



Daily Current Affairs



To The Point by Dhananjay Gautam

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1 India Skills Report 2025: A Snapshot of Employability Trends

Context: The India Skills Report 2025 predicts a 7% rise in employability among Indian graduates, projecting a global employability rate of 54.81% in 2025, compared to 51.2% in 2024.

About the Report:

The India Skills Report 2025 is a collaborative effort by:

- Confederation of Indian Industries (CII)
- Wheebox, a leading talent assessment agency
- All India Council for Technical Education (AICTE)

Key Inputs:

- Analysis of data from over 6.5 lakh candidates who participated in the Global Employability Test (G.E.T.).
- Insights from 1,000+ corporations across 15 diverse industries.

Highlights of the Report:**Rising Employability:**

- Nearly 55% of Indian graduates are projected to be employable globally by 2025, marking a 7% increase from 2024.
- Management graduates lead the way with a 78% employability rate, followed by:
 - Engineering graduates: 71.5%
 - MCA graduates: 71%
 - Science graduates: 58%

Top Employable States and Cities:

- States: Maharashtra, Karnataka, and Delhi are emerging as key talent hubs.
- Cities: Pune, Bengaluru, and Mumbai dominate in providing a skilled workforce.

Gender Analysis:

- Male employability is expected to rise to 53.5% in 2025 from 51.8% in 2024.
- Female employability is projected to decline to 47.5% in 2025 from 50.9% in 2024.

Vocational Training:

- 50% of secondary and tertiary students in India are anticipated to receive vocational training by 2025.
- This positions India as a global leader in talent development, especially in emerging fields.

Future Workforce Needs:

The report emphasizes integrating vocational training with industry demands, particularly in high-growth sectors like:

- Artificial Intelligence (AI)
- Cybersecurity
- Green Energy

Conclusion:

The India Skills Report 2025 underlines India's growing potential as a global talent hub, driven by increased employability, a skilled workforce, and targeted vocational training. While challenges such as gender disparity remain, the focus on industry-aligned education and emerging sectors positions India for significant progress in the global job market.



2 Female Labour Force Participation Rate Rose During 2017-18 to 2022-23

Context: The **Labour Force Participation Rate (LFPR)** represents the percentage of people aged 15 years and older who are either:

1. **Employed**
2. **Unemployed but actively seeking work**



How is LFPR Calculated?

- It is the **total number of people demanding jobs** (employed + unemployed actively seeking work) divided by the **working-age population**.
- It reflects the **demand for jobs in the economy**.

LFPR vs. Unemployment Rate (UER):

- **LFPR** measures **job demand** in the economy.
- **UER** is the proportion of the labour force that remains unemployed and actively seeking jobs.

Paper Released by EAC-PM:

A working paper by the **Economic Advisory Council to the Prime Minister (EAC-PM)** highlights the impressive rise in **female LFPR** from 2017-18 to 2022-23, with rural areas experiencing more growth than urban regions.

Key Findings:

National Trends:

- **Rural LFPR:** Increased from **24.6% (2017-18)** to **41.5% (2022-23)**, a remarkable **69% growth**.
- **Urban LFPR:** Improved from **20.4% to 25.4%** during the same period.
- The rise remains significant even after excluding **unpaid family workers**, indicating genuine workforce inclusion.

Regional Disparities:

- **Low LFPR States:**
 - **Bihar, Punjab, and Haryana** continue to report low female LFPR, despite differing economic statuses.
- **High-Growth Regions:**
 - **North-eastern States** (e.g., Nagaland and Arunachal Pradesh) witnessed notable gains in rural LFPR.
 - **Eastern States:** While rural Bihar had the lowest LFPR, recent years show progress, particularly among **married women**.

Demographic Insights:

- **Marital Status:**
 - **Married women** show lower LFPR than men, especially in urban areas.
 - Male LFPR remains consistently high across all age groups.
- **Age Distribution:**
 - Female LFPR peaks between **30-40 years** and declines sharply, forming a **bell-shaped curve**.
 - Male LFPR remains high (close to **100%**) for ages **30-50**, tapering off gradually afterward.

Government Initiatives Supporting Women's Employment:

1. **Skill India Mission:** Focused on equipping women with market-relevant skills.
2. **Maternity Benefit (Amendment) Act, 2017:** Extended maternity leave to support working mothers.
3. **Stand-Up India Scheme:** Aims to promote women entrepreneurs by providing easier credit access.
4. **Mahila Shakti Kendra:** Encourages skill development and digital literacy among rural women.

Criticism and Challenges:

- **Regional Inequalities:** States like Bihar and Punjab lag behind despite efforts.
- **Workplace Constraints:** Social and cultural barriers, coupled with lack of childcare facilities, hinder women's sustained workforce participation.



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- **Age and Marital Barriers:** A sharp decline in participation after the age of 40, especially for married women, highlights systemic issues.

Conclusion:

The steady rise in **female LFPR** between 2017-18 and 2022-23 reflects India's progress toward a more inclusive workforce. However, challenges like **regional disparities, societal barriers, and age-related declines** must be addressed to sustain this momentum. Empowering women with **targeted policies and supportive ecosystems** can ensure their continued contribution to India's economic growth.



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CII Recommends Sticking to Fiscal Deficit Targets

Context: The **Confederation of Indian Industry (CII)** has advised the government to adhere to the **fiscal deficit targets** of **4.9% of GDP** for 2024-25 and **4.5% for 2025-26**, emphasizing the importance of fiscal discipline for economic stability.

What is Fiscal Deficit?

The **fiscal deficit** is the shortfall between the government's **total expenditure** (revenue and capital) and its **total receipts** (excluding borrowings) during a fiscal year.

Formula:

Fiscal Deficit = Total Expenditure – (Revenue Receipts + Non-Debt Creating Capital Receipts)

Fiscal Deficit vs. National Debt

- **Fiscal Deficit:** Represents the yearly shortfall that necessitates borrowing.
- **National Debt:** The cumulative total of borrowings from years of fiscal deficits, reflecting the government's overall debt burden.

Implications of Fiscal Deficit:**Negative Effects:**

1. **Inflationary Pressure:** Persistent fiscal deficits can fuel inflation as governments rely on central bank-issued funds.
2. **Crowding Out Effect:** High government borrowing reduces the availability of credit for private businesses and individuals, impacting private investments.
3. **Limited Fiscal Space:** A high deficit restricts the government's ability to address economic crises or shocks effectively.
4. **Increased Borrowing Costs:** Poor fiscal health forces governments to offer higher interest rates to attract lenders.

Benefits of Lower Fiscal Deficit:

1. **Improved Credit Ratings:** Better fiscal discipline boosts global credit ratings, reducing borrowing costs.
2. **Reduced Debt Servicing Costs:** Lower interest payments free up funds for development projects in **education, healthcare, and infrastructure**.
3. **Stronger Balance of Payments:** Reduced reliance on foreign loans stabilizes exchange rates and strengthens the current account.
4. **Investor Confidence:** Fiscal prudence attracts domestic and foreign investments, fostering economic growth.

CII's Fiscal Recommendations:**State-Level Fiscal Monitoring:**

- **Regular Financial Health Reports:** States should implement **fiscal stability reporting systems** to assess and maintain financial discipline.
- **Direct State Borrowing:** States can borrow directly from markets as recommended by the **12th Finance Commission**.
- **Monitoring Guarantees:** Borrowing by **State Public Sector Enterprises (PSEs)** on state guarantees must be closely monitored to avoid fiscal instability.

Independent State Credit Ratings:

An **independent and transparent credit rating system** for states can incentivize them to maintain fiscal responsibility and discipline.

The Way Forward:

1. **Adopt NK Singh Committee Recommendations**
 - Implement the proposed **Debt Management and Fiscal Responsibility Bill, 2017** to ensure sustainable fiscal practices.





2. Encourage Financial Savings

- Increase household financial savings through:
 - **Tax incentives** on financial products.
 - Higher returns on **long-term savings schemes**.
 - Enhanced **financial literacy programs**.

3. Revamp Infrastructure Financing

- Focus on funding infrastructure projects through:
 - **Public-private partnerships (PPP)**.
 - Development of **infrastructure bonds**.
 - Establishing dedicated **finance institutions**.

Conclusion:

Sticking to fiscal deficit targets is vital for ensuring **economic stability, improving investor confidence, and fostering long-term growth**. By implementing **fiscal reforms** at both the national and state levels and adopting prudent financial strategies, India can pave the way for sustainable development and robust fiscal health.



4 Why a Free Fall in the Rupee Seems Unlikely

Context: India's **economic resilience** and prudent financial management provide strong reasons why the rupee is unlikely to experience a dramatic decline despite challenges like capital outflows and reduced foreign exchange reserves.

Key Factors Supporting Rupee Stability:**1. Strong Balance of Payments (BoP):****Current Account Deficit (CAD):**

- India's **CAD for 2023-24** stands at **\$23.29 billion**, significantly lower than the **\$78 billion** recorded in 2011-12.
- This manageable CAD is bolstered by surpluses in the **invisibles account**, driven by:
 - **IT and software services exports:** \$142.07 billion (2023-24).
 - **Remittances:** A record \$106.63 billion (2023-24).

Goods Trade Deficit:

- Despite a high **merchandise trade deficit** of **\$242 billion (2023-24)**, the strong invisibles surplus offsets much of its impact, maintaining overall stability.

2. Stable Foreign Exchange Reserves:

- India's **forex reserves** remain substantial at **\$658.09 billion** (as of November 29, 2024), among the **world's largest**.
- Although reserves dipped from the peak of **\$704.89 billion** in September 2024 due to **Foreign Portfolio Investor (FPI) outflows**, they still provide a robust **buffer against external shocks**.

3. Nature of Capital Flows:**Foreign Direct Investment (FDI):**

- While FDI declined to **\$26.47 billion** in 2023-24, it remains a **stable and long-term capital source**, unlike the volatility of portfolio investments.

Foreign Portfolio Investors (FPIs):

- FPIs withdrew **\$11.47 billion** in October 2024 and **\$2.54 billion** in November 2024, leading to temporary rupee depreciation.
- However, such outflows are **cyclical** and not reflective of **structural weaknesses**.

4. Favorable Comparisons to Past Crises:**The 2011-12 Scenario:**

- During the 2011-12 and 2012-13 crises, India faced:
 - A **high CAD (~\$78 billion)**.
 - Capital flow disruptions caused by the US Federal Reserve's tapering policy.
 - Dwindling forex reserves, leading to rupee depreciation.

The Current Situation:

- India's **smaller CAD**, **ample forex reserves**, and improved financial health provide a cushion against sudden shocks.
- Even if capital flows tighten, reserves can stabilize the rupee effectively.

5. Global Dynamics and Policy Preparedness:

- Post-pandemic digitization and the rise of **Global Capability Centres (GCCs)** have boosted **invisibles revenue** through exports and IT services.
- Policies to attract **stable FDI** and regulate **External Commercial Borrowings (ECBs)** strengthen India's **Balance of Payments (BoP)**.

Understanding Balance of Payments (BoP):

The **Balance of Payments (BoP)** is a comprehensive record of all economic transactions between a country and the rest of the world, reflecting its **economic stability** and **global financial position**.

Components of BoP:





1. Current Account:

Tracks the flow of goods, services, income, and transfers:

- **Trade in Goods:** Exports minus imports of physical products.
- **Trade in Services:** IT services, tourism, and transportation.
- **Income:** Net earnings from foreign investments.
- **Transfers:** Remittances, foreign aid, and gifts.

2. Capital Account:

Focuses on capital transfers and asset transactions:

- **Grants:** Funds for infrastructure or debt forgiveness.
- **Asset Transfers:** Transactions involving patents or trademarks.

3. Financial Account:

Records financial investments and reserve changes:

- **FDI:** Stable investments in businesses or real estate abroad.
- **Portfolio Investments:** Equities and debt securities.
- **Reserve Assets:** Central bank-held forex reserves.
- **Loans and Banking Capital:** Borrowings and deposits in foreign banks.

External Commercial Borrowings (ECBs):

- **ECBs** refer to loans obtained by Indian entities from foreign lenders in **foreign currencies**, primarily for:
 - Financing **specific projects**.
 - Expanding **infrastructure development**.
 - Supporting **business expansion**.

Conclusion:

India's **manageable CAD**, substantial **forex reserves**, and robust **policy measures** position the rupee to withstand global financial pressures. While challenges like capital outflows exist, India's **economic fundamentals** and preparedness ensure that a **free fall in the rupee** remains an unlikely scenario.

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5 India's MGNREGS: A Key Contributor to Global Nature-Based Solutions

Context: India's Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has emerged as a pivotal player in advancing Nature-based Solutions (NbS) worldwide, as highlighted in the Decent Work in Nature-based Solutions 2024 Report, launched at CoP16 of the UN Convention on Biological Diversity (CBD) in Riyadh.



Nature-Based Solutions (NbS): Transforming Global Challenges:

What are NbS?

Nature-based Solutions (NbS) utilize natural ecosystems to address societal challenges like climate change, biodiversity conservation, and sustainable livelihoods. The UN defines NbS as “actions to protect, conserve, restore, sustainably use, and manage ecosystems.”

Key Features of NbS:

- **Ecosystem-Based Approach:** Leverages natural processes through initiatives like afforestation, wetland restoration, and sustainable agriculture.
- **Multi-Dimensional Benefits:**
 - **Climate Resilience:** Mitigates and adapts to climate change.
 - **Biodiversity Conservation:** Protects ecosystems.
 - **Community Development:** Enhances resilience and creates jobs.
- **Global Policy Integration:** Embedded in frameworks like the CBD, UNFCCC, and aligned with Sustainable Development Goals (SDGs).

Key Findings of the Report:

Global NbS Employment Trends:

- 93–95% of NbS jobs are concentrated in the Asia-Pacific region, with India leading contributions.
- Over 59 million people are employed globally in NbS, with 50% being women.
- NbS employment accounts for 1.8% of global employment, with India's MGNREGS contributing 85–87% of full-time equivalents (FTE).

Investment and Projections:

- Increasing global annual investment in NbS by \$542 billion by 2030 could create 20–32 million new jobs in agriculture and forestry.
- Investing \$2.9 trillion in Nature-based Infrastructure (NbI) can significantly enhance employment while bolstering climate-resilient infrastructure.

MGNREGS: A Flagship Initiative in NbS:

About MGNREGS:

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is the world's largest public works program, introduced in 2005 under the MGNREGA Act. It guarantees at least 100 days of wage employment annually to rural households.

Key Objectives:

- Provide a legal right to work and reduce rural poverty.
- Promote sustainable development by creating assets like water conservation systems, afforestation projects, and roads.
- Empower marginalized groups, including women, Scheduled Castes (SCs), and Scheduled Tribes (STs).

Features of MGNREGS:

1. Legal Entitlement

- Any rural household can demand employment.
- Failure to provide work within 15 days entitles households to an unemployment allowance.



2. Women's Empowerment:

- At least **one-third of the workforce** is reserved for women.
- Ensures **equal wages** for men and women, fostering **financial independence**.

3. Community Participation:

Projects are selected and monitored by the **Gram Sabha (village assembly)**, ensuring **transparency and accountability** through social audits.

4. Environmentally Focused Initiatives:

- Projects focus on **afforestation, watershed management, and irrigation systems**, contributing to **climate resilience and ecological restoration**.

Achievements of MGNREGS:

1. **Employment Generation:** MGNREGS is a lifeline for millions, particularly during crises like the **COVID-19 pandemic**, when it absorbed migrant labor.
2. **Women's Participation:** Significant involvement of women has fostered greater **decision-making power and economic independence**.
3. **Rural Infrastructure Development:** Projects under MGNREGS have improved rural **connectivity, irrigation, and water resource management**.
4. **Climate Adaptation:** NbS projects, such as **reforestation and water conservation**, contribute to climate change mitigation while supporting rural livelihoods.

Challenges Hindering MGNREGS' Potential:

Despite its achievements, MGNREGS faces several hurdles:

- **Implementation Issues:** Delays in wage payments and poor-quality assets.
- **Corruption:** Mismanagement and fund misuse in certain regions.
- **Lack of Awareness:** Many rural households remain unaware of their rights under the scheme.
- **Budgetary Constraints:** Limited funding restricts its scope and effectiveness.

The Way Forward:

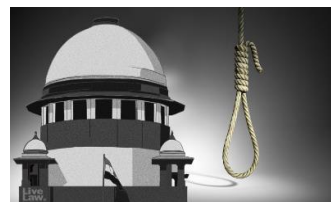
To strengthen MGNREGS and NbS globally:

- **Increase Investments:** Boost funding for **nature-based infrastructure** to unlock new jobs and enhance climate resilience.
- **Focus on Training:** Develop skills in **geospatial analysis, environmental economics, and indigenous knowledge systems** to meet the growing demand for NbS expertise.
- **Enhance Awareness:** Promote rights and benefits under MGNREGS through grassroots campaigns.
- **Improve Governance:** Ensure transparency through regular audits and effective monitoring systems.

India's MGNREGS stands as a **global model** for leveraging **nature-based solutions** to address climate challenges while fostering **employment and social equity**. With increased investments and improved implementation, it can further drive sustainable development and resilience worldwide.

6 Supreme Court Issues Guidelines on Mercy Petitions to Streamline Processes

Context: In a significant move aimed at ensuring **timeliness** and **fairness** in the handling of mercy petitions, the **Supreme Court (SC)** has issued comprehensive guidelines in the **State of Maharashtra Vs. Pradeep Yashwant Kokade** case. These guidelines are designed to streamline the processes involved in mercy petitions and the execution of death penalties, thereby safeguarding the **legal rights** of convicts.

**Key Guidelines Issued by the SC:****Establishment of Dedicated Cells:**

- **Purpose:** To manage mercy petitions efficiently, dedicated cells must be established by **States and Union Territories (UTs)**.
- **Structure:** These cells should be equipped with **judicial officers** from the **Law and Judiciary Department** to oversee the process.

Information Sharing and Documentation:

- **Procedure:** **Prison authorities** are required to forward mercy petitions to these dedicated cells.
- **Requirements:** Gather necessary information from **police stations, investigating agencies,** and other relevant bodies.
- **Communication:** Utilize **electronic means** for communication wherever possible, with exceptions for cases demanding confidentiality.

Coordination with Higher Authorities:

- **Role of the Governor and President's Secretariats:** Mercy petitions should be promptly forwarded to these offices for further consideration.
- **Coordination Mechanism:** The states/UTs must liaise closely with these secretariats to expedite the process.

State Government Directives:

- **Executive Orders:** States must issue detailed executive orders outlining procedures for handling mercy petitions in compliance with the SC guidelines.
- **Reporting:** **States and UTs** are required to report their compliance with these guidelines to the SC within three months.

Sessions Courts' Responsibilities:

- **Record Keeping:** Maintain accurate records of cases involving mercy petitions.
- **Notifications:** Issue notices to **public prosecutors** or **investigative agencies** for pending appeals related to these petitions.

Execution Warrants:

- **Issuance:** **States** are instructed to issue execution warrants immediately once the death penalty becomes enforceable.

Understanding the Mercy Petition Process:**Constitutional Framework:**

- **Presidential and Gubernatorial Powers:** The **Constitution** grants **Article 72** to the President and **Article 161** to the Governor, giving them the authority to grant pardons or commute sentences.
- **Legal Precedent:** The SC in **Maru Ram vs. Union of India (1981)** ruled that the President's decision on mercy petitions should be based on the **advice** of the **Council of Ministers**.

Legal Framework:

- **Bharatiya Nagarik Suraksha Sanhita (BNSS) 2023:** Outlines the procedural framework under **Section 472(1)** for handling mercy petitions and death penalty appeals.



Importance and Impact:

These guidelines are a crucial step towards **avoiding undue delays** in the processing of mercy petitions, ensuring that **convicts' legal rights** are upheld throughout the judicial process. By establishing dedicated cells and enforcing clear communication channels, the SC aims to foster **efficiency** and **accountability** in the handling of such sensitive matters. The immediate issuance of execution warrants following the enforceability of death penalties further underscores the SC's commitment to timely justice.

With these measures in place, **States and UTs** are better equipped to align their processes with the SC's directives, ensuring **fair treatment** and **legal protection** for all individuals involved in mercy petitions.

