



EE463 GLOBALIZATION AND INTERNATIONAL DEVELOPMENT

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Factors influencing the current poor quality of life of Indian people

Group 8

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Background

India is a country in South Asia. It is the seventh-largest country and the second-most populated country in the world. In terms of economy, India is the world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). According to the IMF, Experts anticipate that India's economy will soon become one of the world's major marketplaces. India is also a vast country with a diverse population, and its quality of life can vary widely across different regions and social groups. However, there are significant challenges that impact the well-being of individuals and communities, such as overcrowding, poverty and unequal social status.

India is the second most populous country in the world, with a population of over 1.3 billion people. This has led to the rapid growth of cities and towns, leading to overcrowding and a lack of affordable housing. The rapid growth of industries and businesses in urban areas has also contributed to overcrowding, as well as increased competition for housing and other resources. To address this, measures such as better urban planning, investment in affordable housing, and efforts to promote economic growth and job creation in rural areas are needed.

The caste system in India is a social hierarchy that has been in place for centuries and is a source of social inequality, discrimination, and oppression. It divides people into different social groups or castes based on their birth, and each caste is associated with a particular occupation and status in society. At the top of the caste hierarchy are the Brahmins, followed by the Kshatriyas, Vaishyas, and Shudras. The Dalits, also known as "untouchables," are considered to be outside the caste system altogether and historically have faced severe discrimination and oppression. The caste system perpetuates a culture of discrimination and oppression, often at the hands of those higher up in the caste system, and can create a sense of fear, shame, and social exclusion. India has made significant progress in reducing caste-based discrimination and promoting social equality in recent decades, but efforts to address it will require ongoing education, awareness-raising, and policy interventions.

Poverty in India is a complex issue that involves a combination of social, cultural, and economic factors. Addressing poverty in India will require a multi-faceted approach that involves addressing social inequalities, promoting inclusive cultural practices, and improving access to education, healthcare, infrastructure, and other economic opportunities.

When the first wave of Covid-19 hit India in early 2020, schools shut down, leaving children without access to education. The public school system was already criticized for being geared towards privileged children, and parents had concerns about the quality of teaching and the lack of proper facilities. While some children continued their studies online at home, those without access to online education were left behind, abandoned by the schooling system. With schools reopening, economist Jean Drèze warns that little is being done to help the children who have fallen behind, exacerbating the gap between the privileged and disadvantaged in the Indian education system.

Regional disparities in Indian healthcare are also an issue that must be addressed; the absence of fundamental healthcare in the agricultural sector has resulted in many prevalent illnesses not being treated, causing people to suffer. Health has become an ignored area due to a lack of sanitation in institutions, a lack of qualified and outfitted staff, medical apparatus, expired medications, and a lack of knowledge.

In addition to these problems, other issues such as poverty, lack of access to healthcare, and education can also impact the quality of life for many people in India. However, it is also important to note that India has made significant progress in addressing some of these challenges in recent years, with improvements in areas such as healthcare and education. Nonetheless, there is still much work to be done to ensure that all people in India can enjoy a high quality of life.

The main reasons for environmental degradation in India are ascribed to rapid population growth, economic development, and excessive use of natural resources. Air, water, and noise pollution, as well as water shortages, are the most pressing environmental problems in India.

Why is this paper important for the situation in India ?

The purpose of this paper is to examine and evaluate the root causes of the issues affecting life quality in India. It is necessary for improving India's society and development due to the fact that the average Indian citizen has a poor quality of life. As well as serving as an example for other developing countries.

Key issues and challenges

The causes of the poor quality of life in India cannot be explained by just one key main problem since there are several problems that are overlapping with each other currently. To

disentangle the root causes, we would like to divide obvious influences into six parts, including, Poverty, Lack of access to education, Poor healthcare, Environmental degradation, Social inequality, and rapid population growth.

Poverty

Poverty is a significant influence on the low quality of life in India. India is one of the poorest countries in the world since two-thirds of people in India live in poverty according to the data, which means that many Indian people lack access to basic necessities, for instance, good quality food supply, clean water, healthcare, and shelter. There are many data published that show a sign of concerning issues about poverty and income distribution in India, For instance, 68.8% of the Indian population lives on less than 2 dollars a day and over 30% have less than 1.25 dollars per day available according to Canadian charity website, SOS children villages. Weaker members of Indian society, women and children, seem to suffer more from poverty than men. According to statistics from Asian Development Bank back in April 2022, the proportion of the employed population below \$1.90 PPP per day is larger in females compared to males, which was 9.5 percent for the weaker members and 8.3 percent for the men.

Lack of financial savings is one of the main reasons why Indian people are stuck in the loop of being poor. According to India's Personal Financial Pulse, which tracked the income, savings, investments, and spending of Indian households, 69% of Indian households experience financial vulnerability and instability. The survey found that 70% of Indians do some form of financial savings in bank deposits, insurance, post office savings, and gold, with the highest penetration of bank and post office deposits being 64%. However, two-fifths of the Indian households in the same class are unable to do any financial savings. On investments, 22% of Indian households invested in stocks, mutual funds, ULIP, and physical assets, with 18% investing in real estate. Bank loans of Indian households are low, with 11% having active loan accounts with banks. India's Money9 Financial Security Index found 42% of households are 'insecure' and 69% after including the lowest income cohort.

Poverty is a starting point that will influence other issues, for instance, people below the poverty line will have a higher tendency to have less access to education and healthcare, malnutrition, higher child labor, and child marriage. These problems caused by poverty linger together to increase the suffering of Indian people and deteriorate the performance of India in the SDG indicators. For instance, most Indian children (under 5) are suffering from a lack of food rather than being overweight. According to the data from the SDG indicator in 2018, the

prevalence of overweight is only 1.6%. Meanwhile, the prevalence of malnutrition (wasting) is 17.3% and the prevalence of undernourishment is 15.3%.

Lack of access to education

Education is a critical factor in determining the quality of life of individuals and communities. Poor quality education is leading to poor learning outcomes in India, ultimately pushing children out of the education system and leaving them vulnerable to child labor, abuse, and violence but in India, there is a significant gap in educational attainment between urban and rural areas, and access to quality education is limited for many children, particularly those from marginalized communities. The gaps show that the performance fluctuated across the states depending on the different demographics. States like Rajasthan, Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Jharkhand, Bihar, Odisha, and Andhra Pradesh are struggling more from the low learning score since they have a large proportion of children from scheduled castes and tribes

Apart from the disproportionate accessibility between people of different social statuses, the overall quality is also problematic. Although enrolment is still high, at over 96%, pupils do not learn a great deal. After three years 60% of them still cannot read, except for their first name, compared with 54% in 2010. Lack of incentives and absence of teachers are the main driving forces of low quality of education in this country. For the schools that are located in the countryside, the roads are not available causing a lack of high-quality personnel so the teaching job is taken by the people in the village instead of trained teachers. The unequal pay for teachers across the states is also causing productivity issues in schools as well. Esther Duflo and Abhijit Banerjee, both professors at the Massachusetts Institute of Technology, stated that, In Uttar Pradesh teachers enjoy a higher standard of living than most people, roughly 10 times the per capita GDP in the state and instead of increasing the quality of education, it caused counterproductive effects instead since it will attract the wrong kind of people to do the job. Furthermore, there is no real reward for the performance of the teachers as well.

Poor healthcare

The healthcare system in India is inadequate, particularly in rural areas. Access to healthcare is limited, and the quality of care is often poor. Many people cannot afford healthcare, and there is a shortage of healthcare professionals, particularly in rural areas.

Some 2.4 million Indians die of treatable conditions every year, the worst situation among 136 nations studied. In fact, poor quality of healthcare is even more harmful to the death rate than no access to healthcare at all. Deaths due to non-utilization of healthcare services in India are at

838,473 in 2018 and deaths due to poor quality of care are much larger, at 1,599,870 people. (Margaret E Kruk, Anna D Gage, Naima T Joseph, Goodarz Danaei, Sebastián García-Saisó, Prof Joshua A Salomon, 2018). Furthermore, there is unequal access to public health as well. Access to health care is very much asymmetric between rural and urban India. While urban residents have a choice between public or private providers, rural residents face far fewer choices. Therefore, Universal health coverage (UHC) is one of the aspects that India is still lagging behind. Apart from ruining the quality of Indian people's life by being the root cause of the high death rate for both kids and adults, poor healthcare also makes people suffer from diseases more than others, especially tropical diseases, like malaria. Whereas other countries have much lower rates of malaria, India, as of 2021, there were over 160 thousand cases.

Environment degradation

India faces significant environmental challenges, including air and water pollution, deforestation, waste, biodiversity loss, and soil erosion. These issues can have a significant impact on the quality of life of individuals and communities, particularly those living in urban areas. There are five main environmental issues that India is facing right now, First is air pollution, India is home to 63 of the 100 most polluted towns in the world, and around half of all cities have ten times more density of PM 2.5 than WHO's standard. Rajasthan and Uttar Pradesh are the top two highest average PM 2.5 cities in the world, setting records at 106.2 and 102 consequently. Air pollution can cause an issue to the long-term health of Indian people. Exposure to PM 2.5 has been linked to a number of health problems, including respiratory diseases, cardiovascular diseases, and even premature death. Furthermore, respiratory systems could be worse for people in the area of intense PM 2.5 because it can irritate the respiratory system, leading to coughing, wheezing, shortness of breath and exacerbation of asthma and also other respiratory conditions. Next is water pollution. Besides its air, the country's waterways have become extremely polluted, with around 70 percent of surface water estimated to be unfit for consumption. Illegal dumping of raw sewage, silt, and garbage into rivers and lakes severely contaminated India's waters. Water pollution not only harms humans—almost 40 million Indians suffer from cholera, typhoid, and hepatitis, and there are nearly 400,000 annual fatalities—but it also harms crops because infectious bacteria and illnesses in irrigation water prohibit crops from developing.

There are also other degradations that harm India but not the Indians directly, for instance, the overflow of waste. There are 277 million tonnes of municipal solid trash generated annually. According to experts, MSW, or municipal solid waste, is expected to reach 387.8 million tonnes by 2030 and more than double in value by 2050. Another is biodiversity loss. Currently, nearly

12% of India's 1,212 animal species are considered to be "endangered" according to the International Union for Conservation of Nature (IUCN) Red List, which is currently tracking these species. 25 species have recently gone extinct inside these areas. This issue is partially caused by water contamination, which causes the species in freshwater to become extinct, and deforestation, which is concerning for India as well since it lost 19 percent of tree coverage since 2000.

Social inequality

Social inequality is a significant issue in India, and it can impact the quality of life of individuals and communities. Discrimination on the basis of gender, caste, religion, and ethnicity can limit opportunities and access to resources, which can result in a low quality of life for marginalized groups.

India's top 1% owned 40.5% of its total wealth in 2021, and the number of billionaires increased to 166, while the poor were unable to afford basic necessities.

Oxfam's report highlighted the large disparity in wealth distribution in India, with 40% of the wealth created from 2012 to 2021 going to just 1% of the population and only 3% going to the bottom 50%. The country's poor and middle class were taxed more than the rich. Oxfam India has called on the finance minister to implement progressive tax measures such as wealth tax in the upcoming budget to help the poor and marginalized in India. The report found that 64% of the total goods and services tax (GST) in the country came from the bottom 50% of the population, while only 4% came from the top 10%. The rich, currently, benefited from reduced corporate taxes, tax exemptions, and other incentives.

A 2% tax on the wealth of India's billionaires would support the nutrition of the country's malnourished population for the next three years, while a 1% wealth tax could fund the National Health Mission for more than 1.5 years. Taxing the top 100 Indian billionaires at 2.5% or taxing the top 10 Indian billionaires at 5% would nearly cover the entire amount needed to bring 150 million children back into school.

Rapid population growth

India has one of the fastest-growing populations in the world. From 1960 to 2021 the population of India increased from 450.55 million to 1.41 billion people. This is a growth of 212.4 percent in 61 years, which puts a strain on resources and can lead to overcrowding, inadequate

housing, and limited access to basic services. This can result in a low quality of life for many people.

Government policy

The government of India enacted several policies to deal with the issue of Indian people having low quality of life in all aspects. Some of them directly deal with specific problems and some of them deal with many issues at the same time. After considering the recency and the overall effectiveness, we found some outstanding moves in each aspect of circumstances that are proven worth to be mentioned.

Poverty

The Ministry of Rural Development launched the National Rural Livelihood Mission (NRLM) in June 2011 to address poverty in India by providing a stable monthly income to the underprivileged. NRLM recognizes unemployment as one of the leading causes of poverty in India, with over 75% of households lacking a reliable source of income in 2019. NRLM aims to empower households with self-employment and skilled wage employment opportunities to improve their livelihoods, based on the belief that impoverished individuals possess hidden skills and capabilities that require guidance and resources to develop. The program provides institutional platforms partially funded by the World Bank, entitlements, access to rights and public services. NRLM's approach helps the country's economy to grow from within by increasing household revenue and savings, expanding finance accessibility and jobs, and reducing loan dependency. The program also increases the participation of both men and women in the labor force. Evaluations have shown that NRLM has had a greater impact on households in the treatment villages than those in the controlled villages, with a 19% increase in income over 2.5 years.

The Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) was established by the Ministry of Housing and Urban Affairs in September 2013 with the aim of reducing poverty and vulnerability by creating self-employment and skilled wage employment opportunities for the urban poor in India. Many of these individuals face challenges such as low education levels, poor living conditions, and limited job opportunities. To address this, DAY-NULM provides training, housing, and other supportive services to help participants establish a sustainable livelihood. The program's Employment through Skills Training & Placement (EST&P) Component has been particularly successful, offering job training to new entrants and upgrading

the skills of those already employed, as well as providing formal recognition and certification for those with informal and non-formal skills training in various trades and crafts.

In August 2014, Prime Minister Narendra Modi launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) with the goal of promoting financial inclusion and providing affordable financial services to underprivileged communities. These services include pension, insurance, savings and deposit accounts, remittance, credit, and insurance. As of January 2015, PMJDY had opened 12.54 billion accounts, with deposits exceeding Rs 10,000 crores (\$133 billion). In the first year of implementation, PMJDY managed to open a total of 17.9 billion accounts, resulting in a doubling of deposits from 2015 to 2020.

Lack of access to education

Saansad Aadarsh Gram Yojana (SAGY) was launched by Prime Minister Narendra Modi in October 2014 in response to the increasing poverty rates. It is a government initiative that aims to enhance the social and cultural development of villages and promote better living conditions and quality of life for residents. SAGY requires each Member of Parliament to develop three model villages, which offer basic amenities and livelihood opportunities. The program seeks to increase educational opportunities, raise literacy rates, and modernize social norms and customs. To facilitate community development, SAGY also transforms schools into "smart schools" with IT-enabled classrooms, e-libraries, and web-based teaching, which enhances students' digital literacy and improves their educational outcomes. Since its launch, SAGY has executed 2,649 social development projects and completed 1,239 projects, with another 539 ongoing. Additionally, SAGY has various projects dedicated to health, economic development, infrastructure, and other areas.

Poor healthcare

First policy that we found to be significant for India is Ayushman Bharat. It is a government-sponsored health insurance scheme launched in 2018 with the aim of providing financial protection to the poor and vulnerable population in India. The scheme provides health insurance coverage of up to 500,000 rupees per family per year for secondary and tertiary care hospitalization. It has been widely recognized as an important step to achieve universal health coverage in India. According to the statistics published by the National Health Authority, there are more than 33 million people being beneficiaries from this program and more than 53% of the total hospital admissions under the scheme were in private hospitals, which means that the utilization

of the private hospitals has increased, as of March 2022. Apart from improving the quality, improving the health outcomes, and access to good healthcare, Ayushman Bharat also contributes to poverty reduction by reducing the financial burden of hospitalization on poor households through reduction of out-of-pocket expenses and catastrophic health expenditure. According to a study conducted by the National Council of Applied Economic Research (NCAER), households covered under the scheme experienced a 63% reduction in out-of-pocket expenses on hospitalization and it is reported that the scheme has led to a 30% reduction in catastrophic health expenditure for households covered under the scheme.

Another policy that showed promising results is the Swachh Bharat Abhiyan, which is a cleanliness drive launched by the government of India to improve the sanitation and hygiene conditions in the country, which means that this policy not only solve the poor healthcare problem, but it will also help with the environmental degradation problem by improve the quality of freshwater and sanitation. The program aims to build toilets, provide access to clean drinking water, and promote hygiene practices to prevent the spread of diseases. According to the Ministry of Drinking Water and Sanitation, more than 110 million toilets were constructed under the Swachh Bharat Abhiyan, leading to a significant reduction in open defecation and improving the trend of decent quality sanitation. The World Health Organization also reported that the program has led to a 90% reduction in cases of diarrhea in rural areas of the country.

Environmental degradation

Apart from the Swachh Bharat Abhiyan mentioned before, there are also other interesting policies. For instance, the National Clean Energy Fund, or NCEF. The National Clean Energy Fund (NCEF) has also shown significant progress in promoting clean energy technologies and reducing the country's dependence on fossil fuels. The National Clean Energy Fund (NCEF) is a government fund established in 2010 to support clean energy projects in India. The fund aims to promote the development and deployment of renewable energy technologies, energy efficiency measures, and low-carbon technologies to reduce the country's dependence on fossil fuels and curb greenhouse gas emissions. There is clear evidence reported officially for each aim. According to the Ministry of New and Renewable Energy, more than 90% of renewable energy capacity addition in India since 2010 has been supported by the NCEF, proving that NCEF helps India's environment by adding renewable energy capacity. The deployment of clean energy projects supported by the NCEF has led to a reduction in greenhouse gas emissions in the country. According to the Ministry of New and Renewable Energy, the deployment of renewable energy projects supported by the NCEF has led to a reduction of about 157 million tonnes of CO₂

emissions, proving that it contributed a lot in terms of reducing greenhouse gasses. Furthermore, the program also provides funding for clean energy projects and creates jobs (the deployment of renewable energy projects supported by the NCEF has created more than 300,000 jobs) as well, which can contribute to better quality of life overall indirectly.

Social inequality

In September 2005, the Indian government approved the Mahatma Gandhi National Rural Employment Guarantee Act. The Act guarantees adult members of rural households who want to work and are ready to do unskilled physical labor a hundred days of wage employment in a fiscal year. The Act will apply to regions designated by the Central Government. The Act's goal is to improve people's economic stability in rural regions by creating wage jobs through projects that improve the area's infrastructure foundation.

Here are some statistics related to the changes in MGNREGA, which can separate into three topics which are funding allocation, coverage and participation and payroll and payout delays.

Funding allocation : Funding distribution for MGNREGA has varied over the years. The government allotted Rs 61,500 rupees for the initiative in 2020-21, a 13% rise over the previous year.

Coverage and participation : As of March 2020, MGNREGA had reached 1.27 crore families and employed 2.62 crore people. In 2020-21, the number of households requesting employment under the program rose by 41.5% over the prior year.

Payroll and payout delays : Wages paid under MGNREGA are set by the state administration and differ by jurisdiction. In recent years, there have been reports of employees not being paid on time. In 2020-21, 23.4% of deposits were made after the 15-day deadline. MGNREGA has been shown in studies to have a beneficial effect on poverty reduction and to provide a safety net for rural households during periods of economic distress. However, the initiative has been chastised for its execution and allegations of corruption.

Overall, MGNREGA has gone through several changes over the years, and its effect on poverty reduction and rural jobs is still being debated.

Rapid population growth

As we have researched, there is the record that India was the first major nation in the world to adopt policies to control the growth of its enormous population in 1952. However, the

Indian population has kept on growing much more rapidly than the rest of the world after the population control policies have been implemented for more than six decades.

The government intended to decrease total fertility to 2.1% by 2012 during “the Eleventh Five Year Plan time”, which ran from 2007 to 2012. To accomplish this objective, the government broadened family contraceptive options, better social marketing, increased male participation, strengthened the role of mass media in behavioral change, and disseminated contraceptives through satisfied users. Recently, the Indian government's population control policy expanded more services, such as delivering contraceptives to beneficiaries' homes, counseling newly married couples to delay birth by two years and couples with one child to delay birth by three years after the birth of the first child, and compensating for sterilization.

In 2017, the Assam Assembly passed the Population and Women Empowerment Policy. According to this policy only those candidates who have two children will be eligible for government job. Along with this, those who are already in government jobs were also instructed to adopt the two child policy.

Since the Indian government mostly changed its quota-oriented population control policy in 1978 and adopted new, mostly voluntary measures or approaches, Indian population control policies and their implementations may have become more effective, as India's ten-year increase rate decreased from 21.5% between 1991 and 2001 to 17% between 2001 and 2011. (United Nations, 2017). The birth rate also decreased from 4.97% in 1980 to 2.44% in 2015. (Worldometers, 2019).

Lesson learned from the case of India

From what we have researched, the causes of India's poor standard of living cannot be described by a single major issue because there are several issues that overlap at the moment. There must be policies that can tackle various issues at the same time. For example, PM 2.5 affects the vast majority of Indians, but not all of the citizens can protect themselves from the dust due to their financial difficulties. Furthermore, they cannot rely on the government since the funding allocation for support is not enough because of the rapid population growth. From the example, we can link three major issues that occur at the same time, which are environmental degradation, poverty, and rapid population growth.

There are many major problems in India, and not all the problems can be fixed right away. India's citizens should get rid of the problem by starting with themselves, and the problem that is linked to most other issues is poverty." Therefore, the policy duty is to support employment and

let them survive and live by themselves as the policy provides like NRLM aims to empower households with self-employment and skilled wage employment opportunities to improve their livelihoods, based on the belief that impoverished individuals possess hidden skills and capabilities that require guidance and resources to develop. As well as what The Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) did, whose goal was to reduce poverty and vulnerability in India's urban poor by providing self-employment and qualified wage job possibilities.

As a result, there is the probability that the issues that occur nowadays in India will be reduced since they have the capital to protect themselves from the bad environment (air pollution), support their family members' education, etc.

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