

GENERAL STUDIES SCENE

Q. Indian Constitution lays down a scheme for distribution of financial resources between the Union and the States. Assess the adequacy of the financial resources available exclusively to the States as per this scheme.

Ans. In India, the distribution of resources has been made in the Constitution itself and tax as well as non-tax revenues have been properly assigned to the Union and the State governments. The object has been to achieve an equitable distribution, through watertight compartments in some cases, and keeping some degree of flexibility in case of distribution, of the taxes in other cases, through a provision for Finance Commission every five years. The residuary power to tax other spheres not specifically provided in the Constitution rests with the Union government.

The distribution of various taxes among the States and the Union reveals that although the State governments have been assigned higher responsibility of day-to-day administration and development, their financial resources are meagre when compared to those of the Union. The following are some of the levies, which fall exclusively to the domain of the State governments.

(a) **Sales Tax (Now VAT):** Sales tax, which has now been replaced by Value Added Tax (VAT) now, is a major source of the State revenues. This tax is on the sale of goods in the concerned States and is collected and usurped by the concerned State government.

(b) **Land Revenue:** Land revenue is another source but due to the policies of land reforms and the objective of giving relief to the farmers, the quantum of revenues collected by land revenue are very meagre.

(c) **Stamp Duty/Registration Fee:** Stamp duty is levied on all the transactions taking place in landed property. This duty, along with the registration duty, is another important source of the State revenues.

(d) **Succession Duty/Estate Duty:** The revenue collections from measures like succession duty and estate duties also form part of the State revenues. This type of Duties do not form substantial part of State revenues.

(e) **Luxuries Tax:** This is another source which has been tapped by various State governments. It is the tax on any type of luxuries, including the tax on luxurious hotel rooms.

(f) **Taxes on Lands, Minerals and Buildings:** While the taxes on lands and buildings have been assigned by most of the States to the local self-governments, mineral tax as a

source of revenue varies from State to State, depending upon the availability of mineral wealth in a particular State.

(g) **Taxes on Amusements, animals, roads, vehicles, boats and advertisements:** The taxes on roads, vehicles and amusements are substantial. Remaining taxes are very miniscule.

(h) **Tolls and Entry Tax on Goods:** This is another source of income with the States provided in the Constitution.

(i) **Tax on Professions and Trades:** Some of the States like Himachal Pradesh have imposed Professional Tax recently to raise additional revenues. This could turn out to be an important source if implemented by the States by brushing aside their populist policies.

In addition to the above, taxes like the Central Sales Tax and Excise duty on consumption of alcohol and tax on goods carried by road are levied by the Union, but are collected and used by the States. In addition, the States have other sources of revenue from forest produce, irrigation, sale of electricity and industrial undertakings.

Q. Growth of nationalism by the end of nineteenth century was the manifestation of the recognition of true nature of the British Rule by the Indians. Give factors which exposed the true character of British Rule to the Indians.

Ans. After the First War of Independence in 1857, the British government strengthened its grip over the police, military and general administration in the country. The British government took over the reigns of administration from the East India Company and involved itself directly in the ruling India. They also followed the policies to ensure that 1857 type of situation never arose again. Denial of democratic rights to the Indians and suppression of all types of agitations and Satyagrahas became the known policy of the British in India.

There were several factors which were responsible for exposing the true character of the British Rule. Some of the factors were:

(a) Many genuine demands of the nationalist leaders were summarily rejected by the British, which earned them the wrath of Indian public.

(b) Instead of recognising the Nationalist leaders as the representatives of the people of India, they were not only looked down upon by the British administration, but they

were also denigrated and isolated. This resulted in the demand for a strong political action against the British.

(c) Initially, the foundation of the nationalism in India was laid on the belief that the British Rule could be reformed from within. But the spread of knowledge and increasing literacy made people to think logically and understand the true nature of administration run by them in India.

(d) Economic exploitation of peasants and the artisans in the form of Zamindari system, and high land revenue demands forced people of the country to believe that the true aim of the British was the economic exploitation of India.

(e) Upto the end of nineteenth century, hardly any representation was given by the British to the Indian public in various administrative as well as the legislative forums. This resulted in failure of the foreign rulers to meet the aspirations of the local people, as even their feelings against the British could not get any vent.

(f) Backwardness of industry in India and lack of modern industry also made the people of India to believe that the British were there only to export the valuable raw material from India to England, with a view to support the growth of industry in their own country, at the cost of poor Indians.

(g) At the end of nineteenth century, several famines seriously affected India and millions of people were starved to death. The efforts to mitigate the miseries of the Indians on part of the British government were neither timely nor adequate.

(h) Due to pressure from the nationalist leaders, the British government did take certain political steps at the end of 19th century and in the beginning of 20th century, but these also turned out to be utterly inadequate and much below the expectation of the masses. Indian Councils Act of 1882 was a complete disappointment. In 1888, a law was passed under which it was an offence to excite the feelings of disaffection towards the British government. In 1904, Official Secrets Act was passed, making the British government functioning completely insulated from the public.

(i) The print media was attacked from time to time for publishing anti-government stories.

Q. What was the need to have Right to Information Act? What are its characteristic features?

Ans. The Right to Information Act was passed by both the Houses of the Parliament in May, 2005. This Act is an improvement over the existing Freedom of Information Act passed by the previous NDA government. It is a legislative attempt to guarantee the Fundamental Right to free speech and expression, enshrined in Article 19 of the Constitution. With the passage of this Bill, the existing provisions of the primitive Official Secrets Act would go to the background. The existing system under the Official Secrets Act lacked transparency in transaction of the government business, as the common man had no information about the government functioning.

There are certain characteristic features of this Bill. The Bill aims at providing a practical regime to ensure the right to information to the Indian citizens. This right is expected to increase transparency in the government and also increase the accountability of the civil servants.

It would also entitle a citizen to inspect the public works executed by the government agencies and to obtain the certified samples. Public authorities (as the government agencies have been referred to in the Bill) must also make available to the general public a lot of information about their organisation and its decision-making processes; its rules and regulations; departmental budget and expenditure; names of the recipients of subsidies; proposed developmental activities and consultation opportunities.

The citizens can send their requests to the public authorities for any information covered under this Act in writing or through the e-mail. The government organisations would appoint Public Information Officers (PIOs) at the sub-divisional or sub-district level. The applications for information are required to be submitted with a prescribed fee and the PIO must respond to the applicant within a period of 30 days positively. In cases where life and liberty of a person is threatened, the information has to be provided by the PIO within 48 hours.

Some exceptions have also been prescribed. In case of matters relating to internal security and international relations, the information cannot be provided on request. In matters which are legally confidential and commercially sensitive, the information can be denied. There is a blanket ban on supplying information relating to all the matters pertaining to the cabinet, in addition to the information relating to various security and intelligence agencies, including the Intelligence Bureau, CRPF, NSG, Directorate of Revenue Intelligence and Central Economic Intelligence Bureau. In addition, if the general public interest is involved in supplying some information, the PIOs have been authorised to deny the said information to the citizen concerned.

It is also proposed to set up an independent Authority in the form of Central Information Commission to ensure non-partisan dispensation of information, and to wish away the likely political interference in such matters. Certain offences have also been prescribed in the Act under which the officers who destroy the desired information or refuse to accept the application for the same or give false information are covered. Such officers can be fined Rs 250 to Rs 25,000 per day.

In a developing country like ours, the success of such a pragmatic Act is highly suspect. The values attached to the passage of this Bill have to be propagated in the right perspective among the citizens of the country. In a country where more than 300 million people live below the poverty line and over 450 million are still illiterate, this law may not be the top priority with this vast proportion of population, yet it is a progressive step in the right direction.