

## GS II

SYLLABUS: ISSUES AND CHALLENGES PERTAINING TO THE FEDERAL STRUCTURE.

### FINANCE COMMISSION

THE HINDU, PG.NO: 10.

**News:** "States and the challenge before the Finance Commission."

**Constitutional body** under **Art. 280**, constituted by the **President** to provide suggestions on centre-state Finance relations.

#### Framework:

- Constituted for every **5 years**.
- **Composition:** 5 members.
- Constitution has not mention the qualifications of members.
- **Finance Commission Act 1951** specifies qualifications:
  - **Chairman:** person having experience in Public Affairs.
  - **4 other members:** High court Judge, Special knowledge in Govt. Finance Accounts etc.
- **Powers of commission** decided by **Parliament**.
- Can determine its own Procedure.
- **Nature of Recommendation:** **Advisory**.
- **Reports submission:** To President.

**Duty or functions:** To make following recommendations to **President** related to following:

1. Distribution on **net tax proceeds** between Centre & States based on Formula.
2. Governing **Principles for giving grants-in-aid to states** out of Consolidated Fund of India.
3. Guiding State Finance commission for **devolution of finances to local bodies**.
4. Other matters referred by President.

#### Recommendations to President :

##### Tax Distribution:

- **Vertical devolution:** shows what percentage States get from total divisible pool of tax collected. Eg. 15th Finance Commission recommended 41% to states.
- **Horizontal Devolution:**
  - Once vertical devolution is fixed (i.e 41%), this share is distributed among individual states based on formula/ criteria (with weightage) as shown below:
  - **Income Distance** - 45%- Lower Per capita income get higher share.
  - **Geographic Area of State**-15%.
  - **Population(2011 census)**-15%.
  - **Demographic performance**- 12.5%- recognising population control measures made by States.
  - **Forest & Ecology**- 10%. Inline with forest conservation efforts made by States
  - **Tax & Fiscal efforts**-2.5%- rewarding states with higher tax collection efficiency.

#### Issues with Finance Commission:

- **Demand to remove tax effort criterion by States:** States with lower economic development find difficult to meet such criteria.
- **Demand of Inclusion of Cess and Surcharges to divisible pool of taxes:** States are pointing that there is loss of revenue that could be used for healthcare, education etc.

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- **Conditional grants to local bodies:** Eg: 60% of grants- Sanitation, Water services-This infringes states & local bodies to determine their priorities.
- **Based on 2011 census Data:** goes against States which have successfully undertook population control measures.
- **States demand for larger loans:** for immediate fiscal strain and to address shortfall in revenue.
- **Non-lapsable Defence fund:** States question the rationality of sharing Defence & Security burden.
- **Center's non acceptance of recommendations of Finance Commission :** Eg: 14th FC recommended 42% of vertical devolution but 15th FC 41% tax share to states.

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#### PYQs

**GS III 2022:** How have the recommendations of the 14th Finance Commission of India enabled the states to improve their fiscal position?

**GS III 2018:** How is the Finance Commission of India constituted? What do you understand about the terms of reference of the recently constituted Finance Commission? Discuss.

## POLITY

PRE-CONTEXT

### INTERNET SHUTDOWN

THE HINDU, PG.NO: 16.

**News:** "Mobile Internet ban extended in nine districts of Manipur"

#### Internet Shutdown:

- **Anuradha Bhasin case 2020:** Internet shutdown violates fundamental right under **Art. 19 (Speech & Trade)**
- Power to shut down with **Home Secretary of Union, State Govts.** for maximum 15 days.
- **Legal backing:**
  - **Indian Telegraph Act 1885.**
  - **Section 69(A) IT Act:** Govt. can ban only particular websites not entire internet.

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## IR

PRE-CONTEXT

### GLOBAL INSTITUTIONS

THE HINDU, PG.NO: 11.

**News:** "Is Israel's war in Gaza putting the global order at peril?"

#### Significance of UNSC:

- One of the *principal organ* of United Nations.
- Primary responsibility for *peace and security*.
- It's *decisions are binding* on all UN members.
- **Power of veto with 5 member nations** (China, Russia, France, UK, USA):
  - Veto allows any of nation to block resolution influence over council decision. Eg. China Blocking India.
  - If any one of P5 uses veto, resolution is dropped.
- **Resolving Conflicts and crisis of world:** Intervention in Libya for peace 1973.
- **Sanctions:** Eg. Imposing sanctions on North Korea and Iran to comply with nuclear non-proliferation agreement.
- **Peace keeping Missions:** Eg. Bosnia, Sierra Leone.
- **Diplomatic negotiations:** Syrian civilian crisis.
- **End of Gulf War:** Authorised Military action against Iraq in 1990-91 led to liberation of Kuwait.

#### International Court of Justice (ICJ):

- *Principal Judicial organ of United Nations*.
- If both parties submit the case it can adjudicate maritime boundaries *including EEZ disputes*.
- All members of UN are *automatically parties to the ICJ*.  
*India is member of ICJ.*

#### India's Obligations Under International Law:

- Genocide Convention and the Geneva Conventions, *has binding obligations* under international law:
  - **Genocide Convention:**
    - India must take all necessary measures to prevent genocide.
    - Article III of the Convention also makes *ignorance in genocide a punishable offence*, meaning India cannot provide military support to a state potentially guilty of such crimes.
      - *India is party of Genocide Convention.*
  - **Geneva Convention:**
    - India is obligated *not to assist states in committing war crimes*, which includes preventing the *transfer of arms* that may be used for such purposes.
      - *India is party of Geneva Convention.*
- **Arms Trade Treaty:**
  - It aims to regulate *international trade of conventional arms*; it restricts supply of arms by country if they are used to commit war crimes.
    - *India is "not" a signatory to this treaty.*

#### International Criminal Court (ICC):

- **Establishment:** by Rome Statute in 2002.
- **Headquarters:** Hague, Netherlands.
- **Jurisdiction(4 major crimes):** Genocide, Crimes against Humanity, War Crimes, Crimes of Aggression.
- **Cannot try cases of non members** of ICC unless case is referred by United Nations Security Council(UNSC).
- *It didn't recognize nuclear weapons* and other mass destruction weapons as crimes.

- *It also didn't recognize terrorism* as a punishable crime against humanity.
- *India is "not" a member of ICC.*

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## POLITY

PRE-CONTEXT

### JUDICIAL APPOINTMENTS

THE HINDU, PG.NO: 16.

**News:** "Justice Manmohan sworn in as Supreme Court judge."

"**Art. 124 & Art. 217** of Indian Constitution deal with the *appointment of judges to higher judiciary*."

#### Collegium System:

- For *appointment and transfer* of judges in the higher judiciary in India.
- **For Supreme Court (SC) appointments:** collegium consists of *CJI plus 4 senior-most Supreme Court judges*.
- **For High Court appointments:** collegium consists of *CJI plus 2 senior-most Supreme Court judges*.
- CJI after consultation with collegium **recommends to President** for an appointment.

#### Evolution of Collegium:

- **1st judges case (1982):** the word '*consultation*' only implies exchange of views.
- **2nd judges case (1993):**
  - Word '*consultation*' = *concurrence*, advice by CJI (plus 2 judges) is binding on President.
  - If collegium reiterates, judicial appointments must be cleared (a healthy convention).
- **3rd Judges case:** Collegium (4 senior most Judges + CJI).
- **99th CAA 2015: NJAC** (3 judicial members & 2 executive appointees): Declared Unconstitutional by SC.

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## ECONOMY

PRE-CONTEXT

### INFLATION

THE HINDU, PG.NO: 17.

**News:** "RBI's Rate Dilemma: Nov.inflation likely eased to 5%."

#### Inflation:

- **A rise in general level of prices.**
- **Note:** If the price of one good has gone up, it is not inflation.
- **Inflation** = current period price index – last period price index / last period price index \* 100

#### Measuring Inflation:

- **Consumer Price Index (CPI):**
  - Also called **Retail Inflation**.
  - CPI **measures the average change in prices** of **fixed basket of goods and services** that households purchase for purpose of consumption.
  - Used for **inflation targeting and micro-level policy making**.
  - **Current base year** for CPI calculation is **2011-12**.
  - **Weights (High to Low):** Food and Beverages, Services, Fuel and Light etc.
  - **CPI is released by CSO** under Ministry of Statistics and Program Implementation.
- **Wholesale Price Index (WPI):**
  - Measures inflation at wholesale level, used for **macro level policy making**.
  - **Current base year** for WPI calculation is **2011-12**.
  - **Weights (High to Low):** Manufactured goods, WPI food, Primary Articles, Fuel and Power.
  - WPI serves as an important determinant in policy formulation of trade, economical and fiscal policies of Govt.
  - **WPI index data is published by Office of Economic Advisor** under **Ministry of Commerce and Industry**.

#### Core inflation:

- Some goods & services are either included or excluded during calculation of core inflation.
- It **excludes food, fuel & light, transport & communication**.

#### Base Effect:

- Nothing to do with base year.
- **Shows the impact of the rise in price level in the previous year over the current year.**
- **Formula:** Current inflation rate = Current Price Index - Last year price index / last year price index \* 100.

#### GDP Deflator:

- Measures GDP at **current prices** to that of the constant prices.
- Provides **comprehensive view** compared to inflation indicators.
- **Phillips Curve:** shows relationship between Inflation & unemployment.

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## HEALTH

PRE-CONTEXT

### TUBERCULOSIS

THE HINDU, PG.NO: 24.

**News:** "How tuberculosis destabilises the mental moorings of patients"

"India had the highest tuberculosis (TB) burden in 2023."

#### Tuberculosis:

- **Caused by:** *Mycobacterium tuberculosis (Mtb)*.
- **Preventive Vaccine:** Bacillus Calmette-Guerin (**BCG**).
- Mtb coevolved with humans for a millennia (1000 years).
- Those with **nutritional deficiencies, diabetes, and a habit of smoking** are at the highest risk of contracting TB
- **Multiple Drug Resistance:** microorganisms like bacteria or viruses, develop resistance to multiple antimicrobial drugs, making infections harder to treat.
  - **Mtb developed its ability to grow in macrophages (white blood cells).**

#### India and Tuberculosis:

- India contributes to **25% of global TB cases** in 2022.
- TB is **one of the top 10 causes of deaths** in India.
- India has a significant number (**~75, 000**) of **Multi-Drug Resistant TB** in 2022.
- **SDG goal 3** is to end TB by 2030.

#### National TB Elimination Programme (2017-2025)

- Eliminate TB **by 2025** under **National Health Mission**.
- TB elimination means there should be under **one case of TB for a population of 10 lakh**.
- **Progress in reduction of TB incidence cases:** 280 cases per lakh in 2005 to 190 cases per lakh in 2024 (it was 199 in 2020)–**WHO World TB report 2024**.
- **To reach the target under the programme:** incidence cases of TB must be reduced to 120 by 2025. **Which is not possible by 2025.**
- **Key components of Programme:**
  - Early detection and diagnosis using **Rapid TB detection kits**.
  - **Nikshay Poshan Yojana:** Direct Benefit Transfer of Rs. 1000 monthly nutritional support to TB patients.
  - **Nikshay digital platform** to monitor TB treatment.
  - **Preventive Vaccine BCG** for newborns.

#### About New regimen tackling microbial resistance:

- It is comprised of **four drugs** — **Bedaquiline, Pretomanid, Linezolid and Moxifloxacin**.
- The BPaLM regimen is reputed to **cure drug-resistant TB** in just **six months**, with a **high success rate**.

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**Thank you!**