Society & Social Justice · GS - II

Besides the welfare schemes, India needs deft management of inflation and unemployment to serve the poor and the underprivileged sections of society. Discuss.

EXAM YEAR	PAPER	SUBJECT
2022	GS - II	Society & Social Justice

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Welfare schemes provide direct support to vulnerable populations, but persistent inflation erodes their purchasing power while unemployment restricts income and livelihood security. Effective monetary, fiscal and employment policies must complement welfare programmes to achieve inclusive growth and reduce poverty sustainably.

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Model Answer

Introduction

Welfare schemes such as subsidised food, pensions and employment programmes protect vulnerable groups. However, their effectiveness depends on controlling inflation and generating adequate employment opportunities.

Body

1. Impact of Inflation: Rising prices of food, fuel, housing and healthcare disproportionately affect poor households because they spend a larger share of their income on essential goods. Inflation reduces real wages and weakens the benefits of cash transfers.

2. Impact of Unemployment: Unemployment and underemployment cause income insecurity, indebtedness and social exclusion. They also prevent households from escaping intergenerational poverty despite receiving welfare assistance.

3. Need for Inflation Management: The Reserve Bank of India's monetary policy, improved supply chains, adequate food stocks and targeted interventions can help maintain price stability without unnecessarily suppressing economic activity.

4. Employment Generation: Labour-intensive manufacturing, MSMEs, infrastructure development, rural employment programmes and skill development can create sustainable livelihoods.

5. Complementary Welfare Measures: Food security, healthcare, education and social protection should be combined with better access to credit, productive assets and market opportunities.

Challenges

Excessively restrictive monetary policies can weaken job creation, while poorly targeted subsidies may strain public finances. Policy coordination is therefore essential.

Conclusion

India needs a balanced strategy combining price stability, productive employment and targeted welfare. Such an approach can protect purchasing power, expand economic opportunities and promote inclusive development.

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