

Global Economic Prospects Report

➤ Released by World Bank.

➤ The report emphasizes the need for a substantial increase in public investments by **Emerging Markets and Developing Economies (EMDEs)** to achieve their development objectives

➤ Key Highlight:

➤ Investment Level:

- **Current Status:** Public investment accounts for about 25% of total investment in the median Emerging Markets and Developing Economies (EMDEs).
- **Trend:** Public investment in these economies has significantly slowed down over the past decade.

➤ Benefits of Public Investment:

- **Economic Growth:** An increase in public investment by 1% of GDP can raise GDP by over 1.5% and boost private investment by 2.2% in the medium term.
- **Potential Downsides:** Public investment can sometimes crowd out private investment, especially when fiscal space is tight and additional fiscal stimulus increases sovereign risk and borrowing costs for the private sector.
- **Sustainability:** Public investment is crucial for providing essential public goods and services, like healthcare and education, which might not be profitable for private entities.

➤ **Recommendations for Public Investment:** To harness the benefits of public investment, the report suggests a **“three Es”** package of policy priorities:

- **Expansion of Fiscal Space:** Improve tax collection efficiency, Enhance fiscal frameworks, Reduce unproductive spending.
- **Efficiency of Public Investment:** Address corruption and poor governance, Facilitate public-private partnerships.
- **Enhanced Global Support:** Ensure coordinated financial support, Provide effective technical assistance for structural reforms.

➤ **Public investment** is the state's spending on fixed assets like infrastructure and education, by governments and public entities.

IIT Kharagpur Publishes Study On Drought Due To Depleting Groundwater (GW) Levels

➤ Key Findings

- **Trend:** The severity of groundwater (GW) drought during the pre-monsoon season increased 22 times from 1996 to 2016. Groundwater drought occurs when water tables fall below their normal levels.
- **Affected Regions:** Significant parts of North India, including major cities such as Delhi-NCR, Jaipur, and Lucknow, are affected.

➤ About Groundwater:

- **Global Abundance:** Groundwater constitutes 30% of the world's freshwater.
- **India's Usage:** India is the largest user of groundwater globally, accounting for over 25% of the total.
 - **Irrigation:** Groundwater contributes approximately 62% to irrigation.
 - **Rural Water Supply:** Groundwater accounts for 85% of rural water supply.
 - **Urban Water Supply:** Groundwater makes up 50% of urban water supply.
- **High Utilization States:** Punjab, Haryana, Rajasthan, and Tamil Nadu are the highest users of groundwater.
- **Extraction Levels: According to the Dynamic Groundwater Resource Assessment 2023 by the CGWB:**
 - 11% of assessed groundwater units are overexploited (extraction exceeds annual replenishable groundwater recharge).
 - 3% are critical (extraction is between 90-100% of annual extractable resources).

➤ Causes of Groundwater Depletion:

- **Excessive Use:** Overuse for agriculture and industry due to rising population demands.
- **Climate Change:** Shifting climate patterns affect water availability.
- **Unsustainable Urbanization:** Encroachment on water bodies and increased concretization.
- **Subsidies:** Low-cost pumping technologies and free electricity promote excessive groundwater use.

Atal Bhujal Yojana

- **Launch Year:** 2019
- **Implementation:** 5 years (2020–21 to 2024–25)
- **Central Sector Scheme**
 - Supported By World Bank
 - **Total outlay - 6000Cr**
 - 50:50 Between Centre and World Bank
 - Objective: To recharge ground water sources and revive surface water bodies by involving people at the local level.
- **Components**
 - **Incentive Component**
 - It is for incentivizing the States for convergence amongst various schemes of the Central and State Governments.
 - Total outlay: Rs. 4600 Crore
 - World Bank contribution is Rs. 3000 Crore
 - Central Govt contribution is Rs. 1600 Crore
 - **Institutional Strengthening & Capacity Building Component**
 - Total outlay: Rs. 1400 Crore to be contributed by Central Government
- **Exclusion**
 - Some potential investment categories which will be excluded from Atal Bhujal Yojana are
 - Construction of major dams and new large-scale irrigation systems; and
 - Industrial wastewater collection, treatment, and using it for recharging ground water.

25th Anniversary of ILO Convention No. 182

- The **International Labour Organisation (ILO) Convention No. 182**, which addresses the worst forms of child labor, recently marked its 25th anniversary. This convention is notable for being the first ILO Convention to **achieve universal ratification**.
 - **India ratified it in 2017**, along with Convention No. 138, which sets the minimum age for employment.
- **Prevalence of Child Labour in India**
 - **Statistics:** According to the 2011 Census, 10.1 million children (3.9% of the total child population) are engaged in work, either as main workers or marginal workers.
 - **States with Highest Numbers:** Uttar Pradesh, Bihar, Rajasthan, Maharashtra, and Madhya Pradesh account for nearly 55% of the total working children in India.
 - **Common Sectors:** Child labor is predominantly found in agriculture, household industries, and roadside eateries.

Over 52% Urban Indians Availed Of Ayush Benefits, Says MOSPI Survey

- A survey by the **Ministry of Statistics and Programme Implementation (MoSPI)** revealed that about 46% of rural and 53% of urban Indians used Ayush for health prevention or treatment in the past year.
 - Among the Ayush systems, **Ayurveda is the most popular**, with 40.5% in rural and 45.5% in urban areas using it for treatment.
 - **Ayush includes six traditional Indian medicine systems:** Ayurveda, Yoga and Naturopathy, Unani, Siddha, Sowa-Rigpa, Homeopathy

Financial Intelligence Unit - India

- The **Financial Intelligence Unit (FIU)** recently fined **Axis Bank** for failing to detect suspicious transactions linked to the **National Security Guard**, a counter-terrorist commando force.
- **About FIU-IND**
 - **Nodal Ministry:** Ministry of Finance
 - **Reporting:** FIU-IND reports directly to the Economic Intelligence Council, headed by the Finance Minister.
 - **Establishment:** The Government of India set up FIU-IND in 2004.
- **FIU-IND** is the central national agency responsible for receiving, processing, analyzing, and disseminating information about suspected financial transactions. It coordinates with national and international intelligence agencies to combat money laundering and the financing of terrorism.