



DAILY CURRENT AFFAIRS 24-12-2024

GS-2

1. **Public Accounts Committee**

GS-3

2. **GST Council**
3. **Indian State of Forest Report-2023**
4. **Arsenic contamination**
5. **India as a global skill supplier**

Public Accounts Committee

Syllabus: GS-2: Parliament

Context:

- In its report tabled recently in Parliament, the PAC noted that four Ministries — Finance, Defence, Railways, Chemical & Fertilizers — have spent ₹1,291.14 crore in excess of the 2021-22 sanctioned Budget.

Ministry-wise Excess Expenditure

- **Ministry of Finance:** ₹742.56 crore.
- **Ministry of Chemicals and Fertilizers:** ₹493.38 crore.
- **Ministry of Railways:** ₹55.16 crore.
- **Ministry of Defence:** ₹3.17 crore.

Reasons and Observations

- Overspending occurred despite the availability of **real-time tools for expenditure monitoring** in the age of e-governance and e-payment systems.
- Weak internal expenditure control mechanisms, unrealistic Budget estimations, and failure to seek adequate Supplementary Demands contributed to the overspending.
- The percentage of overspending ranged from **0.67% to 10.41%**.

Constitutional Provisions and Procedure

- **Article 115** of the Indian Constitution provides for **excess grants** when allocated funds fall short of actual expenditure.
- Excess expenditure is disclosed in the accounts under **revenue** and **capital sections** and requires explanations from Ministries to the PAC.
- Ministries must submit detailed justifications to facilitate the regularisation of such expenditures.

Recommendations by the PAC

- **Stricter Scrutiny:** Rigorous evaluation of Budget proposals at the initial stage.
- **Continuous Monitoring:** Real-time tracking of expenditure to prevent overspending.
- **Adherence to Financial Rules:** Ensuring compliance with financial regulations.
- **Supplementary Grants:** Proper estimation and timely request for additional funds to avoid overspending.

Significance of the Report

- Highlights systemic issues in Budget management and expenditure controls.
- Calls for improved fiscal discipline to ensure **accountability and transparency** in public finance management.

Public Accounts Committee (PAC)

- **Establishment:** Constituted in 1921 under the Government of India Act, 1919.
- **Composition:**
 - 22 members (15 from Lok Sabha, 7 from Rajya Sabha).
 - Members are elected annually by proportional representation through the single transferable vote.
 - No minister can be a member.
- **Chairperson:**
 - Appointed by the Speaker of the Lok Sabha.
 - Traditionally, from the opposition party.
- **Functions:**
 - Examines the **Annual Financial Accounts** (Appropriation Accounts and Finance Accounts) of the government.
 - Scrutinizes the **CAG reports** on public expenditure.
 - Ensures that funds granted by Parliament are spent as authorized.
- **Reports:** Submits its findings to the Parliament.
- **Limitations:**
 - Cannot question the policy behind expenditure.
 - Recommendations are advisory, not binding.
- **Significance:** Acts as a watchdog of public finances to ensure accountability and transparency.

GST Council

Syllabus: GS-3: Taxation.

Context:

- Selective indecision: on the GST Council's 55th meeting, decisions.

Recent GST Council Meeting (55th Gathering)

- **Decisions and Clarifications:**
 - Clarifications on non-taxability of specific items:
 - Pepper and raisins supplied by farmers.
 - Gift vouchers.
 - Penalties levied on borrowers by banks and NBFCs.
 - Introduction of a three-tiered levy for popcorn:
 - Rationale: Taxing sweetened varieties higher due to health concerns.
 - Concerns: Adds complexity, contradicting the claim of GST being a 'Good and Simple Tax'.

Long-Pending Rationalisation of GST Rates

- **Delays and Concerns:**
 - Recommendations of the ministerial panel on GST rate rejigging were not considered.
 - Suggestions to review GST on life and health insurance policies deferred:
 - Despite repeated government commitments since the Budget session.
 - Impact: Hurts industry and consumer sentiment.
- **Effect on Industry:**
 - New life insurance business witnessed a decline in November 2023:
 - Consumers delayed purchasing policies, anticipating GST reductions.

Implications of Indecision and Complexity

- **Consumption and Investment:**
 - Tentative consumption trends adversely affect private investment plans.
 - Prolonged uncertainty over GST rate rationalisation impacts tax certainty.
- **Reversal of Supreme Court Verdict:**

- Council reversed October verdict allowing realty players to claim input tax credits for commercial construction costs intended for renting/leasing.
- Retrospective application from July 2017 raises investor concerns:
 - Reminiscent of past taxation misadventures.

Broader Concerns with GST Implementation

- **Complex Rate Structure:**
 - Multiple rates add to compliance burden and inefficiencies.
 - Long-pending rate rationalisation exercise remains incomplete despite its initiation over three years ago.
- **Impact on Economic Confidence:**
 - Prolonged policy ambiguity and retrospective taxation dampen India's investment climate.
 - Consumption and private investment, critical for economic growth, are adversely affected.

Way Forward

- Expedite GST rate rationalisation to simplify the tax structure.
- Provide clarity and certainty to boost consumer and investor confidence.
- Address industry concerns proactively to prevent negative economic implications.

GST Council

Constitutional Basis

- Established under **Article 279A** of the Constitution of India.
- Formed to make recommendations to the Union and States on issues related to Goods and Services Tax (GST).

Composition

1. **Chairperson:** Union Finance Minister.
2. **Members:**
 - Union Minister of State in charge of Revenue or Finance.
 - State Finance Ministers (or nominated members from states).

Voting Structure

- Total votes weighted: **2/3 for states, 1/3 for the Union government.**
- Decisions require a **75% majority** of the weighted votes.

Functions

- Recommend the rates of GST (CGST, SGST, IGST).
- Specify goods and services exempt from GST.
- Decide on special provisions for specific states.
- Address disputes arising between states or between states and the Union.

Significance

- Promotes **cooperative federalism**.
- Streamlines indirect taxes across the country into a unified tax structure.

Indian State of Forest Report-2023

Syllabus: GS-3: Environment.

Context:

- Minister for Environment, Forest and Climate Change, Shri Bhupender Yadav released the 'India State of Forest Report 2023 (ISFR 2023)' today at Forest Research Institute, Dehradun.

Major Findings of India's Forest And Tree Cover Assessment

- **Forest and Tree Cover Overview**
 - Total Forest and Tree Cover: **8,27,357 sq km (25.17%)** of the geographical area.
 - **Forest Cover:** 7,15,343 sq km (21.76%)
 - **Tree Cover:** 1,12,014 sq km (3.41%)
- **Changes Since 2021 Assessment**
 - Overall increase: **1,445 sq km** (Forest Cover: +156 sq km, Tree Cover: +1,289 sq km).
 - **Top States for Increase in Forest & Tree Cover:**
 - **Chhattisgarh:** +684 sq km
 - **Uttar Pradesh:** +559 sq km
 - **Odisha:** +559 sq km
 - **Rajasthan:** +394 sq km

- **Top States for Increase in Forest Cover:**
 - **Mizoram:** +242 sq km
 - **Gujarat:** +180 sq km
 - **Odisha:** +152 sq km
- **States with Largest Forest and Tree Cover**
 - **Madhya Pradesh:** 85,724 sq km
 - **Arunachal Pradesh:** 67,083 sq km
 - **Maharashtra:** 65,383 sq km
- **States with Largest Forest Cover**
 - **Madhya Pradesh:** 77,073 sq km
 - **Arunachal Pradesh:** 65,882 sq km
 - **Chhattisgarh:** 55,812 sq km
- **Percentage of Forest Cover (Highest)**
 - **Lakshadweep:** 91.33%
 - **Mizoram:** 85.34%
 - **Andaman & Nicobar Islands:** 81.62%
- **Forest Cover Above 33% of Geographical Area**
 - 19 States/UTs have over 33% forest cover.
 - 8 States/UTs (e.g., Mizoram, Lakshadweep, Arunachal Pradesh) exceed 75%.
- **Mangrove Cover**
 - Total: **4,992 sq km.**
- **Growing Stock and Bamboo Resources**
 - Total Growing Stock: **6,430 million cum** (Forests: 4,479 million cum; Outside Forests: 1,951 million cum).
 - Increase in Growing Stock: **+262 million cum** (Forests: +91 million cum; Outside Forests: +171 million cum).
 - Bamboo Bearing Area: **1,54,670 sq km** (+5,227 sq km since 2021).
 - Timber Production (Outside Forests): **91.51 million cum annually.**
- **Carbon Stock and Sequestration**
 - **Total Carbon Stock:** 7,285.5 million tonnes (+81.5 million tonnes).

- **CO2 Equivalent:** 30.43 billion tonnes (additional 2.29 billion tonnes since 2005).
- Progress toward NDC Target (2.5-3.0 billion tonnes by 2030): Significant achievement with 2.29 billion tonnes added.
- **Utility and Significance**
 - Data serves policymakers, planners, forest departments, researchers, and civil society for conservation and sustainable resource management.

Arsenic contamination

Syllabus: GS-3: Pollution and Agriculture.

Context:

- West Bengal, Bihar most impacted by arsenic contamination: Centre tells NGT

States Most Affected

- **West Bengal** and **Bihar** are the most impacted by arsenic contamination of groundwater.
- Groundwater irrigation is a major route for arsenic entry into agricultural soil and eventually into the food chain.

Impact on Agriculture

- **Rice Susceptibility:**
 - As a water-intensive crop, rice absorbs significant levels of arsenic from contaminated water and soil.
 - Transport of arsenic-contaminated rice to non-endemic areas can spread arsenic exposure through dietary intake.
- **Arsenic Accumulation in Plants:**
 - Distribution pattern: Roots > Stems > Leaves > Edible parts (fruit/grain).
 - **High Arsenic Accumulation:** Leafy vegetables (spinach, fenugreek) and underground vegetables (beet, radish).
 - **Low Arsenic Accumulation:** Vegetables with fruit as edible parts (brinjal, beans, tomato).

Suggested Remedial Measures

- **Crop Selection:**

- Replace water-intensive rice varieties with less water-intensive and arsenic-tolerant rice varieties.
- Grow non-edible and leguminous crops during the dry season in hotspot areas.
- **Soil Management:**
 - Apply biochar (modified charcoal from biomass) to reduce arsenic content in soil.
 - Use green manures and silicate fertilizers to mitigate arsenic impact.
- **Water Management:**
 - Store arsenic-contaminated groundwater in ponds for dilution with rainwater.
 - Use a conjunctive approach with ground and surface water to dilute arsenic levels.

Institutional Actions

- The Union Ministry of Agriculture and Farmers Welfare, with inputs from **ICAR (Indian Council of Agricultural Research)**, provided insights and recommendations.
- ICAR has been impleaded by the National Green Tribunal (NGT) and is required to respond by the next hearing on **April 15**.

Conclusion

The issue highlights the need for integrated agricultural and water management practices, along with strong institutional interventions, to mitigate arsenic contamination and its impact on public health and agriculture.

India as a global skill supplier

Syllabus: GS-3; Indian Economy – Skill development.

Context:

- Prime Minister Narendra Modi emphasized India's potential to play a pivotal role in the global job market, leveraging its skilled workforce.
- Global trends like demographic transitions, globalization, technological advancements, and climate change are reshaping the demand for skilled migrant workers.

Key Developments in Global Immigration Policies

➤ Traditional Migrant Destinations

- Countries like the U.S., U.K., Canada, and Gulf Cooperation Council nations are prioritizing skill-intensive immigration to address:
 - Ageing societies.
 - Digitalization needs.
 - Declining fertility rates.
 - Economic diversification strategies.

➤ Emerging Destinations

- Nations such as Germany, South Korea, and Japan are also focusing on skilled immigration.

Challenges for India

1. Fragmented Policy Framework

- Absence of a comprehensive national policy on international labour mobility.
- Over-reliance on emigration clearance data, which only captures:
 - Workers with educational attainment below matriculation.
 - Migration to 18 select countries.

2. Lack of Data and Policy Integration

- Data inadequacies hinder evidence-based policy interventions.
- Current efforts limited to bilateral agreements covering:
 - Social security.
 - Skills.
 - Protection and welfare.
- Limited evaluation of these agreements' outcomes.

Way Forward

1. Comprehensive National Policy on International Labour Migration

- Anchor skill-centred migration as a key pillar.
- Develop a roadmap for transitioning India into the global skill capital.

2. Identification of Global Skill Needs

- Monitor skill demands and emerging gaps in destination countries.

➤ **Leverage:**

- Regional and national skill forecasting (e.g., European Centre for the Development of Vocational Training).
- Big data analytics for real-time job vacancies.

3. Aligning Indian Skill Development Efforts

➤ **Key Steps:**

- Introduce globally-relevant skills into curricula.
- Reorient India's International Skill Centres (ISCs).
- Offer customised short-term training programmes.

➤ **Standardisation:**

- Align India's National Skills Qualification Framework with international standards.

4. Reintegration of Return Migrants

- Recognize and accredit skills acquired abroad.
- Facilitate a smooth transition for returnees into the Indian labour market.

5. Skill-Centred Migration Information System

- Develop a platform for regular data collection, analysis, and reporting on:
 - Skill demand and supply.
 - Migration trends.
- Use insights to foster partnerships with major destination countries.

Conclusion

- India must proactively address the evolving global skill requirements through robust policies, advanced training programmes, and a data-driven approach.
- Strengthening skill partnerships and reintegrating return migrants can position India as a global hub for skilled labour, enhancing developmental outcomes.