Q3

How have the recommendations of the 14th Finance Commission of India enabled the states to improve their fiscal position?

UPSC Civil Services Mains 2021 · GS II · 10 marks · Governance and Policy

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Facts & figures for this PYQ only.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

https://wrapexams.com/upsc/mains-answers/gs-2/2021/how-have-the-recommendations-of-the-14th-finance-commission-of-india-enabled-the-states-to-improve-their-fiscal-position/

14th Finance Commission
Y.V. Reddy Commission; award period 2015-20; vertical devolution raised to 42 per cent.

Previous share
13th Finance Commission had recommended 32 per cent; the 10-point jump is the core reform.

15th Finance Commission
Set devolution at 41 per cent for 2021-26, largely to accommodate J&K's new Union Territory status without cutting States.

Cesses and surcharges
Union levies that do not enter the divisible pool and therefore dilute the real value of a 42 per cent share.