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**Skilling, Fulcrum of a Proactive
Multidimensional Poverty
Tracker Pathway**

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Discussion Paper # 269



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Skilling, Fulcrum of a Proactive Multidimensional Poverty Tracker Pathway

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Abstract: The constituent indicators of the multidimensional poverty tracker (PROMPT) pathway lead beyond the static reflection of a household's current status, to dynamically achieve SDG target 1.2. Assessment of what keeps the household pulled down or what can push it out of related deprivations also evolves in-built mechanisms for tightening of indicators along the journey from present through 2030. The paper also encompasses several societal enablers, assisted by stakeholders and brings forth disruptions that can no longer be procrastinated in order to reduce deprivations and keep these at bay. Accordingly, the need to fully eradicate extreme financial poverty; and to reduce multidimensional poverty by at least half by 2030 is captured in the acronym PROMPT evolved. Twin baskets of current resilience status determinants and resilience improving/ impairing determinants comprised of indicators beacon a balanced modality for assignment of weightages. Skilling emerges as the fulcrum around which to build other indicators, suggesting a total of 23 indicators, spread across five categories namely skilling, survival support, childhood shapers, academic status and basic facilities.

Keywords: deprivations, financial inflows/ outflows, global MPI, multidimensional poverty, PROMPT, SDGs, skilling.

1. Introduction

The world is passing through the onslaught of COVID-19, which has hit hard as a major roadblock on the path to reduce multidimensional poverty. It is argued by the World Bank that when compared with pre-crisis forecasts, COVID-19 could globally push an additional 71 million

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people into extreme poverty (\$1.90 per capita per day) in 2020, under the baseline scenario and a higher additional 100 million under the downside scenario, a first increase since 1998, wiping out the progress made since 2017.¹ This estimate is under the assumption of no increase in the Gini coefficient, while alternatively taking into account a 2 per cent increase in Gini coefficient, the number compared to the pre-crisis forecasts would increase by an additional 131 million.²

Moving away from monetary/ financial poverty, the countries now focus to reduce Multidimensional Poverty (MdP),³ measured by the Multidimensional Poverty Index (MPI) of the Oxford Poverty & Human Development Initiative (OPHI) and UNDP, which indicates India among the countries that halved their MPI value during 2005-2006 to 2015-2016, as 273 million persons moved out of multidimensional poverty. However, 27.9 per cent population was still facing it (OHPI-UNDP, 2020). The SDG Target 1.1 is for elimination of extreme poverty in monetary/ financial terms, whereas Target 1.2 is for reduction at least by half of the poverty in all its dimensions. India's Voluntary National Review (VNR) 2020 states that India's poverty rate fell from 37.2 per cent in 2004-05 to 21.92 per cent by 2011-12, further extreme poverty measured by the World Bank's International Poverty line fell from 21.2 per cent in 2011 to 13.4 per cent in 2015. Moreover, as per the Multidimensional Poverty Index (MPI) of OPHI and UNDP, multidimensional poverty in India reduced by half during 2005-06 to 2015-16 with all deprivation indicators significantly reduced (Govt. of India, NITI Aayog, 2020).

This paper suggests a 'Proactive Multidimensional Poverty Tracker' (PROMPT) based on the prevailing ecosystem, existing indicators, aspirations of such households to reduce MdP and remain out of it, and evolving some indicators to make the proposed Tracker comprehensive to facilitate to achieve SDGs. Focus of the suggested PROMPT is not limited to measure MdP, but to effectively reduce it. It is not suggested to face only financial distress in the immediate/short-term, but across the dimensions and extended to 2025 and 2030, to make it relatively dynamic for the medium-term and long-term, and a resilience improving one. Focus of this paper is to squarely handle financial poverty

and multidimensional poverty, for which skilling emerges as the fulcrum. It is vital to underscore that in this paper the word ‘skilled’ denotes the status post the dynamic process of appropriate ‘skilling’ leading to acquisition of a ‘skill’.

The current Section I is followed by Section II on Review of Literature, Section III on Challenges and Global Responses with focus on India, Section IV on Skilling steered MDP reduction in SDG setting for 2030, Section V on Evolution of indicators and weightages leading to PROMPT, and lastly Section VI is on Conclusions and Way forward.

2. Review of Literature

2.1 Monetary or Financial Poverty

The financial poverty line under the World Bank approach is based on the national poverty standards in certain poor countries. Ravallion, Datt and van de Walle (RDV-1991) (Ravallion, Martin, Datt, Gaurav and Van de Walle, Dominique, 1991), for the 1990 *World Development Report* (World Bank, 1990) (World Bank, 1990), compiled data on national poverty lines across 33 countries and proposed a poverty line of \$1 per day at 1985 Purchasing Power Parity (PPP) as being typical of low-income countries, though they also used a \$ 0.75 line (Chen, Shaohua and Ravallion, Martin, 2008). They later quoted Chen and Ravallion (2007) and added that in 2004, about one in five people in the developing world (one billion people) were deemed to be poor by this (\$ 1 per day PPP 1985) standard (Chen, Shaohua and Ravallion, Martin, 2008).

To set economic equivalence of real level in the comparable perspective across the countries, all the poverty lines, that World Bank has been supporting, are utilized by nations in PPP terms. Ravallion, Datt, and Van de Dominique Walle (Ravallion, M., Datt, G. and Van de Walle, D, 1991) argued the \$ 1.02 per capita per day poverty line to be more representative (linked to real \$ of 1985 and utilized in PPP terms). In fact, this had led to the birth of \$ 1 per capita per day international poverty line, which was used in the abovementioned World Bank Report 1990. With the passage of time it later became \$1.08 per capita per

day (Chien, S., & Ravallion, M, 2001). Ravallion *et al.* on revisiting the issue of international poverty line in 2008, proposed \$1.25 a day as the international poverty line for 2005 compared to \$ 1 per day in 1996 (Ravallion, Martin, Chen, Shaohua and Sangraula, Prem, 2008). Resultantly, the draft global indicator 1.1 deliberated upon was, ‘By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day’, where \$ 1.25 was linked to 2005 PPP conversion rates across countries. At the advent of the SDG era it was enhanced to \$1.90 a day (Jolliffe, Dean and Prydz, Espen Beer. 2016) (linked to 2011 PPP prices⁴).

2.2 Multidimensional Poverty (MdP)

In the literature on poverty, the earlier focus was on the provision for a certain minimum level of calories. Carrying it forward from household to individual level, certain disaggregate like adult/non-adult or male/female were introduced. Later, the basket of food items was introduced, which was enlarged to include certain non-food items. It was realised that poverty could be multi-faceted, and thus the directly-non-economic dimensions like health and education status were added. Resultantly, the deprivations that a household faced became a yardstick to categorise it as poor or non-poor. It next led to the inclusion of basic facilities like electricity, drinking water, or certain assets like some small household items; or outcome deprivations like undernutrition revealed through stunting.

Alkire and Jahan argue that in 2010 the MPI was introduced into the HDRs, as the 2011 HDR explained, ‘The MPI measures serious deficits in health, education and living standards, looking at both the number of deprived people and the intensity of their deprivations’ (Alkire, Sabina and Jahan, Selim ,2018). For subsequent developments they add that, the 2014 and 2015 HDRs both contained MPIs obtained by the original (MPI-O) and innovative methodology (MPI-I), wherein the MPI-I modified five indicators: nutrition, child mortality, years of schooling and assets; and treating households without children and women of child-bearing age (15-49) differently. They later added that

early in 2018, the UNDP Human Development Report Office (HDRO) and the Oxford Poverty and Human Development Initiative (OPHI) agreed to adjust and unify their methodologies on poverty measurement and considered indicator improvements, in order to better monitor the Sustainable Development Goals (SDGs)⁵.

Notably, global MPI methodology uses the level of education terming it effective literacy like Basu and Foster 1998, (Basu, K. and Foster, J, 1998) and accordingly a household is considered deprived if no one has completed six (rather than five as in MPI-O) years of schooling. The earlier MPI (MPI-O) also had this methodology on education when seeking years of schooling as was argued by Alkire and Santos in a 2010 paper, ‘whether someone in the household has five years of education’ (Alkire, Sabina and Santos, Maria Emma. 2010).

Importantly, the linkage between income and expenditure has been tried to ascertain a person /household being poor or otherwise. The self-reported recall of say, monthly per capita expenditure (MPCE), has emerged as a monetary basis alongwith a threshold proportion of deprivations, for categorising a household as poor. In the pre-COVID era emphasis of poverty literature was still on income and Monthly Per Capita Expenditure (MPCE). The MPCE choice scores over the income approach as it reflects actual level of living, by taking into account inflows such as safety nets like old age pension, social assistance, subsidies like on PDS for foodgrains, and outflows of the tax burden which is generally in the nature of indirect taxes for the lower deciles. Both income and MPCE being flow variables do not capture the interchange between these and the household owned durables which are in the nature of stock variables, and prove handy for the household when in distress. This interplay of flow and stock variables needs to be appropriately internalized in any multidimensional poverty index.

Further, akin to the global and national indicators, RIS had also come up with a set of SDG indicators (Kumar, Krishna and Anand Pramod Kumar, 2018). Among the 50-indicator set, it covered many indicators having a direct bearing on MdP such as the need to identify population just above economic poverty as it may be caught back into the poverty

trap due to any shock (RIS paper: SDG indicator number 3), Out-of-Pocket Spending (OoPS) as percentage of the total health expenditure (RIS 16), coverage by electricity of 12 hours of power supply in a day (RIS 26), and proportion of urban population living in slums, informal settlements or inadequate housing (RIS 36). Notably, while covering use of toilets an additional parameter of having proper hand-washing facility was also included (RIS 23) that too more than a year prior to the advent of COVID-19. Besides, keeping in view the criticality of skilling, formal skill training and completion of technical education (RIS 19 and 20) were included in order to move towards imparting higher growth rates of per capita household expenditure among the bottom 40 per cent of the population compared to total population (RIS 35) akin to the critical global indicator 10.1.1.

3. Challenges and Global Responses with focus on India

3.1 Challenges

The foremost challenge at the advent of the SDG era was the backlog of the unfinished task of MDG era. The UN MDG Report 2017 states⁶ that proportion of people in extreme poverty had declined by nearly half over the 25 years 1990 to 2015, thus in line with the MDG target 1. In term of numbers, the remaining global persons living in extreme poverty were 836 million people being 14 per cent of global population by 2015; similarly, 12.9 per cent of global population was undernourished in 2014-16.⁷

The High Level Political Forum (HLPF) on Sustainable Development in its 2020 Voluntary National Reviews (VNRs) Synthesis Report (2020) mentions the challenges emerged as youth unemployment, persistent underfinancing of social infrastructure sectors, vulnerability to natural disasters and climate change, difficulties in accessing hard-to-reach areas, lack of detailed poverty data, etc. (United Nations . Department of Economic and Social Affairs, 2020). Some specific challenges mentioned are small-scale agricultural businesses facing environmental degradation, barriers to market access, and difficulties in accessing hard-to-reach areas.

On the front of skilling in India, very low coverage remains a major challenge, for instance the National Policy for Skill Development and Entrepreneurship, 2015 estimated that only 4.69 per cent of the total workforce in India had undergone formal skill training, compared to much higher levels of 68 per cent in the UK, 75 per cent in Germany, 52 per cent in the USA, 80 per cent in Japan and 96 per cent in South Korea (Govt. of India. Ministry of Skill Development and Entrepreneurship, 2015).

Moving further, SDG 10 aims to meet the challenge of inequalities within and among countries, and its target 10.1 narrates the challenge of inequalities within a country with aim to progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average. It is a fact that, the income generation and its growth rate for a representative household heavily depend on inheritance, assets endowment, human resources including education, skill attainment, etc. The higher income deciles have higher average assets, though it may not be so for each household.

It is also quite relevant to recognise during the life the age of onset of a challenge to analyse the deprivation dynamics. Therefore, the challenge is not limited to ‘catch them young’, but to go even prior to delivery, to the period of inception; such as to track anaemia among adolescent girls, because such vital parameters also shape childhoods.

Another challenge is the inter-parameter connects among various policies, and whether progress on one indicator promotes progress on another indicator, due to positive interconnects and complementarity; like better nutrition leads to better health outcomes and higher productivity. On the contrary, a serious challenge faced is in the trade-off analysis of possible policy choices, as sometimes what promotes one indicator may hinder another to some extent; like the drive to promote enrolment by waiving exams to enhance years of schooling, may lead to dilution of quality of education; or a new irrigation water reservoir may thrive malaria vector carrier mosquitos to spread pathogens.

Societal level enablers are also critical to facilitate household level attainments. However, for geographically widespread households basic facilities such as an all-weather road or a primary health centre can not be

provided to each household next to its doorstep and maintained over the years, but for access to a virtual medical consultation, etc. This challenge can not be resolved fully despite partial solutions like making provision to cover some relatively larger habitations, selected on the basis of being over a threshold population.

To eradicate extreme poverty and at least halve multidimensional poverty by 2030, a major global challenge is to evolve and put in place robust policies that are backed by adequate investments. More than that to ensure that a household once emancipated from extreme poverty or MdP doesn't relapse into it, adequate mechanisms are needed to distribute resources more equitably. Alongwith, mitigation drives, like on climate change, there is a challenge that poor farmers and agricultural labourers are not left behind under MdP. Similarly, in the advent of digital literacy and Industrialisation 4.0 a challenge is how to take these families on board to check against a wider digital divide or a demand squeeze led imminent lay off.

The challenge to fructify global co-operation as envisaged in SDG 17 and the similar enabling target 1.a on resource mobilisation and co-operation would remain for humanity to offset the circumstantial handicaps of millions of unfortunate poor, not only at the household level but also at the societal and global levels.

Global Response

Across the globe Governments have risen to the occasion and various stakeholders extended helping hands to tackle MdP, and as well in immediate-term to mitigate the impact of pandemic. The High Level Political Forum (HLPF) of ECOSOC brings out in its Synthesis Report of 2020 that while most Voluntary National Reviews (VNRs) addressed SDG 1 as a stand-alone goal, these also recognised the multidimensional nature of poverty, as it cuts across nearly all the SDGs (United Nations. Department of Economic and Social Affairs, 2020). Many countries including Armenia, Bangladesh, Benin, Ecuador, Honduras, India, and Kenya, noted that poverty should be measured not just in monetary terms but also by the access or lack thereof, to social protection and the provision of social services, e.g. health, quality education, and

access to basic infrastructure, etc. Many countries accordingly involved stakeholders like civil society, co-operatives, business community, and in fact, their whole population, diaspora, and international partners. The global fight to mitigate impact of COVID-19 is summed up in UNDP efforts to help countries prepare for, respond to and recover from the COVID-19 pandemic, focusing particularly on the most vulnerable. The three immediate priorities stressed are health systems support, inclusive and integrated crisis management and response, and social and economic impact needs assessment and response.⁸

Looking a little deeper for India, one finds that for supplementing its multidimensional poverty reduction efforts in the times of COVID-19 the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) came very handy for those ready to make a living by offering their unskilled labour. The mandate of the MGNREGA on the Government is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work.⁹

In addition, for the home returning migrant workers affected by the devastating COVID-19, the '*Garib Kalyan Rojgar Abhiyaan*' (Employment Scheme for Welfare of the Poor) campaign was launched for the rural areas of the worst hit 116 districts to run for 125 days to provide employment and in the process to create rural public works. Its enormity can be judged by the INR 50,000 crore allocation made for FY 2020-21, which was almost half compared to the enlarged MGNREGA allocation of INR 1,11,500 crore in the revised estimates of 2020-2021 (up from INR 61,500 crore in the budget estimates of the financial year); in line with the commitment of its being a demand driven scheme.¹⁰

In the 2021-22 budget the Government of India allocated funds towards National Old Age Pension Scheme (6,259), National Widow Pension Scheme (1,939), National Disability Pension (297), National Family Benefit Scheme (623), and other such schemes totaling INR 9,200 crore.¹¹ Incidentally, the amounts were similar for the preceding year 2020-21, however, to meet the challenge of COVID-19 these were topped up heavily by INR 30,957 crore on PMJDY for women through

DBT directly to their accounts raising the 2020-21 RE to INR 42,617 crore.¹² All these schemes are part of safety nets and directly linked to the bank/ post office accounts of beneficiaries as a part of financial inclusion.¹³ The big ticket items in the Indian budget of FY 2020-21 having a direct bearing on poverty reduction were the MGNREGA with enhanced¹⁴ allocation (1,00,00), PMGSY (19,500), PM Awas Yojana (PMAY) for housing (also 19,500), National Rural Livelihood Mission (NRLM) (9,210), PM Kaushal Vikas Yojana (PMKY) for skilling (2,726), etc.

India's VNR (2020) mentions that its expenditures on education, health, and other social services were 3.1, 1.6 and 3.3 per cent respectively of its GDP (Govt. of India, NITI Aayog, 2020). This indicates the need and scope to enhance the same, while harnessing value for money. On education, employment and human resource development, the India's VNR 2020 added, 'New knowledge and technologies are transforming the conventional structures of skills, work and employment. There is a need to refashion education and skill development so that the existing, emerging and future labour force has the capability and requisite opportunities to engage in appropriately gainful employment.'¹⁵

Going beyond education, there is need for skilling, reskilling and up-skilling not only on the road travelled hitherto but to also go beyond in futuristic areas not much yet explored. Adverse disruptions like inevitable pandemic led lockdowns of different intensities have also thrown a new challenge to altogether acquire absolutely new skills, with the degree of urgency never thought before. In line with this, India's New Education Policy (NEP) 2020, places focus on skill development alongwith academic learning.¹⁶ It rightly recognizing the need for a skilled workforce underscores, 'The world is undergoing rapid changes in and artificial intelligence, many unskilled jobs worldwide may be taken over by machines, while the need for a skilled workforce, particularly involving mathematics, computer science, and data science, in conjunction with multidisciplinary abilities across the sciences, social sciences, and humanities, will be increasingly in greater demand.'¹⁷ In fact, a practical lesson learnt from COVID-19 is that the manpower

should be skilled and flexible for life-time learning and relearning, to sail through against MdP during the pandemic and beyond it.

4. Skilling Steered MdP Reduction in SDG Setting for 2030

In India, under its notified National Skill Qualification Framework (NSQF), the word ‘skills’ means ‘the ability to apply knowledge and use know-how to complete tasks and solve problems, while skills are described as cognitive (involving the use of logical, intuitive and creative thinking) or practical (involving manual dexterity and the use of methods, materials, tools and instruments).’¹⁸ The NSQF also defines ‘core skill’ as referring to basic skills involving dexterity and the use of methods, materials, tools and instruments used for performing the job, including IT skills needed for that level.

In this paper, with less than 10 years left to attain SDGs, we use appropriate ‘skilling’ as denoting the dynamic action of acquiring a skill, which equips a learner with a hands-on core skill that leads to employability; test of which should be ability to set-up for self-employment and engage at least one more person. Therefore, skilling should lead to employability to get a blue-collared job; while mere acquiring a white-collared job keeps one deprived on this component of multidimensional poverty. The skilling drive should lead to a dynamic equilibrium in which being skilled should be a norm but not an exception, having people above a certain age already skilled, and skilling those approaching this age. This would further help a representative skilled person in upskilling in her/ his or a similar job as technology upgradation progresses, or in reskilling for a new job avoiding the brunt of having no demand for her/ his skill, or if in employment the likelihood of being laid off.

4.1 Realm of Household Level Deprivations

From Deprivation Trap to Development Path

A question arises as to how at least broadly if not precisely, to categorise the various types of major deprivations. A fundamental hindrance in the analysis of any deprivation is that its counterfactual is its very absence.

Ravallion argues that past tests of the sensitivity of poverty measures being very sensitive to choice of reference demographics, the future tests be of people living near the poverty line (Ravallion, Martin, 2015). Now, this cut-off is to be crossed to move the household from deprivation to development path.

Nature of deprivation also matters, as in some cases it may be reversible, like anaemia; or being mostly irreversible after an age like stunting status of a six year old child, therefore necessitating focus at a very early age.

Even though one may identify certain indicators at household level, still the socio-economic and governance ecosystem, and respect for values, trust, equity and co-operation may remain uncovered for want of indicators capturing these attributes.

Societal level enablers are critical to facilitate household level attainments to meet the expectations of access, equity and inclusion (AEI). The underlying mission remains to enhance utility, fructify well-being and attain happiness for the household and society alike.

Interconnects among the deprivations are quite strong at all levels-global to local. For instance, a report on secondary cities of Sub-Saharan Africa mentions impact of housing on the lives of children, linking it to housing conditions including physical quality, hazards and crowding leading to worse psychological health, both immediately and over time (Netherlands. Ministry of Foreign Affairs, UNICEF and UN Habitat, 2020). Similarly, VNR, 2017 of Brazil brings out how the improved housing conditions help on SDG 1, especially through improving conditions of the ones left out under the ‘Minha Casa Minha Vida Program’ (housing programme), by revisiting them and granting subsidies for purchase of building materials and technical assistance (UNDP, 2017).

4.2 Skilling the Largely Forlorn Fulcrum

Current Skilling Scenario

‘Employability’ on its own differs from ‘employment’, as a person may be employed in a lowly white-collared job, but devoid of any

‘employability’. In case she/ he loses the existing job the household may slip back into MdP. Another person may possess employability but remain unemployed by choice like a trained nurse not seeking a job, a third one such as a college graduate having no hands-on skills, being neither employed nor employable.

The attribute of ‘employability’ should not be limited to getting an employment but be such that the person can opt for self-employment and can also give employment to at least one person who is still on the learning curve below the point the self-employed person has reached.

A question arises whether a professional such as a doctor or an engineer, with or without an employment should be considered as commanding ‘employability’. Equipped with adequate hands-on learning in the shape of practical training, field visits and intense internship/probation and thus with the capability to be self-employed and engage another person, they qualify as skilled.

This may raise a counter question that such extra inclusion of those already ‘employed’ in white-collared jobs would add demands on the social assistance benefits, adversely affecting the social assistance/ safety nets meant for those who are unemployed. However, it is not proposed here to grant any financial assistance to those who are employed in ‘white-collared’ jobs, but to skill them leading to employability, so that their resilience steers them to keep status of their households afloat above the MdP level, in the eventuality of losing such jobs.

Current Sub-optimal Behavioral Ecosystem

Aspirational Duality of Learners: At the skill-formative stage starting around the secondary school years, when household’s MdP stares into one’s eyes, the majority of students reveal their aspiration to stand on their own feet to earn a livelihood, in order to contribute some earnings for the household, and towards it their state of mind may make them aspire to bag a blue-collared job. At the same time the narrow societal norms deprecating blue-collared jobs may force them to the alternative state of mind to aspire for a white-collared job, howsoever lowly paid or elusive it may be.

Household Adults: Another category of influential actors in the household is of the parents/grandparents/ elder siblings. Being part of the same household as well as of the same society, they can also realise the aspirational duality that the young household member struggles with. Paradoxically, some of the adult household members, who are proud of their own skill as a plumber or a mason or an electrician, at the same time when it comes to skilling of the aspirational member, do not dream a similar livelihood for her/him. Most of them bow down to the prevalent ‘societal norm’ against blue-collared jobs, and therefore, feel shy in skilling the young member in such trades. However, everyone may not flow with such an irrational tide, and some among them may set a positive example and help the willing among youth to learn the skills that they profess, with sufficient hands-on training, making skill equipped with some experience. In fact, Finegold and Soskice (1988) had used the term low skill equilibrium to denote a self-reinforcing network of societal and state institutions which interact to stifle the demand for improvements in skill levels (Wilson, Rob and Hogarth, Terence, Ed, 2003). This is witnessed in many developing countries.

Skill Demanders: The secondary and tertiary sectors of the economy encounter a mismatch between skills needed and skills offered. In such a scenario the skill demanders, who do not get what they seek, are forced to revisit their production possibility frontier (PPF) and opt for capital intensive solutions especially in the high-tech sectors, that too in an economy that suffers from excess labour and unemployment.

Moreover, training of an unskilled worker in the skill required is not much protected against ‘poaching’ by competing employers, especially as most of the existing job contracts are informal. Therefore, informal workers are at the receiving end as they move from one unit to another, and continue to work in jobs that are not decent and provide them sub-optimal working conditions. In totality, the economy as a whole may depict duality of excess supply led lack of rights for workers; and shortage of appropriately skilled workers led switching over to capital intensive choices, and in the process the economy lands up with higher than natural rate of unemployment.

In the context of international trade, Rybczynski theorem indicates that, if the relative endowment of a factor increases (decreases) then at unchanged goods prices, the output of goods which use that factor intensively will increase (decrease) and the output of the other goods will decrease (increase). Therefore, acquisition of skills is critical to keep pace with ever changing technologies and expanding technological frontier.

Current Indian Institutional Skilling Transition Norms

In India, the National Skills Qualifications Framework (NSQF) organizes qualifications subsuming skilling, according to a series of levels of knowledge, skills and aptitude. These levels are defined in terms of learning outcomes regardless of whether acquired through formal, non-formal or informal learning. In that sense, the NSQF is a quality assurance framework. It is, therefore, a nationally integrated education and competency based skill framework that provides for multiple pathways, horizontal as well as vertical, both within vocational education and vocational training, thus linking one level of learning to another higher level. This enables a person to acquire desired competency levels, transit to the job market, and at an opportune time return for acquiring additional skills to further upgrade her/his competencies. As already stated, in this paper skilling is the dynamics through a hands-on acquisition that leads to employability; test of which is ability to set up for self-employment and engage at least one more person.

For instance, the NSQF's extract of levels 3 and 4 is shown in **Table 1**, as these are the levels showing dynamics of transition towards own work (these levels on a scale of 1 to 10 denoting lowest to highest levels respectively). A look at the last column manifesting 'responsibility' shows that on acquisition of level 3 one can, 'under close supervision take some responsibility for own work within defined limit'. Improving upon it Level 4 empowers to undertake 'responsibility for own work and learning' rendering one better employability and chances of self-employment in case of need. In the parlance of NSQF, one needs to acquire Level 4 or above to render employability, shedding the related deprivation.

Table 1: NSQF Level Descriptors

| Level | Core Skill | Process Required | Professional Knowledge | Professional Skill | Responsibility |
|--------------|---|---|---|---|---|
| 3 | Person may carry out a job which may require limited range of activities routine and predictable. | Basic facts, process and principle applied in trade of employment | Recall and demonstrate practical skill, routine and repetitive in narrow range of application | Communication written and oral, with minimum required clarity, skill of basic arithmetic and algebraic principles, personal banking, basic understanding of social and natural environment. | Under close supervision. Some responsibility for own work within defined limit. |
| 4 | Work in familiar, predictable, routine, situation of clear choice. | Factual knowledge of field of knowledge or study | Recall and demonstrate practical skill, routine and repetitive in narrow range of application, using appropriate rule and tool, using quality concepts. | Language to communicate written or oral, with required clarity, skill to basic arithmetic and algebraic principles, basic understanding of social political and natural environment. | Responsibility for own work and learning. |

Source: Authors' compilation.

4.3 Time for a Skilling Disruption

In the light of the preceding discussions and underlying characteristics of labour market and perpetuating low-skill equilibrium, need of the hour is to break from the shackles of MdP, and not fall back again into it. This necessitates disruptive actions on the following lines:

Right to Skilling: Universally across the countries having significant levels of MdP the ‘Right to Skilling’ is the much needed antidote. This right should be granted forthwith to impart a specified minimum skilling level to each aspirant. Moreover, those not aspiring should be motivated to acquire so to attain employability, which may become lifeline of the household at any time in the life, a lesson learnt hard way during the pandemic. The enabling ecosystem to promote the right to skilling should stipulate skilling deprivation a disqualification for applying to all Government jobs, including its PSUs, Boards, etc. covering all tiers of government be it at the national, state or local level.

b. Dignity of Labour: Recognising the dignity of labour, one needs to acquire hands-on work experience to undertake a blue-collared job. We need to revisit game theory that if our criterion isn’t decisive enough, a sizeable section of persons would spend their energies to falsely prove that they possess adequate skilling level instead of acquiring a genuine one. All the more, ‘false certification industry’ would crop up, mushroom and thrive to connive with them.

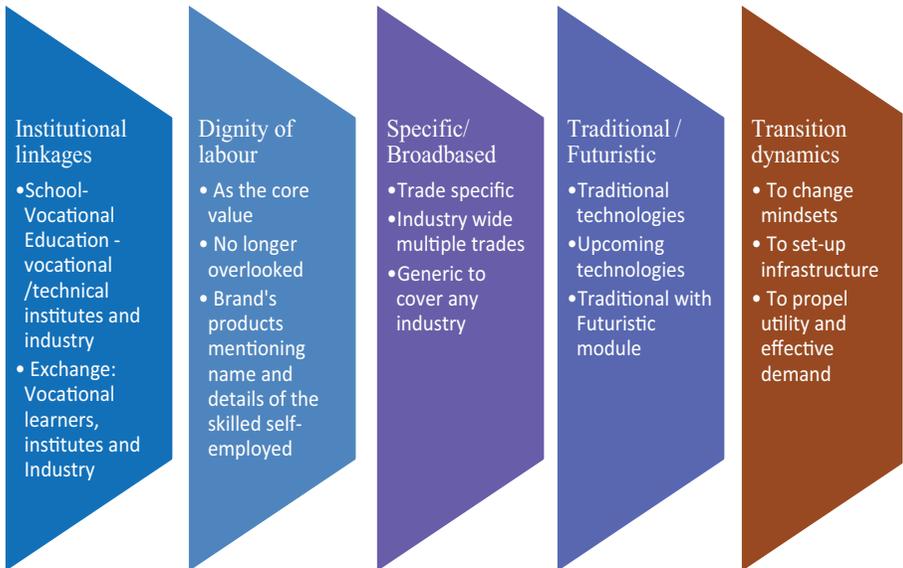
c. Skilling Shy to Skilling Savvy: The skilling trades on offer should thus be flexible, exciting and better paid, to attract more youth.

d. Flexibility in Tune with Technological Changes: An adequate number of trades should be part of the ‘Skilling’ apparatus on offer, which should have adequate forward looking choices besides the traditional ones. The list of available trades should be wide and flexible enough to meet present and upcoming demands and structured into the ladder of levels to climb up. The list should thus cover the upcoming hands-on skills commensurate with the industrialization 4.0 as well as the traditional ones that are likely to persist in a modified form across technology spectrum.

e. Dynamic Career Progression Choices Much Above Deprivation Cut-off:

Upskilling and reskilling in various shades of the over-all skilling spectrum, much beyond the deprivation cut-off should also be in place.

Figure 1 : Building Blocks of Skilling



Source: Authors' compilation

f. Children Outside the Formal Education System: Moreover, the children outside the education system (government or government-aided or private), comprising of vulnerable segments like those who were never enrolled at any level, the dropouts, the children with special needs should also be provided a Plan to equip them to become employable and self-employed, with skilling choices adapted to their needs and abilities.

In the light of the preceding analysis the skilling qualifies to be the fulcrum of our cherished vision and its building blocks are depicted in the **Figure 1**.

5. Evolution of Indicators and Weightages Leading to PROMPT

5.1 Deprivation Categories Sub-categories and Indicators

There can not be a unique way to classify different sets of indicators into mutually exclusive and collectively exhaustive categories. Now for financial resilience the income of a typical poor household happens to be its 'own' monetary flow providing it cash inflow, earned through value addition in a productive work which may be in production of goods or/ and services; or through a bit of income earned on some assets like rent on a house rented out, or interest on a deposit made, etc. The households under consideration being poor or managing to float just above poverty level hardly have any significant income generating wealth/assets. Therefore, for a household we propose a **Proactive** Multidimensional Poverty Tracker (PROMPT) constituting of the following five categories:

- Skilling led employability
- Survival support
- Childhood shapers
- Academic status
- Basic facilities

The deprivation categories analysed next are for immediate/short-term, as well as for 2025 and for 2030. While giving essence of indicators in the ensuing paras the precise wordings for deprivation indicators (keeping in view the issue of polarity of negative and positive indicators) are as given in **Appendix 2**, covering the three time-based milestones.

The first category, having no sub-category, covers 'Skilling' deprivation related Indicator. In case none of the household members has skilling, that can lead to employability to opt for self-employment and provide employment to one more person, the household is termed deprived.

The second category includes seven 'Survival supports' starting with 'ownership of a mobile phone', which has now become such a

critical necessity for survival as well as to avail benefits from safety nets through financial inclusion. In this paper, slightly differing from the prevailing approaches like global MPI that places a phone in the sub-category of assets within the category of standard of living, here ‘ownership of a mobile phone’ is placed in the overriding first category of survival support. Under survival support are further also included, ‘access to free ambulance’, ‘access to health insurance’, ‘access to public distribution system for foodgrains and nutritive items’, ‘automatically opening safety nets’, ‘a reasonable level of financial savings’, and ‘not being a household that has none or sole breadwinner’.

The third category set here constitutes of ‘Childhood shapers’. In sync with the need to pay the earliest possible attention, this category starts with the indicator of ‘anaemic status of females in reproductive age of 15 to 49 years’, followed by ‘child birth in an institutional facility/ assisted by a skilled health personnel’, ‘immunization’ and ‘stunting/ underweight’. Besides, like the global MPI methodology, ‘a child death in the household in the preceding five years (all reported deaths of a child below five years are used if the date of child’s death is not known and mother was under 35 years)’ to capture it.

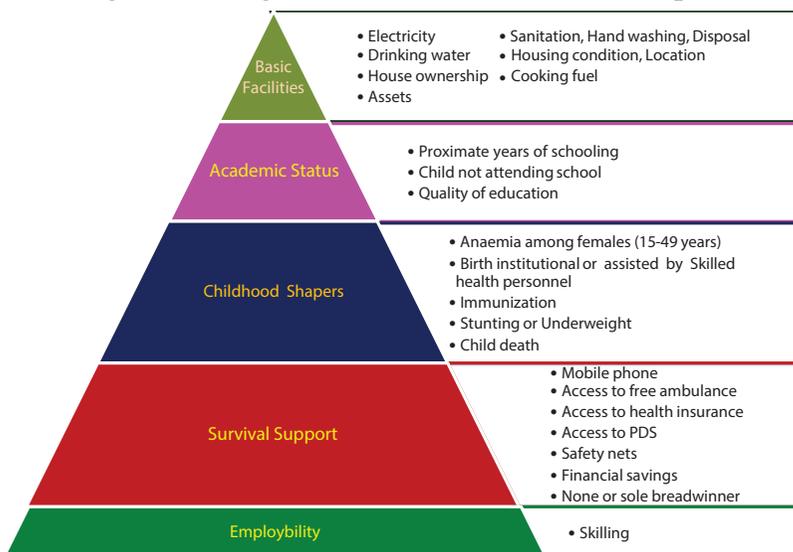
The fourth category of ‘Academic Status’ has three indicators of which the first two are akin to the global MPI methodology, namely ‘proximate years of schooling’ and ‘child not attending a school’ (not necessary to physically attend if school imparts online education due to pandemic). A third indicator is added in this paper to capture ‘quality of education’.

The fifth (& last) category of ‘Basic facilities’ has seven indicators comparable to the global MPI methodology, with some changes as mentioned in brackets, and elaborated later. These constitute of the household getting ‘electricity’, ‘sanitation facility (having a hand-washing facility with soap and water¹⁹ and hygienic disposal)’, ‘drinking water’, ‘housing condition or location in slum’, ‘house ownership’, ‘cooking fuel’ and ‘assets’. Further, as ownership of a radio or a bicycle or an animal cart or a black and white television (though mostly displaced

by colour television) no longer manifests much household economic strength, these are not included in our list of deprivations.²⁰ Moreover, the exclusion criterion is enlarged from ownership of a car or tractor to also include a tractor.

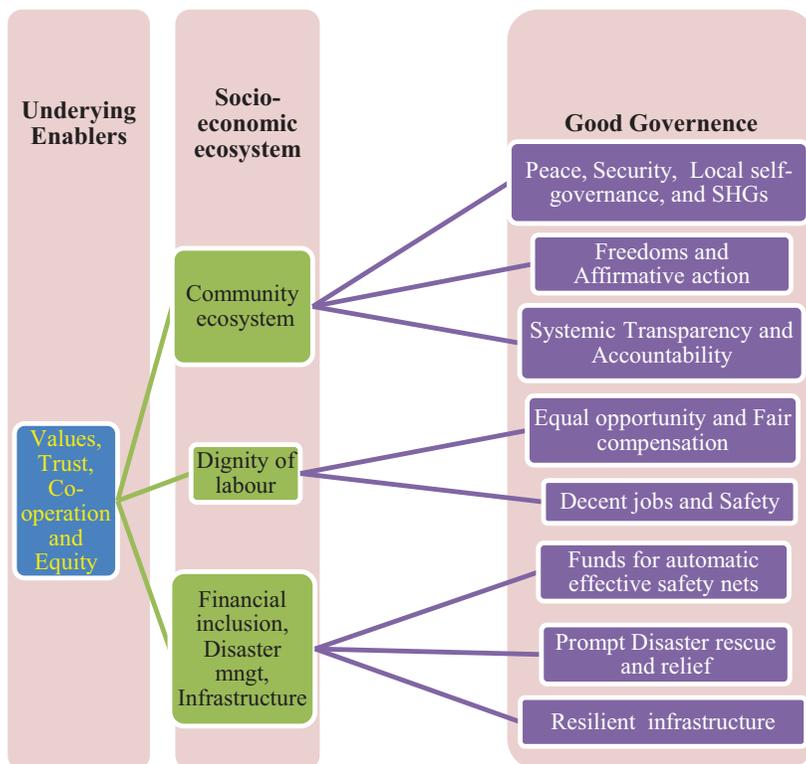
Notably, to ensure seamless facilitation to uplift a deprived household, one should also look at the enablers, including prevailing value system in the society. This constitutes of attributes like trust level, socio-economic environment and extent of Good governance in the society. In fact, the household level and society level indicators can not be put in water tight compartments. As a direct case in point, societal safety nets, meant for orphans, widows, old-age persons, differently challenged, etc. are funded by the society through taxes collected by governments, and can be made more effective if such nets open automatically. VNR 2020 of Kenya underscores specific schemes like cash transfers for orphans and vulnerable children (CT-OVC), and older persons cash transfers (OPCT) (Republic of Kenya. National Treasury and Planning, State Department of Planning, 2020).

Figure 2: Categorization of Household Level Deprivations



Source: Authors' compilation.

Figure 3: Enablers Supporting Households



Source: Authors' compilation

Here, household level deprivations (precise wording based on polarity given in Appendix 2) are being manifested in **Figure 2**, whereas their broad enablers are captured in the subsequent **Figure 3**.

5.2 Approach to Tighten Indicators to Synchronise with SDGs Set for 2030

SDGs are not merely some Goals but also give a comprehensive guiding policy on the manner to focus on 5 P's, namely people, planet, prosperity, peace and partnerships for making desired achievements, across all the three dimensions -social, economic and environmental. Accordingly,

approach adopted in this paper is not confined to ‘merely measure’ but to ‘steer to achieve’ SDGs with Proactive Mutidimensional Poverty Tracker (PROMPT) pathway as work in progress, which is appropriately tightened as the households advance towards 2030 horizon.

5.3 Linkage of Many Household Indicators to Extreme Financial Poverty

It is essential to revisit the concept of extreme financial poverty line as the aim is to eradicate it and keep the household above it in sync with target 1.1, disaggregated to women, children and men. Alongwith country needs to achieve target 1.2 that aims to at least halve MdP, by bringing up at least half Mutidimensional Poor people above Mutidimensional Poverty line. Though under our first category of ‘Skilling’ no necessity of actual employment and in turn minimal income from skilling acquired is specifically stipulated to remain above financial poverty, still such a feel of the broad quantum of its equivalent amount in money terms is useful. We aim that first the skill based **employability** should lead to earn a consumption expenditure equivalent to household level financial poverty line in the immediate/short-term. Second, by 2025 onwards each of two such household members, including at least one female, should have such skill driven employability. Third, in the global context while analyzing any financial equivalence for any household the following poverty level criteria are quite relevant:

- The \$ 1.90 income per capita per day international poverty line assesses extreme poverty and is currently linked to the year 2011 in real \$ PPP terms.
- For countries (obviously other than the US), the \$1.90 needs to be first converted into PPP terms for 2011. We are confining here to the extreme poverty only, though ILO (2020) going beyond it estimates that more than 630 million workers live in extreme poverty (below \$ 1.90) or in moderate poverty (\$1.90 to \$ 3.20 both in PPP terms), attributing it to lack of productive/ well-paying jobs (ILO, 2020).
- Number of total household members (household size) becomes relevant, as its product with such PPP based amount gives required

household level of income/ expenditure for the year/ financial year, though as the household size increases some economies of scale on household expenditure do set in. The per capita amount required needs to be multiplied by the number of all household members, the incomes (including transfer payments) of only the earning or/ and recipient members add up to arrive at the household income per month.

- Resultantly, as all the adult members of the household are not engaged, the engaged members need to earn even more, to reach such requisite per capita household income. A related factor is that even those engaged are not engaged regularly, so to compensate they need to earn more on the days they work.
- In this endeavour the upcoming cohorts need to be appropriately equipped with skills. As an alarm ILO argues that over one in five young people is not in employment, education or training (NEET) so they are not gaining any skills, moreover, youth NEET rate had not decreased substantially over the 2005 to 2018 period (ILO, 2019).
- In continuation of above criteria it is relevant to see how the extreme poverty level may be computed. As an example for India, in 2011 as 1\$ in PPP terms was equivalent to INR 15.55, thus \$1.90 in PPP terms was equivalent to INR 29.55 in per capita per day terms. Assuming a household having five members, this was equivalent to the household living on nominal INR 147.75 per day in 2011. In case the channel of price increase in India (during 2011 to 2020 December) is adopted one can equate the extreme poverty line for a household of five persons to about INR 7 thousand per month.

5.4 Deprivations' Tightening upto 2030

Next we move to deprivation setting for the immediate/short-term, 2025 and 2030 as follows:

5.4.1 Skilling led employability

For the first category of 'Skilling', which leads to employability for the household to earn some income, in the immediate/short-term the

deprivation is set as, ‘No member having skill based employability to earn a consumption expenditure equivalent to household level financial poverty line’. By 2025, to explicitly and formally signal quest for gender equality it can be tightened as, ‘No two members, including one female, having each skill based employability to each earn a consumption expenditure equivalent to household level financial poverty line’. This indicator being already tight enough can be retained as it is for 2030.

5.4.2 Survival Support

Now we move to the second category termed ‘Survival Support’ which is an ensemble of seven sub-categories. The first indicator is on ownership of a mobile phone. The deprivation set for the household is as ‘not owning a mobile phone’, by contrast non-deprivation being ownership of a mobile phone with connectivity (by having adequate balance for essential use). This indicator is tightened for 2025 to either ‘not owning two mobile phones, or one mobile phone and one computer’, where a tablet can be considered as a computer. Further, for 2030 it can be set as ‘not owning two mobile phones and one computer’. This is commensurate with the expected higher mobility of female members to fructify a higher female labour force participation rate (FLFPR), and of course, better access to academic, skilling and other learning materials, etc.

On the second indicator of access to free ambulance, the expected response time should be counted from the first call attempted (whether recipient’s phone was engaged or not picked up). In the immediate/short-term deprivation is set as ‘access to free ambulance taking two way travel time, plus over 15 minutes’. The response time is reduced to over 10 minutes by 2025, and to over 5 minutes by 2030. In fact, the supporting road connectivity covered under enablers is expected to ensure that all habitations above a threshold population of say, 500 persons in normal areas and above 250 persons in less populated areas such as hilly, desert are connected by all-weather roads.

On the third indicator of ‘access to health insurance’, deprivation is set, ‘If out-of-pocket medical expenses not below 10 per cent’ in the immediate/short-term, not below 5 per cent by 2025, and not below 1

per cent by 2030. These proportions are set low, because the household would be sizably bearing the non-medical component of the out-of-pocket expenses, besides the income forgone.

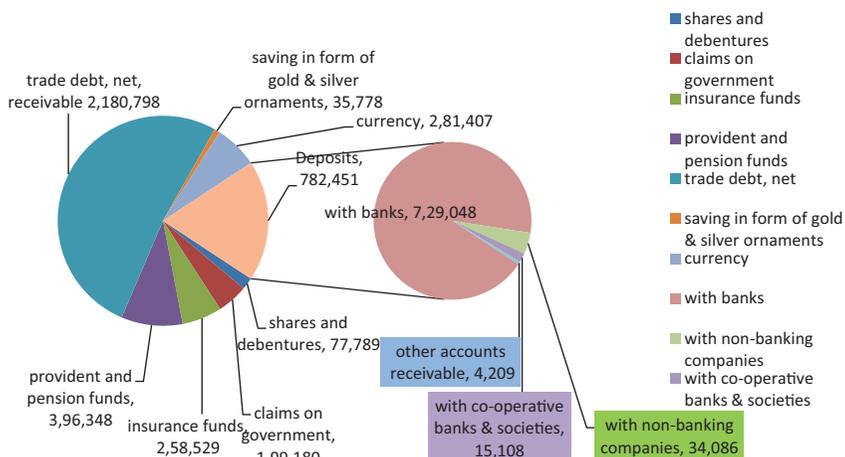
On the fourth indicator related to access to PDS, it is envisaged to tighten it in the immediate/short-term itself by adding a nutritive element, by setting it as non-coverage under any food and nutrition security distribution system. Further, right from the immediate/short term the ration card should have nationwide portability, like under India's 'One Nation One Card (ONOC)' Scheme, providing National Common Mobility Cards (NCMC). Indicator is set in the immediate/short term as, 'Not getting one cereal item (say either rice or wheat) and one nutritive item (like protein rich pulse) or not having a ration card with nationwide portability'. Further, by 2025 the deprivation could be there unless under cereal items choice of both rice and wheat or their combination is allowed, besides one nutritive item. Further by 2030 it could be enlarged to a choice out of three cereal items (or combinations) by including millets also, as these support sustainable agriculture and have higher nutritional value (Anand, Pramod Kumar, Kumar, Krishna and Khanna, Shruti, 2019); besides the protein rich item, and in addition a mineral rich item like milk (in tetra pack or as powder), as it is rich in calcium and thus missing of any one of the three components would be a deprivation.

The fifth deprivation indicator is linked to the household having no access to any safety net. The pandemic has underscored this necessity as no household member can take a chance to physically visit the concerned official machinery or bank, etc. for its activation. Moreover, the household's sole breadwinner rendered unemployed may be stuck at a distant location. Therefore, for the immediate/short-term this indicator can be set as, 'Not having an automatically opening safety net, linked to bank account, and enough to enable consumption expenditure equivalent to household level financial poverty line'. For 2025 and 2030 the indicator can be kept unchanged, under the assumption that the financial transfer under safety net is appropriately enhanced in nominal terms to keep it at least at the same level in real terms.

The sixth indicator is on ‘Financial savings’, which should, of course be, of a reasonable level. Beforehand, it is relevant here to have a look at how the financial savings are composed of, for which the data in case of India for 2018-19 made available by the Ministry of Statistics and Programme Implementation (MoSPI) comes handy²¹ as depicted in Figure 4. Notably, the Households sector here also includes quasi-corporate sector. Moreover, the financial liabilities, though not depicted in the Figure, are of the order of one-seventh (13.7 per cent) of the all household financial assets depicted.

The figure reveals certain assets which are almost elusive for MdP population such as shares and debentures, or else which impart limited liquidity like provident and pension funds, and insurance funds. Moreover, in times to come, as argued by Chaturvedi *et al.* Social Stock Exchanges (SSEs) can be approached with the categories of securities as common equity, bonds or preference shares in the case of for-profit entities, while not-for-profit entities could go for listing of bonds (Chaturvedi, Sachin, Saha, Sabyasachi and Nair, Arun S, 2019).

**Figure 4 : Financial Assets: Indian Households Sector
(INR 10 mn) (2018-19)**



Authors’ depiction as per MoSPI data.

The immediate/short-term deprivation set here is the household ‘Not having enough savings to enable consumption expenditure equivalent of six months at household level financial poverty line’. Further, by 2025 and 2030 not having financial savings equivalent to 9 or 12 months respectively is set as the deprivation indicator.

Finally, the seventh and last deprivation set here in the immediate/short-term is ‘None or sole breadwinner’ in the household. If no one earns, the household survives on safety nets (or borrowing or whatsoever little assets) which should be strong enough and opening up automatically. Same deprivation is retained for 2025 and 2030 being tight enough.

5.4.3 Childhood Shapers by 2030

At the outset, it is relevant to mention that in India, the *Poshan Abhiyan* 2.0 (enlarged National Nutrition Mission) targets to reduce anaemia (among young children, women and adolescent girls) by 3 per cent per annum; and each of stunting, undernutrition, and low birth weight by 2 per cent per annum respectively. On stunting it also targets to reduce it among children (0 to 6 years) to 25 per cent by 2022.

In this backdrop, in the third category termed ‘Childhood Shapers’, and taking a cue from India’s National Family Health Surveys (NFHSs) the first deprivation is set on anaemia, with the aim to capture it right from the stage of reproductive age of females. Therefore, having, ‘An anaemic female member (15 to 49 years)’ (< 11 gm/ dl for pregnant or < 12 gm/ dl for non-pregnant) is set as deprivation in the immediate/short-term. Tightening it, by 2025, in addition a pregnant woman not getting full antenatal care, and further by 2030 in addition a pregnant women facing calcium deficit is set as deprivation.

The second indicator set in the immediate/short-term is, ‘A child birth being neither institutional nor assisted by a skilled health personnel’. Further, by 2025 in addition, a child with low birth weight or being anaemic can be set as a deprivation, that can be used for 2030 is also.

The third deprivation being set is as either incomplete immunisation or missing of Vitamin A supplementation for a child or a pregnant woman in the household. The deprivation can be set as, missing for a child any

of the vaccine or oral doses of immunization by a pregnant mother or a child and Vitamin A supplementation. This can be set identically for the immediate/short-term, as well as for 2025 and 2030.

Fourth deprivation is set to capture undernutrition. The 2019 global estimates by UNICEF, WHO and World Bank Group show 144 million children under five years as stunted indicative of a high global level of 21.3 per cent (with a confidence interval of 19.7 to 22.8) (UNICEF, WHO, World Bank Group, 2020). Further, their joint dashboard shows global projections for 2025 at 19.0 (17.3 to 20.6) per cent against the targeted reduction to 14.6 per cent or below.²²

In the immediate/short-term itself this deprivation needs to be set tight enough to achieve SDG target 2.2. It needs to be borne in mind that stunting (underweight) is the condition when height-for-age (weight-for-age) of a child under 5 years is below that of minus two standard deviations from its median value of the reference population. A worse condition among such children is its sub-set of severely stunted (severely underweight) children whose height (weight) is below that of minus three standard deviations. So the deprivation is if:

- a child is either stunted or underweight or
- if neither stunted nor underweight, was ever severely stunted or severely underweight or
- similar to the global MPI methodology any adult member below 70 years of age facing undernourishment (measured by BMI).

This indicator would also enhance better awareness about malnutrition as households would need to maintain growth charts of children from birth, and marking of dots on it would sensitize the members and neighbours in case it falls in red or yellow zone. Further, being already tight enough, the deprivation can be set identically for 2025 and 2030.

The fifth and last indicator of deprivation in this category linked to child mortality is set on the lines of the global MPI methodology and can be so for 2025 and 2030 also as ‘a child death in the household in the preceding five years (all reported deaths of child if the date of child’s death is not known and mother was under 35 years)’.

5.4.4 Academic Status

The fourth category is related to academic status with the aim to capture three attributes. The first is the highest level of years of schooling attained by at least one member among those above a threshold age set to capture intra-household benefits termed proximate years of schooling. The second indicator is for each child to be attending school at a level commensurate with her or his age and the prescribed school entrance age, to eventually acquire higher years of schooling. The third attribute is to assess the quality of education.

On the first attribute, the indicator to capture deprivation is set for the immediate/short-term as non-attainment by any household member of six years of schooling, enhancing it by 2025 to non-attainment of seven years of schooling and further by 2030 to non-attainment of eight years of schooling. One may further add the corresponding age as the ‘by the school entrance age plus 6 or 7 or 8 years or older’, respectively.

The second indicator set is on attending school, to assess that no school-aged child remains out of school. This indicator pertains to need of each child attending school, compared to the preceding indicator on proximate years of schooling. This deprivation is set in the immediate/short-term as any school-aged child not attending school, and as it pertains to younger generation expected to achieve a higher level of education compared to an adult member, so it can set as up to the age at which she or he would complete class eight. For 2025 and 2030 it is tightened to any school-aged child not attending school up to the age at which she or he would complete class 9th or 10th.

The third indicator is on the quality of education, which being a subjective attribute needs to be first linked to some cardinal numbers. This can be proficiency in reading, writing and mathematics by a certain level, with maximum acceptable lag in number of levels expressed in years, like at level 5, if maximum permissible is of two years; proficiency expected in level 3 if not found is a deprivation.

Therefore, for the immediate/short-term the deprivation can be set as any child or young member (a) in classes 2 or 3; (b) at the end of primary; and (c) at the end of lower secondary; not achieving

at least a minimum proficiency level in (i) reading (ii) writing and (iii) mathematics, or lagging by not more than (a) 1 or (b) 2 or (c) 3 levels expressed in years respectively for (a) at the class levels and for (b) and (c) for the stage above mentioned respectively. For 2025 the grace of lag in number of levels measured in years is set to be withdrawn. Further, for 2025, the stipulated age of the child should also be taken into account, and the indicator can include, and not over one year late by age than the age laid down for (a) for the class or for (b) and (c) for the stage. Accordingly, by 2030 it is expected to not only attain proficiency expected of for the specified class or stage, but also to be attained by the expected age.

5.4.5 Basic Facilities

In this paper we would see the basic facilities from the lens of requirements which if deprived, may considerably obstruct a household's expected development course and availing of welfare schemes for which it is eligible.

The first indicator set in the immediate/short-term is deprivation of not getting electricity supply for at least 12 hours a day, by 2025 not getting electricity supply for at least 20 hours a day, and further by 2030 again for not getting electricity for at least 20 hours a day alongwith not having a minimum of 4-hour power back-up.

The second indicator of deprivation set in the immediate/short-term is the household's sanitation facility not being an improved one (according to SDG guidelines); or sharing it with any household; or not having a mechanism (like wash basin) to wash hands with soap & water; or lack of facilities to hygienically dispose of garbage and used water. In a nutshell, missing on any of the four components would render the household as deprived. For 2025 covering enabling water availability, it is set in addition as not having a ground or underground water tank with electricity assisted overhead water tank facility. The idea behind such a tank and availability of electricity is that even when electricity supply is not there, overhead tank can ensure 24x7 water supply due to gravity. Further by 2030 the deprivation can be set; in addition not having piped water supply backed by electricity assisted overhead water tank facility.

The third indicator set in the immediate/short-term as a deprivation is not having access to improved drinking water (according to SDG guidelines), or safe drinking water being at least a 30-minute walk from household, round trip; and further by 2025 being at least a 15-minute walk from household, round trip; and by 2030 not having piped water supply at the household, backed by electricity assisted overhead water tank facility.

The fourth indicator is related to housing which under the global MPI is confined to the physical condition of the housing structure. This leaves out the important fact of ownership of the house to be covered next. On the housing condition the location of house can not be overlooked as it shouldn't be a slum, whether notified or not. A non-notified slum, as defined in India, is the one that exists outside the declared slums, is of compact area with a collection of poorly built tenements, mostly of temporary nature, crowded together – usually with inadequate sanitary and drinking water facilities – in unhygienic conditions, if at least 20 households lived in that area.²³ This shows the urgency to treat such housing as a deprivation whether in a notified or non-notified slum. In the light of above, in the immediate/short-term deprivation can be set as, 'Housing materials for roof or floor or any wall is inadequate, the floor is of natural materials and/or the roof and/or walls are of natural or rudimentary materials, or the house is located in a slum'. Further, by 2025 in addition, it being without a rainwater collection provision of howsoever little proportion; and by 2030 in addition to promote nutrition, such rainwater collection not even partially being used to raise a kitchen garden.

The fifth indicator is related to house ownership, and the deprivation set in for the immediate/short-term is 'Non-ownership of even one house'. The very fact that the house is owned by the household makes a world of difference for all its members. It leads to pride and self-sufficiency besides financial resilience as firstly there is no financial outgo on rent and secondly it opens vistas to invest on its improvement being one's own. Further, own housing as an asset helps in accessing a loan, not only for its improvement, but also for a variety of purposes including education/ skilling of a member, towards which a vibrant credit

mechanism ensuring financial inclusion is a vital enabler. For instance, in India the SVAMITVA (Survey of Villages Abadi and Mapping with Improvised Technology in Village Areas) scheme facilitates access to bank credit using the house as a property, rendering financial stability. The improvised technology includes drone survey, map preparation, and as its favourable outcome the household is provided a property card. Obviously, this newly proposed indicator need not be tightened further for 2025 or 2030, even though a second house continues to be a desirable proposition, to open up a stream of rental income, reducing chance of relapse into multi-dimensional poverty.

The sixth indicator is the deprivation linked to cooking fuel that in the immediate/short-term, ‘cooks with dung or wood or charcoal or coal or any combination of these, without using any cleaner fuel (such as LPG/PNG)’. Further by 2025 it can be added if having no back-up such as a second gas cylinder. By 2030 it can be further tightened indicating if in addition the household is without any house-hold level generated non-renewable energy contributing at least five per cent of its energy consumption.

In India the PM Ujjwala scheme provides cooking gas connections to females, especially the women living below poverty line (BPL), aiming at reduction of health disorders, air pollution and deforestation. These connections are provided free, while the LPG is chargeable at the subsidised price. Over 80 million LPG connections have been provided under it since its launch in 2016. In the light of pandemic, during 2020 free of cost gas cylinders were provided for three months. Moreover, under version 2.0 of the scheme the provisions of free of cost first refill and hotplate (stove) have been added.

The Seventh indicator is set as the household not possessing the bare minimum assets. Firstly, so far as exclusion criterion is concerned global MPI categorises a family as not deprived if it has a car or a truck, to which in this paper we add a tractor also. Secondly, out of the global MPI list of ‘assets’, it is suggested to no longer include bicycle, radio, animal cart, and so far as a TV is concerned such TV that is black-and-white, as with changed times it would be quite harsh if a household

having two such assets say, a bicycle and an animal cart is adjudged as not deprived on this indicator. Applying the same genesis out of the National Sample Survey (NSS) list, besides the items discussed above, an Air cooler, Geyser, Inverter/ generator, Water purifier, any Household furniture item are also not covered for the purpose of disqualification. In the backdrop of above, in the immediate/short-term it is set that a household is deprived if it is not covered under exclusion criterion, and if it doesn't have more than one out of the five assets namely colour TV, Motorbike (or any powered two-wheeler such as a scooter), Refrigerator, Air Conditioner or Washing machine. For 2025 and 2030 the same deprivation criterion is proposed to be used.

5.5 Deprivation Cut-off for the PROMPT

The preceding analysis on development of indicators, including those proposed afresh, and setting of weights, brings us to the stage of setting the threshold sum of deprivation weights for a household to categorise it as Multi-dimensionally poor. Notably, global MPI identifies each person as poor if their weighted deprivations sum to one-third or more (Alkire, Sabina and Jahan, Selim, 2018). Earlier the MPI-Old had set 0.30 as the cutoff, thus a deprivation level of 30 per cent or 0.30 or more was identified a household as multidimensionally poor (Alkire, Sabina and Santos, Maria Emma , 2010).

In this paper for PROMPT we have evolved a set of indicators with a total weightage of 1, around the fulcrum of 'Skilling', for which the evolved weightage is 1/3 (Appendices 1 and 2). Therefore, the choice between setting of deprivation weight at 'one-third or more' and 'one-third', converts into the question: 'In case a household has only one deprivation, which happens to be lack of the specified level of skilling, should it be categorised as Multi-dimensionally poor?' Looking to the importance of skilling, it would be appropriate to categorise it so. Therefore, the deprivation level cut-off is selected as 'one-third or more', akin to the global MPI determination. The cut-offs for 'severally poor' can also be selected as 'half' on the global MPI lines. In the case of the 'vulnerable' it can also be set as 'one-fifth to less than one-third'

on the same lines. In fact, these cut-offs also take the survey results a step deeper from the poverty headcount ratio to poverty gap measure for which zero and first moments respectively under the FGT methodology can be utilized (Foster, James, Greer, Joel and Thorbecke, Erik, 2010).

5.6 Indicator Weights of PROMPT Constituents

The task of assigning weights to build an index (not limited to Multidimensional Poverty), is so complex that in many cases, all constituent categories are assigned equal weights, and within each category the subcategories are also assigned equal weights by splitting the category's weight. Researchers take care that the categories selected are relevant to the eventual index and are of more or less of similar importance, if not of identical importance, so that the index broadly reflects the core objective.

In this paper, an attempt is made to develop a theoretical underpinning to assign weight to the critical category of skilling, though remaining weight is equally divided among other categories. Further, within each category, its weight is equally split among its sub-categories (incidentally skilling is not having any sub-category).

To commence this exercise, it is worth reflecting upon the situation from the lens of a household in the lower deciles, that too at the time of one or more shocks like pandemic, job loss, accident, natural disaster, etc. While taking steps to wriggle out of it, the household checks its shallow pockets for the twin baskets of (i) current resilience status determinants and (ii) resilience improving/ impairing determinants as deliberated upon next.

Current Resilience Status Determinants: In order to qualify for this, the indicators selected should help to tide over financial distress through command over goods and services in the immediate/short-term. In this basket one can start with firstly listing skilling as it determines immediate employability. Secondly, a mobile phone as a part of financial inclusion (and to avail safety nets, or to approach for safety nets if not invoked), can be added. Thirdly, of course safety nets can be added, because if these do not become available, when needed the most, these

become a deprivation. One can fourthly add financial savings as these can be accessed quickly, while gold or silver ornaments are not included here as the poorest deciles have hardly such assets, and in a survey they may not report whatever little they have, due to physical safety. Fifthly, none or sole breadwinner is listed, especially as with no breadwinner it is already deprived and in case of the sole breadwinner falling sick the deprivation sets in forthwith. Sixthly, one may include ownership of the house, as it gives resilience of no need to pay any rent, and also capacity to borrow against it through a mortgage. Seventhly and lastly one can include the assets of colour TV, motorbike, refrigerator, washing machine, AC, as these command financial credibility to borrow from financial institutions/ acquaintances; and in the worst case household may hypothecate or sell an asset to sail through a bad time.

5.7 Resilience Improving / Impairing Determinants

In the other basket of ‘Resilience Improving / Impairing Determinants’ one may include firstly, prompt access to free ambulance; secondly access to a health insurance; and thirdly access to PDS for which though need is of immediate nature, its affordability is broadly contingent upon the first basket, say, from savings, unless made available free of cost in a country, at least to poor. Next we can add all the five childhood shaper indicators and the three indicators of academic status. To it one may add remaining five basic facilities (house ownership and assets already being in the first basket) enhancing the basket size to sixteen indicators.

5.8 Indicator Weights

Here, skilling due to its unique nature to bring the household out of multi-dimensional poverty is assigned a weightage ‘S’, while all the four remaining categories a total as ‘y’ and thus each as ‘y/4’, which is further split equally across subcategories of each category. It can be seen that the two categories ‘Survival support’ and ‘Basic facilities’ have sub-categories (7 each) appearing under both baskets, while the former has 4 and 3 sub-categories falling under the first and second basket respectively, the latter has 2 and 5 sub-categories respectively under the two baskets respectively.

Accordingly, these deprivation categories, sub-categories and algebraic weights assumed are listed in **Appendix 1**. Assigning equal weights to the two baskets, leads to computation of the weight of skilling as around one-third (of total), **as computed in Appendix 2**. Moving forward the remaining two-third weight is equally divided among the remaining four categories, leading to weight of each as one-sixth. On splitting weight of each of these four categories equally among its sub-categories, one gets weights for all indicators as given in Appendix 2. Notably, besides the weight of skilling as $1/3$; the three academic status indicators get a weight of $1/18$ each totaling $1/6$; and the five childhood shaper indicators get a weight of $1/30$ each again totaling $1/6$. The seven survival support indicators get a weight of $1/42$ each totaling $1/6$; and similarly the seven basic facilities depicting indicators also get a weight of $1/42$ each again totaling $1/6$. Overall, there are 23 indicators spread over the five categories totaling 1, as designed. The two baskets mentioned in this para get a total of $10/21$ and $11/21$ with weights being almost equal. The Appendix 2 also takes us a step further as it not only manifests the indicators for the immediate/short-term, but to steer towards attainment of SDGs indicators as tightened for 2025 and 2030.

6. Conclusions and Way Forward

Conclusions

The menace of poverty has been a cause of deep concern and based on it were developed some measurable financial or monetary lines. World Bank approach links it to the poverty of poorest countries. Over the years parallel strands broadened its scope and added more dimensions largely rooted in health, education and some other socio-economic parameters at individual or household level. At the advent of the SDG era, ‘no poverty’ was set as Goal 1 and its target 1.1 on financial/ monetary poverty as the people living on less than \$1.90 a day at 2011 prices in PPP terms were categorised as under extreme financial poverty, whereas its target 1.2 to reduce multidimensional poverty by at least half by 2030.

The paper looks at the issue dynamically from the angle of employability based on skilling which acts as the lynchpin to place the household on the development path by bringing it out once for all from deprivation path, through the bouquet of financial inflow, other dimensions and societal enablers.

In this mission seen from the lens of a household in the lower deciles, while taking steps to wriggle out of it, the household realizes importance of skilling led employability, survival support, childhood shapers, academic status and basic facilities, which are termed here as the five categories, each having sub-categories, except skilling a unique standalone category without any sub-category. The household checks its shallow pockets for the twin baskets of (i) ‘Current resilience status determinants’ and (ii) Resilience improving/ impairing determinants’ constituted of the aforesaid categories and sub-categories. The first basket comprising of current status broadly captures indicators of immediate/ short-term concerns to face financial distress. The second category of resilience improving or impairing nature captures indicators of medium or long-term nature that have affected over the years or likely to do so.

The ecosystem should become disruptive and for it a critical step is to grant universal ‘Right to Skilling’, with an element of skilling for upcoming jobs, while recognising prior learning to permit entry at the next higher level to the skill level already possessed. Further, skilling should not be merely through on-desk acquisition, but include hands-on experience, providing employability to opt for self-employment and grant employment to at least one more person. Another step should be to recognise dignity of labour to undertake a blue-collared job. While keeping the ‘false certification industry’ at bay, a threshold skilling level should be made a compulsory element to acquire any job in a government/ its PSUs or Boards, etc. at any level. As a further step, skilling trades on offer should be exciting, better paid and promising to attract more youth.

Households need outside help from value system and actors such as society, government, etc. who create the overall enabling environment. Such enablers include ‘Underlying enablers (values, trust, co-operation and equity)’, ‘Socio-economic ecosystem’ and ‘Good governance’, which though can not be put in water tight compartments.

Way Forward

It is relevant to visualise that a large proportion of the poor would continue to miss many of the current skilling and assets based income channels. A household not holding any ornaments/real estate/shares doesn't benefit from buoyancy in markets leading to appreciation or rental/dividend incomes from these assets, and has to satisfy with the resultant lower growth of income and asset accumulation. This needs a holistic framework for inclusion of poor by giving opportunities for creation of assets. A holistic breakaway path that sheds multidimensional poverty should give impetus to income generation and assets creation, while the safety nets should be only a fall back option generally not needed to invoke. To be able so, participative institutional arrangements closer to residence of the poor household can help in creation of local community connects such as self-help groups in this direction.

Localisation of SDGs can play a critical role in diminishing multidimensional poverty. For lasting solutions aim should be to promote locally available efficient solutions, and learn from other entities' local solutions.

Among disruptive endeavors skilling needs to be set as the fulcrum to remove Multi-dimensional Poverty. The tool of universal 'Right to Skilling' needs to be availed in a big way while keeping pace with the ever expanding technological frontiers. Such framework should also strengthen households on various indicators to remove their deprivations and to take concrete measures to avoid falling back into it. Given the strong interconnects of SDG 1 with all other SDGs; this would steer in moving towards attainment of all SDGs. It is also expected that the countries would take steps to shed deprivations by following PROMPT suggested here, or formulate their own strategies to bridge country-specific gaps to break these shackles and remain out of it.

It is essential that while wriggling out of existing deprivations, the households and society alike shouldn't be oblivious of newly created deprivations. Such deprivations may be a fall-out of emerging technological advancements like inability in boarding an efficient though driverless train, or cascaded by an existing deprivation like failure

to timely get child's immunization due to illness or a climate change triggered allergic condition prohibiting to opt for a new vaccine.

Another aspect beyond SDG era starting 2031 would be to go beyond headcount ratio and poverty gap measures by analysing higher moments, such as squares, cubes, etc. of normalised distance below a deprivation cut-off. As some deprivations become ultra-harsh with the (normalised) distance of denial and matching functional curves are necessitated to capture the entire spectrum of a household's disutility curves, while additionally steeper exponential of normalised depth should also be explored.

In essence, the further larger picture to visualize is that post-2030 how the 'PROMPT' remains flexible to modify it with changing times and ever-expanding technologies, and sets the bars higher, with emerging deprivations and the remnants of multidimensional poverty. The litmus test of the enabling environment of such cherished ecosystem would be that the multidimensional poverty neutralizing apparatus are voluntarily not opted by the households. To attain it robust and automatically opening safety nets should be in place. To complement these, the households should be equipped with skilling, savings, financial inclusion, PDS, and basic facilities including some significant assets; with back-up of a credible health support just a phone call away, to steer on the higher development paths beyond 2030.

Endnotes

¹ Projected poverty impacts of COVID-19 (coronavirus), June 8, 2020, World Bank Estimates and the related Estimates prepared by PovcalNet team, with inputs from Poverty and Equity Global Practice, obtained from national household surveys for developing countries.

² Ibid.

³ 'Multidimensional Poverty' is written as MdP in this paper.

⁴ Ibid, and 'Monitoring Global Poverty', Report of the Commission on Global Poverty, 2017, World Bank, pp 1.

⁵ Called as UNDP OPHI methodology, and their Index as global MPI, in later references in this Paper.

- ⁶ Millennium Development Report, 2017 pp 4.
- ⁷ Though MDGs were for the 15-year period 2000-15, the targets set were for the 25 –year period 1990-2015.
- ⁸ ‘COVID-19: UNDP’s Integrated Response’, (2020), UNDP, pp 2 and 4.
- ⁹ Para 1.1 of the Operational Guidelines of the Act.
- ¹⁰ Statement of Budget Estimates, pp 305.
- ¹¹ Amounts in brackets are in INR crore (nearest).
- ¹² Statement of Budget Estimates, Expenditure Budget, 2020-21 pp 297.
- ¹³ Budget at a Glance (2021-22), Outlay on Major Schemes, pp 16.
- ¹⁴ From the BE amount of INR 61,500 crore, all amounts in INR crore.
- ¹⁵ Ibid pp 35.
- ¹⁶ ‘National Education Policy, 2020’, Ministry of Human Resource Development, Government of India, pp 3.
- ¹⁷ Ibid.
- ¹⁸ Gazette Notification, Department of Economic Affairs, Ministry of Finance, New Delhi, 27th December, 2013.
- ¹⁹ In line with Global indicator 6.1
- ²⁰ Long back in 48th Round in 1992, durables included items like radios, gramophones, TV, sewing machines, clocks and time pieces, electric fans, furniture & fixtures, ornaments, household utensils (such which give lifelong service); transport equipments like motorcars, bicycles, scooters, and carpets, but later many items being no longer costly enough were dropped to count towards lack of household deprivation.
- ²¹ Annual Publication of National Accounts Division ‘National Accounts Statistics’, Year 2020, Statement 5.0: Sequence Of Accounts – Households, and Statement 5.3: Financial Assets and Liabilities of Household Sector, MoSPI, Government of India.
- ²² Dashboard of UNICEF, WHO, World Bank Group. <https://data.unicef.org/resources/joint-child-malnutrition-estimates-interactive-dashboard-2020/> last accessed on 31st August 2020.
- ²³ In line with NSS 69th Round Report, ‘Key Indicators of Slums in India July 2012 -December 2012’, (2013). pp 1,

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Appendix 1

Algebraic Weights Assumed for Indicators

| Current Resilience Status Determinants | | | Resilience Improving / Impairing Determinants | | |
|---|---------------------------|----------------------|---|--|----------------------|
| Immediate and short-Term | | Weights | Medium and long-term | | Weights |
| Skilling (a unique category) | | S | | | |
| Survival support (of its 7 sub-categories 4 fall in basket 1 and 3 in basket 2) | Mobile phone | $(1/7)*(y/4) = y/28$ | Survival support | Access to free ambulance | $(1/7)*(y/4) = y/28$ |
| | Safety nets | $(1/7)*(y/4) = y/28$ | | | |
| | Financial savings | $(1/7)*(y/4) = y/28$ | | Access to health insurance | $(1/7)*(y/4) = y/28$ |
| | None or sole bread-winner | $(1/7)*(y/4) = y/28$ | | Access to PDS | $(1/7)*(y/4) = y/28$ |
| | | | Childhood shapers (total $y/4$ over all the 5 sub-categories) | Anaemia among females (15 to 49 years) | $(1/5)*(y/4) = y/20$ |

Appendix 1 continued...

Appendix 1 continued...

| Immediate and short -Term | | Weights | Medium and long- term | | Weights |
|------------------------------|--|---------|--|---|----------------------|
| | | | | Birth Institutional/ assisted by a Skilled health personnel | $(1/5)*(y/4) = y/20$ |
| | | | | Immunization | $(1/5)*(y/4) = y/20$ |
| | | | | Stunting/ Underweight | $(1/5)*(y/4) = y/20$ |
| | | | | Child death | $(1/5)*(y/4) = y/20$ |
| | | | Education (total y/4, over all the 3 sub-categories) | Proximate years of schooling | $(1/3)*(y/4) = y/12$ |
| | | | | Child not attending school | $(1/3)*(y/4) = y/12$ |
| | | | | Quality of education | $(1/3)*(y/4) = y/12$ |

Appendix 1 continued...

Appendix 1 continued...

| Immediate and short -Term | | Weights | Medium and long- term | | Weights |
|--|--|---------------------------|--------------------------|---|---------------------------|
| Basic facilities (of its 7 sub- categories 2 fall in basket 1 and 5 in the basket 2) | House ownership | $(1/7)*(y/4)$ $= y/28$ | Basic facilities | Electricity | $(1/7)*(y/4)$ $= y/28$ |
| | Assets such as Motorbike, TV, AC, Washing machine, if more than one; and None of car, truck and tractor | $(1/7)*(y/4)$ $= y/28$ | | Sanitation | $(1/7)*(y/4)$ $= y/28$ |
| | | | | Drinking Water | $(1/7)*(y/4)$ $= y/28$ |
| | | | | Housing condition or location in slum | $(1/7)*(y/4)$ $= y/28$ |
| | | | | Cooking fuel | $(1/7)*(y/4)$ $= y/28$ |
| | Sum | {S + (6*y/28)} | | | {{22*y}/28} |

Note: The sums of weights of the two lists are $\{S + 6*(y/28)\}$ and $\{22*(y/28)\}$ respectively, which on assigning equal weight to each list, and as sum of all weights should be unity, gives $S = 0.36$ and $y = 0.64$, which can be expressed in fraction terms as about $S=1/3$ and $y=2/3$ respectively. This leads to numeric values of indicator weights as included in Appendix 2.

Appendix 2

Proactive Multidimensional Poverty Tracker (PROMPT)

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|--|----------------------------|---------------------|---|---|--|
| Skilling-1/3 (a unique category) | --- | 1/3 | No member having skill based employability to earn a consumption expenditure equivalent to household level financial poverty line | No two members, including one female, having each skill based employability to each earn a consumption expenditure equivalent to household level financial poverty line | As set for 2025 |
| Survival support 1/6 (7 sub-categories) | Mobile phone | 1/42 | Not owning a mobile phone | Not owning two mobile phones, or one mobile phone and one computer | Not owning two mobile phones and one computer |
| | Access to free Ambulance | 1/42 | Two way travel time, plus over 15 minutes | Two way travel time, plus over 10 minutes | Two way travel time, plus over 5 minutes |
| | Access to health insurance | 1/42 | If out-of-pocket medical expenses not below not 10 per cent | If out-of-pocket medical expenses not below 5 percent | If out-of-pocket medical expenses not below 1 per cent |

Appendix 2 continued...

Appendix 2 continued...

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|----------------------------|-----------------------------------|----------------------------|---|---|--|
| | Access to PDS | 1/42 | Not getting one cereal item, and one nutritive item (like protein rich pulse), or not having a ration card with nationwide portability | Not having access to two cereal items (or combination), and one nutritive item (like protein rich pulse), or not having a ration card with nationwide portability | Not having access to three cereal items (including a millet), one nutritive item (like protein rich pulse), and a mineral rich item (like milk), or not having a ration card with nationwide portability |
| | Automatically opening Safety nets | 1/42 | Not having an automatically opening safety net, linked to bank account, and enough to enable consumption expenditure equivalent to household level financial poverty line | As set for short-term | As set for short-term |

Appendix 2 continued...

Appendix 2 continued...

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|---|--|---------------------|--|--|---|
| | Financial savings | 1/42 | Not having enough savings to enable consumption expenditure equivalent of 6 months at household level financial poverty line | Raised to 9 months at household level financial poverty line | Raised to 12 months at household level financial poverty line |
| | None or sole breadwinner | 1/42 | None or sole breadwinner | As set for short-term | As set for short term |
| Childhood shapers 1/6 (all 5 sub-categories) | Anaemia among females (15 to 49 years) | 1/30 | An anaemic female member (15 to 49 years) | In addition a pregnant woman not getting full antenatal care | In addition a pregnant women facing calcium deficit |
| | Birth Institutional or by health personnel | 1/30 | A child birth being neither institutional nor assisted by a skilled health personnel | In addition, a child with low birth weight or being anaemic | As set for 2025. |
| | Immunization | 1/30 | Incomplete immunization or missing of Vitamin A supplementation for a child or a pregnant woman | As set for short-term | As set for short-term |

Appendix 2 continued...

Appendix 2 continued...

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|---|------------------------------|----------------------------|--|---|---|
| | Stunting or underweight | 1/30 | A child either stunted or underweight; or if neither stunted nor underweight, was ever severely stunted or severely underweight; or any adult member below 70 years of age facing undernourishment | As set for short-term | As set for short-term |
| | Child death | 1/30 | Any child death during the preceding 5 years or any child death of which date is not known and mother was under 35 years | As set for short-term | As set for short-term |
| Education 1/6 (3 sub-categories) | Proximate years of schooling | 1/18 | non-attainment by any member of 6 years of schooling by the school entrance age plus 6 years or older | non-attainment by any member of 7 years of schooling by the school entrance age plus 7 years or older | non-attainment by any member of 8 years of schooling by the school entrance age plus 8 years or older |

Appendix 2 continued...

Appendix 2 continued...

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|--|------------------------|----------------------------|---|---|---|
| | Child attending school | 1/18 | Any school-aged child not attending school up to the age at which he or she would complete class 8 th | Any school-aged child not attending school up to the age at which he or she would complete class 9 th | Any school-aged child not attending school up to the age at which he or she would complete class 10 th |
| | Quality of education | 1/18 | Any child or young member (a) in classes 2 or 3; (b) at the end of primary; and (c) at the end of lower secondary; not achieving at least a minimum proficiency level in (i) reading (ii) writing and (iii) mathematics, or lagging by not more than (a) 1 or (b) 2 or (c) 3 years respectively | Any child or young member (a) in classes 2 or 3; (b) at the end of primary; and (c) at the end of lower secondary; not achieving at least a minimum proficiency level in (i) reading (ii) writing and (iii) mathematics, without any lag, and not over one year late by age | As set for 2025 and not older than the age laid down for (a) for the class or for (b) and (c) for the stage. |
| Basic facilities 1/6 (7 sub-categories) | Electricity | 1/42 | Not getting electricity supply for at least 12 hours a day | Not getting electricity supply for at least 20 hours a day | As set for 2025 and not having a minimum of 4-hour power back-up |

Appendix 2 continued...

Appendix 2 continued...

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|----------------------------|--|----------------------------|---|---|--|
| | Sanitation, hand washing and hygienic disposal | 1/42 | Sanitation facility not being an improved one; or sharing it with another household; or not having a mechanism to wash hands with soap & water; or lack of facilities to hygienically dispose of garbage and used water | In addition, not having a ground or underground water tank with electricity assisted overhead water tank facility | In addition, not having piped water supply backed by electricity assisted overhead water tank facility |
| | Drinking Water | 1/42 | Not having access to improved drinking water, or safe drinking water being at least a 30-minute walk from household, round trip | Changed to being at least a 15-minute walk from household, round trip | Not having piped water supply at household level backed by electricity assisted overhead water tank facility |
| | Housing condition or location in slum | 1/42 | Housing materials for roof or floor or any wall is inadequate, the floor is of natural materials and/ or the roof and/or walls are of natural or rudimentary materials; or the house is located in a slum | In addition, being without a rainwater collection provision of howsoever little proportion | In addition, such rain-water collection not even partially used to raise a kitchen garden |

Appendix 2 continued...

Appendix 2 continued...

| Category and Weight | Sub-category | Sub-category Weight | Indicator in immediate/ Short-term | Indicator in 2025 | Indicator in 2030 |
|----------------------------|-----------------------|----------------------------|---|--|---|
| | House ownership | 1/42 | Non-ownership of even one house | As set for immediate/ short-term | As set for immediate/ short-term |
| | Cooking fuel | 1/42 | Cooks with dung or wood or charcoal or coal or any combination of these, without using any cleaner fuel (such as LPG/PNG) | In addition, if using no back-up such as a second gas cylinder | In addition, without any house-hold level generated non-renewable energy contributing at least 5% of its energy consumption |
| | Assets | 1/42 | Not more than one of Motorbike, Colour TV, Refrigerator, AC, Washing machine and None of car, truck and tractor | Same as for immediate/ short-term. | Same as for immediate/ short-term. |
| | Sum of weights | 1 | | | |

Appendix 2 continued...

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