Poverty and India: A review

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Poverty, the state of one who lacks a usual or socially acceptable amount of money or material possessions. Poverty is said to exist when people lack the means to satisfy their basic needs. In this context, the identification of poor people first requires a determination of what constitutes basic needs. These may be defined as narrowly as "those necessary for survival" or as broadly as "those reflecting the prevailing standard of living in the community." The first criterion would cover only those people near the borderline of starvation or death from exposure; the second would extend to people whose nutrition, housing, and clothing, though adequate to preserve life, do not measure up to those of the population as a whole. The problem of definition is further compounded by the noneconomic connotations that the word poverty has acquired. Poverty has been associated, for example, with poor health, low levels of education or skills, an inability or an unwillingness to work, high rates of disruptive or disorderly behaviour, and improvidence. While these attributes have often been found to exist with poverty, their inclusion in a definition of poverty would tend to obscure the relation between them and the inability to provide for one's basic needs. Whatever definition one uses, authorities and laypersons alike commonly assume that the effects of poverty are harmful to both individuals and society.

The experiences of the Great Depression inspired a generation of economists such as John Maynard Keynes, who sought solutions to the problems caused by extreme swings in the business cycle. Since the Great Depression, governments in nearly all advanced industrial societies have adopted economic policies that attempt to limit the ill effects of economic fluctuation. In this sense, governments play an active role in poverty alleviation by increasing spending as a means of stimulating the economy. Part of this spending comes in the form of direct assistance to the unemployed, either through unemployment compensation, welfare, and other subsidies or by employment on public-works projects. Although business depressions affect all segments of society, the impact is most severe on people of the lowest socioeconomic strata because they have fewer marginal resources than those of a higher strata.

The World Bank Organization describes poverty in this way:

> *"Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time.*

Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So poverty is a call to action -- for the poor and the wealthy alike -- a call to change the world so that many more may have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities."

The first few years of life are marked by development at a scale and pace that is unsurpassed later in childhood and sets the foundation for subsequent growth and development (1). By six years of age, significant preventable inequalities in development have also emerged (2). While many factors influence the healthy development of children, family income is recognized as a key determinant (3). Children in families with greater material resources enjoy more secure living conditions and attachments, as well as greater access to a range of opportunities often unavailable to children from low-income families. Given the importance of the early years, young children must be provided with the best possible start in life to maximize their potential.

ECONOMIC POVERTY

Economic poverty refers to a deficiency in the amount of financial resources a household has to meet its basic needs, which can be defined in either absolute or relative terms.

Absolute poverty refers to the set of resources a person must acquire to maintain a minimum standard of living for survival. It is therefore "a matter of acute deprivation, hunger, premature death and suffering."[9] From a human rights perspective, it is the responsibility of nations to ensure that its citizens have access to a level of goods that meet their basic right to health and wellbeing.[10] To affirm this commitment, the international community has signed on to the goal of halving severe poverty by the year 2015 as the first of eight millennium development goals.[11] What remains unresolved, however, is how "severe" or "absolute" poverty should be defined. Once decided upon, this definition can be useful for setting a target at which governments and organisations can measure, improve, and compare poverty levels at the international level.

Relative poverty is concerned with how worse off an individual or household is with respect to others in the same society. It does not necessarily reflect vulnerability to mortality or acute suffering, but rather the level of inequality in a given context. In such a circumstance, the inability to access goods or services that are considered norm could render a person poor. As far back as 1776, Adam Smith recognised the relativity of needs by defining "necessaries" as "not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for credible people, even of the lowest order, to be without."[12] More recently, Townsend defined relative poverty to be the level of deprivation at which individuals are unable to "play the roles, participate in the relationships, and follow the customary behavior which is expected of them by virtue of their membership in society."[13] Wilkinson argues that one should no longer speak of an absolute, but rather, relative deprivation of resources.[14]

Absolute poverty lines, then, are threshold below which households cannot maintain a minimum standard of living. With the exception of the USA, they are most often used in developing world contexts. In the developed world, *relative income poverty lines* are more often used to calculate poverty levels. In this case, the poverty threshold is commonly set at 50% of the country's median household income. Another method is to compare the difference of expenditures between the top fifth and lowest fifth of a population. As inequality tends to influence people's perceptions of poverty, such assessments may serve to highlight potential causes of social and political tensions. Ultimately, however, the level at which any poverty line is set may be considered arbitrary and debatable.[15,16] The real value of any poverty line lies in maintaining a measure for comparisons within and among groups over time.

The measurement of economic poverty entails defining a threshold (that is, line) that distinguishes the poor from the non-poor and examining the income or consumption levels of people in reference to that threshold.[16] To establish a poverty line, four basic issues need to be addressed: type of data to be used (income compared with expenditure), construction of a basic needs basket, unit of analysis (individual versus family versus household), as well as the determination of a reference. To be useful, poverty lines should be internally consistent, have broad public acceptance, and be easy to implement.[17]

The poverty line can be based on either income or expenditure data. While income data are commonly used to measure standard of living, they suffer from many measurement problems (for example, underreporting), especially in developing countries. Expenditure data, on the other hand, contain monetary values for goods consumed and so may be used to price a basic needs basket. Although expenditure data are often assumed to better estimate need than income data, they may simply reflect personal choices of resource allocation or prudence during low income periods. Convention is to use expenditure data to calculate needs in constructing the poverty line and income data to examine which households meet a minimum standard of living, or their basic needs.

Several approaches have been taken to establish a *basic needs basket*. Firstly, it is possible to identify the minimum energy intake necessary for subsistence (for example, 2200 calories/day) and establish the line as the income below which a person would be unable to meet this need. A multiplier may be added to account for non-food necessities, or alternatively, the equivalent amount may be added to the line by identifying their share of total expenditure at the minimum energy intake. This method was established by Orshansky in the USA in the early 1960s and was widely adopted by many other countries as well.[18] Recent recommendations to update the US poverty line have included food, clothing, shelter, and a multiplier to account for non-discretionary expenses that may differ per individual.[17] Yet others, taking a health and human rights perspective,[19–21] advocate that health services should be included as a basic need in calculating the poverty line.

In measuring poverty, the *unit of analysis* may be defined as the household, family, or individual. Typically, poverty is measured at the household or family level because this entity constitutes a natural income pooling unit. Poverty lines based on the individual, although ideal in their level of representation, cannot be easily constructed because of the lack of data on individual income/expenditure. The family as a unit of analysis can be very useful for policy purposes as public assistance programmes are often based on family types. Also, while households may represent more than one consumption unit, the family most often represents only one consumption unit. For practical purposes, however, the household is generally considered the standard unit of analysis in poverty research because most international surveys collect information at the household level.[22]

The *reference household* is usually the most demographically represented—that is, the household composition of largest proportion in the population. The spending patterns of this reference are then used as the basis for calculating poverty lines for other household types in the population.

Equivalence scales are used to adjust the poverty line for various household sizes and compositions. They are based on the idea that the household is not necessarily equal to the sum of its parts. In other words, individuals within the household may have varying needs and consumption demands. For example, while an adult may require a certain energy diet for subsistence, a child may need much less. In this case, one may not equate the cost of these two individuals in the household. In the same vein, while living alone may cost a set amount, addition of another adult leads to a situation of pooled consumption in which both individuals may share in the use of certain public goods (for example, shelter, food, heating). In this case, adding a person to the household also does not add up to the sum of the two parts. This phenomenon is referred to as *economies of scale*. Although the OECD equivalence scale is commonly used in the literature, it is important to note that a variety of equivalent scales are available and each may systematically affect the absolute or relative levels of poverty apparent in a given population.[23]

Although current poverty lines are invaluable in assessing poverty and inequality between households, they are ineffective in capturing disparities within households. As poverty statistics are generally collected through household living standard surveys, the relative needs and consumption patterns of individual members are not adequately taken into account. This can be a significant limitation because if it is possible for non-poor households to contain poor individuals. For example, in the case of women, a significant literature has emerged discussing gender inequities in poverty and health outcomes because of discrimination in intra-household distribution of resources.[24,25]

HUMAN POVERTY AND CAPABILITIES

Human poverty is defined by “impoverishment in multiple dimensions—deprivations in a long and healthy life, in knowledge, in a decent standard of living, in participation.”[34] Human poverty takes a people centred approach by directing resources and attention to areas of individual capacity building such as health and education.

The human poverty index, or HPI, includes measures of life expectancy, illiteracy, access to healthcare and other public services in addition to the percentage of under 5 mortality.[35] It allows for intra-country and inter-country comparisons of these indicators over time and is less subject to the wide market fluctuations that attenuate comparability of income based measures over time.

However, there are weighting problems associated with any composite index, and the HPI is no exception. Also, presenting human poverty by an overall index number can cloud the effects of inequalities within social groups (for example, gender, ethnicity, socioeconomic status). One possible remedy is to provide disaggregated estimates of the HPI, though this practice has yet to become widely adopted because of scarcity of resources.

Despite measurement shortfalls of the HPI, one of its greatest successes has been that of enlisting the support of economists in the conceptual shift toward understanding poverty as a deprivation of human capabilities.[36]

Capabilities deprivation, a concept principally attributed to Sen, identifies poverty in terms of "the lives people can actually lead and the freedoms they do actually have."[37] As such, the "capabilities approach" extends the concept of human poverty by drawing distinct connections between development, freedom, and deprivation of human capabilities (rather than income deprivation).

Capabilities refer to the ability of a person to convert commodities into valued functionings in the context of one's life. A *functioning*, according to Sen, is "an achievement of a person; what he manages to do or to be."[38] For example, food is a commodity that enables a person to satisfy hunger and to provide eating pleasure. And yet for a person to convert this commodity into daily "functioning", she must have the capability (that is, good health) to do so.[38] As such, commodities have no intrinsic value in the absence of a person's ability to convert goods into achievements.

MULITDIMENSIONAL POVERTY

A growing number of studies are exploring how the poor themselves conceptualise poverty.[40–45] While the results of these studies can vary depending on regional concerns and interests, certain themes seem to resonate widely and have highlighted the multidimensionality of poverty.

Multidimensional poverty conceives of deprivation not only as lack of material goods, but also as deficiency in other important areas such as social capital, human capital, power, and voice. The World Bank's "voices of the poor" study, the largest participatory poverty assessment of its kind, found that rather than income, the poor are more likely to describe their reality in terms of physical, human, social, and environmental assets.[40]

Assets refer to resources the poor can use to manage or reduce their risk of vulnerability to external shocks. Assets may be tangible or intangible (for example, land, friends, education) and can mediate a broad array of potential hardships ranging from drought to sudden family illness.

Social exclusion focuses on the processes of marginalisation.[46] Specifically, it refers to "the societal and institutional processes that exclude certain groups from full participation in the social, economic, cultural and political life of societies."[47] While it is true that a person can be economically deprived without being socially excluded, the two experiences are strongly correlated. Social exclusion may lead to economic poverty directly by means of lacking social networks that provide opportunities or indirectly via disparities in the power structures of society. Interesting research on the relations between social capital, income inequality, and health outcomes has also emerged in recent years,[48–50] providing even more insight into the negative consequences of social inequalities from a social justice perspective.

The ability of a group to express its concerns and determine its future is related to its level of power in society. As Narayan points out, "All societies are built from social groups rather than individuals, and these groups determine attitudes, beliefs, identities and values, as well as access to resources and opportunities—and ultimately access to power. Since most groups are not homogeneous, but are divided by class, caste, religion and ethnicity, groups differ in their access to resources and power."[47]

Max Weber defines *power* as the probability that someone, in a social relationship, will be able to achieve his or her will (that is, what is desired), despite resistance and regardless of the bases upon which the probability rests.[51] On a related note, Narayan defines *empowerment* as "the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives."[52]

It is clear that power, or access to positions and institutions that allow individuals to influence change for the interests of their groups, is a requisite for the acquisition of *voice* in society. Social capital, social support, and social networks can play an important part in the attainment of such positions, and so these concepts are inextricably related

POVERTY AND HEALTH

While it is true that poverty lends itself toward ill health, it is also true that ill health can put people at risk of becoming poor. This double edged fate has led many researchers to focus their attention on the important link between *poverty and health*.The 2000/2001 World Development Report[56] named health as a key dimension of poverty and discussed issues that must be addressed to mitigate this factor. A growing body of literature points to significant disparities in mortality and morbidity outcomes between populations of varying socioeconomic status. Social and economic determinants of health, therefore, are playing a greater part in the discourse of poverty. As Roberts puts it, "the determinants of [health] inequalities, in both developed and less developed countries, are social and economic, and so remedial action must also be social and economic." In this quest, greater efforts are being made to distinguish health inequalities from health inequities and social inequalities from social inequities, and to bring to the fore the injustices that play a part in perpetuating the situation of poverty and ill health for the world's most disadvantaged populations. Indeed, advocates for the poor are increasingly approaching poverty alleviation from a health and human rights perspective. Highlighting issues of inequity and social injustice, there is a need to shift the policy agenda toward addressing the institutional biases that contribute to the persistence of poverty while calling for more accountability and transparency in the search for new solutions.

Global Poverty and the Sustainable Development Goals

The Sustainable Development Goals (SDG), adopted in 2015 by the United Nations, are the most comprehensive and ambitious poverty reduction plan the world has embarked upon.They expand the scope of the world community's previous efforts to end extreme poverty and eradicate the burden poverty places on the world population — child malnutrition, gender inequality, unclean water, improper sanitation, poor health and well-being, and inequalities in education, economics, energy, justice and sustainability.This burden, the burden of poverty, is literally carried on the heads and on the backs of the poor.But the burden poverty places on society and individuals isn't just economic or physical. Measuring poverty this way overlooks the other types of poverty oppressing the marginalized. Poverty causes the poor to suffer emotionally and spiritually as well.

That's why the Sustainable Development Goals aren't just about ending poverty around the world.They're about protecting the planet and ensuring all people enjoy peace and prosperity.Building a sustainable future means finding ways to meet the needs of the present without sacrificing the ability of future generations to meet their own needs. It requires a unified, collaborative and global approach that isn't bound by cultures, conditions or continents.Because a life of poverty means the poor carry a shade of poverty in their hearts and wear it etched on their faces. They become shells of unfulfilled potential and possibility.Efforts to eliminate inequality and extreme poverty in the world have gradually lowered poverty rates in many low- and middle-income countries in South Asia, and Latin America. But not everyone has been helped.According to the World Data Lab, poverty in Africa is increasing in 16 countries. Additionally 27 of the world's 28 poorest countries are in Sub-saharan Africa, and each has a poverty rate of over 30 percent.[1] While the absolute number of people living in global poverty has decreased over the last several decades, in Sub-saharan Africa, the number has increased, and substantially so.

In working with kids in poverty all around the world, we see poverty trying to steal joy, destroy dignity and put hope to death. We see poverty trying to enslave children and sustain helplessness for generations. And we see the shells of people it conquers.The World Bank has been revising its definition and benchmarks to measure poverty since 1990, with a $2 per day income on purchasing power parity basis as the definition in use from 2005 to 2013. Some semi-economic and non-economic indices have also been proposed to measure poverty in India. For example, in order to determine if a person is poor or not, the Multi-dimensional Poverty Index places a 33% weight on the number of years that person spent in school or engaged in education and a 6.25% weight on the financial condition of that person.

Poverty in India impacts children, families and individuals in a variety of different ways through:

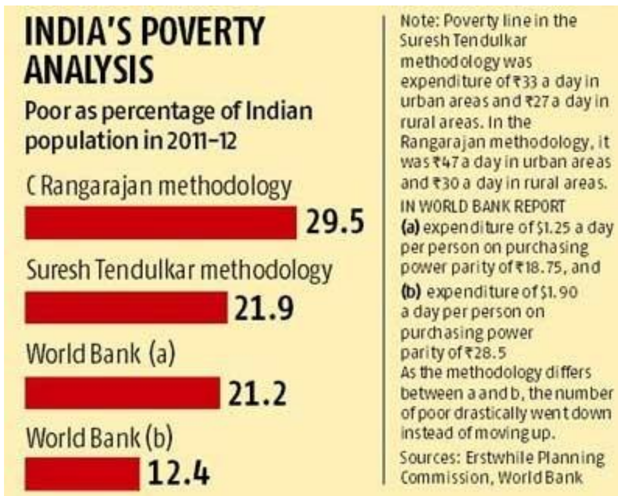
- High infant mortality
- Malnutrition
- Child labour
- Lack of education
- Child marriage
- HIV / AIDS

Poverty Estimation in India

- Poverty estimation in India is carried out by NITI Aayog's task force through the calculation of poverty line based on the data captured by the National Sample Survey Office under the Ministry of Statistics and Programme Implementation (MOSPI).
- Poverty line estimation in India is based on the consumption expenditure and not on the income levels.
- Poverty is measured based on consumer expenditure surveys of the National Sample Survey Organisation. A poor household is defined as one with an expenditure level below a specific poverty line.
- The incidence of poverty is measured by the poverty ratio, which is the ratio of the number of poor to the total population expressed as a percentage. It is also known as head-count ratio.

- Alagh Committee (1979) determined a poverty line based on a minimum daily requirement of 2400 and 2100 calories for an adult in Rural and Urban area respectively.
- Subsequently different committees; Lakdawala Committee (1993), Tendulkar Committee (2009), Rangarajan committee (2012) did the poverty estimation.
- As per the Rangarajan committee report (2014), the poverty line is estimated as Monthly Per Capita Expenditure of Rs. 1407 in urban areas and Rs. 972 in rural areas.

The committee was set up in the backdrop of national outrage over the Planning Commission's suggested poverty line of ₹22 a day for rural areas



Source: Planning commission World Bank

Expert group constituted by the Planning Commission and, chaired by Suresh Tendulkar, was constituted to review methodology for poverty estimation and to address the following shortcomings of the previous methods:
Obsolete Consumption Pattern: Consumption patterns were linked to the 1973-74 poverty line baskets (PLBs) of goods and services, whereas there were significant changes in the consumption patterns of the poor since that time, which were not reflected in the poverty estimates.
Inflation Adjustment: There were issues with the adjustment of prices for inflation, both spatially (across regions) and temporally (across time).

Health and Education Expenditure: Earlier poverty lines assumed that health and education would be provided by the state and formulated poverty lines accordingly

Tendulkar committee computed poverty lines for 2004-05 at a level that was equivalent, in Purchasing Power Parity (PPP) terms to Rs 33 per day. Purchasing Power Parity: The PPP model refers to a method used to work out the money that would be needed to purchase the same goods and services in two countries.

Poverty estimation in different countries (1993-2012)

Poverty Estimates by Different Committees

Year	Lakdawala Committee Estimates			Tendulkar Committee Estimates			Rangarajan Committee Estimates		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1993-94	37.3	32.4	36.0	50.1	31.8	45.3	-	-	-
2004-05	28.3	25.7	27.5	41.8	25.7	37.2	-	-	-
2009-10	-	-	-	33.8	20.9	29.8	39.6	35.1	38.2
2011-12	-	-	-	25.7	13.7	21.9	30.9	26.4	29.5

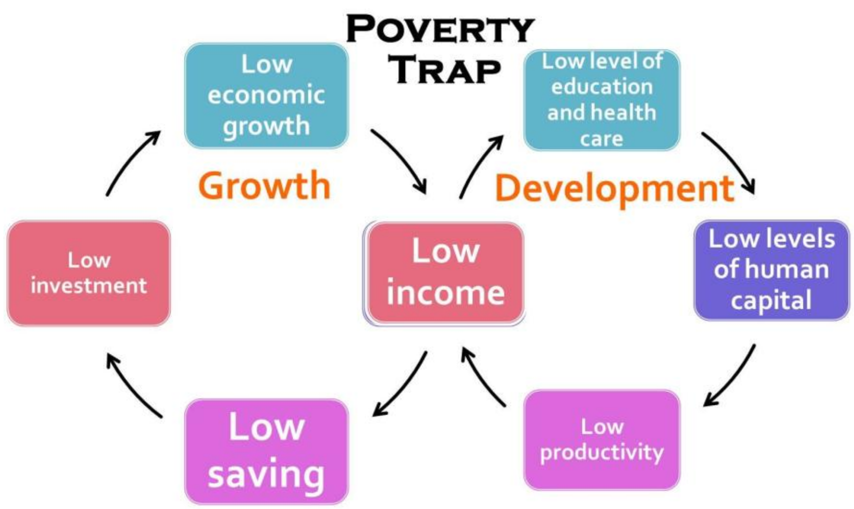
Source: Planning commission World Bank

Causes of Poverty in India

- Population Explosion: India's population has steadily increased through the years. During the past 45 years, it has risen at a rate of 2.2% per year, which means, on average, about 17 million people are added to the country's population each year. This also increases the demand for consumption goods tremendously.
- Low Agricultural Productivity: A major reason for poverty in the low productivity in the agriculture sector. The reason for low productivity is manifold. Chiefly, it is because of fragmented and subdivided land holdings, lack of capital, illiteracy about new technologies in farming, the use of traditional methods of cultivation, wastage during storage, etc.
- Inefficient Resource utilisation: There is underemployment and disguised unemployment in the country, particularly in the farming sector. This has resulted in low agricultural output and also led to a dip in the standard of living.
- Low Rate of Economic Development: Economic development has been low in India especially in the first 40 years of independence before the LPG reforms in 1991.
- Price Rise: Price rise has been steady in the country and this has added to the burden the poor carry. Although a few people have benefited from this, the lower income groups have suffered because of it, and are not even able to satisfy their basic minimum wants.
- Unemployment: Unemployment is another factor causing poverty in India. The ever-increasing population has led to a higher number of job-seekers. However, there is not enough expansion in opportunities to match this demand for jobs.
- Lack of Capital and Entrepreneurship: The shortage of capital and entrepreneurship results in low level of investment and job creation in the economy.

- Social Factors: Apart from economic factors, there are also social factors hindering the eradication of poverty in India. Some of the hindrances in this regard are the laws of inheritance, caste system, certain traditions, etc.
- Colonial Exploitation: The British colonisation and rule over India for about two centuries de-industrialised india by ruining its traditional handicrafts and textile industries. Colonial Policies transformed india to a mere raw-material producer for european industries.
- Climatic Factors: Most of india's poor belong to the states of Bihar, UP, MP, Chhattisgarh, odisha, Jharkhand, etc. Natural calamities such as frequent floods, disasters, earthquake and cyclone cause heavy damage to agriculture in these states.

- Poverty Trap:



Poverty Alleviation Programs in India

- Integrated Rural Development Programme (IRDP): It was introduced in 1978-79 and universalized from 2nd October, 1980, aimed at providing assistance to the rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods.

- Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana: The JRY was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets.
- Rural Housing – Indira Awaas Yojana: The Indira Awaas Yojana (LAY) programme aims at providing free housing to Below Poverty Line (BPL) families in rural areas and main targets would be the households of SC/STs.
- Food for Work Programme: It aims at enhancing food security through wage employment. Food grains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.
- National Old Age Pension Scheme (NOAPS): This pension is given by the central government. The job of implementation of this scheme in states and union territories is given to panchayats and municipalities. The states contribution may vary depending on the state. The amount of old age pension is ₹200 per month for applicants aged 60–79. For applicants aged above 80 years, the amount has been revised to ₹500 a month according to the 2011–2012 Budget. It is a successful venture.
- Annapurna Scheme: This scheme was started by the government in 1999–2000 to provide food to senior citizens who cannot take care of themselves and are not under the National Old Age Pension Scheme (NOAPS), and who have no one to take care of them in their village. This scheme would provide 10 kg of free food grains a month for the eligible senior citizens. They mostly target groups of ‘poorest of the poor’ and ‘indigent senior citizens’.
- Sampoorna Gramin Rozgar Yojana (SGRY): The main objective of the scheme continues to be the generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security for the poor.
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005: The Act provides 100 days assured employment every year to every rural household. One-third of the proposed jobs would be reserved for women. The central government will also establish National Employment Guarantee Funds. Similarly, state governments will establish State Employment Guarantee Funds for implementation of the scheme. Under the programme, if an applicant is not provided employment within 15 days s/he will be entitled to a daily unemployment allowance.
- National Rural Livelihood Mission: Aajeevika (2011): It evolves out the need to diversify the needs of the rural poor and provide them jobs with regular income on a monthly basis. Self Help groups are formed at the village level to help the needy.
- National Urban Livelihood Mission: The NULM focuses on organizing urban poor in Self Help Groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment ventures by ensuring easy access to credit.
- Pradhan Mantri Kaushal Vikas Yojana: It will focus on fresh entrant to the labour market, especially labour market and class X and XII dropouts.
- Pradhan Mantri Jan Dhan Yojana: It aimed at direct benefit transfer of subsidy, pension, insurance etc. and attained the target of opening 1.5 crore bank accounts. The scheme particularly targets the unbanked poor.

The different definitions and underlying small sample surveys used to determine poverty in India have resulted in widely varying estimates of poverty from the 1950s to 2010s. In 2019, the Indian government stated that 6.7% of its population is below its official poverty limit. Based on 2019's PPPs International Comparison Program, According to the United Nations Millennium Development Goals (MDG) programme,88 million people out of 1.2 billion Indians, roughly equal to 6.7% of India's population, lived below the poverty line of $1.25 in 2018–19

From the late 19th century through the early 20th century, under British colonial rule, poverty in India intensified, peaking in the 1920s. Famines and diseases killed millions each time. After India gained its independence in 1947, mass deaths from famines were prevented Since 1991, rapid economic growth has led to a sharp reduction in extreme poverty in India. However, those above the poverty line live a fragile economic life.

As per the methodology of the Suresh Tendulkar Committee report, the population below the poverty line in India was 354 million (29.6% of the population) in 2009-2010 and was 269 million (21.9% of the population) in 2011–2012 In 2014, the Rangarajan Committee said that the population below the poverty line was 454 million (38.2% of the population) in 2009-2010 and was 363 million (29.5% of the population) in 2011–2012. Deutsche Bank Research estimated that there are nearly 300 million people who are in the middle class. If these previous trends continue, India's share of world GDP will significantly increase from 7.3% in 2016 to 8.5% by 2020. In 2012, around 170 million people, or 12.4% of India's population, lived in poverty (defined as $1.90 (Rs 123.5)), an improvement from 29.8% of India's population in 2009 In their paper, economists Sandhya Krishnan and Neeraj Hatekar conclude that 600 million people, or more than half of India's population, belong to the middle class

The Asian Development Bank estimates India's population to be at 1.28 billion with an average growth rate of 1.3% from 2010–2015. In 2014, 49.9% of the population aged 15 years and above were employed. 6.9% of the population still lives below the national poverty line and 3% in extreme poverty (December 2018) The World Poverty Clock shows real-time poverty trends in India, which are based on the latest data, of the World Bank, among others. As per recent estimates, the country is well on its way of ending extreme poverty by meeting its sustainable development goals by 2030

According to Oxfam, India's top 1% of the population now holds 73% of the wealth while 670 million citizens, comprising the country's poorest half, saw their wealth rise by just 1%

More than 800 million people in India are considered poor. Most of them live in the countryside and keep afloat with odd jobs. The lack of employment which provides a livable wage in rural areas is driving many Indians into rapidly growing metropolitan areas such as Bombay, Delhi, Bangalore or Calcutta. There, most of them expect a life of poverty and despair in the mega-slums, made up of millions of corrugated ironworks, without sufficient drinking water supply, without garbage disposal and in many cases without electricity. The poor hygiene conditions are the cause of diseases such as cholera, typhus and dysentery, in which especially children suffer and die.

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