



India's Triumph in Combating Poverty

171 Million Lifted from Extreme Poverty in 10 Years, Says World Bank

(Ministry of Information and Broadcasting)

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Introduction

In one of the most remarkable achievements of the past decade, India has lifted 171 million people out of extreme poverty. The World Bank acknowledges India's decisive fight against poverty in its Spring 2025 Poverty and Equity Brief. According to the report, the proportion of people living on less than 2.15 US dollars a day, which is the international benchmark for extreme poverty, fell sharply from 16.2 percent in 2011-12 to just 2.3 percent in 2022-23.

This achievement is a testament to the Government of India's commitment to inclusive development, focusing on both rural and urban areas. Through targeted welfare schemes, economic reforms, and increased access to essential services, India has made substantial strides in reducing poverty levels. The World Bank's Spring 2025 Poverty and Equity Brief highlights how these efforts have significantly impacted the lives of millions, narrowing the poverty gap across the country.



Overview of the World Bank's Poverty and Equity Briefs (PEBs)

Poverty & Equity Brief

April 2025

INDIA

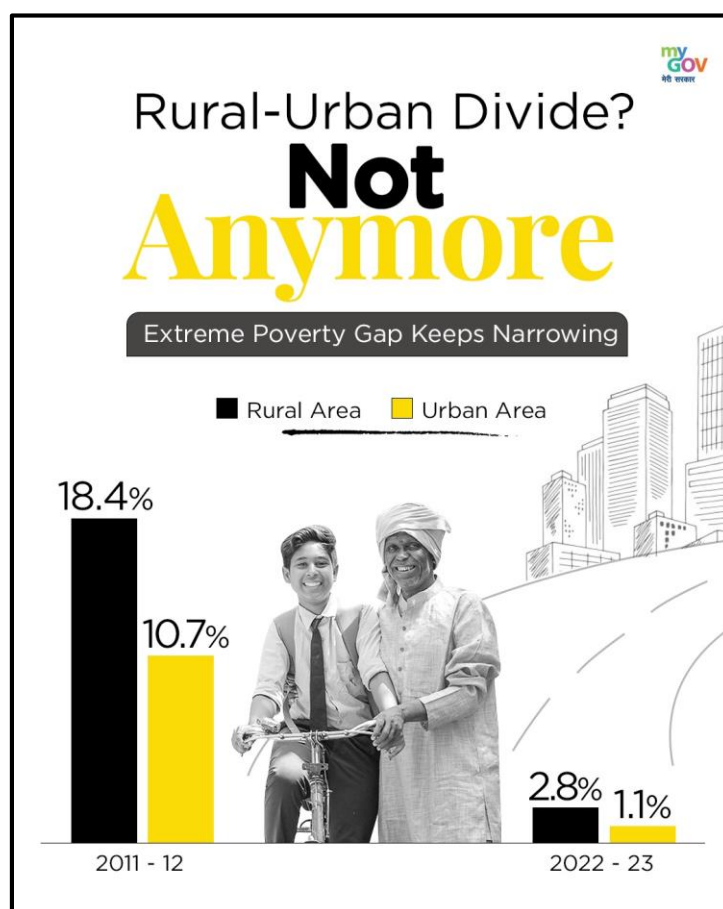
The Poverty and Equity Briefs (PEBs) from the World Bank highlight trends in poverty, shared prosperity, and inequality for over 100 developing countries. Published twice a year for the Spring and Annual Meetings of the World Bank Group and the International Monetary Fund,

these briefs offer a snapshot of a country's poverty and inequality context, ensuring poverty reduction remains a global priority. Each PEB includes a two-page summary that presents recent developments in poverty reduction, along with updated data on key development indicators.

These indicators cover various aspects of poverty, including rates of poverty and the total number of poor, using both national poverty lines and international benchmarks (\$2.15 for extreme poverty, \$3.65 for lower-middle-income, and \$6.85 for upper-middle-income). The briefs also include comparative trends in poverty and inequality over time and across countries, a multidimensional poverty measure that accounts for non-monetary deprivations like education and basic services, and inequality measurements using the Gini Index.

Rural and Urban Poverty Reduction

The World Bank's Poverty and Equity Brief for India finds that the sharp reduction in extreme poverty has been broad-based, covering both rural and urban areas.



Key findings:

- ❖ In Rural areas, extreme poverty fell from 18.4 percent in 2011-12 to 2.8 percent in 2022-23.

❖ In Urban centres, extreme poverty reduced from 10.7 percent to 1.1 percent over the same period.

❖ The gap between rural and urban poverty shrunk from 7.7 percentage points to 1.7 percentage points, with an annual decline rate of 16 percent between 2011-12 and 2022-23.

Strong Gains at Lower-Middle-Income Poverty Line

The World Bank finds that India has made strong gains in reducing poverty at the lower-middle-income level, measured at 3.65 US dollars per day. Millions have benefited from this broad-based growth across both rural and urban areas.

Key findings:

❖ India's poverty rate at the 3.65 dollars per day line fell from 61.8 percent in 2011-12 to 28.1 percent in 2022-23, lifting 378 million people out of poverty.

❖ Rural poverty declined from 69 percent to 32.5 percent, while urban poverty dropped from 43.5 percent to 17.2 percent.

❖ The rural-urban poverty gap narrowed from 25 to 15 percentage points, with a 7 percent annual decline between 2011-12 and 2022-23.

Key States Contributing to Poverty Reduction

The report notes that significant progress has been made in reducing extreme poverty across India, with key states playing a vital role in both the decline of poverty and the advancement of inclusive development.

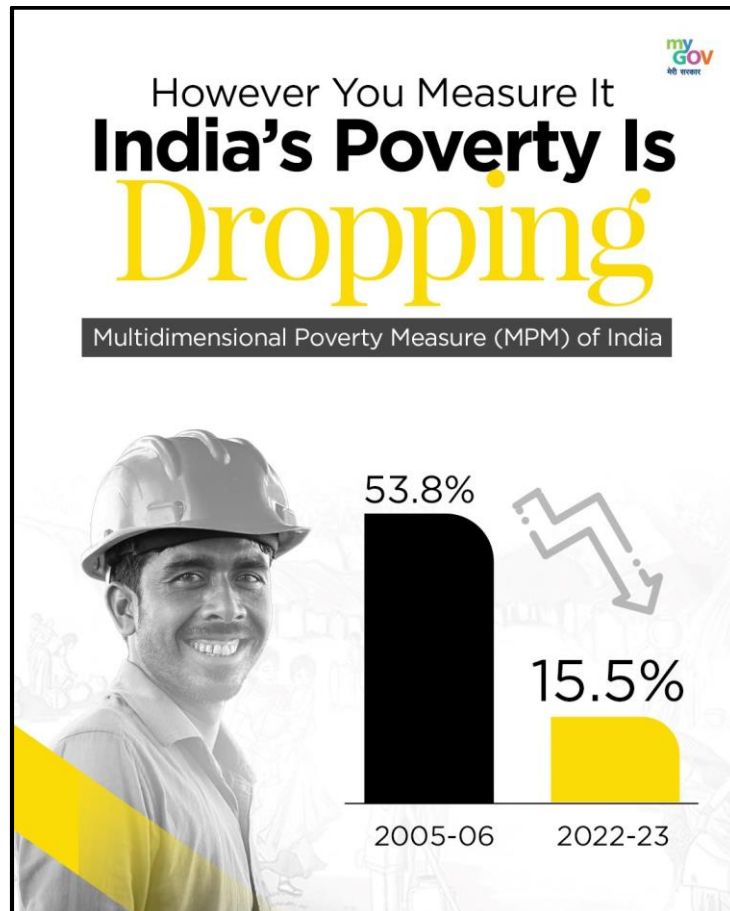
Key findings:

❖ The five most populous states i.e. Uttar Pradesh, Maharashtra, Bihar, West Bengal, and Madhya Pradesh, represented 65 percent of India's extreme poor in 2011-12.

❖ By 2022-23, these states contributed to two-thirds of the overall decline in extreme poverty.

Decline in Multidimensional Poverty and Revised Estimates

As per World Bank's report, India has made significant strides in reducing non-monetary poverty, and future poverty estimates are expected to change based on updated global standards.



Key findings:

- ❖ Non-monetary poverty, as measured by the Multidimensional Poverty Index (MPI), which considers factors like education, health, and living conditions, declined from 53.8 percent in 2005-06 to 16.4 percent by 2019-21.
- ❖ The World Bank's Multidimensional Poverty Measure stood at 15.5 percent in 2022-23, reflecting ongoing improvements in living conditions.
- ❖ With revised international poverty lines (the minimum income needed to meet basic needs) and the adoption of 2021 Purchasing Power Parities (PPPs) (which adjust for differences in living costs between countries), the new poverty rates for 2022-23 are expected to be 5.3 percent for extreme poverty and 23.9 percent for lower-middle-income poverty.

- ❖ India's consumption-based Gini index improved from 28.8 in 2011-12 to 25.5 in 2022-23, indicating a reduction in income inequality.

Employment Growth and Shifts in Workforce Trends

India has witnessed positive trends in employment growth, particularly since 2021-22, with significant improvements in both rural and urban areas, as highlighted in the World Bank's report.



Key findings:

- ❖ Employment growth has outpaced the working-age population since 2021-22, with rising employment rates, especially among women.
- ❖ Urban unemployment fell to 6.6 percent in Q1 FY24/25, the lowest since 2017-18.
- ❖ Recent data indicates a shift of male workers from rural to urban areas for the first time since 2018-19, while rural female employment in agriculture has grown.
- ❖ Self-employment has risen, particularly among rural workers and women, contributing to economic participation.

Conclusion

In conclusion, India has made remarkable progress in poverty reduction over the past decade. The Spring 2025 World Bank's Poverty and Equity Brief highlights these achievements. It underscores the country's commitment to inclusive development. The sharp decline in both extreme and lower-middle-income poverty, along with the narrowing rural-urban poverty gap, reflects the effective efforts of the Government of India. Additionally, the rise in employment, especially among women, and the reduction in multidimensional poverty point to broader improvements in living standards. As India continues its journey, these achievements serve as a solid foundation for sustained progress in tackling poverty and inequality.

References:

- ❖ <https://documents1.worldbank.org/curated/en/099722104222534584/pdf/IDU-25f34333-d3a3-44ae-8268-86830e3bc5a5.pdf>
- ❖ <https://www.worldbank.org/en/topic/poverty/publication/poverty-and-equity-briefs>
- ❖ <https://x.com/mygovindia/status/1915754422560346536>

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