Indian Economy · GS - III

Discuss the role of economic growth and targeted welfare interventions in reducing poverty in India. What challenges remain in achieving inclusive and sustainable poverty reduction?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 31/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

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Answer Hint

Poverty reduction; economic growth; Direct Benefit Transfer; MGNREGA; financial inclusion; food security; basic services; multidimensional poverty; inclusive development

Model Answer

Introduction

Poverty reduction in India has been supported by economic growth, employment opportunities and targeted welfare interventions. A World Bank report cited in the news article estimates that 49.6 crore people moved out of poverty between 2011 and 2023.

Role of Growth and Welfare Interventions

1. Economic Growth: Higher productivity, investment and employment opportunities can improve household incomes and living standards.

2. Direct Welfare Support: DBT and food security programmes improve access to essential resources and reduce leakages.

3. Employment and Financial Inclusion: MGNREGA provides rural wage employment, while Jan-Dhan accounts facilitate access to formal banking.

4. Improved Living Conditions: Ujjwala, Swachh Bharat Mission and PM Awas Yojana have expanded access to LPG, sanitation and housing.

Challenges

Income insecurity, regional disparities, informal employment, malnutrition and unequal access to quality education and healthcare remain concerns. Poverty estimates also depend on the methodology and poverty threshold used.

Way Forward

India must strengthen productive employment, human capital, social protection and outcome-based welfare delivery.

Conclusion

Sustained poverty reduction requires combining economic growth with equitable opportunities and access to essential services.

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