

Fiscal federalism

- The emerging dynamics of India's fiscal federalism need some rethinking.
- The paradigm shift from a planned economy to a market-mediated economic system,
- the transformation of a two-tier federation into a multi-tier fiscal system following the 73rd and 74th Constitutional Amendments, the abolition of the Planning Commission and its replacement with NITI Aayog,
- The emerging dynamics of India's fiscal federalism need some rethinking.
- The paradigm shift from a planned economy to a market-mediated economic system,
- the transformation of a two-tier federation into a multi-tier fiscal system following the 73rd and 74th Constitutional Amendments, the abolition of the Planning Commission and its replacement with NITI Aayog,
- The passing of the Fiscal Responsibility and Budget Management (FRBM) Act, with all the States forced to fall in line,
- The Goods and Services (GST) Act with the GST Council holding the controlling lever, the extensive use

of cess and surcharges which affect the size of the divisible pool.

Issues to be seen

- One, India's intergovernmental transfer system should be decidedly more equity-oriented.
- There is a case for revisiting Article 246 and the Seventh Schedule for a denovo division of powers, functions, and responsibilities for a variety of reasons.
- First, India is no longer the one-party governance of post-Independence times.
- It has become a truly multi-party system.
- The nature of polity, society, technology, demographic structure, and the development paradigm itself have significantly changed.
- Second, under the changing dispensation, several pieces of central legislation such as the Mahatma Gandhi National Rural Employment Guarantee Act 2005, the Right of Children to Free and Compulsory Education Act 2009, the National Food Security Act 2013, and many others impose an extra burden on the States.
- Although the 73rd and 74th Constitutional Amendments provided an opportunity to re-examine the issue, nothing was done.

- In fact, more confusion was added with the introduction of Schedule XI and Schedule XII, which, respectively, list out the subject matter for the panchayat raj institutions and municipalities by simply lifting items from the State list and Concurrent list.
- They lack operational meaning unless they are broken down into activities and sub-activities.
- Fourth, the persistent failure to place the third tier properly on the fiscal federal map of India is a serious issue.
- Fifth, there is a great need to review the off-budget borrowing practices of both the Union and the States.
- Off-budget borrowings mean all borrowings not provided for in the Budget but whose repayment liabilities fall on the Budget.
- Although the States are disciplined through Article 293(3) by the Union and through the FRBM Act, the Union often escapes such controls
- The Consolidated Fund of India balance is considered for calculating fiscal deficit, and items in public accounts such as the NSSF (National Small Saving Fund (NSSF) are kept out.
- While the borrowing space of States is restricted, the Union escapes such discipline.

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Cleantech

- The green economy paradigm provides an optimistic pathway to align development and environmental outcomes.
- For instance, building a solar park or an electric vehicle charging station helps expand the much-needed infrastructure in a developing economy while furthering climate action.
- Similarly, reviving millets helps improve farm incomes in rain-fed areas while making our agriculture climate resilient.
- India's rural economy which comprises 120 million farmers and 34 million microenterprises often struggles with unreliable electricity access and a dependence on expensive and imported diesel.
- These cleantech solutions that are powered by renewable energy can help India reduce its diesel imports, avoid the loss of perishable food, and enhance rural livelihood opportunities while posing an investment opportunity worth \$50 billion for investors and financiers.

Steps to scale up

- First, leverage existing government programs supporting livelihoods.
- For instance, the Pradhan Mantri MUDRA Yojana that extends

collateral-free loans for microenterprises can be used to enable the adoption of cleantech solutions.

- Second, enable large-scale financing of cleantech solutions.
- It requires supporting bankers' capacity on credit assessment for cleantech because they have not come across such solutions and the associated cash flows before making an informed assessment.
- Third, enable multi-actor partnerships between technology innovators, manufacturers, distributors, service providers, financiers, and market-linkage players to enable an overall ecosystem.

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BRICS Expansion

- Ever since the grouping, set up as a coalition of emerging economies, said last year that it was open to new members, as many as 40 countries from the global south have evinced interest in joining, with at least 22 formal applications.
- The decision to more than double its membership overnight, from 5 to 11, by inducting four major Middle Eastern players, Egypt, Iran, Saudi Arabia, and the United Arab Emirates, as well as Ethiopia and

Argentina, from Africa and South America, respectively, is significant.

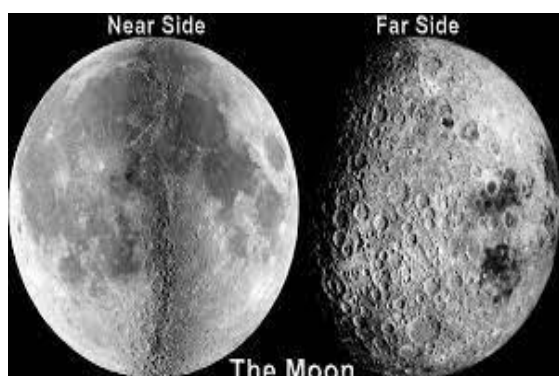
- The enthusiasm is obvious. BRICS has weathered several storms and is today seen, if not as an alternative, as a counter-narrative creator to the Western-led G-7 club on diverse issues: from climate change commitments and UN reform to its rejection of unilateral Western sanctions against Iran, Russia, and Venezuela.
- By also creating the New Development Bank, which has funded nearly 100 projects so far, instituting a Contingent Reserve Arrangement, and other institutional mechanisms, the BRICS countries have also shown their ability to work on practical initiatives.
- While the grouping may not yet rival the wealth of the G-7, it does now rival its share of the global GDP (approximately 30% each) and represents a more equitable representation across 40% of the world's population to the G-7 countries that make up just 10%. Once the new members join, six of 10 of the biggest global oil suppliers will be BRICS countries, giving BRICS new heft in the field of energy.
- The rivalry between India and China has no doubt slowed the grouping down and the induction of arch-rivals Iran and Saudi Arabia- UAE, despite their recent détente, could

well create similar issues for the group in the future.

- In addition, any overtly political, anti-western stance by BRICS will make India, and other countries in the grouping who walk a tightrope between the global powers, including Egypt, the UAE, Saudi Arabia and Brazil, uncomfortable.
- Russia's invasion of Ukraine has caused uneasiness, and BRICS members did not vote as a bloc on any of the UN votes; nor did any of the other members support Russia's actions.
- Above all, any attempts by China to overpower the group with its strategic or economic vision will require a firm pushback if the foundational idea of BRICS, to assert the strategic autonomy of its members, is to be followed.

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Near side and far side of the moon



- The controlled descent of the Vikram lander of Chandrayaan-3 made it one of the closest approaches of a

lunar mission to the moon's South Pole.

- However like most of the lunar-landing missions before, Vikram too landed on the near side, making the Chinese Chang'e 4 mission the only one to have landed on the far side.

What are the moon's 'near' and 'far sides' and is there a 'dark' side?

- The near side refers to the portion of the moon about 60% that is visible to us. It is always the same side that is visible from Earth because the moon takes the same time to rotate about its axis as it does to circle around the Earth.
- However, this doesn't imply that half the moon is in perpetual darkness.
- The 'new moon' or when the moon is invisible from Earth is the time when the other 'far side' of the moon is bathed in sunlight and continues to receive light for nearly a fortnight.
- The 'dark side' is thus dark only in the sense that it was mysterious and its various topographical features were controlled descent of the Vikram lander of Chandrayaan-3 made it one of the closest approaches of a lunar mission to the moon's South Pole.
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What are the moon's 'near' and 'far sides' and is there a 'dark' side?

- Features were hidden until the Soviet spacecraft Luna 3 in 1959 photographed it and the Soviet Academy of Sciences released an atlas of these images.

Is the dark side very different from the near side?

- The major difference between the two sides is that the near side is relatively smoother and has many more 'maria' or large volcanic plains compared to the far side.
- On the far side, however, there are huge craters, thousands of kilometers wide, which have likely resulted from collisions with asteroids.
- While both sides of the moon in its formative phase were similarly bombarded, the crust on the near side is thinner because of which, over millions of years, the volcanic lava in the lunar crust has flowed more extensively into the thinner side and filled up its craters. The resulting plains that have thus formed are
- Far more conducive to space missions because they provide a relatively flat terrain for landers and rovers.

- Chandrayaan-3 identified an area 2.4 km wide and 4.8 km long that had spots of 150 m spaces that would be conducive to a safe descent.
- China's Chang é-4 lander remains the only one to have successfully landed on the far side.
- This vehicle landed on the Von Karman crater situated within a larger 2,500 km wide crater called the South Pole Aitken basin.



What's special about the Chandrayaan-3's landing?

- The Chandrayaan-3 mission, while still on the near side, has managed to land Vikram the closest ever to the lunar South Pole.
- Increasing the chances of encountering frozen water ice along with several "interesting deposits" that can reveal more about the moon and its harvestable resources.
- The Vikram lander "wasn't exactly in a shadowed region" as it was necessary to shine sunlight on the lander and rover to charge their solar batteries to keep them powered.
- The mission's guiding purpose was to execute a successful controlled or

‘soft landing’ and the chances of doing that best while being near the South Pole were best served by keeping it on the near side.

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India and Greece

- Prime Minister Narendra Modi was conferred with the ‘Grand Cross of the Order of Honour’ by the Greek President Katerina Sakellariopoulou.

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India Smart Cities Award Contest (ISAC), 2022

- Indore has been adjudged the best Smart City while Madhya Pradesh has been chosen as the top state for exemplary performance in the Smart Cities Mission. Surat and Agra are the second and third-place winners among cities, while Tamil Nadu is the second in the State category followed by Rajasthan and Uttar Pradesh in the India Smart Cities Award Contest (ISAC), 2022.
- The award for the best Union Territory has gone to Chandigarh.
- The ISAC awards for 2022, organized under the Smart Cities Mission, by the Ministry of Housing and Urban Affairs were announced on Friday.
- President Droupadi Murmu will give away the awards on September 27 at Indore in Madhya Pradesh.
- This is the fourth edition of the ISAC awards. In the past, the ISAC

witnessed three editions in 2018, 2019, and 2020.

- The ISAC recognizes and rewards cities, projects, and innovative ideas that are promoting sustainable development across the 100 smart cities, as well as stimulating inclusive, equitable, safe, healthy, and collaborative cities leading to a better quality of life for all.



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