PRELIMS EXCLUSIVE PROGRAMME

VALUE ADD NOTES-HANDOUTS

PEP 2020

CRACK PRELIMS IN ONE GO!

IASBABA.COM

PEP@IASBABA.COM

ECONOMY

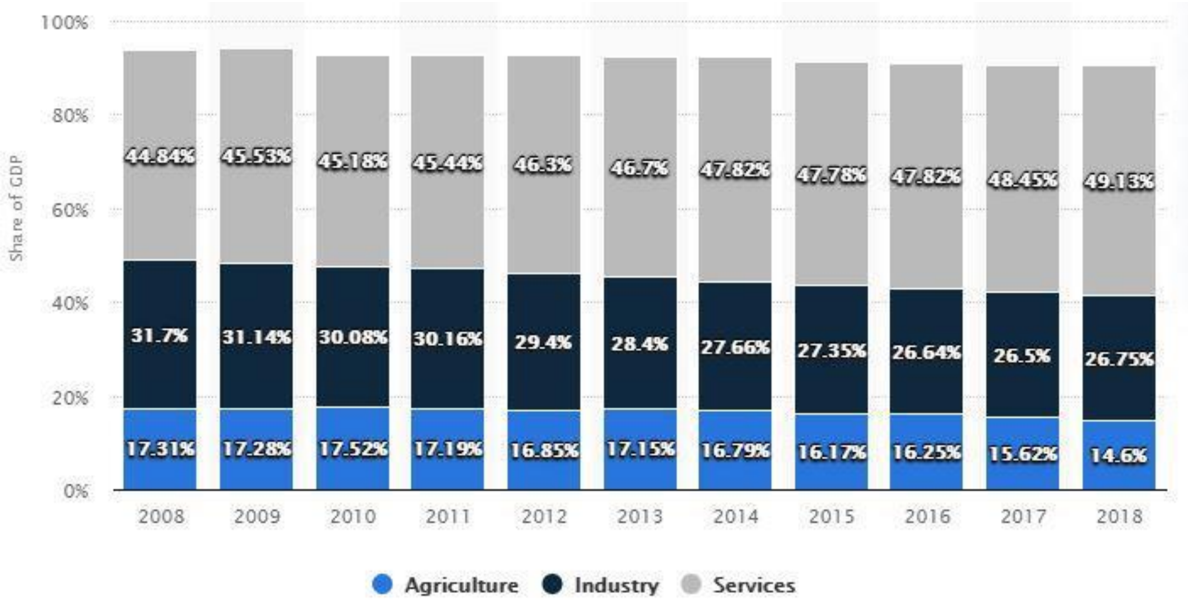
TOPICS: Economics basics- Macro & Micro, National income, Sectors - Primary, Secondary, Tertiary, GDP & alternatives to GDP (PPP) Economic Systems -Capitalist, Socialist, Mixed Economy. Growth & Development -Planning, LPG Economic Reforms, NITI Aayog, Poverty, Inequality, Unemployment, Developmental indicators- HDI, MPI, SDG etc.

BRANCHES OF ECONOMICS

Micro Economics	Macro Economics
1. It studies the individual unit.	1. It studies the whole economy or large groups.
2. Laws related to Marginal analysis are included in its scope.	2. Problems related to whole economy like employment, public finance, national income etc. are included in its scope
3. Micro Economics provides the information relating to the individual prices, individual consumption and production.	3. Macroeconomics provides the information relating to National Income, total output, total consumption and general price level
4. Micro economics analysis is simple	4. Macroeconomics is complex due to the study of large groups.
5. Micro economics particularly focus on price analysis.	5. Macro Economics particularly focus on income analysis
6. Micro economics studies individual problems and it is less important for comparative study	6. Macroeconomics studies the problems relating to the economy and its importance is growing.

SECTORS IN ECONOMY

Primary sector	Which makes direct use of natural resources - Agriculture and allied activities, Forestry, Fishing etc
Secondary or Industry Sector	Which transform inputs into output. This sector includes the following production activities - Mining and Quarrying (in India it is considered as secondary sector), Manufacturing, Construction, Electricity Gas and water supply & other utility services
Tertiary or Service Sector	Services providers - Trade, repair, hotels, transport, communication and services related to broadcasting, Financial, real estate & professional services, Public Administration, defence and other services
Quaternary sector	It includes all industries that are concerned with the creation and distribution of knowledge. Ex: Research and development, Education etc
Quinary sector	Highest levels of decision making in an economy.



ECONOMIC SYSTEMS

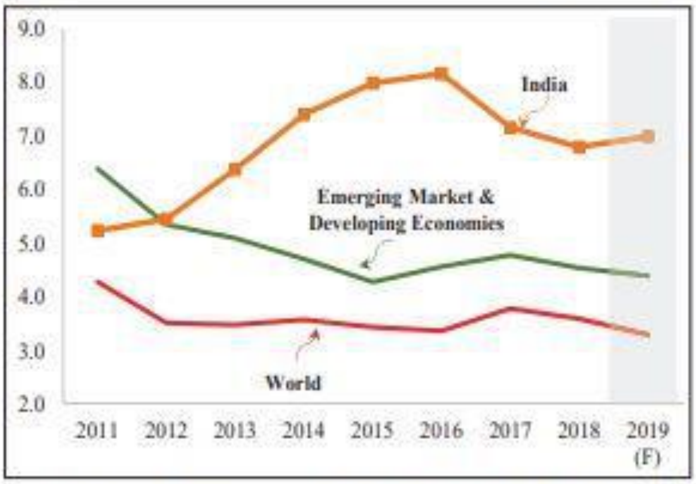
Basis	Capitalist Economy	Socialist Economy	Mixed Economy
Ownership of Property	Private ownership	Public ownership	Both public and private ownership
Price Determination	Prices are determined by the market forces of demand and supply	Prices are determined by the central planning authority.	Prices are determined by central planning authority and demand and supply.
Motive of Production	Profit motive	Social welfare	The profit motive in the private sector and welfare motive in the public sector.
Role of Government	No role	Complete role	Full role in the public sector and limited role in the private sector
Competition	Exists	No competition	Exist only in the private sector
Distribution of income	Very Unequal	Quite Equal	Considerable inequalities exist.

Open- economy	Closed- economy
Which has economic relations with the rest of the world. Most countries of the world are open economy.	Which has no economic relations with the rest of the world. Example - North Korea
In an open economy, exports constitute an additional source of demand for domestic goods and services.	In closed economy Saving and investment, Gross Domestic Product (GDP) and Gross National Product (GNP) are equal but in an open economy, they can differ.

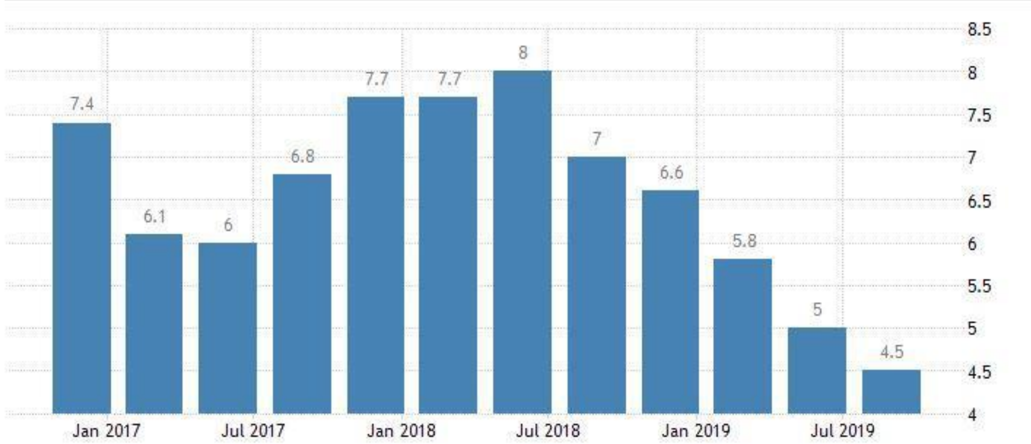
NATIONAL INCOME

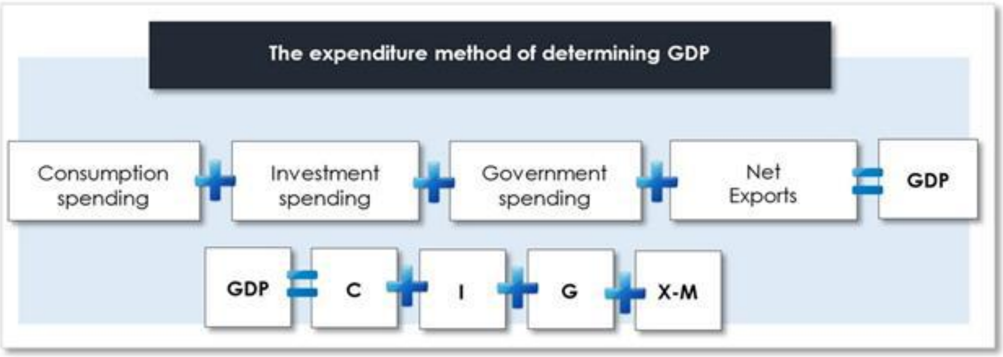
National income is the total value a country's final output of all new goods and services produced in one year. Typically, goods are produced in a number of 'stages', where raw materials are converted by firms at one stage, then sold to firms at the next stage. Value is added at each, intermediate, stage, and, at the final stage, the product is given a retail selling price. The retail price reflects the value added in terms of all the resources used in all the previous stages of production.

Figure 1: Growth rate of real GDP (per cent)



Data source: WEO, April 2019 database, CSO for India, 2019 projection for India is survey's projection.

Gross Domestic Product (GDP)	Market value of all final goods and services produced within the domestic economy during a year. or GDP at market price = Gross Value Added (GVA) at basic price + Indirect tax-Subsidies 
Released by	National Statistical Office (NSO), Ministry of Statistics and Program Implementation
Base Year	The base year of the national accounts is chosen to enable inter-year

	comparisons. It gives an idea about changes in purchasing power and allows calculation of inflation-adjusted growth estimates. The last series has changed the base to 2011-12 from 2004-05.
Final Goods	An item that is meant for final consumption and will not pass through any more stages of production or transformations is called a final good. For example, bread, butter, biscuits etc. used by the consumer
Intermediate Goods	Which are used as raw material or inputs for production of other commodities. These are not final goods. Eg- Rubber in Tyre Intermediate goods are not included in the calculation of national income. Only final goods are included in the calculation of national income because value of intermediate goods is already included in the value of final goods. If it is included in national income it will lead to the problem of double counting.
Indirect taxes	Indirect taxes are those taxes which are levied by the government on sales and production and also on imports of the commodities. For example, GST, Import/custom duties etc.
Subsidies	Government gives financial help to the production units for selling their product at lower prices fixed by the government. Such help is given to those commodities whose production government wants to encourage
Nominal GDP	GDP at current prices is called nominal GDP. But It does not show the true picture of economic growth of a country as any increase in nominal GDP might be due to rise in price level without any change in physical output.
Real GDP	In order to eliminate the effect of price changes, GDP is estimated at a constant/base price called real GDP. Nominal GDP adjusted for inflation.
GDP Deflator	GDP adjusted due to inflation on a base year = Nominal GDP / Real GDP
Methods	**1) Expenditure Method**  **Income Method → Based on factor cost** Factor cost = Labor (Wages) + Capital (Interest) + Entrepreneurship (Profit) + Land (Rent) **Production Method: Gross Value Added (GVA)** GDP (at current market price) = ∑ GVA of all goods and services produced + Tax-Subsidies
GDP @ Market Price	GDP @ Factor cost + Taxes – Subsidies
Net National	NDP = GDP – Depreciation

Product (NDP)	During production process fixed capital assets like machines, building etc. get depreciated and their value goes down. This is known as normal wear and tear of machinery or consumption of fixed capital or depreciation.
Gross National Product (GNP)	It is the value of all finished goods and services owned by a country's residents over a period of time GNP = GDP+ NR (Net receipts from abroad or inflows from abroad) – NP (Net payment outflow to foreign assets)
NNP	NNP = GNP – Depreciation
NNP at factor cost or National Income	National Income= NNP at market prices – Indirect taxes + Subsidies But from January 2015 onwards, National Income in India is being computed at market price i.e. National Income= NNP at market prices
Personal Income (PI)	PI is the Part of National Income (NI) which is received by households. Personal Income (PI) = National Income – Undistributed profits – Net interest payments made by households – Corporate tax + Transfer payments to the households from the government and firms
New Method	Change of base year – 2004-05 to2011-12 Change in GDP calculation to using market prices rather than factor costs. Adopted the international practice of valuing industry-wise estimates as gross value added (GVA) at basic prices
Gross value added (GVA)	It is an economic productivity metric that measures the contribution of a corporate subsidiary, company or municipality to an economy, producer, sector or region. GDP = GVA + taxes on products – subsidies on products
Gross Capital Formation (GCF)	The percentage of the investment made each year out of the total GDP is called Gross Capital Formation. High GCF denotes higher rate of savings in the economy which is required for high rate of production, capital formation, changes in production techniques. GCF includes capital formation in public sector, private sector and also household sector.

PLANNING IN INDIA

PLANS	FEATURES
National Planning Committee (1938)	Subhas Chandra Bose set up National Planning Committee in 1938 under the chairmanship of J.Nehru.
The Bombay Plan (1944)	In 1944 Eight Industrialists of Bombay viz. Mr. JRD Tata, GD Birla, Purshottamdas Thakurdas, Lala Shriram, Kasturbhai Lalbhai, AD Shroff ,Ardeshir Dalal, & John Mathai working together prepared what is known as “Bombay Plan”. It recommended a substantially interventionist state and an economy with a sizeable public sector.
People’s Plan(1945)	It was drafted by MN Roy. It gave equal importance to both agriculture and industries. This plan was for ten years. It recommended nationalization of all agriculture and production.
Gandhian Plan (1944)	This plan was drafted by Sriman Nayaran, principal of Wardha Commercial College. It emphasized the economic decentralization

	with primacy to rural development by developing the cottage industries.
Sarvodaya Plan (1950)	Sarvodaya Plan as drafted by Jaiprakash Narayan. This plan itself was inspired by Gandhian Plan and Sarvodaya Idea of VinobaBhave. This plan emphasized on agriculture and small and cottage industries.
Five year plans after independence	The concept of economic planning in India is derived from the Russia (then USSR). India has launched 12 five year plans so far. First five year plan was launched in 1951.
1st five year plan (1951-56)	• It was based on the Harrod-Domar model. • Its main focus was on the agricultural development of the country. • This plan was successful and achieved growth rate of 3.6% (more than its target growth rate 2.1%) • Mettur dam, Hirakud, Bhakra dams were started in this period.
2nd Five year plan (1956 -1961)	• Target Growth: 4.5% Actual Growth: 4.3% • It was based on the P.C. Mahalanobis Model. • Its main focus was on the industrial development of the country. • This plan was successful • As many as five steel plants including the ones in Durgapur, Jamshedpur as well as Bhilaiwere set up as per the 2nd five year plan
3rd five year plan (1961-1966)	• Target Growth: 5.6% Actual Growth: 2.8%. • This plan is called 'Gadgil Yojna' also. • The main target of this plan was to make the economy independent and to reach self-active position of take-off. • Due to china war and Indo-pak war, this plan could not achieve its growth target of 5.6%.
Three Annual Plans (1966- 69): Plan Holiday	• Emphasis on agriculture during the Annual Plans. • Green revolution strated: Usuage of high-yielding varieties of seeds, extensive use of fertilizers, exploitation of irrigation potential and soil conservation.
4th five year plan(1969-1974)	• Target Growth: 5.7% Actual Growth: 3.3% • There were two main objectives of this plan i.e. growth with stability and progressive achievement of self-reliance. • During this plan the slogan of "Garibi Hatao" was given by Indira Gandhi.
5th five year plan (1974-1979)	• Target Growth: 4.4% Actual Growth: 4.8%. • In this plan top priority was given to agriculture, next came to industry and mines. • Overall this plan was successful which achieved the growth of 4.8% against the target of 4.4%. • The draft of this plan was prepared and launched by the D.P. Dhar. This plan was terminated in 1978 because of Janata government. • After promulgation of emergency in 1975, the emphasis shifted to the implementation of Prime Ministers 20 Point Programme.
Rolling Plan (1978 – 80)	This plan was started with an annual plan for 1978-79 and as a continuation of the terminated fifth year plan.

6th five year plan(1980-1985)	• Target Growth: 5.2% Actual Growth: 5.7%. • The basic objective of this plan was poverty eradication and technological self-reliance. • It was based on investment yojna, infrastructural changing and trend to growth model. • Economic Liberalization was introduced for the first time in India during this period. • Family Planning was implemented for the first time in India.
7th five year plan (1985-1989)	• Target Growth: 5.0% Actual Growth: 6.0%. • Objectives of this plan include the establishment of the self-sufficient economy, opportunities for productive employment. • For the first time the private sector got the priority over public sector. • The plan was a big success. • Eighth five Plan could not take place due to volatile political situation at the centre. • So two annual programmes are formed in 1990-91& 1991-92.
8th five year plan (1992-1997)	• Target Growth 5.6 % Actual Growth 6.8%. • In this plan the top priority was given to development of the human resources i.e. employment, education, and public health. • Duing this plan Narasimha Rao Govt. launched New Economic Policy of India. • Rapid economic growth (highest annual growth rate so far – 6.8 %). • High growth of agriculture and allied sector and manufacturing sector. • Growth in exports and imports • Improvement in trade and current account deficit.
9th five year plan(1997-2002)	• Target Growth: 6.5% Actual Growth: 5.4%. • The main focus of this plan was "growth with justice and equity". • It was launched in the 50th year of independence of India. • It assigned priority to agriculture and rural development with a view to generate adequate productive employment and eradicate poverty.
10th five year plan (2002-2007)	• Target Growth rate : 8 % Actual Growth : 7.6 % • This plan aims to double the per capita income of India in the next 10 years. • It aims to reduce the poverty ratio 15% by 2012. • Taking up of extensive afforestation measures, by planting more trees and enhance the forest and tree areas to 25% by 2007 and 33% by 2012. • Decrease in the Maternal Mortality Ratio (MMR) to 2 per 1000 live births by 2007. • Access to potable drinking water cleaning of major polluted rivers.
11th five year plan(2007-2012)	• Target Growth 9 % Actual Growth 8% • It was prepared by the C. Rangarajan.

	• Its main theme was "faster and more inclusive growth". • Reduction in unemployment (to less than 5 % among educated youth) and headcount ratio of poverty (by 10 %). • Improvement in sex ratio, forest & tree cover, air quality in major cities. • Ensuring electricity connection to all villages & BPL households (by 2009) & reliable power by end of 11th Plan. • Providing broad band connectivity to all villages by 2012.
12th five year plan(2012-2017)	• Its growth rate target is 8%, real growth rate 7% • Its main theme is "Faster, More Inclusive and Sustainable Growth". • In this plan government embraced 25 monitorable targets.

NEW ECONOMIC POLICY 1991

India's New Economic Policy was announced on July 24, 1991 known as the LPG or Liberalisation, Privatisation and Globalisation model.

- **Liberalization**- It refers to the process of making policies less constraining of economic activity and also reduction of tariff or removal of non-tariff barriers.
- **Privatization**- It refers to the transfer of ownership of property or business from a government to a privately owned entity.
- **Globalization**- It refers to the expansion of economic activities across political boundaries of nation states.

Salient features of LPG Policy:

- Abolition of Industrial licensing/ Permit Raj
- Public sector role diluted
- MRTP limit goes
- Beginning of privatisation
- Free entry to foreign investment and technology
- Industrial location policy liberalized
- Abolition of phased manufacturing programmes for new projects
- Removal of mandatory convertibility cause
- Reduction in import tariffs
- Deregulation of markets
- Reduction of taxes

Outcome of the LPG reforms:

Positive outcomes:

- India's GDP growth rate increased. During 1990-91 India's GDP growth rate was only 1.1% but after 1991 reforms GDP growth rate increased year by year and in 2015-16 it was estimated to be 7.5% by IMF.
- Since 1991, India has firmly established itself as a lucrative foreign investment destination and FDI equity inflows in India in 2019-20 (till August) stood at US$ 19.33 billion.
- In 1991 the unemployment rate was high but after India adopted new LPG policy more employment got generated as new foreign companies came to India and due to liberalisation many new entrepreneurs started companies.
- Per Capita income increased due to an increase in employment.
- Exports have increased and stood at USD 26.38 billion as of October, 2019.

Negative outcomes:

- In 1991, agriculture provided employment to 72 percent of the population and contributed 29.02 percent of the GDP. Now the share of agriculture in the GDP has gone down drastically to 18 percent. This has resulted in a lowering the per capita income of the farmers and increasing the rural indebtedness.
- Due to opening up of the Indian economy to foreign competition, more MNCs are competing local businesses and companies which are facing problems due to financial constraints, lack of advanced technology and production inefficiencies.
- Globalization has also contributed to the destruction of the environment through pollution by emissions from manufacturing plants and clearing of vegetation cover. It further affects the health of people.
- LPG policies have led to widening income gaps within the country. The higher growth rate is achieved by an economy at the expense of declining incomes of people who may be rendered redundant.

NITI AAYOG

Objectives of NITI Aayog

1. The active participation of States in the light of national objectives and to provide a framework 'national agenda'.
2. To promote cooperative federalism through well-ordered support initiatives and mechanisms with the States on an uninterrupted basis.
3. To construct methods to formulate a reliable strategy at the village level and aggregate these gradually at higher levels of government.
4. Economic policy that incorporates national security interests.

5. To pay special consideration to the sections of the society that may be at risk of not profiting satisfactorily from economic progress.
6. To propose strategic and long-term policy and programme frameworks and initiatives, and review their progress and their effectiveness.
7. To grant advice and encourage partnerships between important stakeholders and national- international Think Tanks, as well as educational and policy research institutions.
8. To generate a knowledge, innovation and entrepreneurial support system through a shared community of national and international experts, etc.
9. To provide a platform for resolution of inter-sectoral and inter-departmental issues in order to speed up the accomplishment of the progress agenda.
10. To preserve a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their distribution to participants.
11. To effectively screen and assess the implementation of programmes and initiatives, including the identification of the needed resources to strengthen the likelihood of success.
12. To pay attention to technology improvement and capacity building for the discharge of programs and initiatives.
13. To undertake other necessary activities in order to the implementation of the national development agenda, and the objectives.

7 pillars of effective governance envisaged by NITI Aayog

1. Pro-people: it fulfils the aspirations of society as well as individuals
2. Pro-activity: in anticipation of and response to citizen needs
3. Participation: involvement of citizenry
4. Empowering: Empowering, especially women in all aspects
5. Inclusion of all: inclusion of all people irrespective of caste, creed, and gender
6. Equality: Providing equal opportunity to all especially for youth
7. Transparency: Making the government visible and responsive

NITI Aayog Composition

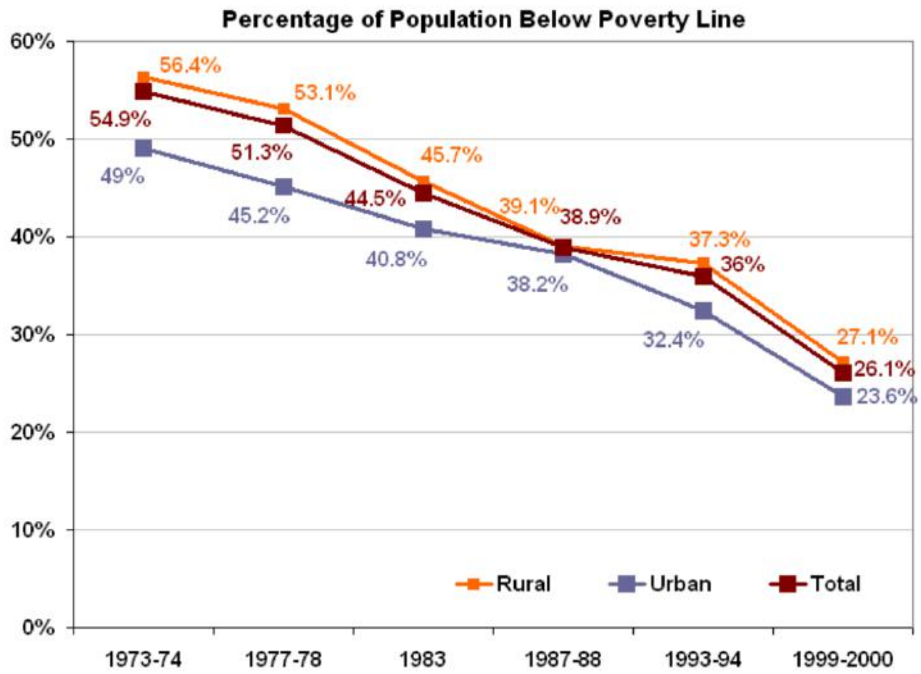
- The NITI Aayog will comprise the following:
- **Prime Minister of India** is the Chairperson
- **Governing Council** consists of the Chief Ministers of all the States and Lt. Governors of Union Territories in India.
- **Regional Councils** will be created to address particular issues and possibilities affecting more than one state. These will be formed for a fixed term. It will be summoned by the Prime Minister. It will consist of the Chief Ministers of States and Lt. Governors of Union Territories. These will be chaired by the Chairperson of the NITI Aayog or his nominee.

- **Special invitees:** Eminent experts, specialists with relevant domain knowledge, which will be nominated by the Prime Minister.
- The full-time organizational framework will include, in addition to the Prime Minister as the Chairperson:
  1. Vice-Chairperson (appointed by the Prime Minister)
  2. Members: Full-time and Part-time members: Maximum of 2 members from foremost universities, leading research organizations and other innovative organizations in an ex-officio capacity. Part-time members will be on a rotational basis.
  3. Ex Officio members: Maximum of 4 members of the Council of Ministers which is to be nominated by the Prime Minister.
  4. Chief Executive Officer: CEO will be appointed by the Prime Minister for a fixed tenure. He will be in the rank of Secretary to the Government of India.

PLANNING COMMISSION	NITI AAYOG
Enjoyed the powers to allocate funds to ministries and state governments.	To be an advisory body, or a think-tank. The powers to allocate funds might be vested in the finance ministry.
The last Commission had eight full-time members	The number of full-time members could be fewer than Planning Commission
States' role was limited to the National Development Council and annual interaction during Plan meetings.	State governments are expected to play a more significant role than they did in the Planning Commission.
Secretaries or member secretaries were appointment through the usual process.	Secretaries to be known as the CEO and to be appointed by the prime minister.
Full Planning Commission had no provision for part-time members.	To have a number of part-time members, depending on the need from time to time.
The commission reported to National Development Council that had state chief ministers and lieutenant governors.	Governing Council has state chief ministers and lieutenant governors.
Had deputy chairperson, a member secretary and full-time members	New posts of CEO, of secretary rank, and Vice-Chairperson. Will also have five full-time members and two part-time members. Four cabinet ministers will serve as ex-officio members.
Policy was formed by the commission and states were then consulted about allocation of funds.	Consulting states while making policy and deciding on funds allocation. Final policy would be a result of that.
Had power to decide allocation of government funds for various programmes at national and state levels.	No power to allocate funds
Imposed policies on states and tied allocation of funds with projects it approved.	NITI is a think-tank and does not have the power to impose policies.

POVERTY

According to recent reports, more than a quarter of the population living in rural areas of India is below the poverty line. Out of the total population living in the **rural parts of India, 25.7% is living below the poverty line** whereas in the **urban areas, the situation is a bit better with 13.7% of the population living below the poverty line.**



According to the **World Bank**, Poverty is pronounced deprivation in well-being and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity.

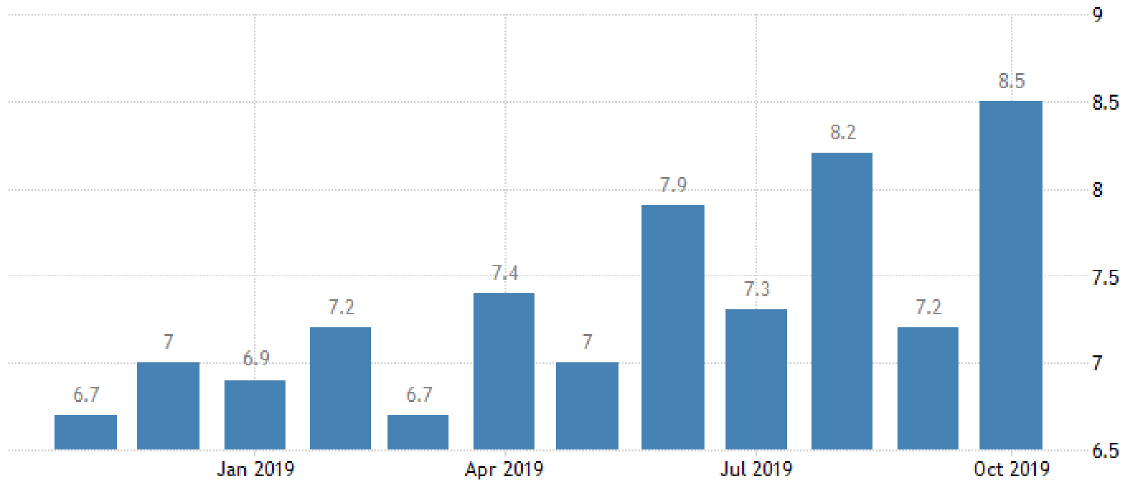
- **Absolute Poverty**: it is defined as condition characterized by severe deprivation of basic human needs.
- **Relative Poverty**: it is defined as condition in which people lack the minimum amount of income needed in order to maintain the average standard of living in the society in which they live.
- **Poverty line**: it is the level of income below which one cannot afford to purchase all resources one requires to live.
- **Headcount ratio**: Percentage of population below poverty line to total population.
- **Poverty gap**: it is difference between the mean income among the poor and the poverty line.

COMMITTEES	METHODOLOGY OF POVERTY ESTIMATION
YK Alagh	First to come up with an official poverty line, based on calorie intake. 2100 calorie in Urban areas, 2400 calories in rural areas.
Tendulkar	• India currently follows this method • Changed calorie based estimation to expenditure based. • Introduce a new term Poverty Line Basket (PLB) which is the basket of all goods selected to determine poverty. • Consumption quantity fixed the same for both rural and urban people but price differs. Daily per capita expenditure for Rural- Rs. 27, Daily per capita expenditure for Urban- Rs. 33. • Estimated that 21.5% of the Indian population as poor.
Rangarajan	• Adopted the calorie-based approach which was used in past. • Monthly consumption expenditure per person or per household as a tool, Daily per capita expenditure for Rural- Rs. 33 and Daily per capita expenditure for Urban- Rs. 47 • Overall poverty- 29.5 Percent (in the year 2011-12) Rural- 30.9 Percent (in the year 2011-12) Urban- 26.4 Percent (in the year 2011-12)
SECC (Socio-Economic Caste Census)	• To estimate the BPL population, SECC followed a three step process: 1. Automatic Exclusion. 2. Automatic Inclusion. 3. Neither automatically included nor automatically excluded. • After applying above methodology, it was found that the percentage of people below the poverty line in 2011-12 was 30.95 percent in rural areas and 26.4 percent in urban areas. • Components: 1. Food component 2. Non-food component such as, Education Clothing, Conveyance, Rent, Behaviour related expenditures.

UNEMPLOYMENT

Unemployment is a phenomenon that occurs when a person who is capable of working and is actively searching for the work is unable to find work.

- **Unemployment rate**: is defined as a number of unemployed people divided by the number of people in the labour force.
- **Labour Force**: Persons who are either working (or employed) or seeking or available for work (or unemployed) during the reference period together constitute the labour force.
- **Work force**: All people in age group of 15 -59years.
- **Employment rate**: Ratio of employed person to population (15 to 59 years)
- **Employment elasticity**: Percentage changes in employment induced by changes in GDP, which captures responsiveness of labour market.
- **Employment intensity**: Extent to which growth creates employment.



Measurement of Unemployment in India

National Sample Survey Office (NSSO), an organization under Ministry of Statistics and Programme Implementation (MoSPI) measures unemployment in India on following approaches:

1. **Usual Status Approach**: This approach estimates only those persons as unemployed who had no gainful work for a major time during the 365 days preceding the date of survey.
2. **Weekly Status Approach**: This approach records only those persons as unemployed who did not have gainful work even for an hour on any day of the week preceding the date of survey.
3. **Daily Status Approach**: Under this approach, unemployment status of a person is measured for each day in a reference week. A person having no gainful work even for 1 hour in a day is described as unemployed for that day.

Unemployment data (based on findings from CMIE's latest data):

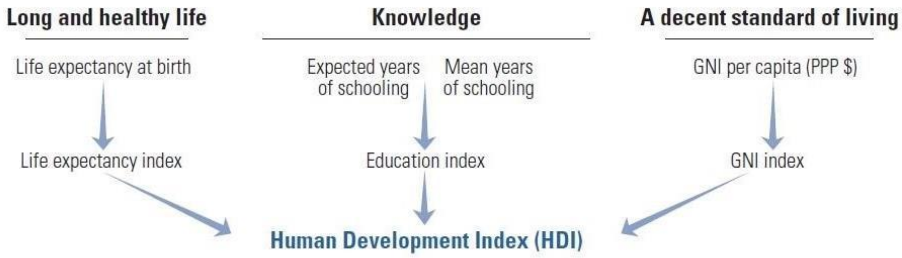
- The unemployment rate in India rose to 7.2 percent in February 2019, the highest since September 2016, and up from 5.9 percent in February 2018.
- The total number of employed persons in February 2019 is estimated at 400 million against 406 million in the year-ago period and 407.5 million employed in February 2017.
- The labour participation rate fell from 43.2% in January 2019 to 42.7% in February 2019.
- Labour Participation Rate defines that section of working population in the economy which is currently employed or seeking employment.

UNEMPLOYEMENT	FEATURES
Disguised	• It is a phenomenon wherein more people are employed than actually needed. • It is primarily traced in the agricultural and the unorganised sectors of India.
Seasonal	• It is an unemployment that occurs during certain seasons of the year.

	• Agricultural labourers in India rarely have work throughout the year.
Structural	• It is a category of unemployment arising from the mismatch between the jobs available in the market and the skills of the available workers in the market. • Many people in India do not get job due to lack of requisite skills and due to poor education level, it becomes difficult to train them.
Cyclical	• It is result of the business cycle, where unemployment rises during recessions and declines with economic growth. • Cyclical unemployment figures in India are negligible. It is a phenomenon that is mostly found in capitalist economies.
Technological	• It is loss of jobs due to changes in technology. • In 2016, World Bank data predicted that the proportion of jobs threatened by automation in India is 69% year-on-year.
Frictional	• The Frictional Unemployment also called as Search Unemployment, refers to the time lag between the jobs when an individual is searching for a new job or is switching between the jobs. • In other words, an employee requires time for searching a new job or shifting from the existing to a new job, this inevitable time delay causes the frictional unemployment. It is often considered as a voluntary unemployment because it is not caused due to the shortage of job, but in fact, the workers themselves quit their jobs in search of better opportunities.
Vulnerable	• This means, people working informally, without proper job contracts and thus sans any legal protection. These persons are deemed 'unemployed' since records of their work are never maintained. • It is one of the main types of unemployment in India.

DEVELOPMENTAL INDICATORS

INDICATOR	FEATURES
Human Development Index (HDI)	• India was ranked 129 out of 189 countries on the 2019 Human Development Index (HDI) improving from the 130th position in 2018. • HDI is part of the Human Development Report that is published by the **United Nations Development Programme (UNDP).** • HDI emphasizes that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. • HDI measures average achievement of a country in three basic

	dimensions of human development: 1. A long and healthy life, 2. Access to knowledge, and 3. A decent standard of living. 
Global Multidimensional Poverty Index (MPI)	It is released by the United Nation Development Programme (UNDP) has revealed that there are vast inequalities across countries, and among the poorer segments of societies. • MPI-2019 edition is a revised version of MPI-2018. • The MPI captures both the incidence and intensity of poverty and tracks 101 countries on deprivations across ten indicators in health, education, and standard of living. • Index is developed by the **Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP)**. • As per report a single measure is not a sufficient guide to both inequality and multidimensional poverty, and studies such as the MPI, Human Development Index, and the Gini coefficient (which measures countries wealth- income distribution), can contribute important and distinctive information for policy action to effectively reduce poverty. • India lifted 271 million people out of poverty between 2006 and 2016, (reduced from 0.283 in 2005-06 to 0.123 in 2015-16) recording the fastest reductions in the multidimensional poverty index values during the period with strong improvements in areas such as assets, cooking fuel, sanitation and nutrition.
Sustainable Development Goals (SDG)	• The Sustainable Development Goals agenda was accepted by all members of the United Nations in 2012 at the **Rio De Janeiro Council Meet** with an aim to promote a healthy and developed future of the planet and its people. • It was in 2015 when the Sustainable Development Goals were implemented after a successful fifteen-year plan of development called the Millennium Development Goals. • It is a group of 17 goals with 169 targets and 304 indicators, as proposed by the United Nation General Assembly's Open Working Group on Sustainable Development Goals to be achieved by 2030. • Post negotiations, agenda titled "Transforming Our World: the 2030 agenda for Sustainable Development" was adopted at the United Nations Sustainable Development Summit. SDG is the outcome of the Rio+20 conference (2012) held in Rio De Janerio and is a non-

	binding document. • The **17 goals** under the Sustainable Development Goals are as mentioned below: 1. End poverty in all its forms everywhere 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture 3. Ensure healthy lives and promote wellbeing for all at all stages 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 5. Achieve gender equality and empower all women and girls 6. Ensure availability and sustainable management of water and sanitation for all 7. Ensure access to affordable, reliable, sustainable and modern energy for all 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 9. Built resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation 10. Reduce inequalities within and among countries 11. Make cities and human settlements inclusive, safe, resilient and sustainable 12. Ensure sustainable consumption and production pattern 13. Take urgent actions to combat climate change and its impact 14. Conserve and sustainably use the oceans, seas and marine resources 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably managed forests, combat desertification and halt and reverse land degradation and halt biodiversity loss 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels 17. Strengthen the means of implementation and revitalise the global partnership for sustainable development • NITI Aayog undertook the extensive exercise of measuring India and its States' progress towards the SDGs for 2030, culminating in the development of the first SDG India Index - Baseline Report 2018. • The Index has been constructed spanning across 13 out of 17 SDGs (leaving out Goals 12, 13, 14 and 17). • It tracks the progress of all the States and Union Territories (UTs) on a set of 62 National Indicators, measuring their progress on the outcomes of interventions and schemes of the Government of India. • Among the States, Kerala and Himachal Pradesh are the front runners with an SDG India Index score of 69. Among the UTs, Chandigarh is a front-runner with a score of 68.
Millennium Development	• The United Nations in September 2000 made all its members follow a Millennium Development goal that had a series of eight time-

Goals (MDG)	bound targets that were supposed to be attained within a time period of fifteen years. • The eight targets under the Millennium Development Goal are as mentioned below: 1. To eradicate extreme poverty and hunger 2. to achieve universal primary education 3. to promote gender equality and empower women 4. To reduce child mortality 5. To improve maternal health 6. To combat HIV/AIDS, malaria and other diseases 7. To ensure environmental sustainability 8. To develop a global partnership for development • In 2015, a final report was handed over to the UN, stating the positive impact of the Millennium Development goal based on the eight factors and also on the maternal mortality rate. Once the 15-year target of MDG was attained, the responsibility for the development based on the 17 targets based Sustainable Development Goal.