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Nearly 80 percent of India lives on half dollar a day

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Seventy-seven percent of Indians -- about 836 million people -- live on less than half a dollar a day in one of the world's hottest economies, a government report said.

The state-run National Commission for Enterprises in the Unorganized Sector (NCEUS) said most of those living on below 20 rupees (50 US cents) per day were from the informal labor sector with no job or social security, living in abject poverty.

"For most of them, conditions of work are utterly deplorable and livelihood options extremely few," said the report, entitled "Conditions of Work and Promotion of Livelihoods in the Unorganized Sector," seen by Reuters on Friday.

"Such a sordid picture co-exists uneasily with a shining India that has successfully confronted the challenge of globalization powered by economic competition both within the country and across the world."

Around 26 percent of India's population lives below the poverty line, which is defined as 12 rupees per day, said officials.

Economic liberalization since the early 1990s has created a 300 million-strong middle class and led to an average annual economic growth of 8.6 percent over the last four years, but millions of the country's poor remain untouched by the boom.

According to the report, based on data from 2004-2005, 92 percent of India's total workforce of 457 million were employed as agricultural laborers and farmers, or in jobs such as working in quarries, brick kilns or as street vendors.

The report said the majority of those working and living under "miserable conditions" were lower castes, tribal people and Muslims and the most disadvantaged of these were women, migrant workers and children.

"This is the other world which can be characterized as the India of the Common People, constituting more than three-fourths of the population and consisting of all those whom the growth has, by and large, bypassed," said

the report.

The NCEUS report, which was presented to Prime Minister Manmohan Singh on Wednesday, recommends the government provide social security benefits such as maternity and medical expenses as well as pensions to people working in the Unorganized sector.

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