

**TABLE OF CONTENTS**

- [1. The Irreversibility of Change in Climate](#)
- [2. Critical Importance of Cooperative Federalism](#)
- [3. Poverty and Deprivation in India](#)

**1. The Irreversibility of Change in Climate****Context**

This article talks about the importance of climate-resilient developments to collaborate with Social Justice.

**The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)**

- The AR6, which is developed by the Working Group II (WGII)-Impacts, Adaptations, and Vulnerabilities, has its main focus centred around sustainable development.
- The report is said to be one of the most holistic assessments of the human and biological impacts of climate change.
- The AR6 report evaluates climate change based on the impact and the risks involved and suggests measures aimed at mitigating the crisis.
- The report also prescribes measures that combine knowledge with natural, ecological, social, and economic aspects.
- The report also provides solutions, ecosystem-based adaptations which are simple and cost-effective.
- The report suggests that the increased emission of [greenhouse gas](#) has resulted in large-scale global warming that causes irreversible damage to the planet.
- The report points out the serious situation of global temperature, which will increase by 1.5°C over the pre-industrial level by 2050, despite various actions to control it.
- The report recognises rapid urbanisation and rising populations as the two key factors that affect the ecological balance.
- The IPCC also lists comprehensive sector-wise, qualitative, and quantitative impacts of climate change.

**Read the [IPCC AR6](#) in detail in the link.**

**The impact of climate change highlighted by AR6**

- Around 360 crore people mainly belonging to low-income, marginal, indigenous communities are the most vulnerable targets of the climate crisis.
- The climate crisis has serious consequences on the mental well-being of the people.
- Cities like Mumbai, Ahmedabad, Lucknow and Patna are at a high risk of flood, drought, and wet-bulb globe temperatures, respectively.
- The rising levels of global temperature will increase the instances of wildfires, which in turn result in large-scale damage to trees in high carbon ecosystems.

- This also adversely affects the habitat of flying creatures that play a crucial role in maintaining the balance of an ecosystem.
- The report points out that global warming creates conditions for increased surface ozone concentration which results in problems such as,
  - Harvest instability
  - Increased food insecurity
  - Water scarcity
- It also underscores the adverse effects of climate change in the production of various crops, fruits, nuts, etc.
- Climate change also increases the spread of water, food and vector-borne diseases.

### **Challenges in countering climate change according to AR6**

The reports point out two key challenges that hinder the efforts to tackle the ecological crisis, they are:

- **Hard adaptation limits**
  - These are physical challenges.
  - These limits are imposed by nature due to the vulnerabilities in ecosystems that are beyond human control.
- **Soft adaptation limits**
  - These challenges are caused by institutions through their governance and financial policies.
  - These challenges can be addressed through political will and a thorough understanding of climate-resilient development.
  - **Example:** The funding by the developed countries to developing and underdeveloped countries to tackle the adversities of climate change.

### **The role of developed countries in tackling climate change**

- The developed countries consume more global energy and have contributed the most to global emissions than developing countries which causes global inequality in energy consumption. Hence they have an extended responsibility to help low-income countries to address the impacts of climate change.
- The low-income and middle-income countries depend on the developed countries for funds to tackle the climate crisis that has been promised to them as a part of the [Paris Agreement](#).
- However, the funding that the developed West promised to the less-developed East has not yet been disbursed. As a result the coastal settlements in the East which are already living in poverty, are facing the brunt of rising temperatures.

### **The sixth assessment report's (AR6) key recommendations**

- The report proposes the incorporation of long-term, comprehensive, local knowledge systems to tackle climate change.
- The IPCC experts prescribed the feasible and effective use of economic, technological, institutional, sociocultural, ecological, and geophysical measures for mitigation and adaptation.
  - Example: Natural solutions such as planting mangroves to tackle the problem of maladaptation.

- To overcome the challenges of food insecurity and provide carbon sequestration, the IPCC panel recommends undertaking measures to restore balance in climatic conditions.
  - These measures include the creation of parks, green corridors and urban agriculture.

## 2. Critical Importance of Cooperative Federalism

### Context

The article focuses on the Fifteenth Finance Commission's measures to empower the local governments.

### Federalism in India

- In the original constitution, India's federal structure was established as "quasi-federal" with two tiers, namely Union and States.
  - Indian federalism is regarded as "quasi-federal" because it has features of both a federal and a unitary system.
- Article 1 of the Indian Constitution states, "India, shall be a union of states" and the word federation is not mentioned in the constitution.
- Significant changes were introduced through the 73rd and 74th Constitutional (Amendment) Acts of 1992, wherein constitutional recognition was extended to the third tier of government thereby making India "fully federal."
  - This is considered a major step towards decentralisation.

### Performance of Local governments

- The Indian federal structure has a strong tilt towards the centre with greater revenue powers in the hands of the central government and greater expenditure responsibilities with the state governments
- The 73rd and 74th Constitutional Amendment Acts also follow the same scheme at the state-local level too.
- Very few decision-making powers and a meagre allocation of funds were available to the local governments in the initial years after their establishment.
- However, thirty years after their constitutional recognition, not much progress is seen in the regard of local governments. This demands the reevaluation of the Indian fiscal federal structure.

### Fifteenth Finance Commission's views

The Fifteenth Finance Commission proposes that the fiscal federal structure should be built on three mutually reinforcing pillars namely,

- **Fiscal rules across all the levels of government**
  - This acts as a framework for fiscal sustainability.
  - It needs notable reforms to attain aggregate fiscal discipline and needs cooperation between governments and their agencies.
  - Further, macroeconomics and fiscal forecasting at all levels requires improvement technical and conceptual matters
- **Public finance management system with focus on outcome**
  - It is important at all levels of government.

- It is also important to include evaluation and mid-course correction of policies that are being implemented within the purview of the system.
- **Institution for independent assessment**
  - The inclusion of one of the international best practices is the setting up of independent fiscal councils which could help in bringing about much-needed reforms in the three pillars of fiscal federal architecture.
  - There are many such institutions over the world such as,
    - The Congressional Budget Office (CBO) in the U.S.
    - The Office of Budget Responsibility (OBR), in the U.K.
  - It could also be provided with adequate expertise to carry out many of the data- and forecasting-related matters.

#### **Fourth Constituent Framework**

- Experts suggest a four-pillar framework as compared to the one proposed by the Fifteenth Finance Commission.
- They feel that for the federal structure to function efficiently, the important factor of “cooperation” has to be strengthened.

#### **Cooperative Federalism**

- The idea of Cooperative Federalism in India enhances both centre-state relationships and relationships between states and local governments.
- Cooperative Federalism influences all the governing bodies to come together and cooperate to resolve common social, political, economic and civic issues.
- Four constituents, which play a major role in achieving the ideals of Cooperative Federalism are,
  - **Finance commission**
    - The Finance Commission’s transfers are representative of objectively made transfers to states with equity aspect given the maximum weightage thereby ensuring cooperative federalism.
    - The finance commission is playing a significant role as a constitutional authority and will be expected to perform even more complex roles in a non-politico-partisan manner.
  - **NITI Aayog**
    - The premier think tank must be infused with some resources, to perform the task of equilibrating the horizontal imbalance among states arising out of the infrastructural component.
    - NITI aayog is expected to play a key role in the context of increasing interstate inequality.
  - **Goods and Services Tax (GST)**
    - The fact that the GST Bill was passed unanimously in Parliament in 2018 shows the level of confidence policymakers had on this system.
    - Currently, there are several challenges with respect to GST that have to be addressed immediately.
  - **De facto Decentralisation**

- Though the importance of decentralisation has been acknowledged by the policymakers through the passage of the 73rd and 74th Constitutional Amendments, the actual potential of decentralisation is still not fully realised.

### Empowering Local Governments

- Acknowledging the significance of empowering local governments, the last five finance commissions have been successively allocating more funds.
- Article 280 of the Constitution mandates the finance commission to look at and suggest ways to strengthen the consolidated fund of the state from the viewpoint of empowering the municipalities, based on the state finance commissions (SFCs) recommendations.
- The total amount for the local bodies is to be divided in the ratio of 67.5:32.5 between Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs).
  - This reflects an assessment and weightage between rural and urban local bodies.
- The Fifteenth Finance Commission has adopted a differentiated strategy when it comes to ULBs.
  - Considering the importance of metropolitan cities, 50 million-plus cities are provided with a challenge fund of Rs. 38,196 crore in addition to the five-year award.
  - About 33% of this fund is for achieving ambient air quality based on identified parameters, while the remaining is, along with the national priorities, for meeting the service-level benchmarks on drinking water and sanitation, rainwater harvesting and water recycling, solid waste management (SWM), and sanitation.
- The commission has also recommended Rs. 8,000 crore for incubation of new cities and Rs. 450 crore for shared municipal services.

### Way forward

- India critically needs the cooperative federalism framework to be strengthened.
- There is a need to change **Article 266** to help set up a consolidated fund for the ULBs and PRIs.
- Further, there is a need to bring in changes to Articles 243H and 243X which will allow for funds to go directly to the consolidated funds of local bodies,
  - This direct link between the centre and the local bodies will help bind the entire national federation structure.
- There is a need for the introduction of huge capacity-building measures to ensure the effective operation of interconnected organisations and institutions.
- Urgent measures need to be formulated to eliminate the intra-regional disparities within the country.

## **3. Poverty and Deprivation in India**

### Context

This article analyses deprivation in India, on the basis of asset-based indicators.

### Poverty estimation in India

- Poverty in India has been mainly assessed by the headcount of people below the poverty line based on consumption expenditure.

- This method has been criticized ever since 1971 when V M Dandekar and N Rath came up with a method that defined the poverty line in terms of the expenditure levels that ensured standard per capita calorie consumption per day.
- This has raised questions on the quality of estimates of the poverty line without challenging the use of consumption expenditure as the basis for estimating poverty.

### **Consumption-based approach**

- Defining the poverty line based on consumption expenditure gained prominence during the 1960's due to famine-like conditions.
- During this period, higher priority was assigned to avoiding starvation.
- The poverty line was defined separately for urban and rural areas.
  - Dandekar and Rath estimated poverty lines to be Rs. 170 per capita/annum for rural households and Rs. 271 per capita/annum for urban households.
  - They assumed that the minimum calorie requirement for both the households to be the same at 2,250 kilocalorie (kcal)/capita/day.
- In 2009, the Tendulkar Committee included private expenditure on health and education in poverty estimation.
  - Poverty lines were raised to Rs. 816/capita/month for rural areas and Rs. 1,000/capita/month for urban areas.
- In 2014, the Rangarajan Committee distinguished consumption baskets for rural and urban areas, which included food and non-food items like clothing, education, health, housing, and transport.
  - The committee modified the monthly/capita consumption to Rs. 972 in rural areas and Rs. 1,407 in urban areas.
- The extensive use of this approach as the basis for estimating poverty is because of the drawbacks of income-based estimation of poverty.

### **Issues with the approach**

- The consumption expenditure method is not the best indicator of vulnerability as it does not take into account the future possibility of poverty.
- The approach does not record the household's capacity to counter unforeseen incidents.
  - Example: A family with a low level of consumption expenditure might have access to a constant supply of resources through a public distribution system which will be better off compared to families without access to constant supply of resources.
- Calorie insufficiency is also not adequate to capture the extent of deprivation as it is not the only factor for deprivation.
- Factors/indicators like inadequate consumption of vitamins, minerals, and fats and inadequate access to housing are ignored in this approach.

### **Asset based approach**

- Asset-based approaches are based on the accumulation of assets over time.
- This approach gives better insights into dynamic and persistent poverty.

- This approach considers various indicators such as health, education and food which help assess deprivation and poverty in a comprehensive manner.
- Analysing the number of assets accumulated will also give an idea about the future and the ability of households to cope with shocks.
- Criticism against this approach is that it takes into account only the economic aspect of poverty and ignores other key aspects such as health and education.

### Conclusion

- Experts suggest that the consumption-based approach to the estimation of poverty has very less understanding of poverty in terms of explaining persistence and vulnerability to poverty.
- An asset-based indicator of poverty is more consistent and effective.
- India has taken up measures to reduce the level of poverty across all states, but in real terms, such reduction has not been translated into a reduction in absolute deprivation.
- It is said that India's poverty alleviation programmes are designed such that they have failed to address the changing nature of socio-economic transformation in India and the factors contributing to it.
- It is seen in the case of various schemes, such as the Mahatma Gandhi National Rural Employment Guarantee Act and the Integrated Rural Development Programme which are aimed at improving the economic conditions of the poor in India but they have performed inadequately or have not achieved the intended objectives.