Phase 1: Proposal

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Topic: The Effect of Education on Poverty

Introduction & Motivation:

Education is known as the great equaliser because it can provide a family with the employment, money, and skills they require to not just survive, but prosper. A universally acknowledged solution to the poverty cycle is providing access to high-quality primary education.

Education directly correlates with many solutions to poverty, including: Economic growth, Reduced income inequality, Reduced infant and maternal deaths, Reduced stunting, Reduced vulnerability to HIV and AIDS, Reduced violence at home and in society

People have long relied on education to get greater pay in the market. College allows us to expand our knowledge, develop new talents, progress as a person, and obtain useful experience.

Based on 2019's PPPs International Comparison Program, According to the United Nations Millennium Development Goals (MDG) programme, 80 million people out of 1.2 billion Indians, roughly equal to 6.7% of India's population, lived below the poverty line of $1.25 in 2018–19. Education, particularly higher education, is commonly used to help individuals escape poverty by allowing them to obtain a higher-paying job that will lift them out of poverty.

This study will use cross-sectional data to develop both simple and multiple linear regression models to show the relationship between education and poverty.

Research Question: What is the Effect of Education on Poverty?

In this paper, I will be discussing the effect education has on poverty. As education increases people acquire various skills that help them land a good job, their income sources increases, hence poverty decreases. Hence there is a causal relationship between education and poverty.

My hypothesis is that higher education has a negative impact on poverty rates, therefore the lower the poverty rate becomes, as more individuals receive higher education.

In this paper, we create a regression model with education level as our independent variable and its causality upon poverty rate.

Through this study, we will research for the education-poverty relationship and prove that there is a negative relationship between education and poverty.

Proposed methodology:

For this assignment I will read the related articles, and get the required data, use the different regression models and make the report.

I'll start by building a simple regression model to estimate the ceteris paribus impact of education on poverty. I'll next use F-stats and t-stats to determine the importance of my explanatory variables in further multiple regression models.

Through this study, I will research for the education-poverty relationship and prove that there is a negative relationship between education and poverty.

Data:

I will mostly use CMIE economic outlook, NITI Aayog, Ministry of Education GoI data for the report.

I will specifically be looking at higher education, so the education variable is the percentage of people who have obtained a bachelor's degree or higher.

The poverty variable is the poverty rate in each state.

I will also use other explanatory variables like cost of living index, unemployment rate, labour force participation rate, urban percentage of the population, and GDP per capita to get a better perspective.

Bibliography:

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