



## Trends in Inequality, Poverty and Hunger

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### ABSTRACT

India is a developing country. Although the economy is growing, poverty, inequality and hunger are major problems. However, poverty in India is decreasing. Extreme poverty, defined by the World Bank as living at \$1.9 or less in terms of purchasing power parity, fell by 0.8% in India in 2019 and is on track to maintain that level in 2020, according to the International Monetary Fund. it never happened. Globalization has reduced global inequality between nations but increased inequality between countries. Income inequality between nations emerged in the 1970s, when global income was unequally distributed between "rich and poor" countries. Since then, income levels have begun to rise among countries, and many people now live in middle-income countries. However, inequality between many countries has increased significantly in the past 30 years, especially in developed countries. During this period, almost 90% of developed countries saw an increase in inequality, with more than 70% recording a Gini coefficient of more than two points. In the 2021 Global Hunger Index, India ranks 101 out of 116 countries with sufficient data to calculate the GHI 2021 score. With a score of 27.5, India has the highest level of hunger.

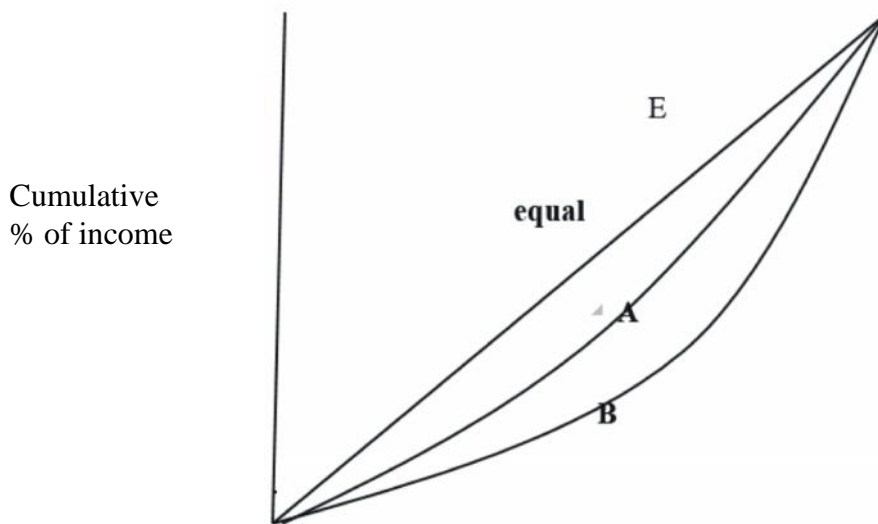
### KEY WORDS

**Inequality, Poverty, Hunger.**

### Trends in Inequality

Inequality refers to the uneven distribution of income and wealth among nations. The Gini coefficient is measured numerically and the Lorenz curve is measured graphically. The Gini coefficient is a number between 0 and 1, where zero corresponds to perfect equality, where everyone

has the same income, and 1 to absolute inequality, where one person has all the income and everyone else has zero income.



### Cumulative % of population

In the diagram E line represents the equal distribution of income and wealth and B curve represents the more inequality than curve A. So we can see which country more distance from equal line they have more inequality.

### Trends of Global Inequality

Globalization has reduced global inequality between nations, but increased inequality between countries. Income inequality between nations emerged in the 1970s, when the world's income was unequally distributed between "rich and poor" countries. Since then, income levels have been converging among countries, with many people now living in middle-income countries. However, inequality between many countries has increased significantly in the past 30 years, especially in developed countries. During this period, almost 90% of developed countries saw an increase in inequality, with more than 70% recording a Gini coefficient of more than two points.

Research has generally linked economic inequality to political and social instability, including revolutions, democratic fragmentation, and civil conflict. Research shows that greater inequality hinders economic growth and macroeconomic stability and that land and human capital inequality reduce growth more than income inequality. Inequality is at the center of economic policy debates around the world because Government tax and spending policies have a significant impact on income distribution. In developed countries, taxes and transfers will reduce income inequality by a third, which is largely achieved through social spending such as pensions and family benefits.

A 2011 OECD study analyzed economic inequality in Argentina, Brazil, China, India, Indonesia, Russia and South Africa. It is concluded that the main sources of inequality in these countries are the large, persistent informal sector, regional (rural-urban) divides, educational gaps, and barriers to women's employment and career development. A study by the World Institute for the Advancement of Economic Research at the University of the United States reported that in 2000, only the richest 1% owned 40% of global wealth. The three richest people in the world have more financial wealth than the bottom 48 countries combined. In 2008, the total wealth of the "\$10 million billionaires" was about \$41 trillion. Oxfam's Global Inequality Report 2021 states that the Covid-19 pandemic has significantly increased economic inequality, with the world's richest people the least affected. Pandemic and their wealth

recovered the fastest, with billionaires seeing their wealth rise by \$3.9 trillion, while those living on less than \$5.50 a day are likely to increase by 500 million. The report also emphasized that the richest 1% are the biggest polluters and the main drivers of climate change, and that Government policies should tackle inequality and climate change simultaneously. Oxfam's 2022 report states that the rise in economic inequality during the pandemic is killing 21,000 people every day, while the wealth of the world's 10 richest billionaires has doubled, and proposes a tax on the rich to increase this inexorable inequality. Therefore, we can say that the trend of global inequality is increasing.

## Causes

There are many causes of economic inequality between societies, including global market functions such as trade, development and regulation, and social factors such as race, gender, and education. Economist Thomas Piketty argues that widening economic inequality is an inevitable phenomenon of free market capitalism, where the rate of capital return (r) exceeds the rate of economic growth (g).

(1) Labour market (2) Malthusian argument (3) Taxes (4) Education (5) Economic liberalism, deregulation and decline of unions (6) Information technology (7) Globalization (8) Gender (9) Race (10) Westernized nations (11) Economic development.

Globalization has reduced global inequality between nations but increased inequality between countries. Income equality between countries emerged in the 1970s, when global income was unevenly distributed between "rich and poor" countries. Since then, income levels have begun to rise among countries, and many people now live in middle-income countries. However, inequality between many countries has increased significantly in the past 30 years, especially in developed countries. During this period, almost 90% of developed countries saw an increase in inequality, with more than 70% recording a Gini coefficient of more than two points.

Research often links economic inequality with political and social instability, such as revolution, democratic fragmentation, and civil conflict. Research shows that inequality hinders economic growth and macroeconomic stability, and that inequality in land and human capital is greater than income inequality. Inequality is at the center of economic policy debates around the world because Government tax and spending policies have a significant impact on income distribution. In developed countries, taxes and transfers can reduce income inequality by a third, especially through social spending such as pensions and family benefits.

A 2011 OECD study analyzed economic inequality in Argentina, Brazil, China, India, Indonesia, Russia and South Africa. It is concluded that the main sources of inequality in these countries are the large, persistent informal sector, regional (rural-urban) divide, educational gaps, and barriers to women's employment and career advancement. A study by the United States' World Economic Research Institute reported that in 2000, the world's richest people owned only 40% of the world's wealth. The three richest people in the world have more financial wealth than 48 countries. In 2008, the total wealth of the "\$10 million billionaires" was about \$41 trillion. Oxfam's 2021 Global Inequality Report states that the Covid-19 pandemic has significantly increased economic inequality, with the world's richest people the least affected. pandemic and wealth recovered the fastest, with billionaires seeing their wealth increase by \$3.9 trillion, while those living on less than \$5.50 a day are likely to increase by 500 million. The report also emphasized that the richest 1% are the biggest polluters and the main drivers of climate change, and that Government policies should tackle inequality and climate change at the same time. Oxfam's 2022 report says the pandemic is killing 21,000 people every day, doubling the wealth of the world's 10 richest billionaires and increasing economic inequality as tax rises on the rich are proposed. Therefore, we can say that the trend of global inequality is increasing.

## Pair

There are many causes of economic inequality between societies, including global market functions such as trade, development and regulation, and social factors such as race, gender, and education. Economist Thomas Piketty argued that the widening of economic inequality is an inevitable phenomenon of free market capitalism, where capital turnover (r) exceeds the rate of economic growth (g).

(1) Labor Market (2) Malthusian Argument (3) Taxation (4) Education (5) Economic Liberalism, Regulation and Regulation (6) Information Technology (7) Globalization (8) Race (9) Gender (10) Western Countries (11) economic development

## Trends in Hunger

In the 2021 global hunger index, India ranks 101 out of 116 countries with sufficient data to calculate 2021 GHI scores. With a score of 27.5, India has a level of hunger that is serious.

$$G.H.I = \frac{1}{3} \text{ Standardized PUN} + \frac{1}{6} \text{ Standardized CWA} + \frac{1}{6} \text{ Standardized CST} + \frac{1}{3} \text{ Standardized CM}$$

Where

- Standardized PUN = (PUN/80)100
- Standardized CWA = (CWA/30)100
- Standardized CST = (CST/70)100
- Standardized CM = (CM/35)100

Where

- PUN – Proportion of the population that is undernourished %
- CWA – Prevalence of wasting in children under five years old %
- CST – Prevalence of stunting in children under five years old %
- CM – Proportion of children dying before the age of five %

### Range of G.H.I.

Range	Type
< 9.9	Low
10. – 19.9	Moderate
20.0 – 34.9	Serious
35.0 – 49.9	Alarming
>50.0	Extremely alarming

### India

Year	PUN	CWA	CST	CM
2000	18.4	17.1	54.2	9.2
2006	19.6	20.0	47.8	7.1
2012	15.0	15.1	38.7	5.2
2021	15.3	17.3	34.7	3.4

$$\text{Standardized PUN} = (15.3/80)100 = 19.125$$

$$\text{Standardized CWA} = (17.3/30)100 = 57.66$$

$$\text{Standardized CST} = (34.7/70)100 = 49.57$$

$$\text{Standardized CM} = (3.4/35)100 = 9.71$$

$$\text{G.H.I} = \frac{1}{3} 19.125 + \frac{1}{6} 57.66 + \frac{1}{6} 49.57 + \frac{1}{3} 9.71$$

$$= 6.37 + 9.61 + 8.26 + 3.23$$

$$= 27.47 \text{ (serious condition)}$$

#### G.H.I.

Range	GHI
2000	38.8
2006	37.4
2012	28.8
2021	27.5

According to the table India's GHI decreased from 38.8 to 27.5 but it is a serious condition of hunger.

### Trends in poverty

India is a developing country. Although the economy is growing, poverty remains a major problem. However, poverty in India is decreasing. Extreme poverty, defined by the World Bank as living at \$1.9 or less in terms of purchasing power parity, fell by 0.8% in India in 2019 and is on target to maintain that level in 2020, according to the International Monetary Fund. . This never happened. According to the World Bank, between 2011 and 2019, extreme poverty decreased by 12.3%, from 22.5% in 2011 to 10.2% in 2019. The bank's working paper states that rural poverty has decreased from 26.3 % in 2011 to 11.6% in 2019. It decreased from 14.2% to 6.3% in the same period. Rural and urban poverty decreased by 14.7% and 7.9% respectively. According to Achim Steiner, head of the United Nations Development Programme, India lifted 271 million people out of extreme poverty in the 10 years from 2005-06 to 2015-16. According to the World Economic Forum 2020 survey, the latest census of the poor in India shows that nearly 220 million Indians live below the poverty line for rural India, up from 32 million in 2013.

Beginning in 1990-91, the World Bank changed the definition and indicators to measure poverty, from 2005 to 2013, it used \$0.2 per day in income based on purchasing power parity as the definition used. Several semi-economic and non-economic indicators have been proposed to measure poverty in India. For example, the multidimensional poverty index, which is used to determine whether a person is poor, has a weight of 13% in the years of school or education and 6.25% in the financial status of a person.

Different definitions and small scale measures used to define poverty in India have led to different poverty estimates from 1950 to 2010. In 2019, the Indian Government announced that 6.7% of the population is above the official poverty line. According to the United Nations Millennium Development Program 2019 International Comparative Program PPP, 80 million people out of 1.2 billion Indians, or about 6.7 percent of India's population, live below the poverty line of \$1.25 in 2018-19.

From the end of the 19th century to the beginning of the 20th century, poverty in India reached its peak during the British Raj in the 2020s. Famine and disease killed millions in a series of terrible cycles in the 19th and early 20th centuries. After India became independent in 1947, it prevented mass starvation. Rapid economic growth since 1991 has reduced extreme poverty in India. However, people living above the poverty line live in poor economic conditions. According to the methodology of the Suresh Tendulkar Committee report, the population below poverty line in India was 354 million in 2009-10 and 69 million in 2011-12. In 2014, the Rangarajan Committee reported that the population below the poverty line was 454 million in 2009-10 and 363 million in 2011-12. A Deutsche Bank study estimated that there are about 300 million people in the middle class. If this previous trend continues, it will increase from 7.3% in 2016 to 8.5% by 2020. In 2012, about 170 million people or 12.4% of the Indian population, lived in poverty, up from 29.8%. Economists Sandhya Krishnan and Neeraj Hatekar say 600 million people, or more than half of India's population, are in the middle class.

The Asian Development Bank estimates India's population to be 1.28 billion with an average growth rate of 1.3% from 2010 to 2015. In 2014, 9.9% of the population aged 15 and over was employed. 6.9% of the population still lives below the national poverty line and 63% lives in extreme poverty. The World Poverty Organization shows the trends of poverty in India based on the latest data from the World Bank. According to the latest projections, the country is on track to eradicate extreme poverty by 2030 by meeting the Sustainable Development Goals. According to Oxfam, 1% of India's population now owns 73% of the wealth, 670 million of its 670 million citizens. the poorest half of the country saw its wealth rise by just 1%.

Two-thirds of people in India live in poverty, and 68.8% of India's population lives on less than \$2 a day. More than 30% live on less than \$1.25 a day - considered extremely poor. This makes the Indian subcontinent one of the poorest countries in the world, and women and children are the most vulnerable members of Indian society. India is the second largest country after China with a population of around 1.2 billion and the seventh largest in the world with an area of 3,28,7000 km<sup>2</sup>. The highly controversial country has experienced growth rates of up to 10% over the years and is one of the largest economies in the world with a GDP of \$1.644 billion. But so far, only a small minority of the Indian population has benefited from this tremendous economic growth because the majority of the Indian population lives in poverty.

## Poverty in India- from the Village to the Slum

In India, poverty prevents children from getting an education. More than 800 million people in India are considered poor. Most of them live in rural areas and do odd jobs. The lack of jobs in the countryside drove many Indians to fast-growing cities such as Bombay, Delhi, Bangalore or Calcutta. Many of them face poverty and despair in megacities with millions of scrap metal, insufficient drinking water, no garbage disposal and, in many cases, no electricity. Poor sanitary conditions lead to diseases such as cholera, typhoid and dysentery, where children especially suffer and die. Poverty in India affects children, families and individuals in many ways;

1. **High infant mortality rate:** 1.4 million children die before their fifth birthday every year in India. Apart from the Democratic Republic of Congo and China, India has one of the highest infant mortality rates. Pneumonia, fever and diarrhea, as well as chronic malnutrition, are the most common causes of death.
2. **Malnutrition:** India is one of the leading countries in the world in terms of malnutrition; More than 200 million people, including 61 million children, do not have adequate access to food. In so-called developing market countries, 7.8 million babies were found to have a birth weight of less than 2.5 kg.

3. **Child Labour:** According to official data, 12.5 million children between the ages of 5 and 14 years work in India, but child labor is prohibited for children under 14 years of age. Aid agencies estimate that there are many other factors that keep 65 million children between the ages of 6 and 14 out of school. Instead, Indian children are said to contribute to the entertainment of their families to ensure their survival; they work in fields, factories, factories, private houses and tourism.
4. **Lack of Education:** According to UNICEF, about 25% of children in India are out of school. The number of out-of-school children among girls is higher than among boys. Although treated equally with men and women under Indian law, girls and women, especially in the lower castes, are oppressed and oppressed by their fathers, relatives and husbands. Without education, the chances of earning a living wage from a job in India are almost hopeless.
5. **Child Marriage:** Despite the ban on child marriage in 2006, it is still prevalent in many parts of India. The main leaders of this practice are young girls who are still children and become mothers very early. Most of them died at birth. According to a study conducted by a medical journal, 44.5% of women in India are married before the legal age. Due to poverty, many parents encourage early marriage for their daughters in the hope of a better life for themselves.
5. **HIV-AIDS:** 2.7 million Indians are infected with HIV; approximately 220,000 children and the trend is increasing. A lack of education and a shortage of condoms means the virus is spreading faster and faster, and people are dying to get help, especially in the slums of growing cities. Many children living in orphanages are infected with HIV.

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