UPSC CURRENT AFFAIRS NOTES 29-02-2023

Kulasekarapattinam Spaceport

The Prime Minister recently laid the foundation stone for a new spaceport at Kulasekarapattinam in southern Tamil Nadu.

About Kulasekarapattinam Spaceport

It is a new spaceport coming up at Kulasekarapattinam, a coastal hamlet near the temple town of Tiruchendur in Thoothukudi district in southern Tamil Nadu.

It will be second after the space agency's existing Satish Dhawan Space Centre, founded in Andhra Pradesh's Sriharikota in 1971, with two launch pads.

It will focus on the launch of Small Satellite Launch Vehicles (SSLVs) on a commercial basis.

It will house 35 facilities, including a launch pad, rocket integration facilities, ground range and checkout facilities, and a mobile launch structure (MLS) with checkout computers.

It would have the capacity to launch 24 satellites per year using a mobile launch structure.

Spread over 2,350 acres, the Kulasekharapatnam spaceport will help save fuel for small rocket launches as the port can launch rockets directly south over the Indian Ocean without requiring crossing landmasses.

This is unlike the existing launch site at the Satish Dhawan Space Centre, which adds more fuel requirements for launching into a polar orbit as rockets need to follow a curved path to the south to avoid Sri Lanka's landmass.

It is estimated to cost Rs. 986 crore.

Key Facts about Small Satellite Launch Vehicles (SSLVs)

SSLV is a 3-stage Launch Vehicle configured with three Solid Propulsion Stages and liquid propulsion-based Velocity Trimming Module (VTM) as a terminal stage.

SSLV is 2m in diameter and 34m in length with lift off weight of 120 tonnes.

SSLV is capable of launching 500kg satellite in 500 km planar orbit.

The key features of SSLV are Low cost, with low turn-around time, flexibility in accommodating multiple satellites, Launch on demand feasibility, minimal launch infrastructure requirements, etc.

Geosynchronous Satellite Launch Vehicle (GSLV)

It is a space launch vehicle designed, developed and operated by the ISRO to launch satellites and other space objects into Geosynchronous Transfer Orbits (GTO).GSLV has the capability to put a heavier payload (up to 5,000 kg up to 37,000 km) in orbit than the Polar Satellite Launch Vehicle (PSLV can carry up to 2000 kg into space up to 600-900 km).GSLV is a 3-stage launcher with strap-on motors. The first stage uses the solid rocket motor with four liquid engine strap-on motors. This stage generates maximum thrust. The second stage uses a liquid rocket engine which is known as Vikas engine. The third stage uses a Cryogenic engine, which uses liquefied oxygen and hydrogen as fuel.

IPCC ASSESSMENT REPORTS

The IPCC, a UN body, concluded the AR6 cycle in 2023, featuring full assessment reports, a synthesis report, methodology reports, and special reports. The ongoing AR7 cycle aims to produce similar comprehensive assessments on climate change.

About the Intergovernmental Panel on Climate Change (IPCC)

The IPCC was established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP).

Its primary objective is to advance scientific knowledge about climate change caused by human activities.

Membership and Governance

The IPCC consists of 195 member states, which govern its operations.

A bureau of scientists, elected by member states, serves through an assessment cycle lasting about six to seven years.

The bureau selects experts to prepare IPCC reports, drawing from nominations by governments and observer organizations.

Scientific Work and Reports

The IPCC examines relevant scientific literature on climate change, covering natural, economic, and social impacts and risks, as well as response options.

It does not conduct original research but synthesizes existing knowledge to produce comprehensive assessments.

Thousands of scientists and experts volunteer to review publications, and their findings are compiled into "Assessment Reports" for policymakers and the public.

Global Authority and Influence

The IPCC is globally recognized as an authority on climate change, and its findings are endorsed by leading climate scientists and all member governments.

Its reports are cited by various stakeholders, including media, governments, civil society organizations, and businesses.

IPCC reports play a crucial role in international climate negotiations, such as those under the United Nations Framework Convention on Climate Change (UNFCCC), and have influenced major agreements like the Paris Agreement.

Assessment Cycles and Special Reports

The IPCC operates in assessment cycles, with the seventh cycle initiated in 2023.

Each assessment cycle involves the publication of comprehensive reports on various aspects of climate change, along with special reports focusing on specific topics.

The sixth assessment cycle (AR6) was described as the most ambitious in the IPCC's history, with the publication of several special reports alongside the main assessment reports.

Initiation of the Seventh Assessment Cycle (AR7)

Following the completion of AR6, the IPCC initiated its seventh assessment cycle (AR7) by nominating and electing an IPCC Bureau in early 2024.

The Bureau agreed to produce three categories of reports for AR7:

Full assessment and synthesis reports, which would include reports from three Working Groups along with a synthesis report.

Methodology reports, including topics such as short-lived climate forcers and carbon removal.

A special report focusing on climate change and cities.

Several member countries requested that the assessment reports be prepared and published by 2028 to coincide with the next global stocktake (GST), as part of the Paris Agreement. However, there were challenges in reaching a consensus on the timeline for the full assessment reports due to concerns about the content, inclusivity, and the time required for review and finalization.

Structure and Organization

The IPCC's structure includes a Panel, a Bureau, Working Groups (I, II, and III), a Task Force, and an Executive Committee.

The Panel, consisting of representatives appointed by governments, oversees the IPCC's work and approves its reports.

Funding and Budget

The IPCC operates through a dedicated trust fund established in 1989, receiving financial contributions from member governments and other organizations.

Contributions to the trust fund are voluntary, and the annual budget is set by the Panel.

Awards

The IPCC received the Nobel Peace Prize in 2007 for its efforts to build up and disseminate greater knowledge about man-made climate change and to lay the foundations for the measures needed to counteract such change.

In 2022, the IPCC, along with IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), shared the Gulbenkian Prize for Humanity. The award was given to both intergovernmental bodies for their contributions in producing scientific knowledge, alerting society, and informing decision-makers to make better choices in combating climate change and addressing the loss of biodiversity.

Intergovernmental Panel on Climate Change (IPCC)

Established in 1988 by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO)

Objective

To assess the scientific, technical and socio-economic knowledge on climate change, its impacts and future risks, and options for adaptation and mitigation.

Role

Conducts comprehensive assessments of the state of scientific, technical and socio-economic knowledge on climate change.

Facilitates international cooperation in research and development activities related to climate change.

Provides technical and scientific advice to the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol.

Identifies areas where further research is needed.

Structure

Three Working Groups:

Working Group I (WGI): Assesses the physical science basis of climate change, including observations, understanding of and attribution to human influence, and future projections.

Working Group II (WGII): Assesses the vulnerability and adaptation to climate change, including its impacts on ecosystems, human health, food security, water resources, and socio-economic development.

Working Group III (WGIII): Assesses mitigation of climate change and sustainable development, including options for limiting climate change and its associated risks.

Task Force on National Greenhouse Gas Inventories (TFI): Provides methodological and technical guidance to countries for the compilation of consistent and transparent greenhouse gas inventories.

Participants

Thousands of volunteer scientists from all over the world contribute to the IPCC's assessments.

Governments of all 195 member countries of the United Nations or the WMO are represented.

Reports

Assessment Reports (ARs): Comprehensive summaries of the current state of knowledge on climate change, published approximately every 6-7 years.

Special Reports (SRs): Address specific issues related to climate change, such as climate change and land use or renewable energy sources and climate change mitigation.

Methodology Reports (MRs): Provide practical guidelines for the preparation of greenhouse gas inventories.

Assessment Cycle

Preparation: Experts nominate authors and outline the report.

Drafting: Authors prepare the report based on peer-reviewed scientific literature. Review: Governments and experts review the drafts, providing comments and suggestions.

LOKPAL

Nearly 19 months after he retired as a Supreme Court judge, Justice A M Khanwilkar was appointed the chairperson of the anti-corruption ombudsman Lokpal.

The post fell vacant nearly two years ago.

The government has also appointed six members, including three judicial members, to the Lokpal.

Details

Analysis of the Lokpal institution

The Lokpal of India, established five years ago as the country's first anti-corruption body to investigate complaints against public functionaries, including the Prime Minister, has faced significant scrutiny due to its handling of corruption complaints.

According to a parliamentary panel report, around 68% of corruption complaints received by the Lokpal were disposed of without any action in the past four years.

Additionally, the Lokpal has not prosecuted a single person accused of graft during this period.

Key Points from the Parliamentary Panel Report:

Disposal of Complaints: Out of 8,703 complaints received since 2019-20, the Lokpal disposed of 5,981 complaints. Most complaints (6,775) were rejected for not being in the correct format.

Investigations: Only three complaints were fully investigated, while 36 were at a preliminary stage. The Lokpal received 2,760 complaints in 2022-23, out of which only 242 were in the prescribed format.

Prescribed Format Requirement: On January 5, the Lokpal issued an order stating that complaints not in the prescribed form would not be entertained. This move has led to a large number of complaints being rejected on the grounds of incorrect format.

Performance Assessment: The parliamentary panel, led by BJP member Sushil Kumar Modi, criticized the Lokpal's performance as unsatisfactory. Despite being established to promote clean governance, the Lokpal's performance has not met expectations.

Budget Allocation: The Lokpal was allocated a budget of ₹197 crore in 2022-23, with an expenditure of ₹152 crore till January 31. For the current fiscal year, it has been allotted ₹92 crore.

Office Acquisition: In 2022, the Centre purchased a new office space for the Lokpal at the World Trade Centre in south Delhi for ₹254.88 crore.

Recommendations: The parliamentary panel recommended that the Lokpal should not reject genuine complaints solely on technical grounds, such as format discrepancies. It urged the Lokpal to strengthen anti-corruption efforts, especially considering India's leadership role in the G20 Anti Corruption Working group.

Challenges:

Background: The Lokpal was established after a decade-long anti-corruption movement led by social activist Anna Hazare, which culminated in the passing of the Lokpal and Lokayuktas Act in 2013. However, it took several more years for the current government to appoint the first Lokpal.

Functionality: The Lokpal, comprising both judicial and non-judicial members, was tasked with investigating allegations of corruption against high-level public officials. However, it has struggled to initiate significant cases or address complaints effectively.

Vacancies and Inefficiencies: Vacancies in key positions within the Lokpal, including judicial posts and crucial administrative roles, have hampered its functioning. Additionally, the institution has been unable to utilize its allocated budget fully, indicating inefficiencies in its operations.

Criticism from Within: Justice Dilip B. Bhosale, a former judicial member of the Lokpal, resigned citing personal reasons and lack of work, echoing sentiments of inefficacy within the institution. Other civil society activists and former participants of the anti-corruption movement have also expressed disillusionment with the Lokpal's performance.

Declining Complaints: The number of complaints filed with the Lokpal has dwindled significantly over the years, leading some to question whether this reflects a decline in corruption or a lack of faith in the institution. Critics argue that the Lokpal's structure and management have contributed to this decline.

Political Dynamics: Observers note that while opposition parties may advocate for a strong anti-corruption watchdog when out of power, they often fail to empower such institutions when in government. This dynamic, evident in both central and state-level anti-corruption bodies, underscores the challenges faced by independent oversight institutions.

Working of Lokayukta

The history of Lokayukta, the state-level anti-corruption ombudsman, traces back to the concept of a central anti-corruption watchdog, Lokpal, which first emerged in 1963 during discussions on the Budget allocation of the Union Law Ministry.

Despite several unsuccessful attempts to pass bills for a Lokpal at the central level, various states took the initiative to establish their own Lokayuktas.

The Lokayukta institution, first introduced in Maharashtra in 1971, has since spread to several states across India.

Currently, states like Odisha, Rajasthan, Bihar, Uttar Pradesh, Karnataka, Madhya Pradesh, Andhra Pradesh, Gujarat, Kerala, Tamil Nadu, Delhi, Meghalaya, and Assam have established Lokayuktas.

Each state has its own legislation governing the Lokayukta, with varying powers and functions.

The Lokayukta plays a crucial role in raising public awareness about corruption among politicians and government officials.

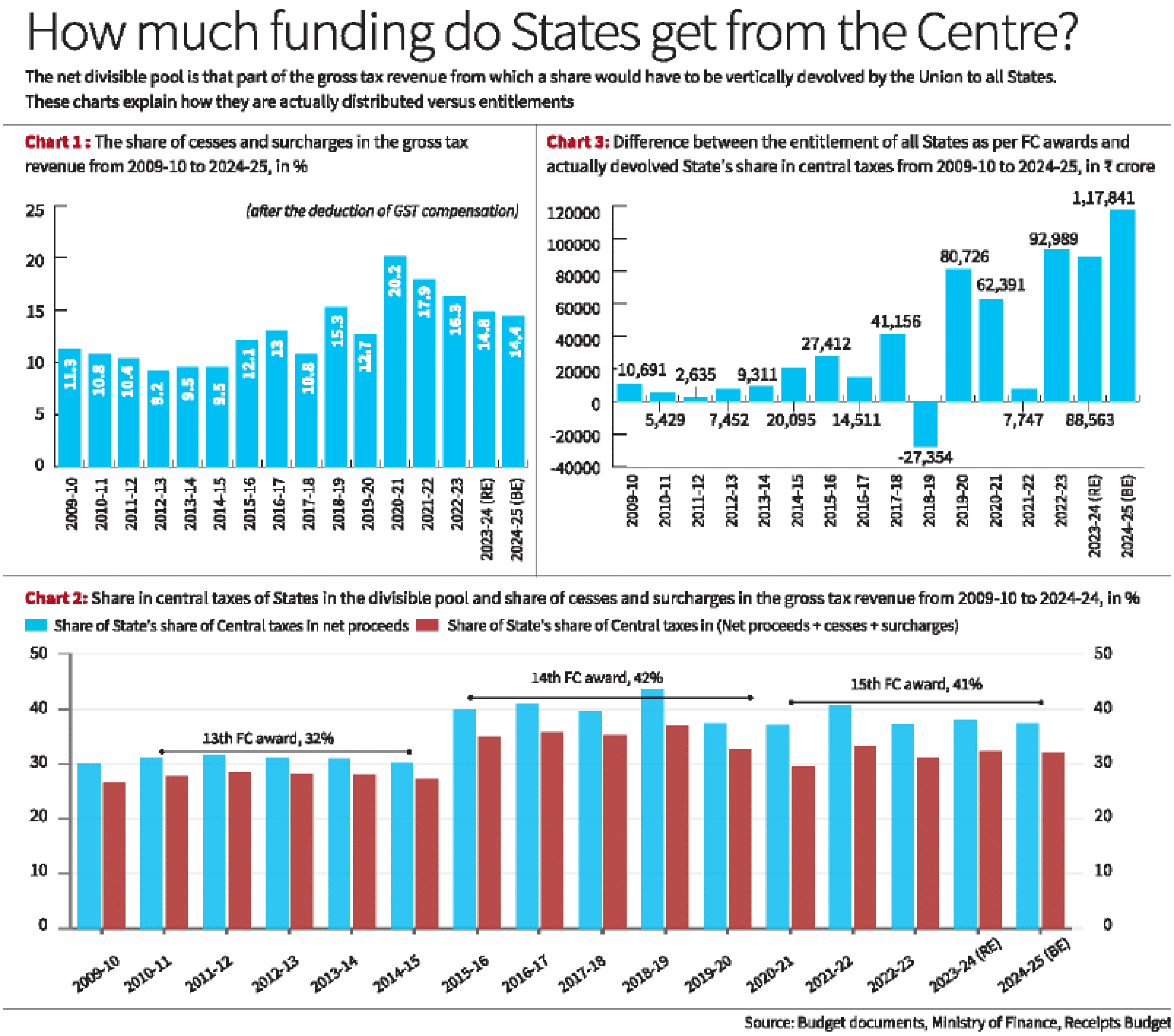
Through its investigations and actions, the Lokayukta has the authority to recommend criminal prosecution or other legal repercussions for individuals found guilty of corruption.

Among all the states, Karnataka's Lokayukta is often considered the most prominent. It has gained recognition for its proactive approach in investigating corruption cases and holding public officials accountable. However, Maharashtra's Lokayukta is noted for having relatively limited powers, making it one of the weakest Lokayuktas in the country.

Overall, the establishment of Lokayuktas has been a significant step towards combating corruption at the state level in India.

However, there is a need for continuous improvement and strengthening of these institutions to ensure their effectiveness in addressing corruption and promoting transparency in governance.

VERTICAL DEVOLUTION TO STATES



The recent agitations by the governments of Kerala and Karnataka, and the support extended by several State governments, have highlighted many disquieting issues in the practice of fiscal federalism in India.

These agitations show that the newly constituted 16th Finance Commission (FC) would have to proceed seriously and innovatively to justly address complaints of increasing vertical and horizontal inequalities in devolution.

Sharing of Resources: Vertical devolution pertains to sharing resources between the Union and States.

Trends in Devolution:

Union Government retaining an increasing share of proceeds outside the divisible pool, limiting resources available for States.

Failure to devolve States' mandated shares of net proceeds as per successive Finance Commissions.

Need for Redressal:

Increasing Inequalities: Trends in devolution contribute to vertical and horizontal inequalities among States.

Urgent Action Required: The 16th Finance Commission must take serious and innovative steps to address these concerns.

Proposed Initiatives:

Correcting Historical Wrongs: The 16th FC should initiate corrective measures to rectify past injustices in vertical devolution.

Compensatory Measures: Consider compensating States for historical imbalances through vertical devolution.

Innovative Approaches: Implement innovative strategies to ensure fair and equitable sharing of resources between the Union and States.

Addressing Grievances: Justly address complaints of increasing inequalities in devolution through meaningful reforms.

Role of the 16th Finance Commission:

Serious Consideration: The 16th FC must give due attention to the grievances raised by States and take proactive steps to address them.

Justice and Equity: Ensure that devolution mechanisms promote justice, equity, and balanced development across States.

Collaborative Approach: Engage in dialogue and consultation with States to understand their concerns and develop inclusive solutions.

Long-Term Vision: Formulate recommendations that lay the foundation for sustainable and harmonious fiscal federalism in India.

The Shrinking Divisible Pool

Evolution of the Divisible Pool:

Historical Context: Initially, only income taxes and excise duties were shared with States, while corporation taxes and customs duties were fully retained by the Union.

Constitutional Amendment (2000): All taxes of the Union were added to the net proceeds, except for cesses and surcharges under Article 270 and Article 271.

Composition of Net Proceeds: Currently, the net proceeds consist of gross tax revenue minus cesses, surcharges, and tax collection costs.

Proliferation of Cesses and Surcharges:

Recent Trends: Over the past decade, the Union government introduced numerous cesses and surcharges.

GST Implementation: Despite expectations of cesses being subsumed into the GST system, new cesses and surcharges continued to be introduced, exacerbating the exclusion of tax revenue from the divisible pool.

Conflicting Information: Government data on the proportion of cesses and surcharges in gross tax revenue presents discrepancies.

Analysis of Cesses and Surcharges:

Disaggregated Data: Disaggregated budget documents from 2009-10 to 2024-25 provide insights into the collection of cesses and surcharges.

Collection Trends: Total collections rose significantly from ₹70,559 crore in 2009-10 to ₹6.6 lakh crore in 2023-24 (RE) and ₹7 lakh crore in 2024-25 (BE).

Impact on Gross Tax Revenue: As a share of gross tax revenue, cesses and surcharges declined from 11.3% in 2009-10 to 9.5% in 2014-15, then surged to 20.2% in 2020-21, before stabilizing at 14.8% in 2023-24.

Unshared Revenue:

Cumulative Collection: Between 2009-10 and 2023-24, the Union government amassed ₹36.6 lakh crore from cesses and surcharges.

Future Projections: An additional ₹5.5 lakh crore is anticipated to be collected in 2024-25, all retained by the Union government without sharing with States.

Rise in Tied Transfers: Challenges in Fiscal Federalism

Nature of Transfers:

Central Schemes Financing: Union government allocates funds for centrally sponsored schemes and central sector schemes, along with non-plan grants or capital transfers to States.

Tied Nature: Unlike devolution of State's share in central taxes, these transfers come with conditions and obligations.

Challenges Faced by States:

Financial Burden on States: In centrally sponsored schemes, States bear about 40% of the costs, often needing to contribute significantly more to ensure effective implementation.

Credit Usurpation: Despite significant State contributions, Union government tends to claim credit, evident in instances like labelling controversies in projects like Ayushman Bharat wellness centres.

Conditional Grants: Many grants are contingent upon fulfilling certain conditions, including mandatory labelling, tying States' hands in utilizing funds.

Loan-based Capital Transfers:

Debt Burden: Most capital transfers to States are in the form of loans, adding to the debt burden, as these must be repaid to the Union government.

Implications of Tied Transfers:

Centralizing Tendency: Tied transfers reinforce a centralizing tendency in fiscal matters, shifting the Union-State relationship towards a patron-client dynamic.

Lack of Flexibility: Conditionalities imposed on transfers restrict States' autonomy and flexibility in addressing context-specific needs.

Risk of Resource Denial: Deviation from guidelines or failure to meet conditionalities can result in denial of resources, further exacerbating States' financial challenges.

Concerns with Substitution:

Impact on Fiscal Federalism: Substituting untied transfers with central schemes doesn't address the loss but instead introduces rigidities in Union-State relations.

Dilution of Cooperative Federalism: Such practices dilute the spirit of cooperative fiscal federalism, hindering genuine collaboration and partnership between the Union and States.

The CAG Indictments

Non-Compliance with Transfer Regulations:

CAG Reports Findings: Comptroller and Auditor General (CAG) reports have highlighted instances of non-transfer or short transfer of collected cesses to respective reserve funds in the Public Account of India.

Health and Education Cess: In 2021-22, only 60% of the collected ₹52,732 crore towards Health and Education Cess was transferred to the reserve fund of Prarambhik Shikha Kosh.

Research and Development Cess: Between 1996-97 and 2017-18, only 9.6% (₹779 crore) of the total collection of ₹8,077 crore was transferred to the Fund for Technology Development and Application.

Swachh Bharat Cess: Short transfers to the Rashtriya Swachhata Kosh amounted to ₹4,891 crore between 2015–16 and 2017–18.

Road Cess and Clean Energy Cess: Short transfers amounted to ₹72,726 crore and ₹44,505 crore respectively between 2010–11 and 2017–18.

Implications of Non-Transfers:

Defeating Collection Logic: Non-transfers and short transfers undermine the purpose of cesses and surcharges, diverting funds away from their intended use.

Questionable Practices: The findings suggest a pattern of diversion of funds, raising concerns about the transparency and accountability of cess collection and utilization.

Impact on Divisible Pool: Short transfers contribute to the reduction of resources available in the divisible pool, impacting the fiscal autonomy of States.

Cesses as Financial Instruments:

Ruse for Fund Diversions: The findings reinforce the perception that cesses and surcharges serve as mechanisms to redirect funds from the divisible pool to meet other financial requirements of the Union government.

Need for Transparency: There is a pressing need for greater transparency and accountability in the collection and utilization of cesses and surcharges to ensure their intended purpose is fulfilled.

Deviations from FC Recommendations: Implications for Fiscal Federalism

Finance Commission Recommendations:

13th FC (2010-2015): Recommended a 32% share of net proceeds to be shared with all States.

14th FC (2015-2020): Recommended a 42% share of net proceeds to be shared with all States.

15th FC (2020-2025): Recommended a 41% share of net proceeds to be shared with all States.

Analysis of Share of Devolution:

Comparison with FC Recommendations: Union government has consistently failed to share the FC-recommended shares of net proceeds with the States.

Shortfalls in Share of Devolution: States' share of central taxes as a percentage of net proceeds fell below FC recommendations, averaging 31.1% during the 13th FC period, 40.3% during the 14th FC period, and 38.1% during the 15th FC period.

Widest Shortfall in 15th FC Period: Shortfall in devolution was most pronounced during the ongoing 15th FC period.

Impact of Cesses and Surcharges:

Revised Divisible Pool: Including cesses and surcharges further reduces the share of devolution, with average share falling to 28% during the 13th FC period, 35.1% during the 14th FC period, and 31.7% during the 15th FC period.

Quantum of Shortfalls: Cumulative amount not devolved to States between 2009-10 and 2024-25 (BE) amounted to ₹5.61 lakh crore.

Period-wise Shortfalls: ₹44,922 crore during the 13th FC period, ₹1.36 lakh crore during the 14th FC period, and ₹3.69 lakh crore during the 15th FC period (including 2024-25 BE).

Constitutional Impropriety:

Failure to Devolve Funds: Non-devolution of funds to States constitutes a significant constitutional impropriety, undermining the principles of fiscal federalism and cooperative governance.

Restoring Fiscal Equity

Compensations to States: The 16th Finance Commission (FC) must rectify historical disparities in vertical devolution by providing compensations to States.

Accuracy in Budget Estimates: FC should mandate the Union government to publish accurate estimates of "net proceeds" in budget documents, ensuring transparency and accountability.

Untied Grants: FC should arrange to provide lump sum untied grants to States to compensate for shortfalls in devolution over the last decade, ensuring fair distribution of resources.

Strict Limits on Collection: Union government must legislatively enforce strict limits on the collection of cesses and surcharges to prevent misuse and ensure fiscal discipline.

Automatic Expiry: Cesses and surcharges should automatically expire after a short period, preventing their perpetual existence, and should not be rechristened under another name.

Equitable Horizontal Devolution: FC must address legitimate concerns regarding inequalities in horizontal devolution, ensuring fair distribution of resources among States.

Critical to Fiscal Federalism: The stance of the 16th FC on vertical devolution is crucial for the sustenance of fiscal federalism in India, underscoring the need for equitable resource sharing among Union and States.