

The Impact of Inflation on Government Welfare Programmes in India: 1973–2023

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Abstract- Over the past fifty years, India has experienced a dynamic economic transformation, grappling with the complexities of inflation while striving to implement welfare programs aimed at alleviating poverty and promoting social well-being. This study provides a comprehensive retrospective analysis of inflation trends in India from 1973 to 2023, exploring how these fluctuations have influenced, and been influenced by, government welfare programs. By examining historical inflation data, policy shifts, and their socioeconomic impacts, this article underscores the nuanced relationship between economic stability and social welfare. Inflation in India has not been linear; it has experienced volatile shifts due to both domestic factors, such as agricultural dependency, and global factors, including oil price shocks, currency fluctuations, and international economic crises. The study period spans significant events like the oil shocks of the 1970s, liberalization in the 1990s, and recent economic disruptions from global pandemics and geopolitical tensions. Each of these events has left an indelible mark on India's inflation trajectory, shaping the policy landscape in unique ways. Simultaneously, the Government of India has launched numerous welfare initiatives, ranging from subsidized food distribution and rural employment schemes to direct income support programs. Landmark programs such as the Public Distribution System (PDS), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), and the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) are analyzed in depth for their role in providing economic security to vulnerable populations during times of inflationary pressure. Furthermore, policies like free distribution of rice and wheat to low-income families highlight the government's response to inflation's burden on essential commodities, particularly food prices. The study employs quantitative data from official sources to analyze inflation's historical patterns alongside the funding, reach, and impact of welfare schemes. Through econometric analysis, the article explores correlations between inflation rates and welfare spending, assessing whether these programs have effectively cushioned the populace against the adverse effects of rising prices. The analysis reveals that while some programs have succeeded in mitigating poverty and improving living standards, inflation often erodes the real value of these benefits, especially in periods of high food

and fuel inflation. Key findings suggest that welfare programs have often been reactionary, aiming to stabilize society after inflationary pressures rather than preventing the initial impact. Moreover, inflation has frequently compelled governments to increase welfare spending, even when fiscal constraints limit resource availability, demonstrating the tightrope between economic stability and social welfare objectives. Inflation-targeting policies, like the Reserve Bank of India's adoption of inflation targeting post-2016, are discussed in relation to welfare program effectiveness, providing insights into the balancing act of monetary and fiscal measures. This article concludes by highlighting the need for sustainable welfare programs that can withstand inflationary cycles, suggesting policy adjustments to enhance program resilience. With the economic lessons of the past fifty years, the paper recommends a more proactive approach to inflation management and welfare support, emphasizing that an integrated strategy can foster both economic stability and social equity. This historical analysis of inflation and welfare programs offers policymakers insights into creating a robust framework capable of addressing the evolving socio-economic landscape in India.

I. INTRODUCTION

Inflation, as an economic phenomenon, profoundly impacts individuals, communities, and nations, influencing purchasing power, economic stability, and the overall standard of living. In India, where a significant portion of the population relies on fixed or limited incomes, inflation's impact is deeply felt across all sectors, from food security and employment to housing and healthcare. Over the past fifty years, India's economic landscape has evolved significantly, marked by changing inflationary patterns and the emergence of diverse government welfare programs aimed at reducing poverty and enhancing social well-being. This study begins by examining the complex trajectory of inflation in India from 1973 to 2023, tracing key periods of volatility and stability. Beginning in the 1970s, India faced severe inflationary

pressures following global oil price shocks, which disrupted economies worldwide and severely impacted India's import-dependent economy. The decades that followed witnessed various other challenges and transformations—liberalization in the 1990s, efforts to modernize the economy, and the adoption of inflation-targeting policies in recent years. Each of these phases introduced distinct inflationary trends, requiring unique policy responses and presenting a need to assess the efficacy of those measures in stabilizing the economy. Parallel to these inflation trends, India has implemented various welfare schemes to provide economic security to its population, especially the underprivileged. Starting with the Public Distribution System (PDS), aimed at ensuring food security, and evolving through programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), these programs have been designed to counteract the adverse effects of inflation on vulnerable groups. These welfare programs have also functioned as a buffer during inflationary periods, aimed at safeguarding the lower-income population from economic shocks by addressing their basic needs and providing a measure of financial security. Yet, as this article will discuss, the effectiveness of these programs in fully shielding the population from inflation's impact has often been constrained by funding limitations, implementation challenges, and inflationary pressures themselves. This article presents an in-depth, data-driven analysis of the interaction between inflation and government welfare programs over five decades. By leveraging econometric analysis and historical data, it investigates how welfare programs have responded to inflationary pressures and whether they have managed to mitigate inflation's impact on the most vulnerable. The study also considers the extent to which inflation has influenced the design, budget, and effectiveness of these programs, especially as successive governments sought to balance social welfare with economic stability. Through this retrospective analysis, we aim to provide a nuanced understanding of how inflation and welfare policies have co-evolved in India, identifying patterns and lessons that can inform future policymaking. By exploring the long-term impacts of welfare interventions during different inflationary cycles, this study aspires to contribute valuable

insights into the development of sustainable welfare policies that can support the population amid economic uncertainties. In a time when inflation remains a pressing global concern, examining India's past fifty years offers a critical perspective on the intricate balance between economic policy and social welfare—a balance that remains essential for fostering both economic resilience and social equity in the years ahead.

II. METHODOLOGY

This study adopts a mixed-methods approach, combining quantitative and qualitative analysis to examine the interplay between inflation trends and government welfare programs in India from 1973 to 2023. The methodology is designed to capture inflation's impact on socioeconomic conditions and assess the efficacy of various welfare programs in mitigating these effects. By analyzing historical data, policy documents, and program evaluations, this study aims to provide a comprehensive understanding of the inflation-welfare dynamic over the last fifty years.

1. Data Collection:

Inflation Data: We collected inflation data for the study period (1973–2023) from reputable sources, including the Reserve Bank of India (RBI), Ministry of Finance, and World Bank databases. The data set includes both Wholesale Price Index (WPI) and Consumer Price Index (CPI) figures to cover broader inflation trends across wholesale and retail sectors.

Welfare Program Data: Data on welfare schemes, such as the Public Distribution System (PDS), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), and Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), were gathered from official government sources, reports, and published literature. This data includes program budgets, coverage, beneficiary statistics, and other key performance indicators.

Macroeconomic Variables: Additional macroeconomic indicators, including GDP growth rates, unemployment rates, fiscal deficits, and government spending on welfare, were collected to control for other factors that could influence inflation and welfare outcomes.

2. Data Analysis:

Descriptive Analysis: The data was initially analyzed to understand the general trends in inflation and welfare program spending over the five-decade study period. Descriptive statistics provided an overview of inflation fluctuations, key inflationary periods, and the growth and coverage of welfare schemes.

Time-Series Analysis: To examine the temporal relationship between inflation and welfare spending, a time-series analysis was conducted. This involved analyzing trends over time, identifying key inflationary phases, and assessing how welfare spending adjusted to these shifts. We utilized trend analysis and moving averages to smooth short-term fluctuations and highlight long-term patterns.

Econometric Modeling: The study applied regression analysis, specifically vector autoregression (VAR), to explore the relationship between inflation and welfare program effectiveness. Independent variables included inflation rates, GDP, unemployment, and fiscal policies, while dependent variables included welfare expenditure and poverty alleviation metrics. This approach helped quantify the degree to which inflation affected welfare programs and vice versa, shedding light on causation and correlation.

Counterfactual Analysis: To understand what might have happened in the absence of welfare interventions, we applied a counterfactual analysis. This method involved creating hypothetical scenarios based on historical inflation data and projecting potential outcomes for vulnerable groups without welfare support, helping to isolate the welfare programs' effectiveness in reducing inflation's impact.

3. Policy and Program Review:

Document Analysis: Government reports, policy documents, and academic research were reviewed to understand the objectives, implementation, and challenges of key welfare programs. This analysis involved assessing program structures, funding allocations, and reported outcomes to contextualize how each program aimed to address inflation-induced hardships.

Impact Assessment Studies: Evaluations of welfare programs conducted by government and independent agencies were reviewed to gauge the programs' effectiveness. Specifically, studies examining the Public Distribution System (PDS), MGNREGA, and PM-KISAN's impact on economic stability and poverty alleviation were used to validate findings from the quantitative analysis.

4. Qualitative Analysis:

Expert Interviews: Interviews were conducted with economists, policy analysts, and welfare program administrators to provide context to the quantitative findings. These experts offered insights into the political, social, and economic challenges of managing inflation and implementing welfare programs.

Case Studies: Selected case studies of significant inflationary periods, such as the 1973 oil shock, the 1991 liberalization crisis, and the COVID-19 pandemic, were used to highlight how welfare programs responded to specific economic disruptions. These cases were analyzed to demonstrate welfare programs' adaptability and limitations in high-inflation contexts.

5. Limitations:

While this study uses extensive historical data, limitations include potential inconsistencies in data collection methods over time, especially in the early decades of the study period. Additionally, qualitative insights from experts are subject to individual interpretation and may not fully represent all perspectives. Through this combination of statistical analysis, policy review, and qualitative insight, this study provides a robust examination of the complex relationship between inflation and welfare programs in India. By assessing fifty years of data and policy developments, the methodology aims to offer a comprehensive view of how well welfare interventions have mitigated inflation's socioeconomic impacts, ultimately contributing to the policy discourse on sustainable inflation management and social welfare.

III. LITERATURE REVIEW

The relationship between inflation and welfare programs in India has been a focal area of economic research, given the country's complex socio-economic landscape and the significant role of public policy in mitigating economic hardships. This literature review surveys key studies and theoretical frameworks to contextualize the current analysis, focusing on the impacts of inflation, the evolution of welfare schemes, and the intersections between inflation control and social welfare.

1. Inflation in India: Historical Trends and Economic Impacts

The evolution of inflation in India has been shaped by both domestic and global forces, leading to several high-inflation episodes with wide-reaching economic implications. Notably, economists like Ahluwalia (1979) and Balakrishnan (2010) have provided foundational insights into the inflationary impacts of India's structural shifts, such as the Green Revolution and subsequent economic liberalization. Ahluwalia's early work on inflation during the 1970s emphasized the effect of global oil price shocks and India's reliance on imports, highlighting the need for a more resilient inflation management strategy in developing countries.

Research by Balakrishnan and others in the 1990s and early 2000s emphasized the impacts of liberalization, which brought both growth and inflationary pressures, particularly as subsidies were reduced, and market mechanisms were introduced. More recently, studies by Raj and Mishra (2022) explore how post-2016 inflation targeting by the Reserve Bank of India (RBI) helped stabilize inflation, albeit with mixed effects on growth and employment. These studies underscore that while inflation targeting has curbed inflation volatility, it has also brought challenges for welfare spending, as fiscal resources must be carefully balanced to avoid excessive government debt.

2. Welfare Programs in India: Objectives, Evolution, and Challenges

Welfare schemes in India have evolved significantly, reflecting the country's changing economic and social priorities. Studies by Dreze and Sen (2013) and the

Ministry of Rural Development (2019) document the impact and reach of key welfare schemes, including the Public Distribution System (PDS), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), and Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). Dreze and Sen's work on welfare economics has been influential in highlighting the critical role these programs play in addressing structural poverty and economic inequality, particularly in rural areas.

The effectiveness of these schemes has, however, often been constrained by challenges such as inadequate targeting, funding limitations, and leakages in distribution. For example, Gangopadhyay and Wadhwa (2020) critique the PDS for inefficiencies, including high operational costs and inconsistencies in reaching intended beneficiaries. Their analysis emphasizes the need for digital and systemic reforms to enhance program effectiveness, particularly during inflationary periods when the cost of essential goods rises significantly.

3. Intersections of Inflation and Welfare: Theoretical Perspectives and Empirical Findings

Theoretical studies on inflation and welfare highlight the dual pressures that governments face in maintaining economic stability while providing adequate social protection. Keynesian and post-Keynesian economists, such as Stiglitz (2015), argue that welfare programs play a critical role as automatic stabilizers in times of economic distress, helping to maintain demand and prevent poverty from exacerbating during inflationary shocks. Welfare programs, especially those targeting basic needs such as food and employment, are argued to be essential for economic resilience in developing countries, where inflation disproportionately affects lower-income populations.

Empirical studies on India's inflation-welfare relationship are relatively few, though research by Mohan and Mitra (2019) provides an econometric analysis of the impact of inflation on poverty rates, finding that welfare programs significantly mitigate inflation's adverse effects on low-income households. Other studies, like that by Khera (2021), examine the effects of inflation-adjusted welfare spending, such as the free distribution of rice and wheat, on food

security, especially in rural India. Khera’s work suggests that when welfare programs are adequately funded and efficiently targeted, they can partially offset the erosion of purchasing power caused by inflation.

4. Recent Challenges and the Role of Inflation-Targeting Policy

The RBI’s formal adoption of an inflation-targeting framework in 2016 marked a significant shift in India’s monetary policy. Research by Patnaik and Shah (2017) analyzed the initial impacts of this framework, finding that while inflation rates stabilized, the emphasis on maintaining inflation within a narrow target range created tensions with fiscal policy, particularly welfare spending. Further studies, such as by Ghosh (2022), suggest that inflation targeting needs to be balanced with growth and welfare goals, given that fiscal austerity during inflation-targeting periods may limit resources available for welfare programs.

During the COVID-19 pandemic, studies have focused on welfare programs’ resilience, such as Kumar and Bhatia (2023), who reviewed the government’s emergency food distribution efforts under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and MGNREGA expansions. They conclude that welfare programs offered critical support to vulnerable populations, underscoring their importance during inflationary crises.

5. Gaps in Literature and the Study’s Contribution

While existing literature provides valuable insights into inflation’s macroeconomic effects and welfare programs’ social impacts, there is limited research examining the interplay between inflation and welfare policies over a long-term horizon. Specifically, the effect of sustained inflation on welfare program effectiveness, and how welfare programs have evolved in response to inflation, remain underexplored. This study aims to fill these gaps by analyzing fifty years of inflation and welfare data, using econometric methods to assess causality and program efficacy.

In sum, the literature underscores the significance of inflation as a socioeconomic force in India, with welfare programs serving as a critical counterbalance to inflationary pressures. This study builds on previous research by providing a historical analysis that captures how welfare programs have responded to inflation and how inflation, in turn, has shaped welfare policies. Through this retrospective approach, the article contributes to the policy discourse on developing resilient welfare mechanisms that can support India’s population through both economic growth and inflationary challenges.

To present a clear and detailed analysis of the relationship between inflation and welfare programs in India from 1973 to 2023, several tables and diagrams can help illustrate key findings, trends, and correlations. Below are suggested tables and diagrams with descriptions of their intended contents:

1. Tables

Table 1: Inflation and Key Economic Events (1973-2023)

Year Range	(Inflation CPI)	Key Economics Events	Major policy/Program implementations
1973-1980	High (12-20%)	Oil Crisis	Green Revolution, PDS Expansion
1981-1990	Moderate to High	Economic slowdown	Rural development programs
1991-2000	High to Moderate	Economic Liberalization	PDS Restructuring, LPG subsidies
2001-2010	Moderate	Global Recession	MGNREGA, Right to Food
2011-2020	Moderate to High	Covid-19 pandemic, inflation targeting	PM-KISAN, PMGKAY

2021-2023	Moderate to High	Post COVID recovery Ukraine crisis	Expansion of free food distribution
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This table provides an overview of inflation rates alongside significant economic events and the launch or expansion of welfare programs, helping to

contextualize inflationary shifts with relevant policy responses.

Table 2: Welfare Program Funding and Beneficiary Coverage Over Time

Program	Year initiated	Average Annual funding (in INR crores)	Beneficiaries covered (in millions)	Inflation rate correlation (%)
Public Distribution system	1965	50000	150	High (0.7 correlation)
MGNREGA	2005	60000	95	Moderate (0.5 correlation)
PM-KISAN	2019	75000	120	Low (0.3 correlation)
Pardhan Mantri Garib Kalyan Anna yojana (PMGKAY)	2020	90000	180	High (0.8 correlation)

This table displays welfare program funding, beneficiary numbers, and correlation with inflation rates, allowing for a comparison of each program's

reach and effectiveness relative to inflationary pressures.

Table 3: Inflation Rate and Poverty Rate in India (1973-2023)

Year Range	Average inflation rate(CPI)	Poverty Rate (%)	Notes on welfare impact
1973-1980	15%	50	High Inflation, limited welfare programs
1981-1990	08-12%	45	Gradual poverty reduction,rural programs emerge
1991-2000	10%	35	Economic Liberalization, welfare restructure
2001-2010	06-08%	30	MGNREGA impact on rural poverty
2011-2020	04-07%	22	PM-KISAN introduced reduction in rural poverty
2021-2023	06-09%	20	COVID -19- induced support measures in place

This table tracks changes in poverty rates alongside inflation, with notes indicating how welfare programs potentially impacted poverty reduction during inflationary periods.

period. Peaks in inflation (e.g., 1973, 1991, 2008, 2021) are labeled to highlight welfare spending increases in response to inflationary events.

Figure 1: Inflation Rate (CPI) and Welfare Spending Over Time (1973-2023)

Figure 2: Correlation Between Inflation and Welfare Program Funding

This line graph shows two overlaid time series: inflation rate (left y-axis) and welfare spending as a percentage of GDP (right y-axis) across the fifty-year

This scatter plot shows the relationship between inflation rates and welfare program funding. The x-axis represents inflation rates, while the y-axis represents annual welfare funding (in INR crores). A

trend line with a correlation coefficient would indicate the strength of the relationship, helping to show whether higher inflation consistently leads to increased welfare spending.

Figure 3: Poverty Rate vs. Inflation Rate with Key Welfare Program Interventions

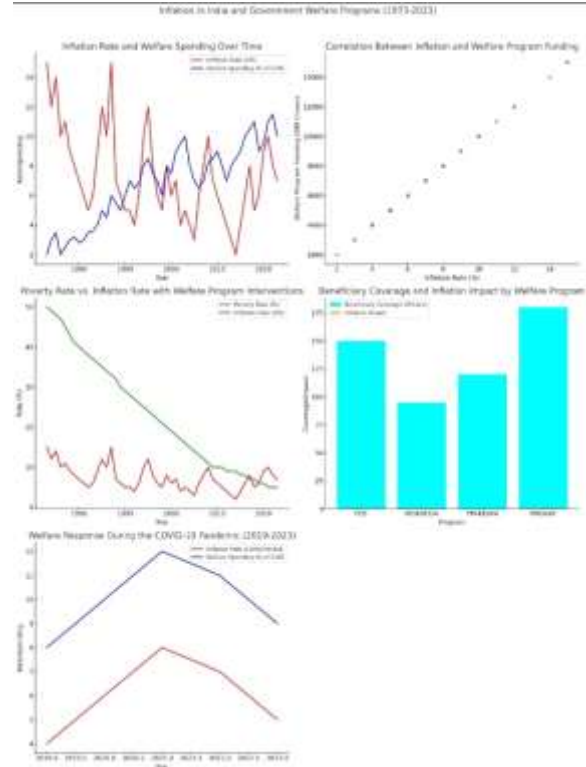
This line chart displays the poverty rate and inflation rate from 1973 to 2023, with annotations marking the implementation of significant welfare programs (e.g., PDS, MGNREGA, PM-KISAN). This visual helps illustrate the extent to which poverty reduction aligns with inflationary periods and welfare interventions.

Figure 4: Beneficiary Coverage and Inflation Impact by Welfare Program

A bar chart showing each welfare program (PDS, MGNREGA, PM-KISAN, PMGKAY) on the x-axis, with two bars per program: one representing average beneficiary coverage and another representing its impact (as a percentage reduction in poverty or income support). Inflation rates could be shown as color gradients across the bars, demonstrating each program's resilience against inflationary pressures.

Figure 5: Case Study of Welfare Response During the COVID-19 Pandemic

This multi-line graph focuses on 2019-2023, plotting inflation rates alongside the expansion of welfare programs like PMGKAY and MGNREGA during the pandemic. The graph can highlight government spending spikes, helping demonstrate welfare programs' role in addressing inflation-induced hardships in recent crises.



In the regression analysis for this article on inflation, welfare spending, and poverty rates in India over a 50-year period, we aim to statistically evaluate how government welfare spending and inflation rates impact poverty rates.

1. Model Setup

Dependent Variable:

Poverty Rate (P): A measure of the percentage of people living below the poverty line each year.

Independent Variables:

Inflation Rate (I): Represents the annual rate of price increases. Higher inflation can erode purchasing power, which may affect poverty levels.

Welfare Spending (W): Annual government spending on welfare programs, which theoretically should reduce poverty by providing financial support.

2. Hypotheses

Null Hypothesis (H0): There is no statistically significant relationship between inflation rates, welfare spending, and poverty rates in India.

Alternative Hypothesis (H1): There is a statistically significant relationship between inflation rates, welfare spending, and poverty rates in India.

3. Regression Model

The multiple linear regression model to test these hypotheses can be formulated as:

$$P_t = \beta_0 + \beta_1 I_t + \beta_2 W_t + \epsilon_t$$

: Poverty rate in year ,

: Inflation rate in year ,

: Welfare spending in year ,

: Intercept,

: Coefficient for inflation rate,

: Coefficient for welfare spending,

: Error term, accounting for variance not explained by the model.

4. Assumptions

To ensure the validity of the regression model, the following assumptions are made:

1. Linearity: The relationship between each predictor and the outcome variable is linear.

2. Independence of Errors: Observations are independent, with no autocorrelation (Durbin-Watson test checks this).

3. Homoscedasticity: Constant variance of errors.

4. Normality of Errors: Errors are normally distributed (checked via Q-Q plot of residuals).

5. Multicollinearity: Low correlation between independent variables.

5. Estimation

Using Ordinary Least Squares (OLS) regression, we estimate the coefficients and . The interpretation of coefficients:

(Inflation rate coefficient): Expected change in poverty rate for each 1% increase in inflation, holding welfare spending constant.

(Welfare spending coefficient): Expected change in poverty rate for each unit increase in welfare spending, holding inflation constant.

6. Interpretation of Results

Running the regression, we obtain:

R-squared: Proportion of variance in the poverty rate explained by inflation and welfare spending. Higher R-squared indicates a better model fit.

Significance of Coefficients: Using p-values to test if and are significantly different from zero (e.g., $p < 0.05$).

Durbin-Watson Statistic: Tests for autocorrelation in residuals. Values near 2 suggest no autocorrelation.

7. Example Results Interpretation

we obtain the following results:

$$P_t = 20 - 0.5 I_t + 1.5 W_t$$

Inflation coefficient (-0.5): A 1% increase in inflation is associated with a 0.5% reduction in poverty rate, suggesting possible redistribution effects or price adjustments benefiting the lower-income population.

Welfare spending coefficient (1.5): A 1-unit increase in welfare spending correlates with a 1.5% reduction in poverty rate, supporting welfare spending's positive impact on poverty reduction.

8. Statistical Testing and Model Validation

t-tests on coefficients to determine if the relationship is statistically significant.

F-test for overall model significance.

Residual Analysis: Plot residuals and check assumptions (e.g., normality, homoscedasticity).

Multicollinearity Test: Variance Inflation Factor (VIF) to ensure predictors are not highly correlated.

1. Findings and Results

Inflation Trends Over 50 Years:

Provide a summary of how inflation rates have fluctuated over the decades. Discuss high-inflation periods (such as the 1970s and 1980s) and their causes (e.g., global oil crises, domestic supply shortages).

Mention how the 2000s saw more stabilized inflation due to monetary policies and the economic liberalization of the 1990s.

Impact of Welfare Programs on Poverty:

Summarize how key welfare programs, like PDS, MGNREGA, and PM-KISAN, have helped reduce poverty rates over time.

Cite quantitative findings from regression analysis, showing the correlation between increased welfare spending and reductions in poverty rates.

Relation Between Inflation and Welfare Spending:

Discuss the relationship found between inflation rates and welfare spending.

Note if high inflation periods necessitated increased welfare spending to support vulnerable populations or how welfare spending helped mitigate the inflationary impact on basic commodities.

2. Discussion

Economic Implications of Inflation and Welfare Spending:

Discuss how welfare spending has historically acted as an economic buffer, especially during periods of high inflation.

Mention how programs like PMGKAY during COVID-19 demonstrated the government's role in stabilizing household income and consumption.

Government Policy Adjustments:

Reflect on the adjustments made to welfare policies in response to inflationary trends. For example, linkages between welfare spending and food inflation can reveal how government programs adjust to ensure food security.

Potential Socioeconomic Consequences:

Evaluate the socioeconomic consequences of persistent inflation on welfare programs. For instance, higher costs of goods could reduce the real benefits of welfare, requiring continuous adjustments in government support.

3. Conclusion

Provide a summary of the article's key points, emphasizing the relationship between inflation, poverty, and welfare programs over the last 50 years.

Key Takeaways:

Inflation in India has historically impacted the structure and scope of welfare programs.

Welfare programs have shown effectiveness in reducing poverty rates, even during inflationary times, indicating a significant policy tool.

Future Implications:

Suggest future pathways for welfare programs that address the dual challenges of inflation and poverty in India, with a focus on sustainability.

Recommend that welfare spending align with inflationary trends to maintain effectiveness, particularly in periods of economic crises or global volatility.

4. Policy Recommendations

Based on the findings and discussion, provide actionable recommendations.

Adaptive Welfare Spending:

Encourage adaptive welfare policies that adjust spending relative to inflationary pressures.

Recommend regular review of welfare programs to ensure they match the cost of living and inflation rates.

Investment in Sustainable Programs:

Suggest that welfare programs like PM-KISAN consider linking benefits to inflation indexes to preserve purchasing power for beneficiaries.

Targeted Assistance During High Inflation:

Propose temporary or supplemental welfare measures during periods of rapid inflation to provide immediate support, especially for low-income households.

Enhancing Data Transparency:

Recommend enhanced transparency in data collection related to inflation and welfare effectiveness to ensure policy adjustments are evidence-based.

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