

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

**Wednesday, 29 Jan, 2025**

**Edition: International Table of Contents**

<b>Page 07</b> <b>Syllabus : GS 1 &amp; 3 : Indian Society &amp; Science and Technology</b>	<b>New study decodes when the Nicobarese people came to the island</b>
<b>Page 10</b> <b>Syllabus : GS 1 – Indian Society</b>	<b>The impact of classifying denotified tribes</b>
<b>Page 10</b> <b>Syllabus : GS 2– International Relations</b>	<b>Is Trump’s order on birthright citizenship constitutional?</b>
<b>Page 11</b> <b>Syllabus : GS 3 – Indian Economy</b>	<b>Union Budget: understanding its formulation and implications</b>
<b>In News</b>	<b>Greenland’s Lakes Transform Due to Extreme Weather</b>
<b>Page 08 : Editorial Analysis:</b> <b>Syllabus : GS 2 : International Relations</b>	<b>The Budget pipeline and India’s foreign policy ambitions</b>

A recent genetic study traces the migration history of the Nicobarese people, revealing their links to Southeast Asia and refining the timeline of their arrival.

## New study decodes when the Nicobarese people came to the island

For a long time, scientists believed the Austroasiatic ancestors of the Nicobarese community migrated to the island more than 11,000 years ago; the new study corrects this impression by taking a closer look at DNA mutations, showing that they arrived at the island around 5,000 years ago

Sanjukta Mondal  
BENGALURU

More than half a million years ago, one of humans' ancestors took a bold step and ventured beyond Africa, the cradle of humankind, in search of greener pastures. Since then humans have explored every habitable corner of the globe, often driven by the need to find new sources of food and to escape diseases and natural disasters.

Researchers have documented many migrations in great detail in the historical and archaeological records – but even now, some chapters are missing from this epic tale.

One part of the missing story was recently published in the *European Journal of Human Genetics*. Scientists from India have reported finding the genetic heritage of the people of the Nicobar Archipelago in the Indian Ocean.

The team conducted a detailed analysis of genetic data collected from 1,559 individuals across South and Southeast Asia. They found ancestral ties between the Nicobarese and the Htin Mal community, a population from the Laos-Thailand region.

The Nicobarese were also found to have retained their Austroasiatic language roots – a language family spanning Southeast Asia – of the Khmuic branch.

"Almost 20 years ago, we collected DNA from tribes in the Andaman and Nicobar region. We could not gather much information from DNA for the Nicobarese population but we related them to some South Asian groups and estimated their age to be around 11,500 years," said Kumarasamy Thangaraj of the CSIR-Centre for Cellular and Molecular Biology, Hyderabad.

He co-led the study with Gyaneshwer Chaubey of Banaras Hindu University.

"Since then, we [have] analysed many people within India and saw many advancements in technology," including the sequencing of one million human genomes. "Using these new techniques, we found that the Nicobarese are closer to Southeast Asian groups who migrated approximately 5,000 years ago," said Mr. Thangaraj.

### Uncovering the ancestry trail

The Andaman and the Nicobar Islands are separated by the Ten Degree Channel, which is around 150 km wide. Though they're close to each other, the peoples of the two islands have significantly different physical features, which also differ from those of the people of mainland India. These differences have stoked scientists' curiosity about where the Nicobarese people originated.

In 2005, one research team that included the co-leads of this study investigated the origins of Andaman



A group of Nicobarese people gather to inaugurate a new hut on Teressa island in the Nicobar. TRIBAL COUNCIL, TERESSA/FILE PHOTO

Islanders by analysing mitochondrial DNA, which is passed down by mothers to their children. They discovered that the indigenous tribal groups Onge and Great Andamanese preserved two ancient maternal genetic lineages called M31 and M32, meaning they had a common ancestor. These lineages likely evolved in isolation for a long time, with a genetic history found to date back to humans travelling along the Indian Ocean coast 50,000 to 70,000 years ago.

The study also revealed the Nicobarese were closely linked to Southeast Asian populations.

However, it couldn't say when exactly they set foot on Nicobar.

In the new study, rather than mitochondrial DNA, the researchers analysed biparental and uniparental genetic markers from 1,554 previously studied individuals and five newly collected samples from the Nicobarese population. Biparental genetic material is inherited from both parents and uniparental is from one parent.

Biparental genetic material in particular is more instructive than mitochondrial DNA because it contains the complete genome (DNA contributed by both parents), paving the way for researchers to uncover more clearly relationships and differences between populations.

Equipped with their data, the team carried out an admixture analysis, a method for estimating how much of an individual's genetic makeup comes from different ancestral populations. The team also used principal component analysis, a

### Earlier study of mitochondrial DNA to investigate origins of Andaman Islanders had also revealed that the Nicobarese communities were closely linked to Southeast Asian populations

statistical tool that can assess complex genetic datasets and create simple visualisations that elucidate the genetic similarities and differences.

The results confirmed previously suggested links between the Nicobarese and Southeast Asian populations and also provided a higher-resolution view of their genetic stories by pinpointing their ancestral links to the Htin Mal.

### Correcting the timeline

For a long time, scientists believed the Austroasiatic ancestors of the Nicobarese migrated to the island more than 11,000 years ago. The new study corrected this impression by taking a closer look at DNA mutations.

Some sections of human DNA can evolve and mutate over centuries, often under the influence of environmental factors – e.g. when a population moves to a new land with different weather conditions. These mutations can provide clues about when a population might have migrated to a region.

Due to its geographical isolation, the ancient Nicobarese tribe has preserved its genetic identity without significant admixture with different populations. So by comparing the differences in

mutations between the genetic ancestors and the migrated populations, the scientists were able to trace their time of arrival at the Nicobar Islands: approximately 5,000 years ago, according to Mr. Thangaraj.

### Future ventures

Despite bearing genetic similarities with Southeast Asian groups, the lifestyle of the Nicobarese is entirely different, Mr. Thangaraj said. "I have visited the Andaman and Nicobar Islands and collected samples from the Nicobarese, so I've seen their lifestyle first-hand. It is fascinating to compare them with linguistically similar groups elsewhere."

Indeed, the unique societal dynamics of the Nicobarese people are still largely uncharted.

Mr. Thangaraj also singled out their isolation from pathogens. "For example, during COVID, [the Nicobarese] were protected unless someone from the mainland brought the virus," he said. "Unlike us, who have adapted to polluted and pathogen-filled environments, they might struggle with infections if exposed to other regions."

The team plans to dive further into the genetic adaptations of these isolated populations to uncover how natural selection and environmental factors have shaped their survival strategies and immune response to diseases.

Sanjukta Mondal is a chemist-turned-science-writer with experience in writing popular science articles and scripts for STEM YouTube channel. (sanjuktamondal.sm@gmail.com)

### THE GIST

Due to its geographical isolation, the ancient Nicobarese tribe has preserved its genetic identity without significant admixture with different populations

By comparing the differences in mutations between the genetic ancestors and the migrated populations, the scientists were able to trace their time of arrival at the Nicobar Islands

But the unique societal dynamics of the Nicobarese people still remain largely uncharted

## Early Human Migration

- ➡ More than 500,000 years ago, human ancestors began migrating beyond Africa in search of food and better living conditions.
- ➡ Over time, humans spread to all habitable parts of the world, but some migration stories are still unclear.

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, www.gurukulamias.in

## New Genetic Findings

- The research team analyzed 1,559 DNA samples from South and Southeast Asia.
- The Nicobarese share a genetic link with the Htin Mal community from the Laos-Thailand region.
- They have also retained their Austroasiatic language roots, belonging to the Khmuic branch.

## Revised Migration Timeline

- Earlier studies suggested the Nicobarese arrived 11,500 years ago, but new genetic research shows they migrated around 5,000 years ago.
- DNA mutations, which occur due to environmental changes, helped researchers refine the migration timeline.

## Differences Between Andamanese and Nicobarese

- The Andaman and Nicobar Islands are separated by the Ten Degree Channel (150 km wide).
- Despite their proximity, the Andamanese and Nicobarese have distinct physical features and genetic histories.
- A 2005 study found Andamanese tribes like Onge and Great Andamanese preserved two ancient maternal genetic lineages M31 and M32, dating back 50,000–70,000 years.

## Future Research Plans

- The Nicobarese live in isolation, which has preserved their genetic identity without much mixing with other populations.
- Their lifestyle differs greatly from genetically similar Southeast Asian groups.
- Scientists aim to study how natural selection and environmental factors have shaped their immunity and survival strategies.
- Their isolation from pathogens makes them vulnerable to infections from the outside world.

## Nicobarese Tribe

- Nicobarese are the indigenous people of the Nicobar Islands, which are part of the Andaman and Nicobar Islands, India.
- They belong to the Austroasiatic linguistic family and speak Nicobarese, which has several dialects.
- The community follows a tribal lifestyle, with fishing, hunting, and horticulture as primary occupations.
- They traditionally practice animism, but many have converted to Christianity.

**No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.**

**Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)**

## Daily News Analysis

- ➡ The Government of India protects Nicobarese under the Scheduled Tribes category.
- ➡ They maintain limited interaction with outsiders to preserve their culture.
- ➡ The Nicobar Tribal Council governs their local affairs.
- ➡ The 2004 tsunami severely affected their population and settlements. Entry to the Nicobar Islands is restricted to outsiders.

### UPSC Mains Practice Question

**Ques:** Examine the significance of genetic studies in understanding human migration patterns. Discuss the findings related to the Nicobarese people's origins and their implications. **(150 Words /10 marks)**



No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)



The Anthropological Survey of India (AnSI) study categorized 268 denotified, semi-nomadic, and nomadic tribes.

➔ It recommends inclusion in SC, ST, and OBC lists, addressing challenges in tribal classification.

# The impact of classifying denotified tribes

How many denotified, semi-nomadic, and nomadic tribes have been comprehensively categorised by the Anthropological Survey of India and Tribal Research Institutes? What will be the impact on SC, ST and OBC reservations? How many communities were classified for the first time ever?

## EXPLAINER

Abhinav Lakshman

### The story so far:

The Anthropological Survey of India (AnSI) and Tribal Research Institutes (TRI) across the country have for the first time comprehensively categorised 268 denotified, semi-nomadic, and nomadic tribes that were thought to have never been classified before. After a three-year study, the AnSI and TRIs have recommended the inclusion of 179 of these communities in the Scheduled Castes, Scheduled Tribes, and Other Backward Classes lists. At least 85 of these communities are being recommended for a classification for the first time ever. The study also found that 63 communities that had never been classified were “not traceable” anymore – meaning that they had likely assimilated into larger communities, changed their names, or migrated to other States.

### Why was the study needed?

Ever since the Criminal Tribes Act of 1924 was repealed in August 1949, after which communities notified as “criminal” had been denotified, successive commissions have tried to classify these communities, starting with the First Backward Classes Commission headed by Kaka Kalelkar.

Since then, the Lokur Committee (1965), the Mandal Commission (1980), the Renke Commission (2008), and the Idade Commission (2017) have tried to classify such tribes across the country. However, they have fallen short of being able to identify all such communities.

The last Commission tasked with this was the one headed by Bhiku Ramji Idade, which submitted its report in December 2017. In this report, it had listed a total of over 1,200 denotified, semi-nomadic, and nomadic tribes across the country, apart from which, it said there were 267 communities that had never been classified. The Idade Commission’s report



Official recognition: Members of the Adi tribe in Siang, Arunachal Pradesh on January 28. ANI

had noted that previous commissions had never been able to classify these communities, recommending strongly that the classification work be completed as soon as possible. To this end, the Prime Minister’s Office constituted a Special Committee in February 2019, headed by the Vice Chairperson of the NITI Aayog, consisting of Mr. Idade, Dr. J.K. Bajaj of the Centre for Policy Studies, and the Director-General of the AnSI as members. This Committee gave the work of classification to the AnSI and TRIs, which began work on the project in February 2020, submitting a report in August 2023.

### What is the need for categorisation?

The Parliamentary Standing Committee on Social Justice and Empowerment had in a December 2022 report said that it had repeatedly flagged the government’s

“inability to take necessary action” on the speedy categorisation of these communities. “Delay in locating them would increase their suffering and they would not be able to get benefits of the prevailing schemes meant for the welfare of SC/STs,” the House panel said.

S. Narayan, Professor Emeritus at the Institute of Social Sciences in New Delhi pointed out that the issue with wrong categorisation began with some of the first Censuses ever conducted by colonial administrations. “There were many instances of tribes being classified as castes and vice versa. Many of it may have had political considerations behind it and this continued after Independence as well.” He added that while the act of including communities in SC, ST, OBC lists may be political, when one applies an anthropological lens to it, the

classifications are bound to be different.

Further, community activists and experts like Dr. B.K. Lodhi, who also assisted the Idade Commission in its work, said that in the absence of a complete list of denotified, semi-nomadic, and nomadic communities across the country, it has been very difficult to organise the communities and its peoples. “Some are classified as SC, ST, OBC, some of this is also incorrect. And beyond this, there are hundreds that have not been classified.”

### What will be the impact?

Now that almost all denotified, nomadic, and semi-nomadic tribes are closer to being classified than ever before, one impact has been political. Community activists across U.P., Haryana, Madhya Pradesh, and Gujarat are pushing hard to question the premise of classifying these communities as SC, ST, and OBC altogether, with an eye on reservations.

Within the Development and Welfare Board for De-notified, Nomadic and Semi-Nomadic Communities, there are now two strands of thoughts. One calls for the completion of the classification process so that all denotified, nomadic, and semi-nomadic tribes get benefits meant for them as per the classification of SC, ST, or OBC, including that of reservation. The other calls for creating a separate classification altogether – for denotified tribes in the form of a Schedule in the Constitution. Secondly, depending on what action the government takes on the recommendations on this study, it will make it easier for State governments to initiate the process of inclusion if they so decide to do it.

### What next?

While the AnSI and TRIs have completed the ethnographic study, this report remains with the Special Committee headed by the Vice-Chairperson of the NITI Aayog. Officials have said that this committee is now “scrutinising” the recommendations and will soon prepare a final report, on which the Government will take a call.

## THE GIST

➔ Ever since the Criminal Tribes Act of 1924 was repealed in August 1949, after which communities notified as “criminal” had been denotified, successive commissions have tried to classify these communities.

➔ Community activists across U.P., Haryana, Madhya Pradesh, and Gujarat are pushing hard to question the premise of classifying these communities as SC, ST, and OBC altogether, with an eye on reservations.

➔ While the AnSI and TRIs have completed the ethnographic study, this report remains with the Special Committee headed by the Vice-Chairperson of the NITI Aayog.

## Comprehensive Categorization of Tribes

➔ The Anthropological Survey of India (AnSI) and Tribal Research Institutes (TRI) have classified 268 denotified, semi-nomadic, and nomadic tribes for the first time.

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, www.gurukulamias.in

## Daily News Analysis

- This study included 1,559 individuals across South and Southeast Asia and recommended the inclusion of 179 communities in the Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC) lists.
- Among these, 85 communities were classified for the first time.
- However, 63 communities could not be traced, suggesting they may have assimilated or migrated.

### Why the Study Was Needed?

- After the repeal of the Criminal Tribes Act in 1949, many tribes were denotified, but their classification remained incomplete.
- Various commissions, including the Kalelkar, Lokur, Mandal, Renke, and Idate Commissions, have tried to address this but faced difficulties.
- The Idate Commission in 2017 found over 1,200 tribes but also highlighted the lack of classification for 267 tribes.
- A Special Committee formed in 2019 gave the task of classification to AnSI and TRIs, who submitted their report in 2023.

### Need for Categorization

- The Parliamentary Standing Committee on Social Justice and Empowerment stressed the urgency of categorizing these communities for better welfare access.
- Misclassification in previous censuses has led to confusion regarding tribes and castes.
- Some communities remain unclassified, making it difficult for them to avail welfare schemes.

### Impact of the Study

- The classification of these tribes is creating political debate, especially regarding reservations for SC, ST, and OBC categories.
- Activists and experts are discussing whether these tribes should be classified separately or included under existing categories.
- The study could ease the process of including these communities in welfare programs.

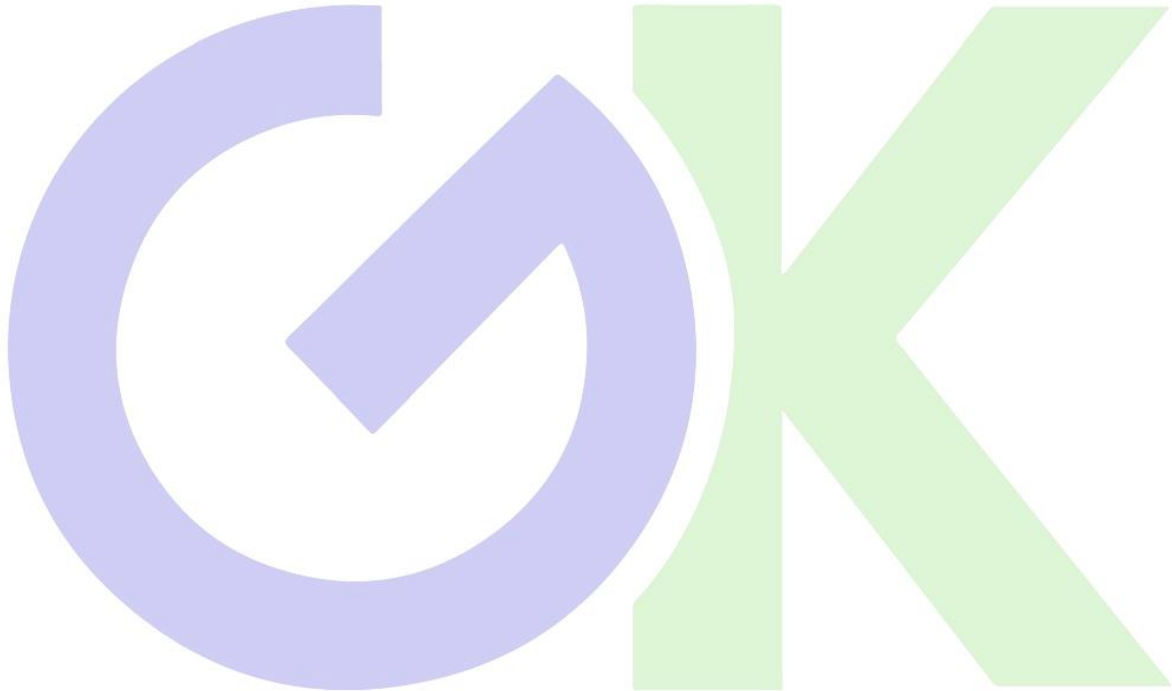
### Next Steps

- The Special Committee is reviewing the report and will prepare a final report for government action.

**No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.**

**Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)**

**Ques:** 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. **(200 words/12.5m)**



GURUKULAM IAS

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)



The U.S. District Judge blocked President Trump's executive order attempting to limit birthright citizenship, declaring it unconstitutional.

# Is Trump's order on birthright citizenship constitutional?

What does the 14th amendment of the U.S. Constitution state? On what grounds has U.S. District judge John Coughenour blocked President Trump's executive order?

**Kartikey Singh**

**The story so far:**

In January 23, U.S. District judge John Coughenour in Seattle blocked President Trump's executive order attempting to curb 'birthright citizenship'.

**What is birthright citizenship?**

Birthright citizenship is a legal principle that grants automatic citizenship to individuals born within a country's territory, regardless of their parents' citizenship status. In the U.S., this right is enshrined in the 14th amendment of the Constitution, ratified in 1868, which states: "All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside." The 14th amendment was the hard-won result of a prolonged legal

and political struggle to abolish slavery and advance racial equality. It directly overturned the infamous *Dred Scott versus Sandford* (1857) judgment, which had denied citizenship to African Americans.

Nations worldwide largely determine citizenship through two principles – "jus soli" (right of the soil), which grants citizenship by birthplace, or "jus sanguinis" (right of blood), which grants it by familial descent. The U.S. employs both. The jus soli principle was reinforced in *United States versus Wong Kim Ark* (1898), which upheld the citizenship of a man born in California to Chinese parents despite the 1882 Chinese Exclusion Act barring their naturalisation. This ruling solidified birth in the U.S. as the primary basis for citizenship, irrespective of parental status.

**What does Trump's order say?**

Trump's executive order reinterprets the

14th amendment, arguing that birthright citizenship excludes persons born in the U.S. but not "subject to the jurisdiction thereof". The administration interprets this to mean that children born in the U.S. to undocumented parents or parents with temporary legal status, such as tourists or foreign students, are not automatically granted citizenship unless at least one parent is a U.S. citizen or lawful permanent resident.

The administration's interpretation hinges on the phrase "subject to the jurisdiction thereof," claiming it excludes children of non-citizens. However, this contradicts historical and legal precedent. The order also narrowly defines "mother" and "father" as "female biological progenitor" and "male biological progenitor," excluding transgender and queer parents from its scope. The administration justifies the order as necessary, arguing that birthright

citizenship encourages 'unauthorised immigration', draining 'public resources'.

**Why did the judge block the order?**

U.S. District judge John Coughenour issued a temporary restraining order halting the enforcement of the executive order, nationwide. He described the order as "blatantly unconstitutional", remarking, "I've been on the bench for over four decades. I can't remember another case where the question presented was as clear as this one is".

During a hearing in Seattle, Judge Coughenour questioned Justice Department attorney Brett Shumate, expressing his disbelief saying "Frankly, I have difficulty understanding how a member of the bar could state unequivocally that this is a constitutional order. It just boggles my mind". The ruling came in response to a legal challenge brought forth by four States.

President Trump could also pursue a 'constitutional amendment' to revise the law. According to Article V of the U.S. Constitution, an amendment can be proposed by two-thirds of both houses of Congress or two-thirds of the States and must then be ratified by three-fourths of the States. Meanwhile, other legal challenges are underway, signalling that the final resolution may ultimately rest with the U.S. Supreme Court.

*Kartikey Singh is a final year student at RGNUL, Patiala, Punjab.*

**THE GIST**

Birthright citizenship is a legal principle that grants automatic citizenship to individuals born within a country's territory. In the U.S., this right is enshrined in the 14th amendment of the Constitution.

U.S. District judge John Coughenour issued a temporary restraining order halting the enforcement of the executive order, nationwide. He described the order as "blatantly unconstitutional".

Nations worldwide largely determine citizenship through two principles – "jus soli" (right of the soil), which grants citizenship by birthplace, or "jus sanguinis" (right of blood), which grants it by familial descent.

## What is Birthright Citizenship?

- ➔ Birthright citizenship grants automatic citizenship to individuals born within a country's territory, regardless of their parents' citizenship status.
- ➔ In the U.S., it is based on the 14th Amendment of the Constitution (1868), which states that anyone born in the U.S. is a citizen.

## Provisions in US Constitution about Birthright Citizenship:

- ➔ **14th Amendment (1868):** Grants birthright citizenship to all individuals born or naturalized in the U.S., subject to its jurisdiction.
- ➔ **Clause:** "All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States."
- ➔ **Historical Context:** The amendment aimed to secure citizenship for formerly enslaved individuals and overturned the *Dred Scott* decision, promoting racial equality.
- ➔ **Jus Soli Principle:** The Jus Soli principle grants citizenship based on birthplace, regardless of the parents' nationality or status.

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, www.gurukulamias.in



## Trump's Executive Order

- ▶ Trump's executive order sought to limit birthright citizenship, excluding children of undocumented immigrants or those with temporary legal status.
- ▶ It argued that children born in the U.S. to non-citizen parents should not automatically get citizenship.

## Why the Judge Blocked the Order

- ▶ U.S. District Judge John Coughenour blocked Trump's executive order, calling it "blatantly unconstitutional."
- ▶ He expressed disbelief that the order could be deemed constitutional, questioning its legality.

## Next Steps

- ▶ Trump could propose a constitutional amendment to change the law.
- ▶ Legal challenges are still ongoing, with the final decision possibly resting with the U.S. Supreme Court.
- ▶ **Impact on India:**
  - **Influence on Indian Immigrants:** If birthright citizenship is restricted in the U.S., it could impact children of Indian immigrants, potentially altering their citizenship status.
  - **Increased Scrutiny on Immigrant Policies:** India may face heightened scrutiny on its immigrant policies, especially for those with temporary legal status or undocumented status in foreign countries.
  - **Impact on Indian Students:** Indian students in the U.S. on visas could be concerned about the citizenship of their children born in the U.S.
  - **Global Implications:** The decision could influence other nations to reconsider their birthright citizenship laws, affecting Indian families abroad.
  - **Diplomatic Engagement:** India may need to engage diplomatically to protect its citizens' rights in the U.S. amidst potential policy shifts.

## UPSC Mains Practice Question

**Ques:** Critically examine the implications of US President Trump's decision to curb birthright citizenship on U.S. immigration policies. Discuss its potential impact on India. (250 Words /15 marks)

**No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.**

**Ph: +91 8754543687, www.gurukulamias.in**

The Union Budget outlines the government's financial plans, including expenditure, revenue, and deficit targets.



## Union Budget: understanding its formulation and implications

There are three major components of the Budget – expenditure, receipts and deficit indicators. Depending on the manner in which they are defined, there can be many classifications and indicators of expenditure, receipts and deficits

Zico Dasgupta

Finance Minister Nirmala Sitharaman will present the Union Budget for the upcoming year on Saturday, February 1, 2022. In this article, dated January 31, 2022, Zico Dasgupta helps us understand how to decide the Budget.

**the story so far:**

The Budget, which will be tabled in Parliament by Finance Minister Nirmala Sitharaman, is the Government's blueprint on expenditure, taxes it plans to levy, and other transactions which affect the economy and lives of citizens.

**What are the major components of the Budget?**

There are three major components – expenditure, receipts and deficit indicators. Depending on the manner in which they are defined, there can be many classifications and indicators of expenditure, receipts and deficits.

Based on their impact on assets and liabilities, total expenditure can be divided into capital and revenue expenditure. Capital expenditure is incurred with the purpose of increasing assets of a durable nature or of reducing recurring liabilities. Consider the expenditure incurred for constructing new schools or new hospitals. All these are classified as capital expenditure as they lead to creation of new assets. Revenue expenditure involves any expenditure that does not add to assets or reduce liabilities. Expenditure on the payment of wages and salaries, subsidies or interest payments would be typically classified as revenue expenditure.

Depending on the manner in which it affects different sectors, expenditure is also classified into (i) general services (ii) economic services, (iii) social services and (iv) grants-in-aid and contribution. The sum of expenditure on economic and social services together form the

development expenditure. Economic services include expenditure on transport, communication, rural development, agricultural and allied sectors. Expenditure on the social sector including education or health is categorised as social services. Again, depending on its effect on asset creation or liability reduction, development expenditure can be further classified as revenue and capital expenditure.

The receipts of the Government have three components – revenue receipts, non-debt capital receipts and debt-creating capital receipts. Revenue receipts involve receipts that are not associated with increase in liabilities and comprise revenue from taxes and non-tax sources. Non-debt receipts are part of capital receipts that do not generate additional liabilities. Recovery of loans and proceeds from disinvestments would be regarded as non-debt receipts since generating revenue from these sources does not directly increase liabilities, or future payment commitments.

Debt-creating capital receipts are ones that involves higher liabilities and future payment commitments of the Government. Fiscal deficit by definition is the difference between total expenditure and the sum of revenue receipts and non-debt receipts. It indicates how much the Government is spending in net terms. Since positive fiscal deficits indicate the amount of expenditure over and above revenue and non-debt receipts, it needs to be financed by a debt-creating capital receipt. Primary deficit is the difference between fiscal deficit and interest payments. Revenue deficit is derived by deducting capital expenditure from fiscal deficits.

**What are the implications of the Budget on the economy?**

The Budget has an implication for aggregate demand of an economy. All Government expenditure generates

aggregate demand in the economy since it involves purchase of private goods and services by the Government sector. All tax and non-tax revenue reduces net income of the private sector and thereby leads to reduction in private and aggregate demand. But except for exceptional circumstances, the GDP, revenue receipt and expenditure typically show a tendency to rise over time. Thus, the trend in absolute value of expenditure and receipts in themselves have little use for meaningful analysis of the Budget. The trend in expenditures and revenue is analysed either by the GDP or as growth rates after accounting for the inflation rate.

Reduction in expenditure-GDP ratio or increase in revenue receipt-GDP ratio indicates the Government's policy to reduce aggregate demand and vice-versa. For similar reasons, reduction in fiscal deficit-GDP ratio and primary deficit-GDP ratios indicate Government policy of reducing demand and vice versa.

Since different components of expenditure and revenue can have different effects on income of different classes and social groups, the Budget also has implications for income distribution. For example, revenue expenditure such as employment guarantee schemes or food subsidies can directly boost the income of the poor. Concession in corporate tax may directly and positively affect corporate incomes. Though both a rise in expenditure for employment guarantee schemes or reduction in the corporate tax would widen the fiscal deficit, its implications for income distribution would be different.

**What are fiscal rules and how do they affect policy?**

Fiscal rules provide specific policy targets on the basis of which fiscal policy is formed. Policy targets can be met by using different policy instruments. There exists no unique fiscal rule that is applied

to all countries. Rather, policy targets are sensitive to the nature of economic theory and depend on the specificity of an economy.

In India's case, its present fiscal rule is guided by the recommendations of the N.K. Singh Committee Report. Allowing for some deviations under exceptional times, it has three policy targets – maintaining a specific level of debt-GDP ratio (stock target), fiscal deficit-GDP ratio (flow target) and revenue deficit-GDP ratio (composition target).

Though both expenditure and revenue receipts can potentially act as policy instruments to meet specific set of fiscal rules, tax-rates within the existing policy framework happen to be determined independent of the expenditure requirement of the economy. Accordingly, in the present institutional framework in India, it is primarily the expenditure which is adjusted to meet the fiscal rules at given tax ratios.

Such an adjustment mechanism has at least two related, but analytically distinct implications for fiscal policy. First, independent of the extent of expenditure needed to stimulate the economy or boost labour income, existing fiscal rules provide a cap on expenditure by imposing the three policy targets. Second, under any situation when the debt-ratio or deficit ratio is greater than the targeted level, expenditure is adjusted in order to meet the policy targets. By implication, independent of the state of the economy and the need for expansionary fiscal policy, existing policy targets may lead the Government to reduce expenditure.

In the midst of the inadequacies of fiscal policy to address the contemporary challenges of unemployment and low output growth rate, the nature and objective of fiscal rules in India would have to be re-examined.

Zico Dasgupta is an Assistant Professor at the School of Arts and Science, Azim Premji University, Bengaluru

- ➡ This article discusses how the Union budget impacts economic growth, income distribution, and fiscal policies.

### Overview of the Union Budget

- ➡ The Union Budget is a financial plan presented by the Finance Minister.

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)

## Daily News Analysis

- ➔ It includes details about the government's spending, taxes, and economic activities.
- ➔ The main components are expenditure, receipts, and deficit indicators.

### Expenditure in the Budget

- ➔ **Expenditure is divided into two types:**
  - **Capital Expenditure:** Spending on creating long-lasting assets like new schools and hospitals.
  - **Revenue Expenditure:** Spending that doesn't create assets, like salaries, subsidies, and interest payments.
- ➔ **Expenditure is further classified into:**
  - **General Services:** Basic services like administration.
  - **Economic Services:** Spending on infrastructure, rural development, and agriculture.
  - **Social Services:** Expenditure on education, healthcare, and welfare programs.
  - **Grants-in-aid:** Money given to other bodies or sectors.
  - Development expenditure includes spending on economic and social services and is classified as capital or revenue.

### Government Receipts

- ➔ **Receipts are the government's earnings, classified into:**
  - **Revenue Receipts:** Earnings from taxes and non-tax sources that don't add to liabilities.
  - **Non-debt Capital Receipts:** Earnings like loan recoveries or proceeds from selling assets, which don't create debt.
  - **Debt-creating Capital Receipts:** Earnings from loans or borrowings that increase government liabilities.

### Deficits in the Budget

- ➔ **Fiscal Deficit:** Difference between total expenditure and receipts. It shows how much the government borrows.
- ➔ **Primary Deficit:** Fiscal deficit minus interest payments.
- ➔ **Revenue Deficit:** Fiscal deficit minus capital expenditure.

### Impacts of the Budget on the Economy

- ➔ Government expenditure creates demand in the economy.

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)



## Daily News Analysis

- Taxes and other revenues reduce income in the private sector, leading to reduced demand.
- To analyze the budget, we look at trends in expenditure and revenue in relation to GDP.

### Income Distribution

- The Budget affects different income groups in different ways.
- Welfare schemes like subsidies help the poor, while tax reductions benefit businesses.
- Although these decisions increase the fiscal deficit, they have distinct effects on income distribution.

### Fiscal Rules

- Fiscal rules set targets for managing government debt and deficits.
- In India, these rules are based on the N.K. Singh Committee recommendations.
- Fiscal rules help guide government expenditure and tax policies.

### UPSC Mains Practice Question

**Ques:** Examine the major components of the Union Budget and discuss its implications on economic growth, income distribution, and fiscal policy in India. (250 Words /15 marks)

**In News : Greenland's Lakes Transform Due to Extreme Weather**

A recent study highlights how over 7,500 lakes in western Greenland have turned brown, emitted carbon, and suffered a drop in water quality due to extreme weather events in 2022.



A lake in Isunngua, Greenland.  
*Wikimedia Commons*

**Analysis of the news:**

**Rapid Transformation of Greenland's Lakes**

- These lakes, once pristine, play a crucial role in providing drinking water, supporting biodiversity, and acting as carbon sinks.
- The transformation, which typically takes centuries, occurred within months—an unprecedented rate of change.

**What Triggered the Change?**

- In 2022, warmer temperatures caused rainfall instead of snowfall, leading to permafrost thawing.
- As a result, organic carbon, iron, and minerals were released into the lakes.
- This process was driven by atmospheric rivers—long, narrow air currents carrying moisture—that intensified due to climate change.
- Scientific models predict a 50–290% increase in atmospheric rivers by the end of the 21st century, particularly affecting Greenland, North America, East Asia, Western Europe, and Antarctica.

**Consequences of the Extreme Weather Events**

- **The lakes underwent drastic physical, chemical, and biological changes:**

## Daily News Analysis

- **Water quality deterioration** – The release of organic matter altered taste, odour, and clarity, making drinking water unsafe.
- **Increased carbon emissions** – The lakes, once carbon sinks, saw emissions rise by 350% due to reduced phytoplankton activity and increased organic matter breakdown.
- **Disrupted ecosystems** – Reduced sunlight penetration affected phytoplankton, limiting photosynthesis-based carbon absorption.

### Why This Matters for Climate Change

- ➡ The study follows another alarming finding that land-based carbon absorption in 2023 hit its lowest level since 2003.
- ➡ Natural carbon sinks—forests, soil, and oceans—absorb half of human emissions, but as they weaken or turn into carbon sources, atmospheric carbon levels will surge, worsening global warming.
- ➡ The Greenland lake crisis serves as a stark warning of accelerating climate shifts and the urgent need for mitigation strategies.

### About Greenland

- ➡ It is the world's largest (non-continent) island located between the continents of North America and Europe in the North Atlantic Ocean.
- ➡ It is geographically considered a part of the North American continent.
- ➡ It is surrounded by the Arctic Ocean to the north; by the Greenland Sea to the east; by the North Atlantic Ocean to the southeast; Davis Strait to the southwest and Baffin Bay to the west.
- ➡ Greenland was once a Danish colony and is now an autonomous province of Denmark.
- ➡ **Climate:** Greenland is in the polar zone, where winter temperatures reach as low as  $-50^{\circ}\text{C}$  and summer temperatures rarely exceed  $10-15^{\circ}\text{C}$ . Due to its size, however, temperatures can vary considerably from one part of the country to another.
- ➡ **Highest Point:** Gunnbjorn's Fjeld
- ➡ **Capital:** Nuuk

### UPSC Mains Practice Question

**Ques:** The transformation of Greenland's lakes due to extreme weather events in 2022 highlights the impact of climate change on natural carbon sinks. Discuss the causes, consequences, and global implications of such abrupt environmental changes. **(150 Words /10 marks)**

**No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.**

**Ph: +91 8754543687, www.gurukulamias.in**



# The Budget pipeline and India's foreign policy ambitions

When the Union Budget is presented every year, most of the public attention often centres on taxation, infrastructure, and defence. In this, however, the budget for India's Ministry of External Affairs (MEA) deserves closer scrutiny. Last year, the MEA budget saw a rare 23% spike, up from the modest 4% annual increase between 2017 and 2023. Despite efficient Budget utilisation, exceeding 96% of the revised estimates, the MEA remains one of the least-funded Ministries. The MEA's allocation not only reflects the government's foreign policy priorities but also its capacity to deliver on its global ambitions and commitments.

The vision of a 'Viksit Bharat' by 2047 hinges on sustained global partnerships. Here, India is positioning itself as a global leader: from leading the Global South; strengthening ties with the Association of Southeast Asian Nations; enhancing regional connectivity, engaging with the Quad (India, Australia, Japan and the U.S.) and creating institutions such as the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure.

## Impact on plans

Partner countries also expect more from India, requiring a stronger MEA. Countries anticipate timely project delivery, financial support, and diplomatic follow-through. Yet, the MEA's current budget – just 0.4% of India's overall expenditure – falls short to deliver on these plans. In 2022, the Parliamentary Standing Committee on External Affairs suggested raising this to 1% of the total budget. While such an increase (approximately 63%) seems unlikely, even a gradual increase to 0.6% or 0.8% would signal intent.

Two areas demand greater budgetary resources to beef up India's diplomatic clout: economic tools for regional integration and cooperation, and the MEA's institutional capacity



**Riya Sinha**

is Associate Fellow at the Centre for Social and Economic Progress (CSEP), New Delhi



**Constantino Xavier**

is Senior Fellow at the Centre for Social and Economic Progress (CSEP), New Delhi

The Ministry of External Affairs remains one of the least-funded Ministries, in turn affecting India's diplomatic outreach

by expanding human resources and research expertise. India's regional connectivity faced new challenges in 2024, including Bangladesh's regime change, Myanmar's instability, strained ties with Nepal, and the Maldives' "India Out" stance. But visits by Sri Lanka's President and Bhutan's Prime Minister bolstered commitments in cross-border projects. Sustaining momentum under the 'Neighbourhood First' policy requires economic support, amid China's growing influence. Enhanced financial backing is crucial for advancing connectivity initiatives in South Asia.

## Foreign aid and shifts

Budgetary trends reveal nuanced shifts. India's aid to foreign countries declined by 10% in 2024-25, while loans to foreign governments, increased by 29%. Approximately 50% of India's grants is directed to its neighbourhood. Bhutan remained the largest recipient of Indian aid, reflecting historical ties and a new impetus on energy interdependence, including hydropower development and sub-regional grid connectivity. Aid to Bangladesh declined from ₹200 crore in 2023-24 to ₹120 crore in 2024-25, while Sri Lanka saw a 63% increase in budgetary allocation.

A notable shift is the move from outright grants to lines of credit (LoCs), with 45% of the LoCs directed to the neighbourhood, Bangladesh being the largest recipient at \$7.86 billion. While LoCs enable sustainable infrastructure financing, they also demand robust disbursement and oversight mechanisms, stretching India's diplomatic machinery.

Another critical indicator is MEA resources to build institutional capacity. These are less visible but critical catalysts to enable long-term growth, including through a stronger Indian Foreign Service (IFS), supported by an expert research ecosystem.

While the MEA's training budget saw a 30%

increase in 2024-25, overall capacity-building allocations remain insufficient. The IFS remains a chronically understaffed diplomatic corps. Coordination challenges, delayed expansion plans, and limited lateral entry efforts hinder progress.

Last year's MEA budget allocation for its foreign missions, training programmes, and cultural diplomacy grew by only 7% but key academic institutions such as Nalanda University and South Asian University experienced cuts of 20% and 22%, respectively. While the MEA has invested massively in convening international conferences and dialogues to foster India's image as a bridging and argumentative power, it must also find more budgetary resources to support policy-relevant and evidence-based research at Indian universities and think tanks.

## Need for declassification, digitisation

According to the External Affairs Minister, S. Jaishankar, "Track 1 has been consistently ahead of Track 2 when it comes to diplomacy, foreign policy, and keeping up with the world." If this is the reality, and "needs change" as the Minister beckoned, the MEA could lead by example by allocating specific resources in the next Budget to accelerate the declassification and the digitisation of hundreds of thousands of its records. Public e-access will help scholars map India's rich diplomatic history, contest deeply-held myths and get a better grasp of the underappreciated context and constraints that regulate Track 1 decision-making. And in turn, such Track 2 research may also help current MEA decision-makers to learn from past successes and failures, avoid reinventing the wheel, and articulate India's uniqueness based on the power of historical record, rather than mere political proclamation.

*The views expressed are personal*

## GS Paper 02 : International Relations

**UPSC Mains Practice Question:** India's Ministry of External Affairs plays a vital role in advancing global partnerships. Discuss the challenges posed by its limited budget and suggest measures to enhance its effectiveness. (250 Words /15 marks)

## Context :

- ➔ The Ministry of External Affairs (MEA) budget is crucial for India's foreign policy and global ambitions, yet remains underfunded.
- ➔ Increased allocation is needed for diplomacy, regional cooperation, and institutional capacity.

## Ministry of External Affairs (MEA) Budget and Its Importance

- ➔ The MEA budget plays a crucial role in shaping India's foreign policy and global ambitions.
- ➔ Despite a significant 23% increase in 2023-24, the MEA remains one of the least-funded ministries, with just 0.4% of India's total budget allocation.
- ➔ The Parliamentary Standing Committee on External Affairs had recommended increasing this to 1%, but even a gradual rise to 0.6% or 0.8% would show commitment.

## India's Global Aspirations and the Need for a Stronger MEA

- ➔ India's vision of becoming a developed nation (Viksit Bharat) by 2047 depends on strong global partnerships.
- ➔ The country is positioning itself as a leader of the Global South and strengthening ties with ASEAN, the Quad (India, Australia, Japan, U.S.), and global institutions like the International Solar Alliance.
- ➔ Partner countries expect India to deliver on infrastructure projects, financial support, and diplomatic commitments, which requires a well-funded and efficient MEA.

## Key Areas Requiring Increased Funding

### Economic and Regional Cooperation

- ➔ India's regional connectivity faces challenges like political changes in Bangladesh, instability in Myanmar, strained ties with Nepal, and the Maldives' "India Out" stance.
- ➔ However, engagements with Sri Lanka and Bhutan have strengthened cross-border projects.
- ➔ More financial support is needed to counter China's growing influence in South Asia.

### Strengthening Institutional Capacity

- ➔ The Indian Foreign Service (IFS) is understaffed, affecting diplomatic efficiency.
- ➔ Coordination challenges, slow expansion, and limited lateral hiring hinder India's global outreach.

No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.

Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)

- ➔ The training budget for diplomats increased by 30%, but overall capacity-building efforts remain inadequate.

### **Foreign Aid Trends and Strategic Shifts**

- ➔ India's foreign aid decreased by 10% in 2024-25, but loans to other governments increased by 29%.
- ➔ Nearly 50% of India's grants go to neighboring countries.
- ➔ **Key changes in aid distribution:**
  - Bhutan remains the largest aid recipient, reflecting strong ties and cooperation in energy and hydropower projects.
  - Bangladesh's aid declined from ₹200 crore in 2023-24 to ₹120 crore in 2024-25.
  - Sri Lanka's aid increased by 63%, signaling growing bilateral cooperation.
  - India is shifting from direct grants to Lines of Credit (LoCs), with 45% of these directed towards neighboring countries.
  - Bangladesh is the largest LoC recipient, receiving \$7.86 billion for infrastructure development.

### **Challenges in Research and Policy Support**

- ➔ India has invested heavily in global dialogues and conferences but needs to fund evidence-based research in universities and think tanks.
- ➔ Budget cuts affected academic institutions:
  - Nalanda University's budget decreased by 20%.
  - South Asian University's budget decreased by 22%.
  - While foreign missions and cultural diplomacy funding grew by 7%, it remains insufficient to support India's expanding global role.

### **Need for Declassification and Digitisation of Records**

- ➔ External Affairs Minister S. Jaishankar highlighted that India's formal diplomatic efforts (Track 1) are far ahead of academic and research-based diplomacy (Track 2).
- ➔ To bridge this gap, the MEA should allocate resources to declassify and digitize historical diplomatic records.
- ➔ Providing public e-access to these records would:
  - Help scholars study India's foreign policy evolution.
  - Challenge misconceptions and better inform policymakers.
  - Improve decision-making by learning from past successes and failures.

**No: 1521, Second Floor, H-Block, 5th Street, Anna Nagar, Chennai-40.**

**Ph: +91 8754543687, [www.gurukulamias.in](http://www.gurukulamias.in)**



## Conclusion

- ➡ The MEA's budget is crucial for India's global role, but current allocations are insufficient.
  - ➡ Strengthening diplomatic capacity, increasing regional cooperation funding, and supporting research are essential.
  - ➡ Strategic shifts in aid distribution and a focus on infrastructure financing require better oversight and resource management.
  - ➡ Declassifying historical records will enrich foreign policy research and aid India's long-term diplomatic strategy.
- 

