

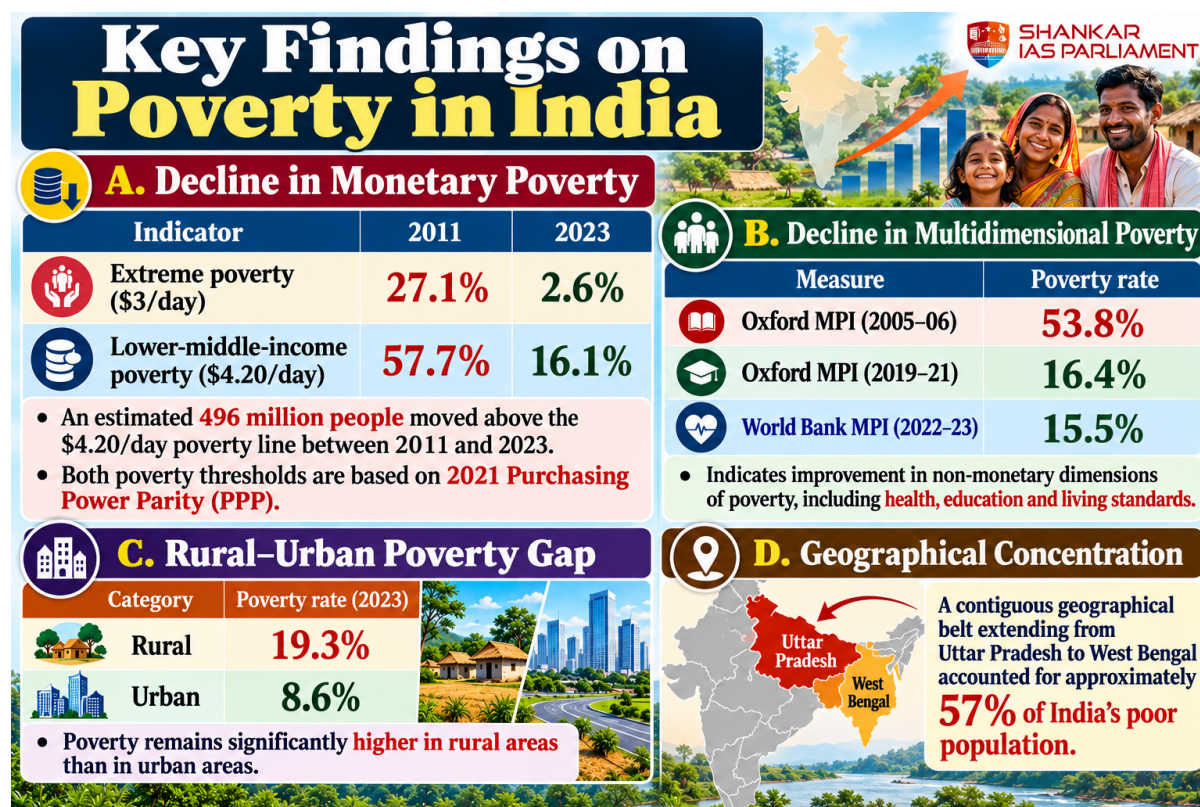
Poverty and Inequality in India - World Bank Report

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Why in News?

The World Bank's October 2026 Poverty & Equity Brief reports that India's extreme poverty rate declined significantly from 27.1% in 2011 to 2.6% in 2023.

- Despite this reduction in extreme poverty, income disparities remain pronounced, as the median earnings of the top 10% of workers are approximately 13 times higher than those of the bottom 10%.



Key Determinants of Poverty Reduction

- Economic Growth** - Expansion of income-generating opportunities and enhancement of household purchasing power.
- Consumption Growth** - Rise in household consumption expenditure.
- Employment Generation** - The workforce expanded by approximately 134 million individuals between 2017 and 2023.
- Women's Workforce Participation** - Greater involvement of rural women in paid

employment.

- **Social Protection** - Broader coverage of social transfers, such as food subsidies.

Employment Trends and Key Concerns

- **Employment Growth**

- Between 2017 and 2023, employment increased by approximately 134 million individuals.
- This employment growth was nearly double the increase observed in the working-age population.
- A significant portion of this increase resulted from rural women entering paid employment.

- **Major Employment Concerns**

- **Stagnant Earnings** - Real earnings remained largely unchanged during this period.
- **Low Productivity** - Most employment growth occurred in sectors characterised by relatively low productivity.
- **Rising Youth Unemployment**
 - In the first quarter of FY2026, the youth unemployment rate was 14.6%.
 - In the first quarter of FY2027, this rate increased to 15.9%.
- Rural young women were disproportionately affected by rising unemployment.

Income Inequality in India

- **Gini Index** - According to the World Bank, India's Gini index was 23.0 in 2023.
- The Gini index measures inequality in the distribution of income or consumption.
- **Wage Inequality** - In 2023, the median earnings of the top 10% of workers were approximately 13 times higher than those of the bottom 10%.
- For example, if the bottom 10% of workers earn ₹1,000, the top 10% would earn ₹13,000 at their respective median earnings.

Reference

[Indian Today | Poverty and Inequality in India](#)