

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

STARRED QUESTION NO. *341

TO BE ANSWERED ON FRIDAY 4TH JANUARY, 2019

[14 Pausha, 1940 (SAKA)]

‘Distribution of Resources among States’

***341. Dr. Shashi Tharoor:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Fifteenth Finance Commission has decided to use the 2011 census data for the distribution of resources among the States and if so, the details thereof;
- (b) whether there would be any reduction in resources allotted to Kerala and Tamil Nadu if the 2011 census data is used, in comparison to the resources allotted under the Thirteenth Finance Commission and if so, the details thereof; and
- (c) the steps being taken to ensure that the States of Kerala and Tamil Nadu are not disadvantaged due to their progressive policies which have reduced population growth in the respective States?

ANSWER

FINANCE MINISTER

(SHRI ARUN JAITLEY)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. *341 for answer on January 4, 2019 raised by Dr. Shashi Tharoor regarding 'Distribution of Resources among States'

(a) : Terms of Reference (ToRs) of Fifteenth Finance Commission (XV-FC), inter-alia state that “the Commission shall use the population data of 2011 while making its recommendations”. The Commission has been asked to submit its report and make it available by 30th October 2019. The Commission is actively engaged in consultations with various State Governments and Ministries in the Central Government.

(b) & (c) : The recommendations of the Fifteenth Finance Commission will be part of the report of the Commission which is to be submitted by 30th October 2019 as per the ToR. ToR also indicates that “Commission may consider proposing measurable performance-based incentives for States”, in “efforts and progress made in moving towards replacement rate of population growth”. The two ToRs taken together balances the ‘needs’ represented by latest population and “progress towards population control” very well. The 15th FC will be free to use these terms for deciding appropriate weights to be assigned for inter-se determination of the share of taxes to the States and also come up with specific performance based incentive scheme.
