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CASE AGAINST ISRAEL IN ICJ

This article covers 'Daily Current Affairs' and the topic details of "Case against Israel in International Court of Justice". This topic is relevant in the "International Relations & Institutions" section of the UPSC CSE exam.

UPSC MAINS GS2 SYLLABUS : Important International Institutions

Why in the News?

The International Court of Justice (ICJ) has been asked to take into account the likelihood that Israel is violating its obligations under the 1948 Genocide Convention by carrying out genocide against the Palestinian people in Gaza. South Africa was the country to bring up this case in ICJ.

Allegations and requests of South Africa

- In its lawsuit, South Africa claims that Israel, a signatory to the Genocide agreement, has committed crimes that fall within the criteria of the agreement.
- Statements from Israeli leaders stating explicit purpose and allegations that Israel neglected to stop genocide or punish incitement to genocide are among the evidence put forth by South Africa.
- According to reports, the claimed acts took place in Gaza, prompting South Africa to declare that a genocide is taking on right now.
- South Africa is also requesting immediate remedies from the International Court of Justice (ICJ) in order to stop further harm to Palestinian rights.
- The actions include stopping all Israeli military activities in Gaza right now, abiding by the terms of the Genocide Convention, ending forcible relocation and deportation, and guaranteeing access to medical supplies and humanitarian aid.

About 1948 Genocide Convention of UN

- The International Convention on the Prevention and Punishment of the Crime of Genocide is a global human rights convention that formalised the heinous act of genocide for the very first time. On December 9, 1948, the UN General Assembly enacted the first human rights convention, which went into force on January 12, 1951.
- **Definition of Genocide as per convention :** According to the current Convention, any of the following kinds of acts carried out with the intention of completely or partially eradicating a national, ethnic, racial, or religious group are considered acts of genocide:

- 1 Murdering the members of the group.
 - 2 Causing substantial bodily or mental harm to anybody in the group.
 - 3 purposefully causing the collective conditions of existence to be such that it is physically destroyed in whole or in part
 - 4 enforcing policies designed to stop births inside the community.
 - 5 forcing the group's youngsters to be transferred to another group carried out with the intention of eradicating a national, ethnic, racial, or religious group entirely or in part.
- According to the convention, any participating nation may ask the appropriate UN bodies to take the required steps to stop and punish crimes of genocide.
 - It requires state parties to take action, such as passing pertinent legislation and prosecuting offenders, in order to prevent or punish the crime of genocide.
 - Even if these crimes are committed widely, it does not prove genocide.
 - Genocide is distinguished from war crimes, ethnic purges, and crimes against mankind by the intentional intent to destroy.
 - Furthermore, because the ICJ does not automatically have jurisdiction over crimes against humanity, ethnic cleansing, war crimes, and other transgressions do not give States a way to file a complaint with the court.

International Court of Justice :

The primary judicial body inside the United Nations (UN) is the International Court of Justice (ICJ). The United Nations Charter established it in June 1945, and it started operations in April 1946.

- The Peace Palace in The Hague, Netherlands, serves as the Court's seat. Of the six main UN organs, it is the only one that is not based in New York City.
- French and English are the official languages of ICJ

Formation of ICJ =

- The Permanent Court of International Justice (PCIJ) was superseded by the ICJ. The League of Nations was responsible for founding PCIJ.
- The United Nations and International Court of Justice (ICJ) took the place of the League of Nations and PCIJ after World War II.
- Judge José Gustavo Guerrero of El Salvador, who served as the PCIJ's final president, was officially disbanded in April 1946 and appointed as the first president of the ICJ.

Functions of ICJ : To provide advisory views on legal matters brought to it by authorised United Nations institutions and specialised agencies, and to resolve legal conflicts brought to it by States in conformity with international law.

Judges in ICJ : The UN Security Council and General Assembly vote concurrently but independently to choose the "15 judges" that make up the International Court of Justice (ICJ) for nine-year mandates.

- A candidate needs to win the majority of the votes in both houses in order to be elected; this requirement occasionally calls for additional voting rounds.

- Every 3 years, elections are held to elect a third of the court at the UN Headquarters in New York during the UNGA meeting. The judges that are chosen at the triennial election take office on February 6 of the subsequent year.
- By secret ballot, the court's president and vice president are chosen for three-year periods. Judges can run for office again.
- There have been four Indian members of the ICJ. Since 2012, Justice Dalveer Bhandari, a former Supreme Court justice, has been a member of the ICJ.

Who can file cases at the court ?

In disputes, only States may present before the Court. This basically refers to the 193 United Nations Members as of right now.

- Applications from private parties such as corporations, non-governmental organisations, or people are outside the purview of the Court. It cannot assist them in interacting with national authorities or offer them legal guidance.
- The ICJ law immediately binds every member of the UN. But this does not automatically grant the ICJ jurisdiction over issues involving them. Only with the agreement of both parties does the ICJ acquire jurisdiction.
- The parties to a case are legally bound by the ICJ's final ruling. An appeals process is not present. At most, it could be open to interpretation or amendment in the event that a new fact comes to light.
- The International Court of Justice's authority is dependent on nations' desire to follow its rulings, and it has no means of ensuring that they are followed.

Prelims practice question

Q1) Which of the following statements regarding the International Court of Justice (ICJ) is correct?

- 1 The ICJ has jurisdiction over criminal cases only.
- 2 The ICJ has jurisdiction over disputes between states.
- 3 Judges are elected by the General Assembly.

Which of the following statements are incorrect?

- A. 1 only
- B. 1 and 2
- C. 2 and 3
- D. 1 and 3

ANSWER : A

Q2) What is the primary function of the International Court of Justice (ICJ)?

1. Enforcing international law.
2. Resolving disputes between states.
3. Conducting criminal trials.

Which statement is correct?

- A) 1 only
- B) 2 only

C) 1 and 2

D) 2 and 3

Answer: **B**

Mains practice question

Q1) Evaluate the effectiveness of the International Court of Justice in addressing human rights issues. Discuss specific cases where the ICJ has succeeded or faced limitations in dealing with human rights violations.

Himanshu Mishra

FISCAL CONSOLIDATION: INDIA MOVING TOWARDS DIRECT TAX COLLECTION TARGETS AND A STRONG REVENUE SYSTEM.

SOURCES - THE HINDU, ECONOMIC SURVEY 2022-23, BUDGET 2023-24 AND PIB. GENERAL STUDIES - DEVELOPMENT OF INDIAN ECONOMY, DIRECT TAXES, POSITIVE AND NEGATIVE ASPECTS OF FISCAL DEFICIT, FISCAL CONSOLIDATION.

WHY IN THE NEWS ?

- **There is less than a quarter left in the financial year 2023-24, but still the Central Government has completed almost 81% of its direct tax collection target in January 2024 itself. Direct tax inflows of Rs 14.7 lakh crore exceed direct tax collections by January 10, 2024, 19.4% higher than a year ago.**
- Revenue experts and economists believe that the net direct tax collection of the exchequer will exceed the budget estimate of ₹17.2 lakh crore by almost one lakh crore and the growth rate for the full year this time will be around 18%.
- Goods and Services Tax – Collection flows are also likely to beat Budget maths and while the central bank's generous dividend will boost non-tax revenues, overall revenue from excise duty is likely to exceed Budget expectations despite relatively low consumption.
- Under direct taxes, corporate taxes have increased by 12.4%, while personal income taxes have generated 27.3% more revenue and this contradiction may continue in the coming years. The number of income tax returns filed this assessment year will reach a record level (8.2 crore till December 31).
- Healthy revenue growth and a commendable expansion of the tax filing base provide some relief to the government's fiscal consolidation expectations going forward, amid fears that it may fall short of the 5.9% GDP deficit target this year. Could.
- It also creates scope for the Center to further reform taxation with a focus on making it more simple for corporates and individuals. For example, many withholding tax rates for companies, which often cause disputes, may be reduced to some, if not all, lower rates.
- Tax – deducted and collected at source (TDS and TCS) rates, including the much-debated levy to track foreign expenses, can be brought down to some extent and the existing tax rates –

irrespective of the tax authorities – can be reduced from them. Can continue to gather intelligence.

- The new exemption-free personal income tax regime with lower rates and paperwork is gaining popularity. Nevertheless, governments could consider some mechanisms to motivate people to make better life choices consistent with public policy goals that could also deepen financial markets and strengthen macro-fundamentals – for example Encouraging retirement savings and health insurance.
- The 18% GST levy on health insurance should also be reconsidered, even while awaiting comprehensive rationalization of GST rates, as it involves significant costs for low- and middle-income families, leading to even one member of their The cost of the health care crisis puts them at real risk of falling into poverty.
- Finance Minister Nirmala Sitharaman has indicated that there will be no spectacular moves in the interim Budget 2024-25, so a repeat of the 2019 pre-poll exercise of reshuffling income tax slabs is unlikely. But the revenue bounce should encourage policymakers to look at more reform options for the new government to consider.



IMPORTANCE OF FISCAL CONSOLIDATION FOR EMERGING ECONOMIES :

- A government usually borrows to reduce its deficit. After this he has to allocate a part of his earnings to repay the loan. Fiscal consolidation refers to ways and means of reducing fiscal deficit. The interest burden increases as the loan increases. Of the total government expenditure of over Rs 34.83 lakh crore in the FY 2022 budget, more than Rs 8.09 lakh crore (about 20%) was spent on interest payments.

MAJOR INITIATIVES TAKEN BY THE CENTRAL GOVERNMENT TOWARDS FISCAL CONSOLIDATION :

REDUCTION IN SUBSIDY :

- **The central government has reduced the amount allocated for food, petroleum and fertilizer subsidies.**
- Food subsidy in the year 2022-23 (revised estimate) was Rs 2,87,194 crore, which has been reduced to Rs 1,97,350 crore in the financial year 2023-24.

- The fertilizer subsidy was Rs 2,25,220 crore (estimated) in the financial year 2022-23, which has been reduced to Rs 1,75,100 crore in the financial year 2023-24.
- Petroleum subsidy was Rs 9,171 crore (estimated) in FY 2022-23, which has been reduced to Rs 2,257 crore in FY 2023-24 (Budget Estimate).
- **The reduction in subsidies is not as sharp as last year, but it is still a positive step towards reaching the fiscal deficit target of 4.5% by 2025-26.**

INCREASING CAPITAL EXPENDITURE TO GDP :

- The Budget for 2023-24 plans to increase capital expenditure to 3.3% of GDP and the government has provided interest-free loans of Rs 1.3 lakh crore for 50 years to states to boost growth.

CHANGES IN DEBT MANAGEMENT :

- Most of the fiscal deficit is financed through internal market borrowing and a small part comes from savings, provident funds and securities against external debt.
- India's external debt is only 1% of the total fiscal deficit in the Union Budget 2023, which is estimated at Rs 22,118 crore.
- States are free to maintain a fiscal deficit of 3.5% of their Gross State Domestic Product (GSDP), with 0.5% earmarked for power sector reforms.

MEANING / INTRODUCTION OF FISCAL DEFICIT :

- The difference between the total revenue received by any government (except borrowing) and its total expenditure is called 'fiscal deficit'.
- It is expressed as a percentage of the country's gross domestic product (GDP). It is an indicator that shows the extent to which a government must borrow to finance its operations.
- Currency depreciation and inflation can lead to an increase in debt levels, increasing the debt burden.
- Low fiscal deficit is a positive sign of fiscal management and a healthy economy.

INTRODUCTION TO THE MAJOR INSTRUMENTS OF FISCAL POLICY-MAKING OF THE GOVERNMENT OF INDIA :

Following are the major instruments of fiscal policy-making of the Government of India -

Government spending - Economic output can be affected by adjusting government spending. Government expenditure involves obtaining goods and services for the benefit of the community, it can be classified as government final consumption expenditure. Government spending on research activities, infrastructure with the aim of generating future profits is classified as government gross capital formation.

Transfer payments - This is used to describe government payments to individuals through social welfare programs, student grants, and social security.

Taxes - Taxes are a fiscal policy tool because changes in taxes affect the average consumer's income, and changes in consumption cause changes in real GDP. Therefore, the government can influence economic output by adjusting taxes. Taxes can be changed in many ways.



BUDGET 2024 GOVERNMENT IS SET TO EXCEED ITS GST COLLECTION TARGET FOR THE FY24

POSITIVE ASPECTS OF FISCAL DEFICIT :

- **Increase in government expenditure :** Fiscal deficit enables the government to increase expenditure on public services, infrastructure and other important sectors which can prove to be very helpful for economic growth.
- **Financing long-term investments:** The government can finance long-term investments such as infrastructure projects through fiscal deficit.
- **Helpful in reducing unemployment and employment generation:** Increase in government expenditure can reduce unemployment and create employment in the country, which can help in reducing unemployment and raising the standard of living of the people.

NEGATIVE ASPECTS OF FISCAL DEFICIT :

- **Increasing debt burden:** Persistently high fiscal deficit reflects an increase in government debt, which puts pressure on future generations to repay the debt.
- **Inflationary pressure:** Large fiscal deficit can lead to increase in money supply and high inflation, which reduces the purchasing power of the general public.
- **Reduction in private investment:** The government may have to borrow heavily to meet the fiscal deficit, which may lead to an increase in interest rates and make it difficult for the private sector to obtain loans, thus reducing private investment.
- **Problem of depletion of foreign exchange reserves and pressure on balance of payments :** If a country is going through a situation of large fiscal deficit, it may have to borrow from foreign sources, which may lead to a decrease in its foreign exchange reserves and pressure on the balance of payments. But there may be pressure.

DIFFERENT TYPES OF DEFICITS OCCURRING IN FISCAL CONSOLIDATION IN INDIA :

PRIMARY DEFICIT: PRIMARY DEFICIT IS SIMILAR TO FISCAL DEFICIT EXCEPT FOR INTEREST PAYMENTS. IT MEASURES THE DIFFERENCE BETWEEN THE EXPENDITURE REQUIREMENTS OF THE GOVERNMENT AND ITS RECEIPTS, BUT IT DOES NOT TAKE

INTO ACCOUNT THE EXPENDITURE INCURRED ON INTEREST PAYMENTS ON LOANS TAKEN DURING PREVIOUS YEARS.

PRIMARY DEFICIT = FISCAL DEFICIT - INTEREST PAYMENTS.

REVENUE DEFICIT: IT REFERS TO THE EXCESS OF REVENUE EXPENDITURE OF THE GOVERNMENT OVER REVENUE RECEIPTS.

REVENUE DEFICIT = REVENUE EXPENDITURE - REVENUE RECEIPTS.

EFFECTIVE REVENUE DEFICIT: IT IS THE DIFFERENCE BETWEEN REVENUE DEFICIT AND GRANTS FOR CREATION OF CAPITAL ASSETS.

In India, the concept of effective revenue deficit related to public expenditure has been suggested by the Rangarajan Committee.



CONCLUSION :

- Revival of the economy through capital expenditure is India's priority. Increase in government investment in infrastructure will also increase private investment, boost economic (GDP) growth, resulting in reduction in fiscal deficit to GDP ratio.
- The Budget and the Economic Survey focus on improving private investment for sustainable long-term growth. Tax rate cuts are needed to spur investment and help India become a \$5 trillion economy. There needs to be more emphasis on revenue collection rather than increasing tax rates. Higher tax rates may be able to increase taxes only up to a limit as shown in the Laffer curve, beyond which tax collection begins to decline. This not only reduces tax collection but also reduces investment and the industry is also negatively affected. If the government gradually rationalizes taxes as per the OECD report, it will lead to an increase in investment in the future which will give impetus to the economy and tax revenue will also increase.

PRACTICE QUESTIONS FOR PRELIMINARY EXAM:

Q.1. Consider the following statements with reference to the revenue and expenditure measures employed by the government to achieve fiscal consolidation.

1. 'Goods and Services Tax (GST)' It will create a single market in India by replacing multiple taxes collected by multiple authorities.

2. This will significantly reduce India's 'current account deficit' and enable it to increase its foreign exchange reserves.
3. This will greatly enhance the growth and size of India's economy and enable it to overtake China in the near future.
4. Low fiscal deficit is a positive sign of fiscal management and a healthy economy.

Which of the above statement / statements is correct ?

- (A) Only 1, 2 and 3
- (B) Only 2, 3 and 4
- (C) Only 1 and 4.
- (D) All of these

Answer - (C)

PRACTICE QUESTIONS FOR MAIN EXAM :

Q.1. Discuss what measures have been suggested by the Central Government to strengthen fiscal consolidation? Based on the recommendations of the 15th Finance Commission, discuss how public expenditure management is a challenge before the Government of India in the context of budget making?

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