is there a gap between MOUs signed and actual FDIs? Suggest remedial steps to be taken for increasing actual FDIs in India. (2016)

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# NITI Aayog Calls for Cooperative Federalism

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**For Prelims** : **Niti Aayog** , **Prime Minister (PM)** , **GST Council** , **Samagra Shiksha funds** , **National Education Policy 2020** , **Inter-state Council** , **Punjab's Sutlej-Yamuna Link** , **National Water Policy** .

**For Mains** : Centre-State relations, Federalism in India, Role of states in building a developed India.

**Source: TH**

## Why in News?

The **10 th meeting of the Niti Aayog Governing Council** was held under the theme- ***Viksit Rajya for Viksit Bharat@2047*** . The meeting underscored the significance of fostering **cooperative federalism** to achieve national development objectives.


## What are the Key Outcomes of the 10th Meeting of NITI Aayog Governing Council?

- **State-Specific Demands: Tamil Nadu** sought a **50% share in central taxes** (vs. current 33%) and a **Clean Cauvery Mission.**

- **Punjab** demanded **fair Yamuna water rights** and **financial aid** for **border security** & **drug control.**

- **Emphasis on Trade & Investment:** States were asked to reduce **policy bottlenecks, repeal obsolete laws** , and create **investor-friendly environments** .
  - NITI Aayog was directed to prepare an ' **Investment-friendly Charter'** to attract global investments.
- **Security Preparedness:** PM emphasized the need for **long-term security preparedness** and **modernized civil defense mechanisms.**
  - **Operation Sindoor** (targeting terror infrastructure in Pakistan) received **unanimous support** from attending states/UTs.
- **Economic & Industrial Development:** Chhattisgarh CM presented a **3T model (Technology, Transparency, Transformation)** to double its **GSDP in 5 years and 10 times per capita income.**
  - **Andhra Pradesh** suggested **sub-groups** on **GDP growth** , **population management** , and **AI-driven governance.**
- **Sustainable Development & Social Reforms: PM** pushed for **global-standard tourist spots** (one per state) and **green energy / hydrogen investments.**
  - Focus on **urban planning** in **Tier 2/3 cities** , **skilling youth in cybersecurity** , and boosting **women's workforce participation.**

# What is Role of NITI Aayog in Fostering Cooperative Federalism?

- **Strengthened Competitive Federalism:** It promotes **healthy competition** among states via **data-driven indexes** and transparent rankings like the **Fiscal Health Index** , **Aspirational District Programme (ADP)** , **Composite Water Management Index** , and **State Energy and Climate Index** , driving sectoral improvements.
- **Enhanced Cooperative Federalism:** It acts as a bridge between **central and state governments** , aligning regional priorities with national goals.
  - Examples include the **Team India Hub** for collective development and the **ADP** focusing on **112 underdeveloped districts** through close ministry and partner collaboration.
- **Governance & Policy Advisory:** It shifted focus from financial allocation to **policy advisory** with a decentralized governance approach.
  - It supports states in establishing **State Institutions of Transformation (SITs)** for better governance and policy execution.
- **Regional & Inter-Sectoral Social Interventions:** It leads initiatives addressing disparities such as the **NITI Forum for the North East** , **SATH-E** , **Poshan Abhiyan** , **State Health Index** , and education reforms.
  - By facilitating the sharing of successful models, like Gujarat's industrial corridors and Tamil Nadu's skill development programs, and promoting **Public-Private Partnership (PPP) models** NITI Aayog helps bridge the gap between developed and developing states.
- **Digital Transformation:** It drives innovation through the **Atal Innovation Mission** (including **Atal Tinkering Labs** and **Incubation Centres** ), the **Knowledge and Innovation Hub** , and the **National Data and Analytics Platform (NDAP)** , alongside creating a **digital payments roadmap.**
  - NITI Aayog can expand **R&D hubs** to **Tier-2 and Tier-3 cities** (e.g., Pune's tech parks extending to Nagpur) and **mentor startups** in emerging states.

# What Are the Major Challenges in Advancing Cooperative Federalism?

- **Lack of Federal Dialogue: Limited NITI Aayog governing council meetings** (only once a year) and **delayed GST Council sessions** leads to a shift from **collective solutions** to **individual grievances** , causing **policy paralysis** in key areas like **GST reforms** and **compensation disputes.**
- **Undermining Federalism:** The Centre has used **financial leverage to enforce compliance,** such as **withholding Tamil Nadu's central share of Samagra Shiksha Abhiyan funds** for opposing the **National Education Policy, 2020** . This action undermines the spirit of cooperative federalism, reducing it to mere rhetoric.
  - States have **limited input** in national schemes like **PM-KISAN** and **Smart Cities** , causing **implementation challenges.**
- **Unfair Tax Devolution:** States are demanding a **50% tax share** in the **Finance Commission** devolution (up from 41%), citing **GST's erosion of fiscal autonomy** and **sluggish revenue growth** .
  - **Richer states** like **Tamil Nadu, Karnataka, and Maharashtra** contribute more to the central pool of taxes but receive less in devolution, while **poorer states** like **Bihar, UP, and Jharkhand** stay reliant on **central grants** , deepening **fiscal inequality.**
- **Inter-State Disparities: Developed states** like **Maharashtra, Gujarat, and Tamil Nadu** grow faster due to **strong infrastructure,** while **weaker states** lag behind amid **policy bottlenecks.**
  - **Insufficient financial transfers between states** cause many people to migrate from poorer regions to richer ones like **Mumbai** and **Delhi** .
  - States like **Chhattisgarh** and **Odisha** contribute significantly through **natural resources (like minerals and forests)** but receive **less financial support** for development, limiting their growth **.**
- **Water & Border Disputes:** Persistent river disputes between states like **Cauvery (TN-Karnataka)** and **Yamuna (Haryana-Delhi)** remain unresolved.
  - This causes **water shortages** harming farmers (e.g., **Tamil Nadu's delta** ) and escalates **political tensions** (e.g., **Punjab's Sutlej-Yamuna Link canal protest** ).

# What Measures Can Be Implemented to Strengthen Cooperative Federalism?

- **Strengthen Institutional Mechanisms:** Regularizing **NITI Aayog** and **GST Council** meetings, and reviving the **Inter-State Council** will ensure ongoing dialogue and timely dispute resolution.
  - This will reduce **policy paralysis** in areas like **GST reforms** and improve conflict management over **water, border, and fiscal issues**
- **Fairer Resource Sharing:** Increasing tax devolution to states, **advocating introduction of a performance-based grants system.** This will incentivize **reforms** in **lagging states (Bihar, UP)** through **conditional funding.**
- **State-to-State Partnerships: Developed states** should mentor **poorer states** through **industrial corridors** , **skill development** , and **PPP investments** to reduce **regional disparities** and ease **migration pressure** on major cities.
- **Enhance Inter-State Water Coordination:** A **National Water Policy 2.0** with **binding river-sharing agreements** , **joint task forces** , and **central funding** for inter-state projects will improve **water management** and **infrastructure.**
  - This will reduce **water disputes** (e.g., **Cauvery** ) and enhance **regional connectivity** , boosting

**trade** and **tourism.**

- **Long-Term Strategic Planning:** Align State and Centre plans with the shared vision of **Viksit Rajya for Viksit Bharat@2047** , using **measurable targets** and **periodic reviews** , with **NITI Aayog** facilitating progress while respecting State priorities.

## Conclusion

The **10th NITI Aayog meeting** highlighted both **progress** and persistent **challenges** in India's **federalism** . While initiatives like **state partnerships** and **investment reforms** are promising, genuine **"Team India" collaboration** requires **fairer fiscal devolution** , **regular dialogue** , and **depoliticized governance** . Addressing these gaps is crucial to achieving **Viksit Bharat by 2047.**

***Drishti Mains Question:***

Q.Examine the role of states in making India a developed country. Suggest measures to foster inter-state collaboration for Viksit Bharat@2047.

[Watch Video on YouTube: ▶ https://www.youtube.com/embed/ZQ0cHmnVfJ8 ]

### UPSC Civil Services Examination Previous Year's Question (PYQs)

### *Mains*

**Q.** How far do you think cooperation, competition and confrontation have shaped the nature of federation in India? Cite some recent examples to validate your answer. (2020)

**Q.** From the resolution of contentious issues regarding distribution of legislative powers by the courts, 'Principle of Federal Supremacy' and 'Harmonious Construction' have emerged. Explain. (2019)

# China's Dams and Their Effect on Brahmaputra in India

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**Source: IE**

## Why in News?

The **Brahmaputra River** has garnered attention due to concerns over **China's hydroelectric projects on the river.** With the potential impact of Chinese dams on the river's flow in India, this issue has raised questions about India's water security.

## How could Chinese Dams Affect the Flow of the Brahmaputra in India?

- **Alteration of Water Flow** : China has been constructing major hydroelectric projects like the **Medog Hydro Project** **in Medog County (Tibet),** near the **'Great Bend'** where the river makes a U-turn and plunges into a canyon before entering Arunachal Pradesh, potentially affecting Brahmaputra flow and course.
  - This intervention could **alter water flow into India and Bangladesh** , exacerbating potential water scarcity.
- **Ecological Disruptions:** China's hydroelectric projects in the region have **minimal water storage capacity,** any major changes in water retention could lead to reduced flow downstream, affecting flood cycles and water availability for irrigation and domestic use.
  - Changes in the water flow could also affect the river's ecosystems in India, including **vital wildlife habitats.**
  - The Brahmaputra supports rich biodiversity, including protected areas like Kaziranga National Park, home to the **one-horned rhinoceros.** Altered water flow might disrupt fish migration patterns and the natural habitat of other species.

> **Note:** The planned Medog project is expected to have a generation capacity three times that of the **Three Gorges Dam on the Yangtze,** currently the world's largest hydropower station.

## What are the Key Facts About the Brahmaputra River System?

- **Origin and Course:** The Brahmaputra River originates from the **Chemayungdung Glacier in the Kailash range near Mansarovar Lake,** where it is known as the **Yarlung Tsangpo** in Tibet. Upon entering India through **Arunachal Pradesh,** it is called the **Siang or Dihang** .
- **Drainage** : The Brahmaputra basin spans **Tibet (China), Bhutan, India, and Bangladesh** .
  - It enters India west of Sadiya town in Arunachal Pradesh, with its catchment area across **Arunachal Pradesh, Assam, West Bengal, Meghalaya, Nagaland, and Sikkim.**
  - In India Brahmaputra is bounded by the **Himalayas (north and west), Patkari hills (east), and Assam hills (south).**
  - Brahmaputra River is known as the **Jamuna River** after it is joined by the **Teesta River.** From there, it flows south and eventually joins the **Ganges** (which is known as the Padma in Bangladesh) near **Goalundo Ghat (Bangladesh** ), creating a combined stream called the **Padma.**
    - The Padma eventually joins the **Meghna River,** and flows into the Bay of Bengal.
    - The Sunderbans Delta is primarily formed by the combined sediment deposition of the **Ganges and Brahmaputra** rivers, along with contributions from the Meghna River
  - The **Brahmaputra is 2,900 km long, with only 916 km flowing through India** . (The Ganges is the longest river entirely within India).
- **Tributaries:**
  - **Right Bank Tributaries:** Lohit, Dibang, Subansiri, Jiabharali,  Dhansiri,Manas, Torsa, Sankosh and the Teesta.
  - **Left Bank Tributaries** : Burhidihing, Desang, Dikhow, Dhansiri and the Kopili.
- **Geographical and Ecological Significance:** Brahmaputra holds over 30% of India's total water resource potential and  it contributes 41% of India's hydropower potential.
  - Brahmaputra river valleys are home to important wildlife sanctuaries and national parks **(e.g., Kaziranga , Manas ).**
  - The Brahmaputra valley and nearby low hills mostly have **deciduous forests.**
- **Unique Features: Majuli,** the world's largest river island, is located in the Brahmaputra in Assam.
  - **Umananda** , the smallest river island in the world, is also in the Brahmaputra in Assam.
- **India's Monitoring Efforts Along Brahmaputra** :  India covers about **34% of the Brahmaputra basin but contributes over 80% of its water due to heavy rainfall (2,371 mm)** a **nd snowmelt,** unlike the dry Tibetan Plateau (low rainfall ~300 mm annually).
  - Tributaries within India further boost the river's flow. **The basin holds 30% of India's water resources and 41% of its hydropower potential,** with Arunachal Pradesh leading development despite challenges.
  - The proposed river-linking projects **Manas-Sankosh-Teesta-Ganga Link,** joining the **Manas,** a tributary of the Brahmaputra, to the Ganga via the **Sankosh and Teesta** ; and the **Jogighopa-Teesta-Farakka Link,** joining the Brahmaputra at the planned Jogighopa Barrage to the Ganga at the Farakka Barrage aim to transfer surplus water to dry areas and are unlikely to be affected by Chinese upstream activities.
- **Hydro Electric Projects in Brahmaputra Basin (India):**

| Name | State | River |
|---|---|---|
| **Chuzachen Hydroelectric Project** | Sikkim | Rangpo & Rongli |
| **Doyang Hydroelectric Project** | Nagaland | Doyang |
| **Karbi Langpi Hydroelectric Project** | Assam | Borpani |
| **Kopili Hydroelectric Project** | Assam | Kopili |
| **Myntdu Leshka Stage-I** | Meghalaya | Myntdu |
| **Pagladia (Kamrup)** | Assam | Pagladia |
| **Ranganadi Hydroelectric Project** | Arunachal Pradesh | Ranganadi |
| **Rangit - III Hydroelectric Project** | Sikkim | Greater Rangit |
| **Subansiri Lower Hydroelectric Project** | Assam | Subansiri |
| **Teesta - V Hydroelectric Project** | Sikkim | Teesta |
| **Teesta Low Dam III Hydroelectric Project** | West Bengal | Teesta |
| **Teesta Low Dam IV Hydroelectric Project** | West Bengal | Teesta |
| **Umiam Hydroelectric Project** | Meghalaya | Umiam |
| **Umiam-Umtru Hydroelectric Project** | Meghalaya | Umtru |
| **Umtru Hydroelectric Project** | Meghalaya | Umtru |

## UPSC Civil Services Examination Previous Year Question (PYQ)

### *Prelims*

**Q. With reference to river Teesta, consider the following statements: (2017)**

1. The source of river Teesta is the same as that of Brahmaputra but it flows through Sikkim.
2. River Rangeet originates in Sikkim and it is a tributary of river Teesta.
3. River Teesta flows into Bay of Bengal on the border of India and Bangladesh.

**Which of the statements given above is/are correct?**

(a) 1 and 3 only
(b) 2 only
(c) 2 and 3 only
(d) 1, 2 and 3

**Ans: (b)**

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# Neolithic Site Daojali Hading in Assam

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**Source: TH**

Recent archaeological findings at **Daojali Hading, Dima Hasao district in Assam,** have reaffirmed its status as a **Neolithic habitation site over 2,700 years old** , revealing both **domestic artefacts and early metallurgical activity.**

- **Daojali Hading** , located in the **Langting-Mupa Reserve Forest** , was first uncovered in the 1960s, by **T.C. Sharma and M.C. Goswami** (1962–64).
- **Artefacts recovered include:**
  - **Polished double-shouldered celts** (a chiselled stone tool), **cord-marked pottery** , **mortars** , **pestles**
  - **Grinding stones** , **low-fired potsherds** , **charcoal samples**
  - The presence of **jadeite stones** , also found in **China** and **unique to Daojali Hading** , suggests **ancient trade links with East and Southeast Asia.**
- **About Neolithic Age:** The **Neolithic Age** , or **New Stone Age** , was the final stage of the **Stone Age** , beginning around **9000 BCE** (varying by region) and lasting until the advent of **metal tools** around **3000 BCE** . Its **key features** are:
  - **Agriculture** (wheat, barley, rice, millet) & **domestication** (cattle, sheep, goats)
  - **Permanent settlements** (mud-brick or stone houses e.g., Mehrgarh in Baluchistan)

- **Polished stone tools** (e.g., axes, sickles, grinding stones)
- **Potter's wheel** became known after **4500 BC** .
- Complex **social structures** emerged, evidenced by **burials** , **rituals** , and early **religious symbols.**

- **Prominent Neolithic Sites:**
  - **Northwest India: Mehrgarh** (now in Pakistan), **Burzahom** & **Gufkral** (Kashmir).
  - **Northern & Central India: Senuwar (Bihar), Koldihwa & Mahagara (Uttar Pradesh), Bagor (Rajasthan), Adamgarh (Madhya Pradesh)** .
  - **Northeastern India:** Daojali Hading & Sarutaru (Assam), **Napachik and Laimanai (Manipur).**
  - **Southern India:** Brahmagiri & Maski (Karnataka), **Paiyampalli** (Tamil Nadu).


**Read More:** **Wooden Artifacts of Stone Age**

# Scheme to Promote Manufacturing of Electric Passenger Cars in India

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**Source: TH**

The **Center** has issued detailed guidelines for the **Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI)** to boost domestic **electric vehicle (EV) production** and establish India as a **global EV manufacturing hub** .

# SPMEPCI

- **About:** It is an initiative launched by the **Ministry of Heavy Industries (MHI)** with the objective to **boost domestic manufacturing of electric passenger cars (e-4W)** .
  - The scheme aligns with India's broader goals of **achieving net-zero emissions by 2070** and fostering sustainable mobility.
- **Eligibility Criteria:** It is limited to companies/groups with minimum automotive revenue of **Rs 10,000 crore** from automotive manufacturing, and with a minimum investment of **Rs 3,000 crore in fixed assets** .
- **Key Features of SPMEPCI:**
  - **Customs Duty Concession:** Approved applicants can import **Completely Built-in Units (CBUs)** of electric passenger cars with a **minimum cost of USD 35,000** at a reduced **customs duty of 15%** .
    - This benefit will be available for **five years** from the approval date, with a cap on imports **set at 8,000 units per year.**
  - **Investment Commitment:** Applicants must invest a minimum of **Rs 4,150 crore within 3 years** , establish manufacturing units, and commence production in that timeframe.
  - **Domestic Value Addition (DVA):** Applicants must achieve at least **25% DVA within 3 years and 50% within 5 years,** aligned with the **Production Linked Incentive (PLI) Scheme for Automobile and Auto Components** **.**

## India's Automotive Sector

- India is the **3 rd largest automobile market in the world** , with a current market size of **Rs 12.5 lakh crore** .
  - India aims to become the **world's largest automobile market by 2030** , with a focus on **electric and alternative fuel vehicles.**
  - This market is expected to grow to **Rs 24.9 lakh crore by 2030** , reflecting a **50% growth** .
- The automobile sector contributes **7.1% to India's GDP** .
- **Growth Drivers of India's Auto Sector:** **PLI Scheme for Automobile and Auto Components (PLI-Auto)** , **PLI Scheme for Advanced Chemistry Cells (PLI-ACC** ), **PM** **E-DRIVE Scheme** .

**Read More:** **PM E-DRIVE Scheme**

# Cancer Care Gaps in India

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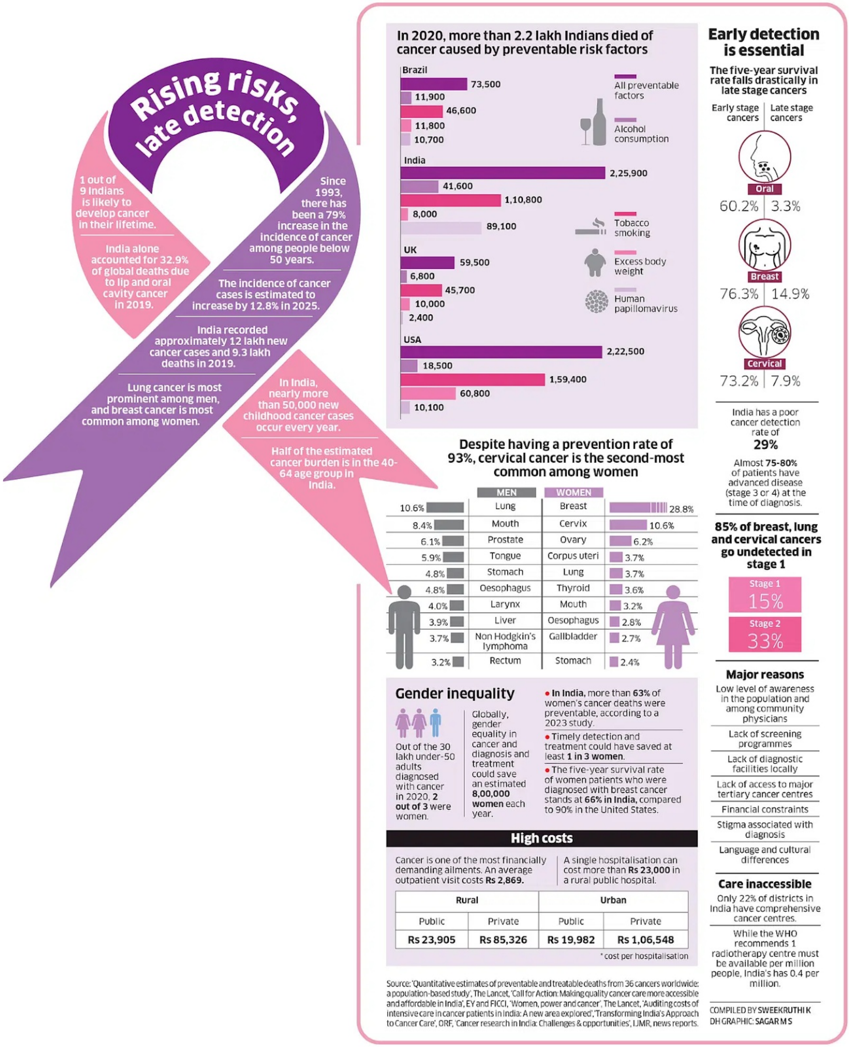
**Source: TH**

The **National Academy of Medical Sciences (NAMS) report** on **breast cancer** in India **highlighted major gaps in cancer care** , particularly in the early diagnosis and timely treatment of breast cancer, which is **widespread among women.**

- **Over 60% of patients present with Stage 3 or 4 disease** , whereas 60% in the US are diagnosed **in situ or at Stage 1.** Over **50% of Indian patients** delay **consultation** by over **3 months.**
- India ranks **3 rd globally in cancer cases** , after China and the US, with a **projected burden of 2.08 million cases by 2040** , a 57.5% rise from 2020.
  - India, along with other middle-income countries, is expected to **drive the global rise in cancer incidence** over the next 50 years.
- By 2023, over **1.63 lakh** **Ayushman Arogya Mandirs (AAM)** conducted **10.04 crore breast cancer screenings.**
  - **AAM** , an upgraded version of **Ayushman Bharat Health and Wellness Centres (AB-HWCs)** , aims to strengthen **primary healthcare** by offering **universal, free, and accessible services** , especially for **underserved communities** .
  - It offers a wide range of services beyond **maternal and child care** , including treatment for **non-communicable diseases** , **palliative and rehabilitative care** , **oral, eye, and ENT care** , **mental health support** , **emergency and trauma care** , along with **free essential medicines** and **diagnostic services** .
- **About NAMS:** The **NAMS (under the Ministry of Health & Family Welfare)** fosters academic excellence, **advises on National Health Policy** , and is **recognized as a Nodal Agency for Continuing Education for medical and allied health professionals.**




**Read More:** Global Burden of Cancer: WHO