

Mains Master

Context:

- The recent Union Budget in India, presented by Finance Minister Nirmala Sitharaman on February 1st, 2024, surprised many economists by announcing a fiscal deficit target of 5.1% of GDP for the 2024-25 financial year. This was lower than the expected target of around 5.3% - 5.4%.
- The revised estimates for the current year (2023-24) also showed an improvement, bringing the fiscal deficit down to 5.8% of GDP.

What is Fiscal Consolidation and Why is it Important:

- Fiscal consolidation refers to a set of policies and measures implemented by a government to reduce its fiscal deficit, the gap between its revenue and expenditure.
- A high fiscal deficit can have several negative consequences:**
 - Higher interest rates:** When the government borrows more money to fund its deficit, it competes with private borrowers, driving up interest rates for everyone. This can discourage investment and hinder economic growth.
 - Increased inflation:** Excessive money printing by the central bank to finance the deficit can lead to inflation, eroding the purchasing power of citizens and impacting their standard of living.
 - Unsustainable debt burden:** A high and rising fiscal deficit can lead to an unsustainable debt burden, making it difficult for the government to meet its future obligations and potentially triggering a financial crisis.
- Conversely, achieving fiscal consolidation offers several benefits:**
 - Lower interest rates:** Reduced government borrowing leads to lower interest rates, stimulating investment and economic activity.
 - Controlled inflation:** Lower deficits minimize the need for excessive money printing, helping to control inflation and stabilize the economy.
 - Improved creditworthiness:** A government with lower deficits and debt is perceived as more creditworthy, leading to lower borrowing costs and attracting foreign investment.

Challenges and Opportunities in the Interim Budget:

- The government's target of 5.1% for the fiscal deficit in 2024-25 is seen as ambitious by some economists. They highlight potential challenges in:
 - Raising tax revenue:** Increasing tax rates or widening the tax base can dampen economic activity, making it difficult to achieve the desired revenue growth without impacting economic growth.
 - Reducing expenditure:** Cutting subsidies and other essential spending can be politically unpopular and impact vulnerable sections of society.
- However, there are also opportunities to support this target:**
 - Economic growth:** Sustaining a healthy economic growth rate can naturally increase tax revenue without raising tax rates, easing the burden on both businesses and individuals.

- Streamlining expenditure:** Improving efficiency in government spending and eliminating wasteful practices can free up resources without impacting essential services.

Conclusion:

- Fiscal consolidation is crucial for India's long-term economic stability and growth. The success of the government's ambitious target will depend on its ability to strike a balance between raising revenue effectively, controlling expenditure, and maintaining robust economic momentum.

A sunshine initiative

Context:

- Finance Minister Nirmala Sitharaman proposes a plan to install rooftop solar panels in 1 crore households, potentially saving them ₹15,000 annually.

Background:

- Existing rooftop solar subsidies cover up to 40%, with consumers bearing the rest.
- The new plan proposes a 60% subsidy and financing by private developers affiliated with public sector power enterprises.
- Net-metering allows surplus electricity to be sold back to the grid.

Energy Security:

- Reduced dependence on fossil fuels:** Rooftop solar reduces reliance on imported fossil fuels, mitigating price volatility and geopolitical risks associated with traditional energy sources. This strengthens India's energy independence and resilience.
- Enhanced grid stability:** Decentralized solar power generation can improve grid stability by reducing peak demand on central power plants, minimizing outages and transmission losses. This also empowers local communities to manage their energy needs.
- Diversification of energy mix:** Integrating solar into the energy mix reduces dependence on a single source, creating a more diverse and resilient energy system. This mitigates risks associated with fuel price fluctuations or disruptions in specific energy sources.
- Improved air quality and climate change mitigation:** Solar energy generation produces zero emissions, contributing to cleaner air and reducing greenhouse gas emissions. This aligns with India's climate change commitments and promotes a sustainable energy future.

Multiplier Effect:

- Job creation:** The plan can create significant job opportunities in solar panel manufacturing, installation, maintenance, and financing. This can boost local economies and empower communities, particularly in rural areas.
- Economic growth:** Increased domestic solar production can stimulate economic growth through investments, infrastructure development, and export potential. This can contribute to India's overall economic development and competitiveness.



- **Technological advancements:** The initiative can incentivize research and development in solar technologies, leading to cost reductions and efficiency improvements. This can benefit not only India but also the global clean energy transition.
- **Energy affordability:** Widespread adoption of rooftop solar can reduce electricity bills for households and businesses, leading to increased disposable income and improved living standards. This can stimulate consumer spending and economic activity.
- **Energy literacy and awareness:** The plan can raise public awareness about renewable energy and its benefits, encouraging wider adoption and promoting responsible energy consumption practices. This can contribute to a more sustainable energy future for India.

Challenges:

- Excluding state power distribution companies (discoms) with crucial data may hinder implementation.
- Finding eligible households with low consumption (300 units/month) might be difficult.
- Previous rooftop solar targets (40 GW) have fallen short, with only 12 GW installed.
- Accommodating states and avoiding past obstacles is crucial for success.

Way Ahead:

- Tweak the plan to involve and incentivize discoms for smoother implementation.
- Consider expanding eligibility beyond low-consumption households for wider impact.
- Address past challenges and ensure efficient execution to achieve ambitious targets.

Panchayats earn only 1% of their revenue through taxes

Key Findings:

- Panchayats rely heavily on grants from the central and state governments, with only 1% of their revenue coming from their own taxes.
- This dependence leads to limited financial autonomy and potential interference from higher authorities.
- Wide variations exist across states, with Kerala and West Bengal showcasing the highest average revenue per panchayat, while some states see less than ₹6 lakh per panchayat.
- As a result, the panchayats' share of their respective state's own revenue remains minimal, highlighting a need for greater decentralization and fiscal empowerment.

Breakdown:

- Revenue Sources:
 - Taxes: 1% (profession & trades, land revenue, etc.)
 - Non-tax revenue: 4% (interest, programs)
 - Central government grants: 70%
 - State government grants: 23%

- Challenges:
 - Limited financial autonomy due to grant dependence.
 - Potential interference from higher authorities.
 - Uneven distribution of resources across states.
- Possible Solutions:
 - Promote greater decentralization and empower local leaders.
 - Encourage panchayats to explore diverse revenue generation options.
 - Address state-level disparities in resource allocation.

On Uttarakhand's uniform civil code

Context:

- The Uttarakhand Assembly is gearing up to consider and potentially pass the Uniform Civil Code (UCC) Bill during its February session.
- This action follows through on the state government's previous promise and coincides with the submission of a comprehensive report on UCC implementation by the state-appointed committee headed by Justice Ranjana Prakash Desai.

Background:

- Article 44 of the Indian Constitution states a directive principle, urging the state to "endeavour to secure for the citizens a uniform civil code throughout the territory of India."
- However, a long-standing debate exists regarding whether UCC should be enshrined as a fundamental right or remain a directive principle. This debate stems from concerns over potential infringement on religious freedom and cultural diversity, with fears of social unrest also being raised.

What is UCC and What are its Proposed Features?

- The Uniform Civil Code seeks to replace the currently existing diverse personal laws governing matters like marriage, divorce, inheritance, and adoption with a single, uniform set of laws applicable to all citizens regardless of their religion.
- The draft UCC in Uttarakhand, as outlined in the submitted report, focuses on promoting gender equality by introducing provisions that treat men and women equally, particularly in matters related to inheritance.
- Additionally, the proposed code aims to revoke certain discriminatory practices currently followed in individual personal laws, such as polygamy, the mandatory iddat period for Muslim women after marriage dissolution, and the practice of triple talaq.
- Extending equal property rights to Muslim women, currently disadvantaged under personal law with only a 25% share, is another potential change proposed in the UCC.
- However, the minimum age for marriage is expected to remain the same for men and women at 18 and 21 years respectively.
- Other areas within the purview of the code include divorce procedures, marriage registrations, adoption processes, social security measures for the elderly, and even the mandatory registration of live-in relationships.



Benefits of UCC (According to Proponents):

- Proponents of UCC argue that it can be a unifying force, promoting national integration and fostering a sense of equality among citizens.
- They believe it can address discriminatory practices within existing personal laws, advancing social justice and gender equality.
- Additionally, they argue that a single, uniform code can simplify legal procedures and potentially reduce litigation.

Challenges and Concerns regarding UCC:

- Opponents of UCC express concerns about the potential infringement on religious freedom and the erosion of cultural diversity that a uniform code might bring.
- Minority communities fear the code could undermine their traditions and customs, leading to a sense of alienation and exclusion.
- Some argue that social unrest could erupt if the code is implemented without proper consensus and sensitivity to diverse societal opinions.
- Practical challenges in implementation, such as ensuring smooth transitions from existing personal laws and potential complexities in managing diverse interpretations of the code, are also raised as concerns.

Law Commission on UCC:

- The 21st Law Commission of India, headed by Justice Balbir Singh Chauhan, submitted a report in 2018 stating that considering the vast number of existing personal laws in the country, formulating a UCC was "neither necessary nor desirable at this stage."
- However, the 22nd Law Commission currently headed by Justice (Retd.) Rituraj Awasthi issued a notification in June 2023 seeking public and religious organization views on the issue of UCC.

Can States Implement UCC?

- The legal feasibility of individual states implementing UCC remains unclear. While Article 44 of the Constitution serves as a directive principle, it is not directly enforceable as law.
- The Supreme Court has refrained from issuing any directive mandating UCC implementation as the power to legislate on such matters falls within the exclusive domain of Parliament.
- However, the court has dismissed challenges raised against the formation of state-level committees investigating and exploring UCC implementation options, upholding the right of states to undertake such studies.

Path Ahead:

- With the potential passage of the UCC Bill in Uttarakhand, other BJP-ruled states like Madhya Pradesh and Gujarat, which have also formed committees for UCC exploration, might follow suit.
- Whether the central government decides to pursue a nationwide UCC remains to be seen. It is likely to take a cautious approach, waiting to observe the outcomes of individual state initiatives and the recommendations of the 22nd Law Commission.
- Additionally, a pending Supreme Court query on the "scope and ambit of the right to freedom of religion under Article 25 of the Constitution" adds further complexity to the issue. No progress has been made on this query in the three years since it was posed by the court.

Prelims Booster

Ergosphere: making a black hole work

- Rotating black holes, also known as Kerr black holes, feature a unique region outside their outer event horizon called the ergosphere, which allows for the extraction of matter and energy.
- The formation of a black hole occurs when a massive star exhausts its fuel, leading to a core implosion, resulting in the creation of a black hole with a gravitational singularity at its center, where the predictions of general relativity break down.
- The event horizon, a sphere around the singularity, marks the point of no return for anything entering it, as escape would require traveling faster than light. Beyond this sphere, a rotating black hole possesses an ergosphere, where objects can enter and leave if moving at speeds less than that of light.
- The term 'ergosphere' is derived from the Greek word 'ergon', meaning 'work', signifying the potential to extract matter and energy from this region, unlike beyond the event horizon.
- Some scientists have proposed leveraging the ergosphere's ability to accelerate objects by sending them into this region, presenting intriguing possibilities for future exploration and experimentation.

- Gatka is a form of self-defence martial arts that combines physical flamboyance with sacred devotion, often referred to as 'Adi-Shakti Yoga'. It is a spiritual practice that goes beyond just a form of martial art, emphasizing a way of thinking and living with joy and contentment.

Day of the warrior



Age-old art: Youth perform Gatka, an ancient form of Sikh martial art, during a religious procession to celebrate the birth anniversary of the Sikh warrior Shahbuddin Bala Deep Singh in Amritsar on Sunday.

- The history and origin of Gatka can be traced back to Punjabi culture, where it uses wooden sticks as weapons and has been preserved in Sikh history. It was extensively used by Sikh warriors during the 16th & 17th century to defend themselves from Mughals and their atrocities. Sri Guru Har Gobind Singh Ji used to carry 2 swords- Miri and Piri, which stood for strength and spirituality, respectively. Guru Gobind Singh Ji is known as the greatest Gatka warrior of all times.
- Gatka has graduated from bare-hand combat to using various weapons such as swords, kirpans, lathis, axes, and shields, requiring strict discipline and concentration. It also includes non-combat items like the turban, belt, drum, and reciting Gurbani to raise the spirits of the Sikhs.

- Kalaripayattu is an ancient Indian martial art form originating in Kerala, encompassing a wide range of techniques including strikes, kicks, grappling, weaponry, and healing methods.
- Origins and History: Kalaripayattu dates back over 3,000 years, believed to be developed by the warrior-sage Parasurama and initially practiced for combat and self-defense.
- Training and Techniques: It involves rigorous physical conditioning, flexibility exercises, and mastery of unarmed combat, armed combat, and traditional weapons such as swords, shields, and spears.
- Elements of Kalaripayattu: It incorporates physical techniques, mental discipline, and healing practices, including striking, kicking, grappling, wrestling, and the study of vital points for combat and healing.
- Traditional Weapons: Kalaripayattu involves the use of traditional weapons like the sword, shield, staff, spear, and the urumi, a flexible sword-like weapon.
- Influence on Other Martial Arts: Kalaripayattu has influenced the development of other martial arts, including various forms of Asian martial arts such as Kung Fu and Karate, showcasing its historical significance.

