



## India Development Report: WB

**For Prelims:** World Bank, GDP, GVA, Capital Expenditure, Investment, Human Capital Index, World Development Report.

**For Mains:** India Development Report: WB, GDP.

### Why in News?

The [World Bank \(WB\)](#) in its **India Development Report** titled '**Navigating the Storm**', upgraded its growth forecast for **India's economy in 2022-23 to 6.9%**.

- In October 2022, the WB had cut India's [GDP \(Gross Domestic Product\)](#) growth forecast to 6.5 % from 7.5 % earlier.

### What are the Key Highlights?

- **Growth Projection:**
  - The Bank expects the Indian economy to grow at a slightly slower **6.6% in 2023-24** as a **challenging external environment and faltering global growth** will affect its economic outlook through different channels.
- **Growth Drivers:**
  - India's resilience in economic activity **despite a deteriorating external environment.**
    - India's economy has been remarkably resilient to the deteriorating external environment, and strong macroeconomic fundamentals have placed it in good stead compared to other emerging market economies.
  - Strong private consumption and [investment](#).
  - The government's **focus on bolstering [capital expenditure](#)** also supported domestic demand in the first half of 2022-23.
  - India has **a large domestic market and is relatively less exposed** to international trade flows
  - Continued robust growth of domestic demand at the start of Q3 (October to December quarter), 2022-23.
  - A well-crafted and prudent policy response to global spillovers is helping India navigate **global and domestic challenges.**
- **Challenges:**
  - The impact of a tightening **global monetary policy cycle, slowing global growth and elevated commodity prices (inflation) and rising borrowing costs will affect domestic demand**, particularly private consumption in FY2023/24, while slowing global growth will inhibit growth in demand for India's exports. These factors mean that the Indian economy will experience lower growth in FY23 compared to FY22.
- **Suggestions:**
  - The renewable energy and green economy sectors can create a lot of jobs.
  - It cautions about trade-offs between trying to limit the adverse impact of global spillovers on growth and the available policy space.

## What is the World Bank?

### ▪ About:

- It was **created in 1944**, as the International Bank for Reconstruction and Development (IBRD) along with the [International Monetary Fund \(IMF\)](#). **The IBRD later became the World Bank.**
- The World Bank Group is a unique global partnership of five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.
- The World Bank is one of the [United Nations'](#) specialized agencies.

### ▪ Members:

- It has **189 member countries**.
- **India is also a** member country.

### ▪ Major Reports:

- [Ease of Doing Business \(Stopped publishing\)](#).
- [Human Capital Index](#).
- [World Development Report](#).

### ▪ Its Five Development Institutions:

- International Bank for Reconstruction and Development (IBRD)
- International Development Association (IDA)
- International Finance Corporation (IFC).
- Multilateral Guarantee Agency (MIGA)
- International Centre for the Settlement of Investment Disputes (ICSID)
  - India is not a member of this.

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

**Q. India's ranking in the 'Ease of Doing Business Index' is sometimes seen in the news. Which of the following has declared that ranking? (2016)**

- (a) Organization for Economic Cooperation and Development (OECD)
- (b) World Economic Forum
- (c) World Bank
- (d) World Trade Organization (WTO)

**Ans: (c)**

**Source: IE**

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