



**TATHASTU**  
Institute Of Civil Services

# DAILY CURRENT AFFAIRS

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**TATHASTU**  
Institute Of Civil Services

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S.NO.	TOPIC
	<b>MAINS TOPIC</b>
1.	DEMOGRAPHIC ADVANTAGE, INDIAN ECONOMY'S SWEET SPOT
	<b>PRELIMS TOPIC :</b>
2.	ECONOMIC ADVISORY COUNCIL TO THE PRIME MINISTER (EAC-PM)
3.	NIPAH VIRUS

## DEMOGRAPHIC ADVANTAGE, INDIAN ECONOMY'S SWEET SPOT

# Demographic advantage, Indian economy's sweet spot

Much has been written about India's emergence as an economic giant – it is the world's fastest growing big economy, and is currently the fifth largest. **Demographics is a major factor in propelling this rise given that the median age is around 28 years and 63% of the population is of working age.** However, the labour force participation rate stood at 55.2% in 2022, according to a recent report released by the International Labour Organization (ILO), which goes on to state that falling labour intensity is likely due to growth being led by the services sector rather than manufacturing. Therefore, while we are certainly not experiencing "jobless growth", more steps are needed to harness the demographic dividend.

### Continue with the reforms agenda

First and foremost, there is a need to press ahead with the ongoing reforms agenda to maintain, if not accelerate, India's growth trajectory as that by itself will create opportunities galore. There was a welcome reference to this in Finance Minister Nirmala Sitharaman's Budget speech to initiate and incentivise improvements in productivity and to facilitate markets and sectors to become more efficient. While there is much that the Centre has done to enhance ease of doing business, much of what needs to be done next, especially in the context of production, concerns the States (which is where the action is now). Hence, both need to walk in lockstep to broaden and deepen reforms.

The Economic Survey for 2023-24 states that technological advancements have led to a declining capital-to-output ratio and an increasing capital-to-labour ratio. It was perhaps in this context that Arvind Panagariya, economist and Chairman of the 16th Finance Commission, while speaking at a recent event in the Federation Of Indian Chambers Of Commerce and Industry



**Subhkrant Panda**

Managing Director, Indian Metals and Ferro Alloys Limited (IMFA)

Gainfully employing a large, young and aspirational population is not easy but it is a challenge India can take on

said capital-led economic growth is not ideal as the country has an abundance of labour.

The reluctance of Micro, Small and Medium Enterprises, the backbone of employment, to grow in size and scale as well as that of large business houses to foray into labour-intensive sectors can be attributed to the compliance burden and costs imposed by outdated labour laws.

The impasse over implementing the new labour codes approved by Parliament is sending a wrong signal to existing and prospective investors alike. It is important that one or two States with an evolved manufacturing ecosystem break the logjam by taking the lead.

The Centre's efforts to give a boost to the manufacturing sector is generally viewed from the angle that it is untenable for 45% of the workforce to be employed in the agricultural sector which accounts for only 18% of GDP. While taking steps to enhance agricultural productivity, we must not forget those who are engaged in the unorganised and non-agricultural sectors – about 19% of the workforce – which are highly fragmented and suffer from low productivity.

It is important to address their aspirations by focusing on high-growth potential sectors such as toys, apparel, tourism, and logistics which are also labour intensive. Then, as skills get upgraded, there will be an opportunity to move up the value chain and provide even better and higher paying jobs.

### Skilling is a continuous process

Skilling is an important aspect of making future generations productive members of society. The Economic Survey highlighted that only 4.4% of the workforce in the age cohort of 15-29 years is formally skilled. This is a huge concern, and the dichotomy of labour surplus and skills shortage must be addressed through meaningful

public-private partnerships wherein industry plays an integral role in devising the curriculum and imparting on the job training. Moreover, skilling is not a one-time intervention but a lifelong process which requires flexibility in institutional mechanisms as well as learning agility.

The emphasis of the New Education Policy (NEP) 2020 on foundational skills as well as higher order cognitive skills and critical thinking is a good step but, in a constantly changing world, the document must be reviewed periodically and updated.

### Impact of AI/ML

Finally, in an era of artificial intelligence (AI) and machine learning (ML), repetitive tasks with low skills are most at risk but there will always be a need for human intervention and oversight. While we must not underestimate the impact of AI/ML, neither should it be demonised. The key is to have appropriate regulations govern its use while harnessing what it has to offer. In addition to the opportunities offered by various emerging sectors, AI/ML itself is estimated by Statista to grow by nearly nine times to become a \$826.73 billion worldwide market by 2030. Further, according to NASSCOM, India already has the second largest talent pool globally in this field but the current gap between demand and supply is 50% which is projected to widen. Though very niche, it is an opportunity which should not be missed.

Gainfully employing a large, young and aspirational population is not easy but it is a far better challenge to have than dealing with an ageing one with its attendant economic and societal implications. India is in a sweet spot and must employ a holistic approach to create a talent pool so as to harness its demographic dividend for the benefit of the world at large.

LFPR  
55.2%  
(2022)

MSME Boost.

Agricult. Issues

Skilling

NEP2020

AI/ML

### Context:

- ❖ India's demographic dividend is a significant factor in its economic rise, making it one of the fastest-growing economies in the world. However, challenges related to low labour force participation, skill shortages, and the changing nature of work due to technological advancements hinder the country's ability to fully harness its demographic potential.

### Demographic Dividend:

- ❖ **Definition by United Nations Population Fund (UNFPA):**
  - **Demographic Dividend** refers to "the economic growth potential that results from shifts in a population's age structure, mainly when the working-age population (15 to 64 years) is larger than the non-working-age population (below 15 and above 64 years).





India's Demographic Dividend: Key Insights

1. Entry into the Demographic Dividend Window:

\* India entered this phase in **2005-06** and will continue to experience it till **2055-56**.

2. Population Composition:

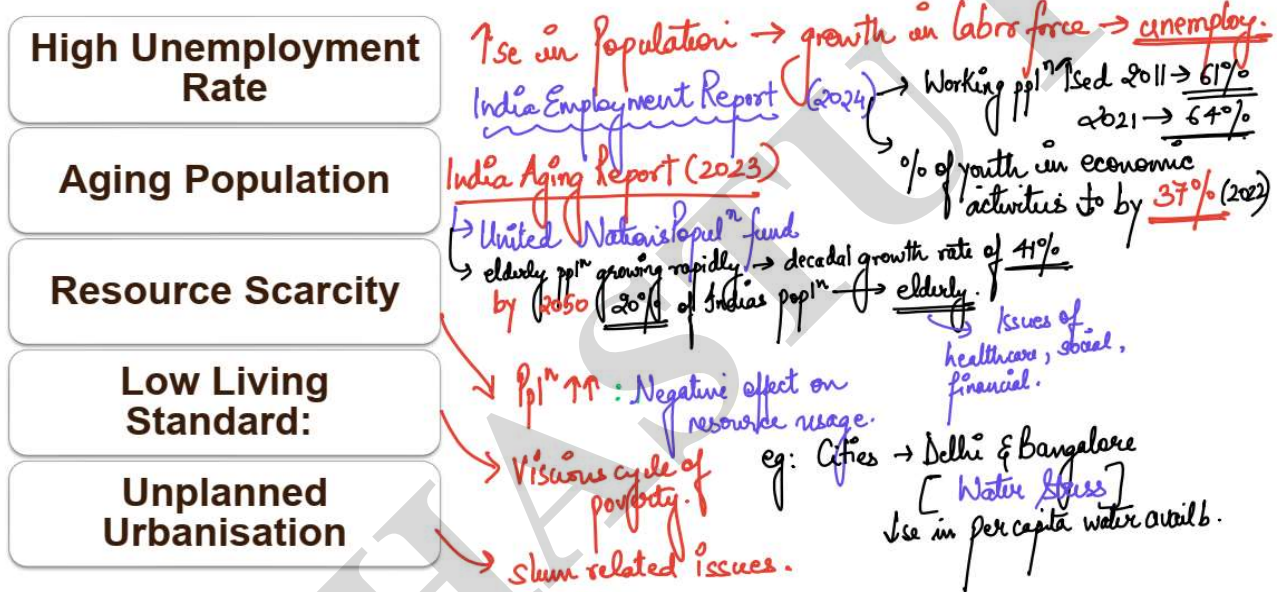
\* **68% of the population** is between the ages of **15 and 64**.

\* **26% of the population** falls within the **10-24 age group**, making India one of the youngest countries globally.

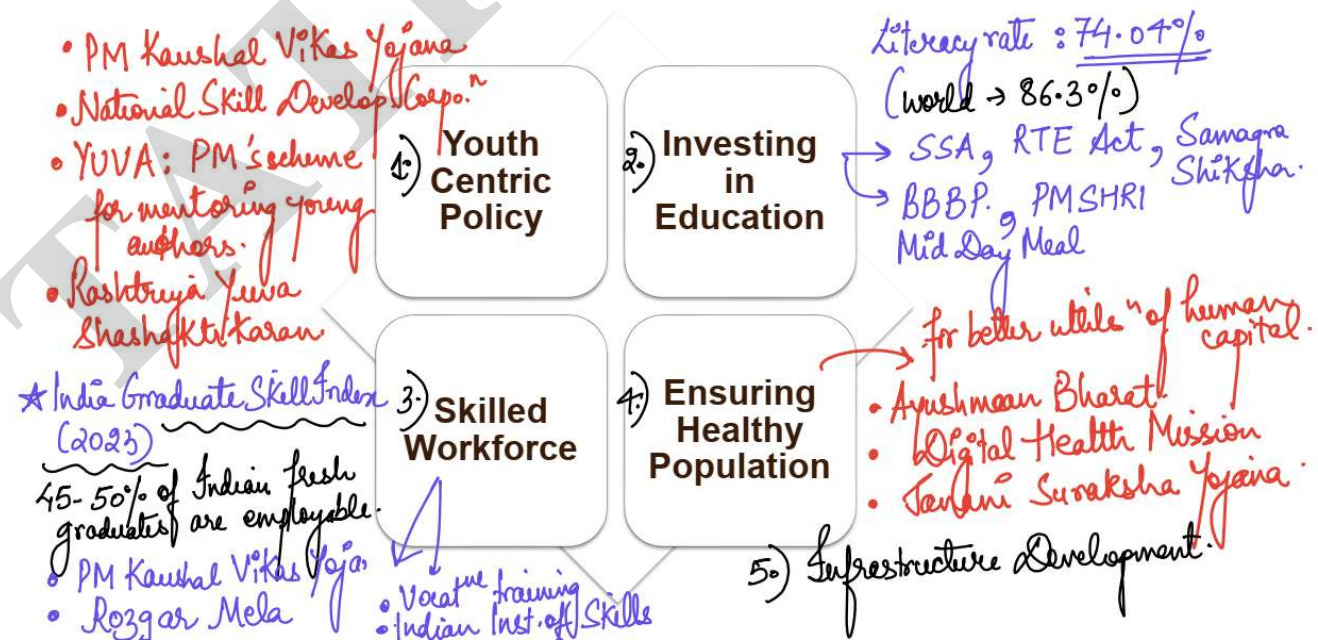
3. Median Age:

\* India has a relatively **young population** with a **median age of 28.4 years**.

Major Concerns



How is India Unleashing its Demographic Dividend?





**UPSC Civil Services Examination, Previous Year Questions (PYQs)**

*Prelims:*

- Q. To obtain the full benefits of demographic dividend, what should India do? (2013)**
- (a) Promoting skill development
  - (b) Introducing more social security schemes
  - (c) Reducing infant mortality rate
  - (d) Privatization of higher education

**For Mains:**

**Significance of Government Policies & Interventions in unleashing India's demographic dividend.**

- Q. What strategic steps are necessary to effectively leverage India's demographic dividend? How can policies in education, employment, healthcare, and social inclusion be designed to fully capitalize on the potential of India's young population?**





**ECONOMIC ADVISORY COUNCIL TO THE PRIME MINISTER (EAC-PM):**

# Post-1991, southern States emerged as leaders: EAC-PM

Punjab and West Bengal have recorded sharp declines in per capita income after a head start

**DATA POINT**

**The Hindu Data Team**

**P**ost-liberalisation in 1991, the per capita income of the southern States surged significantly and they emerged as "leading performers", shows an analysis released by the Economic Advisory Council to the Prime Minister (EAC-PM). In contrast, the economic performances of Uttar Pradesh and Bihar regressed and worsened after bifurcation.

Among the western States, Maharashtra and Gujarat consistently performed well. Gujarat exhibited rapid growth from the beginning of the millennium. Among the northern States, Delhi and Haryana performed exceptionally well, though the latter's economic might is mostly drawn from Gurgaon and its adjoining areas.

Punjab had a head start due to the Green Revolution in the 1960s and '70s, but its performance has consistently declined thereafter. The EAC-PM's paper questions whether this was a case of excessive focus on agriculture hindering a transition to industrialisation.

The eastern States continue to "remain a concern", the paper notes. West Bengal, especially, which had the third best per capita income in the 1960s, regressed rapidly to become the 14th best among the major States. The report does not consider Goa, Himachal Pradesh, north-eastern States other than Assam, and Union Territories other than Delhi as major States.

Rajasthan and Odisha, which had recorded declines until liberalisation, saw a turnaround thereafter, though the degree of rise in income levels was minimal. The per capita income levels in Chhattisgarh and Madhya Pradesh have remained consistently low.

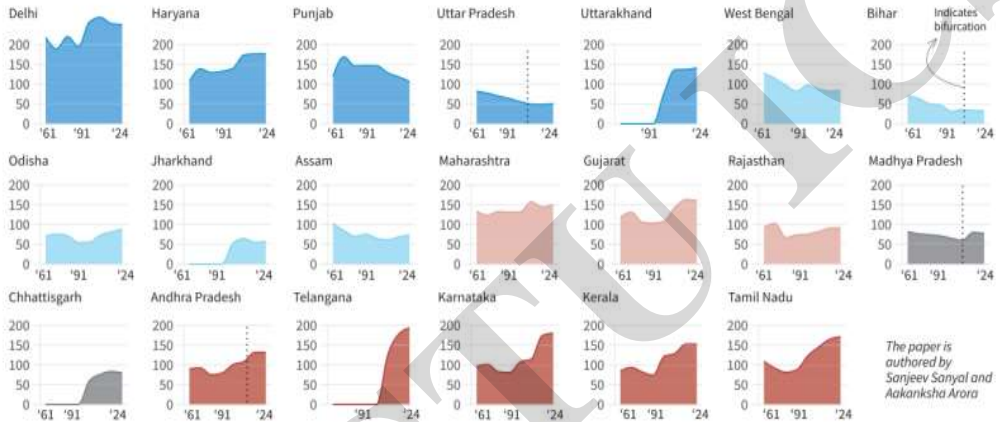
**Chart 1** shows the relative per capita income levels.

**Chart 2** shows the State's share in national GDP.

## Rise and fall of economic fortunes

The charts are based on data sourced from the Economic Advisory Council's paper, "Relative Economic Performance of Indian States: 1960-61 to 2023-24"

**Chart 1:** The chart shows the relative per capita income levels. It is a percentage of per capita Net State Domestic Product of a State to the all-India per capita Net National Product or per capita Net National Income



**Chart 2:** The chart shows the State's share in national GDP. It is defined as the ratio of a State's Gross State Domestic Product to the sum of GSDP of all States. The darker the blue, higher the share in national GDP

■ In chart 2, figures for Andhra Pradesh, Uttar Pradesh, Bihar and Madhya Pradesh are that of undivided States post bifurcation and of divided States post bifurcation

■ Among smaller States, Goa led the list, with its relative per capita income doubling compared to the 70s. Chandigarh also recorded a high income level, though it had declined marginally recently

Delhi	1.4	1.5	2.3	2.6	3.7	3.7	3.7	3.6
Haryana	1.9	2.7	2.9	3.1	3.2	3.8	3.6	3.6
Punjab	3.2	4.4	4.3	4.3	3.9	3.3	2.7	2.4
Uttar Pradesh	14.4	13	13.2	12.6	10.2	8.7	8.2	8.4
Uttarakhand	-	-	-	-	0.7	1.2	1.1	1.1
West Bengal	10.5	9.7	8.8	7.9	8.2	6.7	5.7	5.6
Bihar	7.8	6.9	6.3	6	2.8	2.9	2.8	2.8
Odisha	2.9	3.2	3.2	2.5	2.3	2.9	2.7	2.8
Jharkhand	-	-	-	-	1.7	1.8	1.5	1.5
Assam	2.6	2.4	2.1	2.4	1.9	1.6	1.7	1.9
Maharashtra	12.5	11.9	14.2	14.6	14	15.2	13	13.3
Gujarat	5.8	6.7	6.3	6.4	6.4	7.5	8	8.1
Rajasthan	4.4	5.1	3.9	4.7	4.6	4.9	5.1	5
Madhya Pradesh	6.3	6.1	6.6	6.9	4.3	3.8	4.7	4.5
Chhattisgarh	-	-	-	-	1.5	1.7	1.7	1.7
Andhra Pradesh	7.7	7.7	7	7.6	8.2	4.6	4.9	4.7
Telangana	-	-	-	-	-	3.8	4.7	4.9
Karnataka	5.4	5.7	5.3	5.3	6.2	5.9	8.1	8.2
Kerala	3.4	3.8	3.6	3.2	4.1	3.8	3.8	3.8
Tamil Nadu	8.7	7.3	6.9	7.1	8.3	8.4	8.9	8.9
	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2020-21	2023-24





- ❖ EAC-PM is a non-constitutional, non-statutory, independent body constituted to give advice on economic and related issues to the Government of India, specifically to the Prime Minister.
- ❖ The council serves to highlight key economic issues to the government of India from a neutral viewpoint.
- ❖ It advises the Prime Minister on economic issues like inflation, microfinance, and industrial output.
- ❖ For administrative, logistic, planning and budgeting purposes, the NITI Aayog serves as the Nodal Agency for the EAC-PM.

#### Terms of Reference of EAC-PM:

- ❖ Analyzing any issue, economic or otherwise, referred to it by the Prime Minister and advising him thereon,
- ❖ Addressing issues of macroeconomic importance and presenting views thereon to the Prime Minister.
- ❖ These could be either suo-motu or on reference from the Prime Minister or anyone else.
- ❖ It also includes attending to any other task as may be desired by the Prime Minister from time to time.

#### Composition:

- ❖ The EAC-PM is headed by the **Chairman** and **includes a mix of economists** and **experts from academia, research institutions, and the private sector.**
- ❖ There is **no fixed definition** of the exact number of members and staff of the EAC-PM.
- ❖ It is common for the Council to be **reconstituted time and again** with different organizational structures headed by various economists who are of recognized international eminence.

#### Periodic Reports:

- ❖ Annual Economic Outlook.
- ❖ Review of the Economy



## NIPAH VIRUS

# 16 test negative for Nipah virus in Kerala's Malappuram district

**The Hindu Bureau**  
MALAPPURAM

The serum test results of 16 persons on the contact list of the Nipah victim in the district tested negative on Tuesday, prompting the health authorities to heave a sigh of relief. However, Minister for Health Veena George said that 80 more were included on the list.

As many as 255 people were on the contact list with 50 of them in high-risk category. Ms. George said that 77 on the list were health workers. Of the total, 171 were on the primary contact group and 84 were in secondary category.

As many as 30 people from a college in Bengaluru, where the 24-year-old victim was studying, were included in the list. However, they were all categor-

ised as low risk, said the Minister.

District Medical Officer R. Renuka said that those on the contact list were being given all possible psychological support. "We could support 214 through our call centre today," she said.

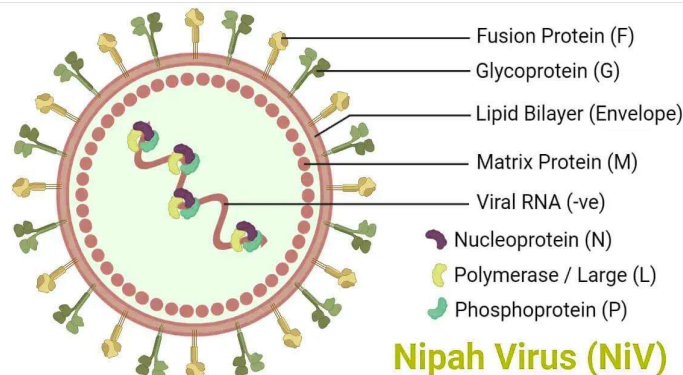
### Review meetings

Health workers held review meetings at the Tiruvalli block family health centre and Mampad grama panchayat office on Tuesday as part of strengthening the measures against Nipah. People's representatives and local body officials attended the meetings.

1,576 houses in Mampad grama panchayat were covered in a field survey for the disease. In Wandoor panchayat, 1,711 houses were covered.

- ❖ The **Nipah virus (NiV)** is a **zoonotic virus** which means it can be transmitted from **animals to humans**. It belongs to the family of **paramyxoviruses**.
- ❖ Humans can contract this virus through **direct contact** with **infected animals**, like bats, and pigs or it can spread through contaminated food.
- ❖ The **Nipah Virus** first appeared in **Malaysian pig farmers in 1999**. In 2001, it was detected in Bangladesh, and at the same time, it was also found in eastern India
- ❖ **Nipah's contact with India:** In India, the first Nipah virus outbreak occurred in Siliguri, West Bengal, in the year **2001**. The outbreak again happened in the year **2007**.

**Structure of Nipah Virus: NiV is a single-stranded, enclosed, negative-sense RNA virus.**



## What is Nipah virus?

NIPAH VIRUS (NiV) INFECTION IS A NEWLY EMERGING ZOOONOSIS THAT CAUSES SEVERE DISEASE IN BOTH ANIMALS AND HUMANS



NiV first identified in 1998 during an outbreak in Malaysia



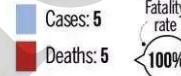
Fruit bats are natural hosts of NiV

### PREVIOUS OUTBREAKS IN INDIA

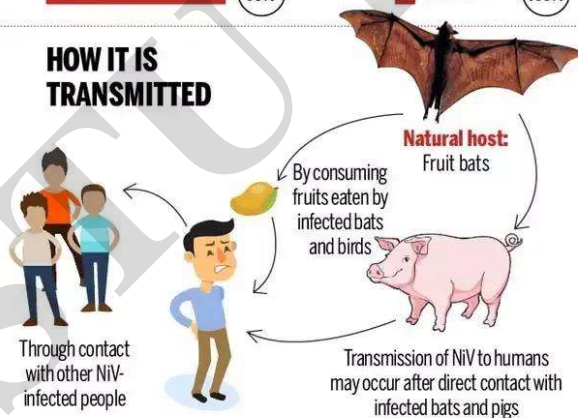
Jan-Feb, 2001 **Siliguri (WB)**



April, 2007 **Nadia (WB)**



### HOW IT IS TRANSMITTED





### Nipah Virus Transmission:

- ❖ **Direct contact:** The infection can occur through direct contact with infected animals, such as **bats or pigs**, particularly through their **bodily fluids**.
- ❖ **Consumption of contaminated food:** In Bangladesh and India, the main source of the Nipah virus is eating fruits, which are **contaminated with the saliva** of infected fruit bats.
- ❖ **Testing:**
  - Real-time polymerase chain reaction (RT-PCR), Immunohistochemistry (IHC), Enzymelinked immunosorbent assay (ELISA) and Serum neutralisation test (SNT) are some tests available to detect the virus.
- ❖ **Nipah Virus Symptoms:** The virus shows **respiratory and neurological** issues.
- ❖ **Common signs:** The infected person shows **fever, head pain, muscle aches, nausea, and a scratchy throat**.
- ❖ **Progression:** It shows symptoms such as **dizziness, drowsiness**, and neurological signs suggestive of **acute encephalitis** may appear.

### Treatment of Nipah Virus

- ❖ There is currently **no known treatment or vaccine** available for humans or animals.
- ❖ However, **Ribavirin**, an antiviral, may play a role in lowering mortality in patients with Nipah virus encephalitis.
- ❖ The main approach to managing the infection in people is **intensive supportive care** combined with symptom treatment.

## TERM OF THE DAY – Windfall Tax

### Windfall tax on crude oil cut to zero

**Press Trust of India**  
NEW DELHI

The government on Tuesday slashed windfall tax on domestically produced crude oil to 'nil' per tonne with effect from September 18.

The tax is levied in the form of a special additional excise duty and is notified fortnightly based on average oil prices in two weeks.

The new rates are effective from September 18, an official notification said.

The last such revision took place effective August 31 when the windfall tax on crude petroleum was set at ₹1,850 per tonne.

•Windfall taxes are **designed to tax the profits a company derives** from an external, sometimes unprecedented event— for instance, the **energy price-rise as a result of the Russia-Ukraine conflict**.

•These are profits that cannot be attributed to something the firm actively did, like an investment strategy or an expansion of business.

•A windfall is defined as an **“unearned, unanticipated gain in income through no additional effort or expense”**.

