

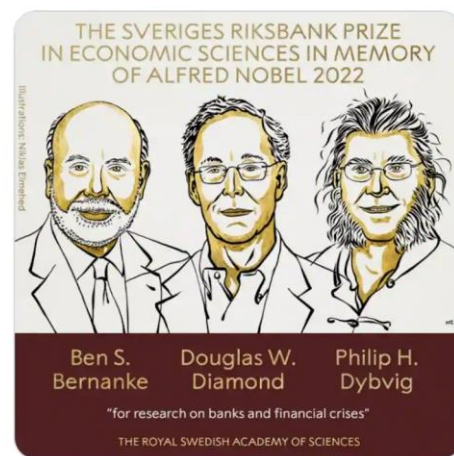
SPACE ECONOMY

- The Indian space economy is set to reach \$13 billion by 2025, according to a joint report prepared by EY and the Indian Space Association (ISpA), an apex industry association of space and satellite firms in the country.
- According to the report, the space-launch segment would grow at a CAGR of 13%, spurred by growing private participation, latest technology adoption and low cost of launch services.
- The satellite services and application segment would form the largest share of the space economy accounting for 36% of the ecosystem by 2025.

Bank run and NOBEL IN ECONOMICS

The Nobel Prize  @NobelPrize · 15m ...
BREAKING NEWS:
The Royal Swedish Academy of Sciences has decided to award the 2022 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel to Ben S. Bernanke, Douglas W. Diamond and Philip H. Dybvig "for research on banks and financial crises."

#NobelPrize



What Is a Bank Run?

- A bank run occurs when large groups of depositors withdraw their money from banks simultaneously based on fears that the institution will become insolvent.
- With more people withdrawing money, banks will use up their cash reserves and ultimately end up defaulting.
- Bank runs have occurred throughout history including during the Great Depression and the 2008-09 financial crisis.
- The Federal Deposit Insurance Corporation was established in 1933 in response to a bank run.

- Silent bank runs occur when funds are withdrawn via electronic transfer instead of in-person.

THE HINDU

Adverse impact of festivals on economics

- As the festival season kicks off in India, businesses are excited about rising sales as consumers spend more money on buying new stuff.
- Many economists view the festival season as a great time for the economy, as they believe increased consumer demand will boost economic activity.
- When festival dates fall during the planting and harvesting seasons, this can negatively affect economic output.
- This is because labour and other resources get redirected towards festival-related activities rather than being invested in agricultural activities.
- When this happens, the negative economic effects may be particularly pronounced.
- In other words, festivals can come with a higher opportunity cost when they happen during certain seasons of the agricultural cycle.
- Festivals may also lead people to increase their consumption, which in turn lowers investment and significantly affects long-run economic growth. To be precise
- The authors, however, note that the festivals that coincide with crucial agricultural seasons may have some benefit in terms of promoting bonds within the community.

Decentralised governance

- The Constitution mandates that panchayats and municipalities shall be elected every five years and enjoins States to devolve functions and responsibilities to them through law.
- This is regarded as a design weakness, but on closer look, is not one.
- Given diverse habitation patterns, political and social history, it makes sense to mandate States to assign functions to local governments.
- A study for the Fourteenth Finance Commission by the Centre for Policy Research, shows that all States have formally devolved powers with respect to five core functions of water supply, sanitation, roads and communication, streetlight provision and the management of community assets to the gram panchayats.
- First, the volume of money set apart for them is inadequate to meet their basic requirements.
- Second, much of the money given is inflexible; even in the case of untied grants mandated by the Union and State Finance Commissions, their use is constrained through the imposition of several conditions.
- Third, there is little investment in enabling and strengthening local governments to raise their own taxes and user charges.
- The last nail in the devolution coffin is that local governments do not have the staff to perform even basic tasks.
- Furthermore, as most staff are hired by higher level departments and placed with local governments on deputation, they do not feel responsible to the latter; they function as part of a vertically integrated departmental system.

- Union government has further centralised service delivery by using technology, and panchayats are nothing more than front offices for several Union government programmes.
- The 'Smart City' programme does not devolve its funds to the municipalities; States have been forced to constitute 'special purpose vehicles' to ring fence these grants lest they are tainted by mixing them up with municipality budget.
- Criminal elements and contractors are attracted to local government elections, tempted by the large sums of money now flowing to them.
- They win elections through bribing voters and striking deals with different groups.
- Furthermore, higher officers posted at the behest of Members of Legislative Assemblies, often on payment of bribes, extract bribes from local governments for plan clearances, approving estimates and payments.
- To curb these tendencies, first, gram sabhas and wards committees in urban areas have to be revitalised.
- The constitutional definition of a gram Sabha is that it is an association of voters. Because of our erroneous belief that the word 'Sabha' means 'meeting', we try to regulate how grama sabha meetings are held and pretend that we are strengthening democracy.
- Cosmetic reforms of the gram sabha by videography of their meetings, does little for democracy.
- Consultations with the grama sabha could be organised through smaller discussions where everybody can really participate.
- Even new systems of Short Message Services, or social media groups could be used for facilitating discussions between members of a grama sabha.
- Second, local government organisational structures have to be strengthened.
- Panchayats are burdened with a huge amount of work that other departments thrust on them, without being compensated for the extra administrative costs.
- Local governments must be enabled to hold State departments accountable and to provide quality, corruption free service to them, through service-level agreements.
- Third, we cannot have accountable GPs, without local taxation. Local governments are reluctant to collect property taxes and user charges fully.

THE HINDU

United nation charter and breaching of international law

United Nations Charter

- The Charter of the United Nations is the founding document of the United Nations.
- It was signed on 26 June 1945, in San Francisco, at the conclusion of the United Nations Conference on International Organization, and came into force on 24 October 1945.
- The United Nations can take action on a wide variety of issues due to its unique international character and the powers vested in its Charter, which is considered an international treaty.
- As such, the UN Charter is an instrument of international law, and UN Member States are bound by it. The UN Charter codifies the major principles of international relations, from sovereign equality of States to the prohibition of the use of force in international relations.

- Since the UN's founding in 1945, the mission and work of the Organization have been guided by the purposes and principles contained in its founding Charter, which has been amended three times in 1963, 1965, and 1973.
- The International Court of Justice, the principal judicial organ of the United Nations, functions in accordance with the Statute of the International Court of Justice, which is annexed to the UN Charter, and forms an integral part of it. (See Chapter XIV, Article 92)
- Under international law, Russia's control over the four Ukrainian regions, before the so-called referendums, is known as 'belligerent occupation'.
- Rules on belligerent occupation are explained under the Hague Convention of 1899 the first treaty that laid down the laws of war.
- Article 43 of the Convention states that if "the authority of the legitimate power over territory" has "passed into the hands of the occupant, the latter shall take all steps in his power to re-establish and ensure public order and safety".
- Furthermore, while doing so, the occupant shall "respect, unless absolutely prevented", the domestic laws of the country whose territory it has occupied.
- Russia's unilateral action of merging the four Ukrainian territories with it is a flagrant violation of Article 43 of the Hague Convention.
- The Article clearly states that Russia, being the occupier, only has 'authority' and not 'sovereignty' over these regions.
- Further, any change in this status, i.e. from 'authority' to 'sovereignty' can only happen with Ukraine's consent.

How election commission decides party symbol dispute?

- Under what authority does the EC decide such disputes?
- The Election Symbols (Reservation and Allotment) Order, 1968 empowers the EC to recognise political parties and allot symbols. Under Paragraph 15 of the Order, it can decide disputes among rival groups or sections of a recognised political party staking claim to its name and symbol.

What is the legal status of Paragraph 15?

- Under Paragraph 15, the EC is the only authority to decide issues on a dispute or a merger. The Supreme Court upheld its validity in Sadiq Ali and another vs. ECI in 1971.
- What aspects does the EC consider before recognising one group as the official party?
- The ECI primarily ascertains the support enjoyed by a claimant within a political party in its organisational wing and in its legislative wing.

Ascertain where they stand.

- How does the ECI establish a claim of majority in these wings?
- The Commission examines the party's constitution and its list of office-bearers submitted when the party was united.
- It identifies the apex committee(s) in the organisation and finds out how many office-bearers, members or delegates support the rival claimants.
- For the legislative wing, the party goes by the number of MPs and MLAs in the rival camps. It may consider affidavits filed by these members to **what ruling will the EC give after a definite finding?**

- The ECI may decide the dispute in favour of one faction by holding that it commands enough support in its organizational and legislative wings to be entitled to the name and symbol of the recognized party. It may permit the other group to register itself as a separate political party.

What happens when there is no certainty about the majority of either faction?

- Where the party is either vertically divided or it is not possible to say with certainty which group has a majority, the EC may freeze the party's symbol and allow the groups to register themselves with new names or add prefixes or suffixes to the party's existing names.

Can a dispute be decided immediately, if elections are round the corner?

- The EC may take time to gather enough material to decide the question. For immediate electoral purposes, it may freeze the party's symbol and advise the groups to fight the elections in different names and on temporary symbols.
- What happens when rival factions settle their differences in future?
- If reunited, the claimants may approach the EC again and seek to be recognised as a unified party. The EC is also empowered to recognise mergers of groups into one entity. It may restore the symbol and name of the original party.

THE HINDU
