

**1. How well have the concerns raised by the states during the implementation of the Goods and Services Tax law been addressed? Critically examine.**

**Approach**

Candidates can start the answer with highlighting recent issues raised by states such as GST compensation and then write steps taken by centre also as per the demand of question highlight how challenges still exists.

**Introduction**

Recently at consultation meeting for the Union Budget of 2023-24 issues of the federal fiscal framework were flagged by the states. Also asked financial help by extending GST compensation period.

**Body**

Steps taken by centre to resolve such issues for states:

- More economical empowerment: Power to tax services, which was hitherto with the Central Government only, will boost revenue and give States access to the fastest growing sector of the economy.
- GST Compensation pending dues released: The Centre released an amount of ₹17,000 crore to states and UT in November 2022, towards the balance GST compensation for the April-June period.
- Expansion of the tax base: As states will be able to tax the entire supply chain from manufacturing to retail.
- Enhancing Investments: GST being destination-based consumption tax will favour consuming States. Improve the overall investment climate in the country which will naturally benefit the development in the States.
- Increase Compliance: Largely uniform SGST and IGST rates will reduce the incentive for evasion by eliminating rate arbitrage between neighbouring States and that between intra and inter-state sales.
- Building Synergy: The functioning of "PRAGATI" to review the progress of developmental efforts has also generated the requisite synergy between the Centre and states.

Still many challenges/concerns unresolved for states:

- The GST compensation period expires in June 2022, and despite multiple requests from the States, the deadline has not been extended.
- Cesses a cause of worry still exists; it reduces the divisible pool of resources and thus the states' share of the revenue.
- Despite states demand GST precariously held together by the loose thread of "compensation guarantee", under which states surrendered their fiscal powers in return for guaranteed revenues.

- The capacity of State tax authorities, so far used to taxing goods and not services, to deal with the latter is an unknown quantity.
- SCGT and CGST input credit cannot be cross utilized and manufacturing states are losing revenue on a bigger scale.

### Way forward

- The gradual widening of the fiscal capacity of the states has to be legally guaranteed without reducing the Centre's share.
- Union Government to merge the cesses and surcharges into the basic rates of tax so that the States receive their legitimate share in devolution.
- It is important to utilise experiences from global economies that have implemented GST before us, to overcome the impending challenges.
- The recommendations of the GST Council "should be a product of a collaborative dialogue involving the Union and States".
- The rationalization of the GST structure into three slabs by merging two existing slabs is on the cards and should be done soon.

### 2-While cities like New York and London have mayor centrist urban governance the same isn't true about urban governance the Indian cities, in what ways does the current state of municipal politics create impediments for efficient governance in India ? examine

#### Approach-

In this question candidates need to write about why there is difference in urban governance between new York and London and Indian cities, In second part of answer write about how municipal politics create impediments for efficient urban governance.

#### Introduction -

Indian cities doesn't Mayor centrist governance hence they are encircled with numerous problems and these problems exacerbated by the fact that the city does not have an elected government. The fact that bureaucrats and not elected officials currently head the municipal corporations is a major reason why the city lacks accountability in tackling urban issues.

#### Body -

India has an urban population of 675 million. By itself, this number is greater than the population of any country in the world save China. Moreover, urban India generates around 60% of the country's gross domestic product. By the next decade, this will go up to 70% predicts consulting firm predicts Mckinsey.

- Bengaluru is one of the world's major cities. The Greater Bengaluru region has a population of more than eight million, about as many people as live in Switzerland. That it does not have an elected government is, in a word, astounding and points to what is probably India's single biggest governance flaw: weak, almost non-existent independent urban governance.
- India has a shocking lack of governance when it comes to these high-population, economically vital parts of the country.
- urban governance in India is crippled financially. India's cities are only able to generate around two-fifths of their own revenue, depending for the rest on the Union and (majorly) their state governments.
- Administratively too, they have been hamstrung by their state governments. The Constitution specifies a rather modest list of functions (when bench marked with other countries) that should be performed by urban governments.
- However, state governments, and sometimes even the Union, have not allowed their municipalities to take up even those duties, by themselves appropriating functions like the building of roads or supplying water.
- In Bengaluru, for example, water, sewage and land use – classic municipal functions – are handled by bodies created by the state, not the city. Even more bizarrely, in India, the federal government overseeing a population of 1.3 billion, regularly involves itself in the minutiae of urban governance such as sanitation (Swachh Bharat) or urban planning (Smart Cities Mission). In possibly one of the world's starkest examples of centralisation, the transport backbone of India's financial capital, the Mumbai suburban railway, is run not by the city or the state but by the government of India.
- Most starkly, though, India's urban governments are crippled politically. While the cabinet form of government is well established in India at the state and Union level, cities in India do not have that privilege.
- Urban governments rarely have powerful mayors who can provide accountable governance in a way a chief minister or prime minister can. Even a city like Mumbai, which has one of India's most powerful city governments, has a ceremonial mayor and the administration is actually headed by a bureaucrat appointed by the Government of Maharashtra.
- In contrast, say, New York City's mayor in the United States is not only elected by the people of the city but controls powerful departments such as the police.

### Falling behind the world-

- Across the world, being the mayor of a major city is an important political post that is often a stepping stone to a national role. Recep Tayyip Erdoğan, the president of Türkiye, cut his teeth as mayor of Istanbul. The outgoing British prime minister Boris Johnson was mayor of London till 2016.
- Ironically, China, a unitary state compared to India's federal union, has extremely powerful city governments.
- Even odder still, India once did have powerful mayors. Jawaharlal Nehru, for example, headed the Allahabad Municipal Corporation in the 1920s as did his future deputy prime minister Vallabhbhai Patel in Ahmedabad. In 1930, Subhas Chandra Bose became the mayor of Kolkata.
- However, much of this owes itself to the fact that till 1937, democratic government was only available at the local level to Indians. Post Independence,

Indians – who now had control of the Central government – chose centralisation and weak local governments.

Local politics is key-

- It must be noted that there have been attempts to strengthen local government in India. Both Kerala and West Bengal have had politics that try to create a robust third tier. In 1992, the Union government passed the 74th Amendment to the Constitution, trying to administratively and financially strengthen local governments by bypassing state governments.
- In 2016, Congress MP Shashi Tharoor introduced a private members bill asking for a directly elected Mayor as well as a cabinet called the “Mayor-in-Council” chosen from elected councilors, in effect creating a hybrid Presidential-Parliamentary system. Notably, all of these measures have failed.
- States, and in some cases the Union itself, has bypassed the aims of the 74th Amendment by eating into municipal powers. In fact, even when reforms succeed on paper, their effects on the ground can be limited. To take Kolkata’s example: the city already has, to quote the municipal corporation’s own website, a “Mayor-in-Council, with all the attributes of the Cabinet form of government” as well as a powerful mayor, elected in the same way a chief minister or prime minister is. Yet, Kolkata also points to the fact that, at the end of the day, ground politics trumps top-down administrative design.

### Conclusion-

In theory, even though some mayor might have a significant amount of power compared to other local bodies, but politically they owe their post to the chief minister and the state’s ruling party. This is true across the country. Unless this political ground shifts, India’s local governance will be stuck in the rut it is in currently.

**3. The use of law enforcement agencies by the state for political gains threatens the proper functioning of a democracy. Do you agree? Substantiate your views .**

### Approach -

A simple straightforward question where candidates need to explain about how law enforcement agencies used by state for political gains threatens the proper functioning of democracy. Give your opinion about it and substantiate your views .

### Introduction-

One of the great tragedies of contemporary Indian politics is the corrosion of the autonomy of our law enforcement agencies. It probably dates back to the Emergency in the mid-70s, after which every political party has continued this unhealthy practice with varying degrees of doggedness. The independence of these agencies is a cornerstone of any vibrant democracy.

### Body -

For any democracy to thrive, the checks and balances of its institutions must be allowed to work to prevent abuse of power by those in office.

- Independent, rule of law-abiding institutions play a key role in ensuring the necessary checks and balances. They provide the ultimate foundation for stronger and resilient democracies.
- Recently, there have been many events of protests by the vulnerable sections of society in India. Moreover, the nature of the suppression of dissent may reflect an imbalance of power between the law enforcement agencies and the citizens.
- Misuse of law enforcement agencies for political gains directly threatens democracy
- Chhattisgarh Fake Encounter Case-In security forces in Chhattisgarh were engaged in the fake encounter- as held by a judicial probe.
- Judicial probe completed a seven-year long investigation, found that the so-called encounter of “Maoists”, killed the people who were not Maoists, but innocent villagers.
- Moreover, the Unlawful Activities (Prevention) Act, contains language that is as wide and vague, criminalising “membership” of terrorist gangs or unlawful organisations, without any explanation of what “membership” means.
- The problem of “fake encounters” has also long dogged the Indian polity.
- Recent Telangana encounter case, where, acting on public interest litigation, the Supreme Court ordered an investigation to a “committee”, with a six-month reporting period.
- Fake encounters take place because there do not exist adequate structures of accountability.
- when misuse of enforcement agencies becomes unchecked and widespread, it could render the institution dysfunctional by compromising its reputation, crowding out legitimate users or through subversion by opportunistic interests.
- The raids on former Punjab Chief Minister Charanjit Singh Channi's relatives around the time of the Punjab election. Or the raids on (and arrest of) D K Shivakumar around the time the government in Karnataka was toppled this When law enforcement agencies become a tool in the hands of a regime to consolidate and remain in power as also to seek revenge.
- Due process requires accountability. It requires that an agency answers for excesses and that its processes be subject to the disinfectant of sunlight. In the case of the ED, with its draconian powers of seizure and arrest, deployed at the singular command of a government inebriated on power, the Court has, in effect, permitted them to draw a veil over their activities. This is a cancerous tumour for a healthy democracy.
- The cardinal constitutional duty of the Supreme Court is to defend the Constitution against the might of the administrative executive as also the abuse of legislative majority to cripple fundamental constitutional guarantees.
- Law enforcement agencies act as the instrument of the sovereign, having a monopoly on the use of force. However, it must be remembered that in a democracy like India, people are the real sovereigns as highlighted by the Preamble which states that “We the people of India”.

**Conclusion -**

The government's drive against corruption is commendable; we need hard-hitting measures against the corrupt. But weaponizing enforcement agencies such that they trample on a citizen's fundamental liberties, including the right to be considered innocent till proven guilty, does not bode well for our democracy.

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