

A Case Study on the Trend of Poverty and its Impact on the Economic Growth of the Indian Economy

Khushi Dwivedi and Dr. Archana Aher

MIT ACSC, Alandi, Pune, India

Abstract: Education is an elaborate process, because it is economic growth and, equally, also alleviates poverty via increased productivity. Poverty is as much related to education as is economic growth. The study thus uses time series data covering the period between 1975 and 2022 for physical capital, poverty, education, and their corresponding effect on economic growth. The fundamental goal of this research study is to analyze how poverty rates, levels of education, and investments in physical capital would work together to affect GDP growth in developing countries. Using secondary data from reputable sources like the World Development Indicators (WDI) database and the World Bank, we did an extensive regression analysis, correlation tests, and Granger causality tests to find out about the effect these factors have on economic performance. This work digs a lot deeper into the complex relationship between Gross Domestic Product (GDP) and the major socioeconomic determinants—poverty, education, and physical capital—in India. Positive and significant impact on economic development derives from education and physical capital. Similarly, it shows that economic growth and poverty are negatively and significantly related. The study also includes elasticity analysis to measure how GDP responds to changes in education, physical capital, and poverty levels. Such elastic measures are informative regarding expected impacts of policy initiatives targeted at education, infrastructure improvement, and poverty alleviation activities. This work has serious implications for development stakeholders and policymakers. Understanding better the drivers of economic growth in developing countries will lead to more empowered and more focused policy formulations by policy decision-makers for sustainable and inclusive development.

Keywords: Education, Poverty, Economic Growth, Augmented