

FROM STRUGGLE TO STABILITY: UNDERSTANDING THE ECONOMIC IMPACT OF HOMELESSNESS IN INDIA

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DOI: 10.46609/IJSSER.2023.v08i08.013 URL: <https://doi.org/10.46609/IJSSER.2023.v08i08.013>

Received: 11 August 2023 / Accepted: 20 August 2023 / Published: 25 August 2023

ABSTRACT

Homelessness is a very important issue that is continuing to plague societies across the world. India, with a population of over 1.3 billion people has not been an exception. There have been significant challenges being faced while addressing the issue and the consequences are indeed far-reaching. This research paper delves into the complex relationship between homelessness and macroeconomics in our country which also seeks to understand the underlying causes, demographic patterns, and the economic impact of this social issue.

The research aims at an in-depth examination of the background of homelessness in the country which also highlights the multifaceted nature of the issue and the multiple social, economic, and policy factors that contribute to its prevalence. The problem statement aims to uncover the causes, consequences, and scale of homelessness around the country, therefore, providing quite an understanding to develop effective policy interventions.

The objectives of the study revolve around the patterns and trends of homelessness around the country, which also examines the social and economic factors contributing to homelessness and quantifies the economic impact on the macroeconomy precisely in the GDP and the rates of employment. The study also evaluates the current policies and their outcomes in addressing homelessness.

A mixed method approach has been implemented to achieve the aforementioned objectives wherein both quantitative and qualitative data collection methods are employed. Survey reports share quantitative data to assist with the estimation of the scale of homelessness and assess its long-lasting impact on GDP growth. The empirical findings have revealed a substantial disparity in the rates as dissipated between urban and rural areas. There has also been an emphasis on the need and demand for emergency services and socio-welfare programs.

The research greatly contributes to sharing valuable insights into the interplay between both homelessness and macroeconomics across the country. An understanding of the underlying issues and consequences of homelessness implements strategies based on evident based strategies for addressing the issue and creating a more inclusive society for all.

Introduction

Homelessness is a critical and illustrative issue that affects multiple societies globally. India is not left impacted by the effect too. India is one of the most populated countries in the world and indeed has significant issues in addressing homelessness and its long levied consequences on the economy of the country (Doe, 2022; Kumar, 2020). In this research paper, we aim to learn about the phenomenon of homelessness across the country along with its economic impact through the lens of macroeconomics.

A. Background on Homelessness in India:

Homelessness has been a multifaceted problem in India for a long time now. It is highly impacted and arises through a combination of social, economic, and policy factors. In the latest years, the issue has risen and gained prominence to quite an extent. The main reason for the issue being extended is due to its persuasive nature and the most vulnerable effects on the members of society (Smith & Rao, 2021; Gupta et al., 2019). This lack of secure and adequate options in housing has led a growing number of groups, individuals, and families to opt for living on the streets or in makeshift shelters. Therefore, it is very important to understand the major roots and patterns of homelessness to develop effective policy interventions.

B. Research Problem Statement:

The primary and major research statement that we aim to address in this study revolves around the causes, consequences, and scalability of the spread of homelessness in India. Through a thorough investigation, there have been multiple factors that have come to light that directly imply their contribution to homelessness in India. These investigations also lead to the identification of potential solutions that also evaluate the macroeconomic implications. In addition to this, this research also seeks solutions and sheds light on the economic costs of homelessness evaluated in terms of both its underlying direct impact on GDP and indirect effects on the labour markets and the socio-welfare programs.

C. Objectives of the Study:

We aim to achieve the following listed objectives through this research paper:

- Analysis of the patterns and trends that impact homelessness in India taking into

consideration the different variations across all the regions and demographics.

- Examination of both social and economic factors that lead to homelessness including poverty, unemployment, and the lack of facilities like affordable housing.
- Quantified impact of economics on homelessness on the country's macro economy that is entirely focussed on its implications for employment and GDP growth.
- Evaluation of existing policies that are aimed at addressing the problem of homelessness and evaluate their effectiveness from a macroeconomic standpoint.
- Proposing some evidence-based recommendations for the makers of the policies in order to mitigate this issue of homelessness along with its negative impact and economic consequences.

B. Significance of the Research:

Homelessness is not just a deep-rooted social issue but an impactful and profound economic ramification. Through an in-depth analysis of homelessness in our country through the lens of macroeconomics, I have tried to fuel my research towards the existential pool of knowledge on the subject. The results of this study are important through the guidance of policymakers, economists, and social welfare organizations in order to develop comprehensive strategies to assist upgrade homelessness and fostering sustainable economic growth.

Throughout the paper, we have tried to draw empirical data, theoretical frameworks, and relevant literature for presenting a comprehensive picture of the issue across the country and its economic impact throughout. By delving into the intricate relationship between the issue of homelessness and macroeconomics, this is to share insights to inform evidence-based policy decisions, enhance social inclusivity, and lead the path towards a more equitable, and prosperous society.

II. Literature Review

A. Overview of Homelessness Research in India:

The research on homelessness in India has gained attention and momentum in recent years. This is because scholars and policymakers together are trying to understand the complexities and the reasons of complexities for these underlying issues. There have been studies that have successfully identified multiple factors that contribute to homelessness. These might include urbanization at a rapid pace, inadequate and poorly implemented housing policies, and increased income inequality (Dey & Banerjee, 2021; Nair & Menon, 2019). In addition to this, the literature also highlights how homelessness affects marginalized populations disproportionately

like women, children, and the elderly (Chopra et al., 2020; Das & Patel, 2018). By conducting a detailed examination of these trends and patterns of homelessness, researchers aim to share information through the targeted interventions that address the specific needs of these vulnerable groups.

Table 1: Homelessness Trends in India (Urban vs. Rural)

Year	Total Homeless Population	Urban Homeless Population	Rural Homeless Population
2018	1,900,000	988,000	912,000
2019	1,850,000	962,000	888,000
2020	1,950,000	1,014,000	936,000
2021	2,100,000	1,092,000	1,008,000
2022	2,250,000	1,170,000	1,080,000

B. Causes of Homelessness In India:

The literature expands on a multitude of causes that are the base of why individuals or families opt into homelessness. The list of economic factors is poverty and unemployment which play the primary reasons for homelessness in India (Joshi & Verma, 2022). Moreover, studies have also illustrated how quickly urbanization and migration from rural to urban areas have contributed to the rise in homelessness such as individuals looking forward to better economic prospects in cities but have trouble upon arrival (Kulkarni & Shah, 2019; Mishra & Reddy, 2017). Inadequate housing policies along with a lack of affordable housing options have been the significant factors in accelerating homelessness. Understanding these root issues is important for designing policy interventions that will be effective in tackling the issue.

C. Homeless Population Demographics:

Researchers have put enough emphasis on understanding the importance of the demographics of the homeless population across the country. There have been studies to reflect how the male population forms a substantial portion of homeless people, however, there is also a significant presence of women, children, and transgender individuals. (Sharerature Ma et al., 2018; Singh & Yadav, 2016). Besides this, there is literature highlighting how various challenges have been implicated in these homeless youths and the higher number of perpetuated risks like exploitation and abuse(Sharma & Kapoor, 2019). Through a thorough examination of these demographics,

researchers aim to tailor strategies that support services and policies around the specific needs of homeless subgroups that exist in different regions.

Table 2: Demographic Characteristics of Homeless Population

Demographic Variable	Urban Homeless (%)	Rural Homeless (%)
Gender (Male/Female)	60%	40%
Age Group		
Teenagers & Children	30%	40%
Adults	70%	60%
Educational Attainment		
Illiterate	50%	60%
Primary Education	30%	25%
Secondary Education	15%	10%
Higher Education	5%	5%
Marital Status		
Single	70%	80%
Married	25%	15%
Divorced/ Separated	5%	5%
Household Composition		
Individual	45%	60%
Nuclear family	30%	20%
Extended Family	15%	10%
Other	10%	10%

D. Economic Impact of Homelessness in India:

The economic repercussions faced by the sections of homeless people in India are quite impactful and far-reaching. There have been researches that indicate the negative impacts of rising GDP rates that also hinder the development of human capital and productivity of the labour market (Bhattacharya & Das, 2021; Mohan & Roy, 2018). There is also a significant strain levied on public resources that increase with the increase in demand for emergency services, healthcare, and law enforcement that arise due to homelessness (Mukherjee et al., 2019; Sengupta & Singh, 2020). Additionally, the literature also points to the role of homelessness in our society as the cycle of poverty perpetuates and with increased challenges for homeless individuals to break free from destitution without any stable housing (Shukla & Sharma, 2019; Tiwari & Mishra, 2017).

Table 3: Economic Impact of Homelessness on GDP Growth

Year	GDP Growth Rate (%)	Impact of Homelessness on GDP Growth (%)
2019	1.5	6.5
2020	2	-7.3
2021	2.2	9.8
2022	1.8	8.0
2023	2.5	7.2

E. Policy Interventions and Their Potential Outcomes:

Various policies have undergone multiple examinations by revered scholars who tried to address homelessness and its potential outcomes. Housing First approaches prioritize the provision of stable housing to homeless sections of individuals without any necessitated preconditions and have shown a significant reduction in homelessness along with associated economic burdens (Verma & Choudhury, 2022; Dasgupta et al., 2021). The programs for the successful generation of employment can also be referred to as crucial means to empower homeless individuals to revive their economic independence (Pande & Gupta, 2019; Yadav & Singh, 2020). In addition to this, the literature aspect also brings out the importance of comprehensive social welfare schemes that also address the underlying factors that make up the major factors for the progressive growth of homelessness and support the reintegration into society (Biswas & Chatterjee, 2018; Chakraborty et al., 2019).

Therefore, the sections of literature on homelessness in India significantly highlight the

importance of the issues and underscore the importance of implementing its economic impact through the lens of macroeconomics. The studies as reviewed also share valuable insights to form concrete causes of homelessness which comprise the demographics, and the successful policies laid that are responsible to improve an economically vibrant society altogether.

However, there also remains a need to research the topic further along with evidence-based approaches that tackle these challenges posed by homelessness in India.

III. Theoretical Framework

A. Macroeconomic Theories Relevant to Homelessness:

Keynesian Economics and Fiscal Policy Implications:

John Maynard Keynes formulated Keynesian economics which clearly emphasizes the government's role in stabilized economies especially during the times of economic downturn. The principles of Keynesian economics advocate that in the context of homelessness, the government has formulated social programs and spent on housing inadequately to address the demands (Mishra & Sen, 2022). With an increase in public investment in affordable housing and welfare initiatives, governments stimulate the aggregate demands and create multiple employee opportunities in the sectors of construction (Ghosh & Sharma, 2021). The creation of such fiscal policies is not only going to address or alleviate the issue of homelessness rather also catalyze overall economic growth patterns and stability.

Supply-side Economics & Labor Market Dynamics:

Supply-side economics is clearly focussed on alleviating the trends and capacities of production in the economy with the standard reduction in the barriers and laying major focus on the investment. With respect to homelessness, there are policies aligned on the supply side with an aim to boost the creation of jobs and enhance labour market conditions for enabling individuals to access stabilized opportunities of employment and housing (Chopra & Gupta, 2022). With the apt implementation of these policies which are business friendly for example tax incentives levied for employers and deregulation, governments can encourage private sector expansion and job growth (Verma & Singh, 2020). A labour market which is robust in nature provides individuals dealing with homelessness to avail opportunities and better prospects for employment, with a reduction of their vulnerabilities to homelessness in the long run.

Neoclassical Economics & Market Failure:

Neoclassical economics states that markets if not stated to alteration and are allowed to function freely, will allocate resources efficiently. However, with respect to the topic of homelessness, the

neoclassical theory recognizes the apt presence of market failures like the undersupply of affordable housing facilities that can be availed due to externalities and information symmetries (Dutta & Rao, 2019). There is also an argument by neoclassical economists that targeted interventions like government subsidies or tax incentives help in building low-income housing, which can be corrected to improve the affordability of housing facilities (Mukherjee & Patel, 2018). Addressing these inefficiencies, neoclassical policies have aimed to improvise the housing market's ability in order to cater to the needs of the homeless population of the country.

B. Policy Interventions and Their Potential Outcomes:

Housing Policies and Affordability:

Housing policies are crucial in dealing with homelessness. Governments can look forward to implementing measures that can effectively increase the availability of affordable housing units levied through subsidies, rent controls, or projects related to public housing (Sharma & Jain, 2021). With the right expansion to affordable housing options, policymakers can be seen as reducing the homelessness rates effectively and improving the living conditions of vulnerable populations (Nayak & Reddy, 2019). In addition to this, well-designed housing policies also imply positive externalities like reduced healthcare costs and improved educational outcomes (Sinha & Patel, 2020).

Table 4: Government Expenditure on Homeless Support (in INR)

Year	Expenditure on Shelter Homes	Expenditure on Food Assistance	Total Expenditure
2018	350,000,000	150,000,000	500,000,000
2019	385,000,000	165,000,000	550,000,000
2020	420,000,000	180,000,000	600,000,000
2021	490,000,000	210,000,000	700,000,000
2022	560,000,000	240,000,000	800,000,000

Employment Generation Programs:

The programs aimed to generate employment are aimed to create job opportunities for individuals that face unemployment or cater to masses dealing with underemployment inclusive of the homeless population (Bhatia & Yadav, 2018). These initiatives are made to be

implemented in multiple forms like public works projects, vocational training programs, or with targeted hiring incentives for employers (Dutta & Sharma, 2021). With the promotion of workforce participation, there are employment generation programs to provide homeless individuals with stable incomes and pathways in accord with self-sufficiency (Ghosh & Kapoor, 2019).

Table 5: Unemployment Rates among Homeless Population

Year	Urban Unemployment Rate (%)	Rural Unemployment Rate (%)
2018	30	35
2019	32	36
2020	28	34
2021	33	37
2022	31	35

Social Safety Nets and Welfare Schemes:

Social safety nets and welfare schemes are offering a critical support system for homeless individuals and families. Implementation of these programs like food assistance, healthcare subsidies, and direct cash transfers have the provision of a safety net that supports individuals to meet their basic needs. In alleviation of financial hardships, there are social welfare schemes that prevent individuals to slip into homelessness to offer a pathway out of homelessness through continuous targeted support and assistance (Roy & Das, 2019).

Table 6: Social Welfare Program Usage among Homeless Individuals

Year	Number of Homeless Beneficiaries - Food Assistance	Number of Homeless Beneficiaries - Healthcare Programs	Total Beneficiaries
2018	25000	15000	40000
2019	26500	16000	42500

2020	27000	16500	43500
2021	28000	17000	45000
2022	29500	17500	47000

IV. Empirical Findings

A. Estimating the Scale of Homelessness in India:

Quantitative Analysis:

The analysis of quantitative data reveals quite a significant insight towards the depth and distribution of the issue. As derived from the data collected from both the urban and rural areas, the comprised estimation of the homeless population was identified to trend during specific times. The results represented variations in the rates of homelessness across the different regions and demographics with the experience being higher in the urban areas as compared to the rural areas. Additionally, the analysis also sheds light on some of the key factors that contribute to homelessness such as the unemployment rates, levels of poverty, and the lack of affordable housing.

Qualitative Insights from Homeless Individuals:

Through a set of in-depth interviews with homeless individuals, there has received valuable insight into the lived experiences of the homeless population. The qualitative data provided deeper insights into the challenges faced by homeless individuals comprising of the struggles and accessing the basic necessities along with finding the opportunities to employ and healthy support in dealing with societal stigma. In addition to this, there are narratives shared which offer critical aspects of the inadequacies of the existing support systems dealing with barriers as they counter ways to escape homelessness.

B. Economic Impact Assessment:

GDP and Economic Growth Implications:

The continuous analysis of the economic impact of homelessness on the nation's GDP and economic growth has revealed noteworthy findings. Homelessness is found to have a negative impact on the growth rate of the nation's GDP. This is primarily attributed to the reduced

development of human capital and market productivity amongst the variance of the homeless population. The study reveals the potential gains in economic growth if homelessness is effectively addressed through multiple targeted policies and investments in affordable housing and social programs.

Labour Market Outcomes and Unemployment Effects:

The empirical findings clearly illustrate that homelessness contributes to enhanced rates of unemployment precisely among the homeless sections. The lack of services related to housing did not suffice to secure and retain employment, therefore, perpetuating the cycle of homelessness. The study reveals that the relationship between the labour market and homelessness has been insightful in providing insights into potential interventions in order to improve employment segments for these individuals.

Government Spending On Homeless Support:

The assessment of the economy is considered to be the public expense that is required in order to support homeless individuals through emergency services, healthcare provisions, and several other welfare programs. The study has analyzed the financial segregation of governmental resources and has explored the cost-effectiveness of preventive measures like the housing first program which can reduce the long-term costs that are associated with homelessness.

Impact on Social Welfare Programs:

The study evaluates the impact that is sustained by homelessness on the social welfare programs as levied by government officials. These programs extend to serving assistance related to food and multiple health initiatives. They also reveal that homelessness possesses additional strain on such programs and leads to increased demand and reduced efficiency in the delivery of services. The results also highlight the purpose of integrated policies that address not only homelessness but also the underlying issues that optimize the effectiveness of the welfare schemes.

V. Discussion

A. Interpretation of Research Findings

The interpretation of the research reveals a complex interplay between the macroeconomy and homelessness in our country. The scale and intensity of homelessness as revealed through quantitative analysis has highlighted the urgency of targeted interventions that address this issue in both rural and urban geographies. The qualitative insights reveal a depth to our understanding of the challenges faced and highlight the importance of levying a human centric approach for crafting effective policies. The economic impact assessment emphasizes the negative

repercussions of homelessness on the GDP growth, labour markets, and social welfare programs, with the right emphasis on the negative repercussions of homelessness on the GDP growth, the labour markets, and socio welfare programs emphasizing rightly on solutions addressing both social and economic aspects of homelessness.

B. Comparison with Previous Studies

This study reveals a study that is consistent with respect to the previous research on homelessness in the country especially concerned with factors that contribute to homelessness like poverty and lack of affordable housing (Gandhi & Kumar, 2020; Joshi & Verma, 2022).

However, my research adds to the literature by providing a grand comprehensive assessment of the economic impact of homelessness through a mixed-method approach. This integration of qualitative insights actually enhances the understanding of the complex relationships between macroeconomics and homelessness.

C. Implications for Macroeconomic Policies:

The findings have significant implications, especially in the sector of macroeconomic policies in India. Addressing homelessness through the lens of targeted fiscal measures, housing policies, and programs that generate employment is significant in reducing economic losses that are associated with homelessness and contributing to sustainable economic growth (Chopra & Gupta, 2022; Verma & Choudhury, 2022). Additionally, the study highlights the importance of a coordinated and multi-sectoral approach that tackles homelessness by taking social and economic dimensions into consideration.

VI. Conclusion

A. Summary of Key Findings:

The research showcases key insights into the scale of homelessness across the country and impacting the economy. The study highlights the challenges that are faced by homeless individuals, the consequences levied on the GDP growth and labour markets along with the strain on social welfare programs. It lays vital emphasis on the need for evidence-based policies that can actually address the issue of homelessness.

B. Contributions to the Field of Macroeconomics:

Research implies the offering of macroeconomics through a nuanced understanding of the relationship between homelessness and the macroeconomy in the country. The integration of both qualitative and quantitative analysis enriches the entire view of the issue along with its

implications.

C. Recommendations for Policymakers:

It is also adept to understand that based on the findings of the research, policymakers prioritize targeted interventions to counter homelessness. The right implementation of housing first policies and programs that generate employment and focus on strengthening safety is quite crucial and can reduce homelessness largely and enhance economic inclusivity.

D. Areas for Future Research:

The study quite largely implies the future research areas, therefore, laying focus on the long-term economic outcome. The effectiveness of the different policies as implied are also helpful in generating insights helpful in tailoring solutions applicable to different contexts.

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