Public Disclosure Authorized

Poverty & Equity Brief

October 2026

INDIA

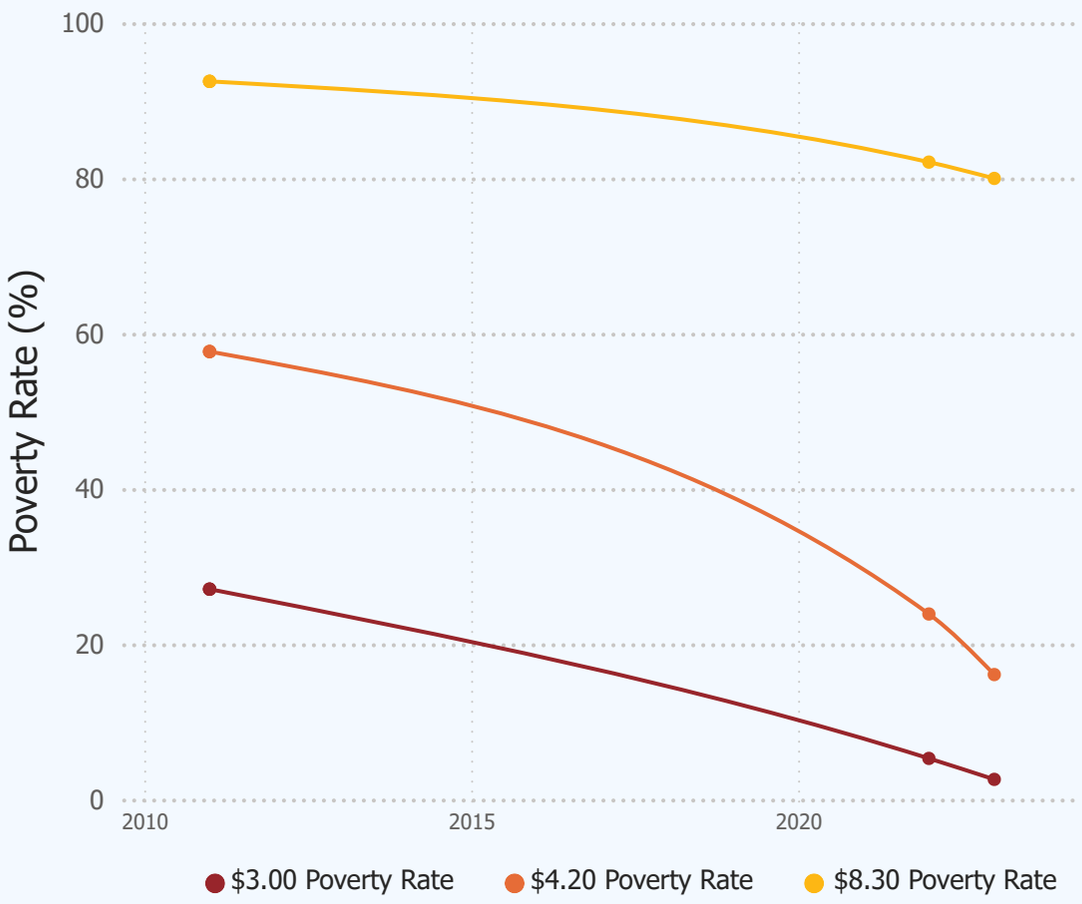
Over the past decade, India has made remarkable progress in reducing poverty across both monetary and non-monetary dimensions, recording one of the fastest poverty declines in the world. Between 2011 and 2023, the share of the population living below the Lower Middle-Income Country line ($4.20/day, 2021 PPP) fell from 57.7 percent to 16.1 percent, lifting an estimated 496 million people out of poverty, while extreme poverty ($3.00/day) declined from 27.1 percent to 2.6 percent. Poverty is projected to continue declining, albeit more gradually, with the poverty rate at the $4.20/day line expected to fall from 14.2 percent in 2026 to 12.1 percent by 2028. These indicative microsimulation-based projections will be updated as labor market and macroeconomic data are revised or new data becomes available. On the non-monetary dimensions, as measured by OPHI's MPI, poverty fell sharply from 53.8 percent in 2005–06 to 16.4 percent in 2019–21, with the World Bank MPI measure at 15.5 percent in 2022–23. This progress was mainly driven by strong consumption growth, rising employment, especially among women, and expanded social transfers, including food subsidies. As poverty declined, it became increasingly concentrated among households with lower education, fewer assets, limited access to stable employment, and higher dependency ratios. Wage disparities, however, remain pronounced, as median earnings among the top 10 percent of workers were about 13 times those of the bottom 10 percent in 2023.

Spatially, India's poverty reduction story is one of both convergence and concentration. Households in both rural and urban areas experienced substantial welfare gains, with faster progress in rural India significantly narrowing the rural-urban gap. Yet many of the households that remain poor continue to live in rural areas, where productivity is lower and access to higher-quality non-farm employment opportunities remain more limited. Poverty has also become increasingly concentrated geographically. While living standards improved across most states, households in a contiguous belt stretching from Uttar Pradesh to West Bengal account for about 57 percent of India's poor population. As a result, further reductions in national poverty will increasingly depend on enabling productive employment in these states.

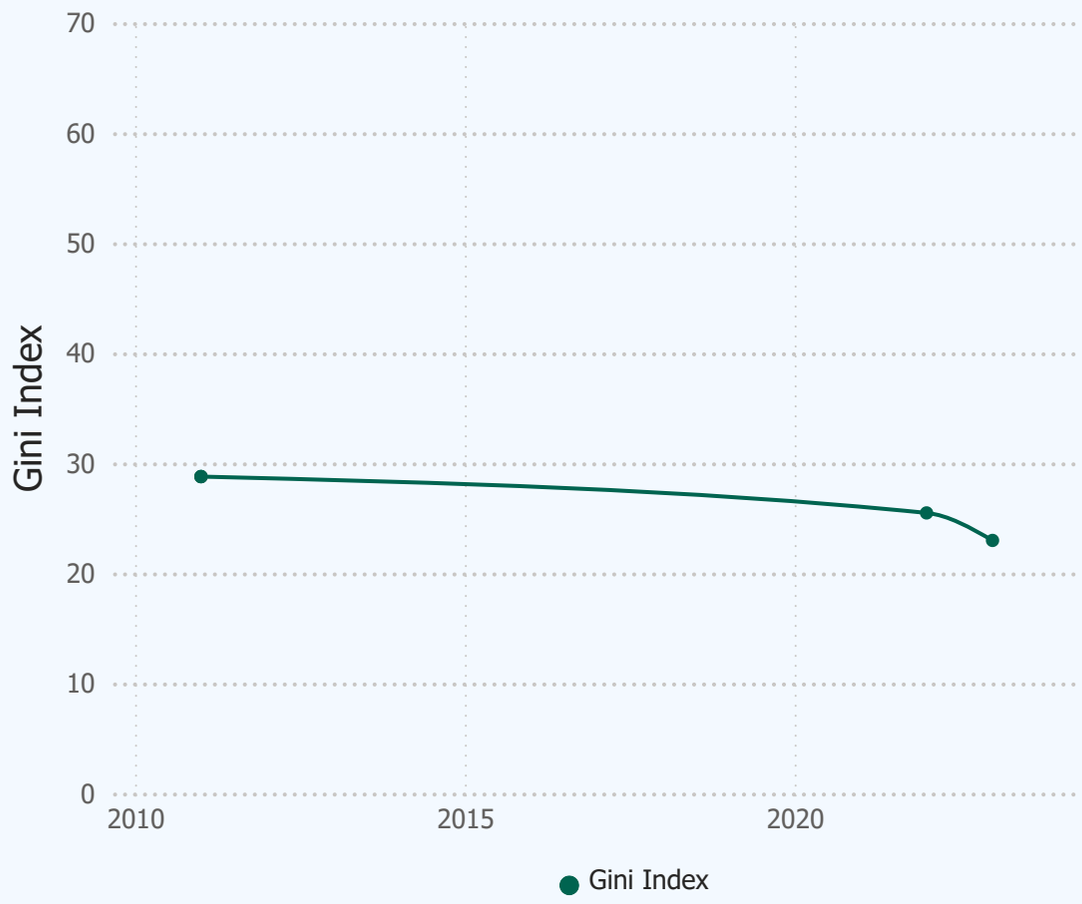
Over the recent period, between 2017 and 2023, employment increased by about 134 million people, nearly twice the growth of the working-age population, with much of the gain driven by rural women entering paid work and raising the number of earners per household. Labor market conditions continue to be broadly resilient, with labor force participation and employment rates stable between Q1 FY2026 and Q1 FY2027. However, youth unemployment rose from 14.6 to 15.9 percent between the two quarters, particularly among rural young women. Moreover, real earnings remained broadly unchanged with employment growth concentrated in relatively low-productivity activities.

$3.00 Poverty Rate	$8.30 Poverty Rate	Gini Index	Prosperity Gap
2023	2023	2023	2023
2.6%	80.0%	23.0	4.9

Poverty Rate



Inequality



Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
International Poverty Line ($3.00/day)	36,993.0	2.6	2023
Lower Middle Income Class Poverty Line ($4.20/day)	231,757.7	16.1	2023
Upper Middle Income Class Poverty Line ($8.30/day)	1,150,222.4	80.0	2023
Multidimensional Poverty Measure		15.5	2022

Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)
Urban population	8.6
Rural population	19.3
Males	15.7
Females	16.6
0 to 14 years old	21.8
15 to 64 years old	14.4
65 and older	14.0
Without education (16+)	21.3
Primary education (16+)	17.3
Secondary education (16+)	14.0
Tertiary/post-secondary education (16+)	7.4

Multidimensional Poverty Components	(% of Pop.)
Daily consumption less than US$3.00 per person	5.3
At least one school-aged child is not enrolled in school	N/A
No adult has completed primary education	13.8
No access to limited-standard drinking water	6.4
No access to limited-standard sanitation	29.6
No access to electricity	1.0

Note:
N/A denotes a missing/removed value, while N/A* refers to a value which was removed due to having fewer than 30 observations.
The rates in the Poverty by Group table above are shown at the $4.20 lower-middle income line.
Data for the Poverty by Group table is derived from a 2023 survey and data for the Multidimensional Poverty Components table is derived from a 2022 survey.

Poverty Data & Methodology

Poverty estimates over the past decade are based on three official household surveys: the 2011–12 CES and the 2022–23 and 2023–24 HCES and are measured using welfare aggregates from the MMRP design and deflated spatially and temporally. The surveys are broadly comparable, despite several key improvements introduced. However, the large welfare gains observed between 2022–23 and 2023–24 likely reflect both genuine welfare gains and better measurement. They may also not fully capture the consumption of wealthier households and are likely to understate inequality.

Extreme poverty is measured at $3/day, while the LMIC poverty line is used to measure (moderate) poverty at $4.2/day, both using the 2021 PPP. Population estimates are sourced from the WDI. The urban-rural shares are taken from the survey weights, which are anchored in the 2011 Census frame. Given continued urbanization since 2011, the survey likely understates the current urban population share and overstates the rural share.

The labor market estimates are based on the PLFS's “current weekly activity status” (7-day recall) which is aligned with the ILO recommendations. Since January 2025, MoSPI has revamped the PLFS to provide monthly, nationally representative urban/rural estimates and extended the quarterly series.

Harmonization

The numbers in this report are based on SARMD. The South Asia Micro Database (SARMD) is a regional database of socio-economic indicators established in 2014 and managed by the SAR Data and Stats Team. It includes household surveys covering 8 countries. It follows the Global Monitoring Database (GMD) Harmonization guidelines, including the construction of the welfare aggregate which is used for the Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.

South Asia

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