

## State autonomy

- The States of the Union does not want to be mere appendages of the Centre.
- They seek a decisive say in determining the architecture of economic growth and development.
- The one- size -fits -all approach, often inherent in central planning, has the potential of creating needless tensions and undermining the harmony needed for national effort”.
- One of the main mandates of NITI Aayog is to foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.
- It has been a well -established tradition to treat all the recommendations of the Finance Commissions relating to transfers to States as an award and a package.
- This tradition was broken for the first time while dealing with the recommendations of the Fifteenth Finance Commission.
- The Fifteenth Finance Commission, in its first report, had recommended a special grant to three States amounting to ₹6,764 crores to ensure that the tax devolution in 2020-21 in absolute terms should not be less than the amount of devolution.
- This recommendation was not accepted by the Union Government.
- Similarly, the recommendation relating to grants for nutrition amounting to ₹7,735 crores was not accepted.
- The decision to treat off Budget borrowings from 2021-22 onwards serviced from the State budgets as States’ borrowings and adjusting them against borrowing limits under Fiscal Responsibility and Budget Management (FRBM) in 2022-23 and following years is against all norms.
- This is the first time that the Government of India is proposing to treat off Budget borrowings as government borrowings retrospectively from 2021-22.
- The government has been resorting to the levy of cesses and surcharges, as these are not shareable with the States under the Constitution.
- The share of cesses and surcharges in the gross tax revenue of the Centre increased from 13.5% in 2014-15 to 20% in the Budget estimates for 2022-23.

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## Health and air pollution policy

- Health and epidemiological evidence will drive our determination to achieve substantial health benefits from clean air targets.
- The only effort to date in India, which has viewed air pollution through this lens, is the Ministry of Health's Steering Committee on Air Pollution, which took an exposure-centered view to policy.
- It did this by prioritizing interventions that contributed the most to reducing exposure and thereby providing health benefits.
- It also brought to light the local and global epidemiological evidence on the harmful effects of air pollution and defined policy measures aligned with that science (for example, focusing on household cook stove smoke).
- Whether it is stubble burning (a by-product of ill-thought out water conservation laws) or thermal power plant emissions (where more stringent standards have been delayed for over five years), decisions are made without any consideration of their potential second and third order effects, especially on health.

## Public functionaries' speech

- There was an inherent constitutional restriction on persons holding responsible offices to follow a certain code of conduct.
- Such self-imposed restraint was irrespective of the "reasonable restriction" on free speech.
- "For any person holding a public office or is a public servant, there is an unwritten rule, and it is part of our constitutional culture, that we impose a self-- restriction when we hold offices of responsibility and not blabber things which are very disparaging or insulting to our countrymen.
- "There may be no right against the state when an individual makes a statement, but on account of a public functionary making a statement, if a section of population or individuals are affected, there is always a civil remedy available,"

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## No money for terror forum

- The use of crowdfunding platforms to finance terrorist activities and weak control mechanisms of social media platforms is one of the four main topics to be discussed at the third No Money for Terror (NMFT)

conference to be hosted by India this week. The conference is to be held in New Delhi.

- Global trends in terrorism and terrorist financing; use of formal and informal channels for terrorism; emerging technologies and terrorist financing; and international cooperation to address challenges in combating terrorist financing.
- Humanitarian forces of the world and India will have to fight unitedly to defeat the menace of terrorism.”
- “Terrorists and extremists have improvised on technologies like cryptocurrency and crowdfunding by customizing them to suit their requirements.
- The dark web brings together professional hackers and terrorists seeking to transfer or crowd-source funds, and the anonymous, decentralized, and often untraceable nature of terror financing through various means poses a serious challenge.
- “The world still lacks a universal consensus on laws and norms regarding cybercrimes.
- The weak control mechanisms of social media platforms and their misuse by terrorist and extremist groups to raise funds have been regularly highlighted.

- An effective multilateral and multistakeholder approach can help in the identification and mitigation of threats of emerging terror financing mechanisms.
- An effective legislative framework can help ensure that internet service providers/social media platforms work towards effective, proportionate, and dissuasive self-regulation.

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### **Israel and Iran**

- With a continuing nuclear program, support for militant groups in the region such as Hezbollah and direct military assistance for Russia in the Ukraine war as Iran continues to flex its muscles, both in West Asia and beyond, Israel sees a “survival challenge”, say diplomatic and military officials.
- Of these groups, Israeli officials say, Hezbollah, which possesses more than 1,00,000 rockets, poses the strongest threat
- If Hezbollah has already established a strong military presence along Israel’s northern border with Lebanon, the Syrian civil war has brought pro-Iran forces closer to its Syrian border.

- Hezbollah and other Iran-trained Shia militias fought alongside the regime forces of President Bashar al-Assad under the air cover of Russia in the civil war.
- In recent years, Israel has carried out multiple airstrikes inside Syria, targeting Iran-backed groups and Iranian supplies. Israel's goal is to roll back Iran's influence from its border region with Syria.
- But it also meant that Israel has to maintain a sound relationship with Russia, which practically controls Syria's airspace.

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#### **Vostro and Nostro account**

- Russia is the only country to engage with India's rupee-based trade offer for now, and nine Russian banks have been permitted to open special Vostro accounts to pave the way for such export-import transactions.
- "Nostro" and "Vostro" are two different terms used to describe the same bank account. The terms are used when one bank has another bank's money on deposit, typically in relation to international trading or other financial transactions.
- Both banks in the venture must record the amount of money being stored by one bank on behalf of the

other bank. The terms Nostro and Vostro are used to differentiate between the two sets of accounting records kept by each bank.

- Nostro comes from the Latin word for "ours," as in "our money that is on deposit at your bank."
- Vostro comes from the Latin word for "yours," as in "your money that is on deposit at our bank."

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