

World Inequality Report 2026



For Prelims: World Inequality Report 2026 , World Inequality Lab , PPP , GDP , Labor Force Participation Rate , Unemployment , Progressive Tax .

For Mains: Key findings of the World Inequality Report 2026 and proposed policy solutions as per for reducing inequality. Status of India in WIR 2026 and Steps taken by India to reduce inequality.

Source: IE

Why in News?

The **3 rd World Inequality Report 2026 (WIR 2026)** , released by the **World Inequality Lab** , highlights unprecedented global **inequality** across **income** , **wealth** , **gender** , **climate responsibility** , and **territorial divides** , calling for urgent **policy interventions** .

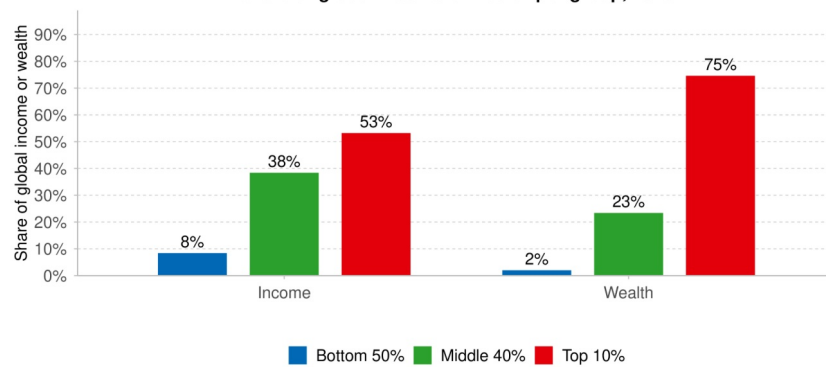
Summary

- The report highlights **global inequality** , with the **top 10% owning 75% of wealth** and responsible for **77% of capital-linked emissions** .
- Inequality is **multi-dimensional** , spanning **income, wealth, gender, climate responsibility, and geography** , with **mutually reinforcing effects** .
- The report suggests **progressive taxation, gender-equal policies, and global financial reform** to promote **equitable societies** .

What are the Key Findings of the World Inequality Report 2026?

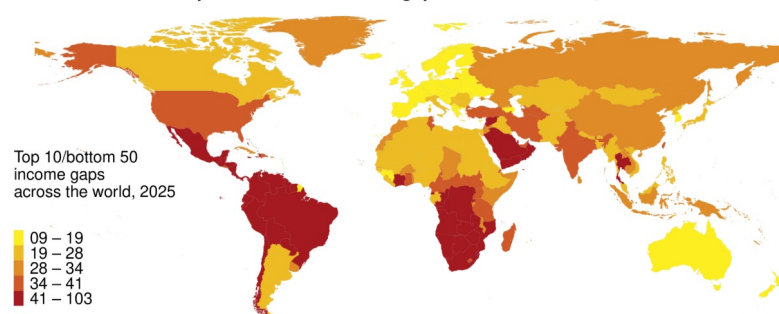
- **Extreme Wealth Concentration:** The **top 10% own three-quarters of global wealth** , while the **bottom half** holds only **2%** .
 - The **wealthiest 0.001%** (around **60,000 multi-millionaires**) control **3 times more wealth** than half of humanity combined. Their **share** grew from **4% in 1995** to over **6% in 2025** .

Share of global income or wealth per group, 2025



- **Human Capital Inequality:** Average education spending per child in **Sub-Saharan Africa** is **Euros 220 (PPP)** , compared to **Euros 7,430 in Europe** and **Euros 9,020 in North America & Oceania** — over **40 times lower** .
- **Climate Inequality:** The **wealthiest 10%** account for **77% of global emissions** associated with **private capital ownership** , while the **poorest half** accounts for only **3%** .
 - Those who **emit the least (populations in low-income countries)** are most exposed to **climate shocks** , while **high emitters** have **resources to adapt** .
- **Gender Inequality:** Women work **53 hours per week** on average vs **43 for men** (including **domestic and care work**).
 - Excluding **unpaid work** , women earn **61% of men's hourly income** ; including **unpaid labor** , this falls to just **32%** .
- **Regional Income Inequality:** Average daily income in **North America & Oceania** is **Euros 125** , compared to only **Euros 10 in Sub-Saharan Africa** — a **13-fold difference** . The **Top 10%/Bottom 50% income ratio** reveals **severe inequality** within countries.

Top 10/bottom 50 income gaps across the world, 2025



- **Global Financial System Inequality:** Annually, a **net financial transfer** equal to **1% of global GDP** —3 times **total development aid** —moves from **poorer** to **wealthier nations** due to **demand for US and European sovereign bonds** .

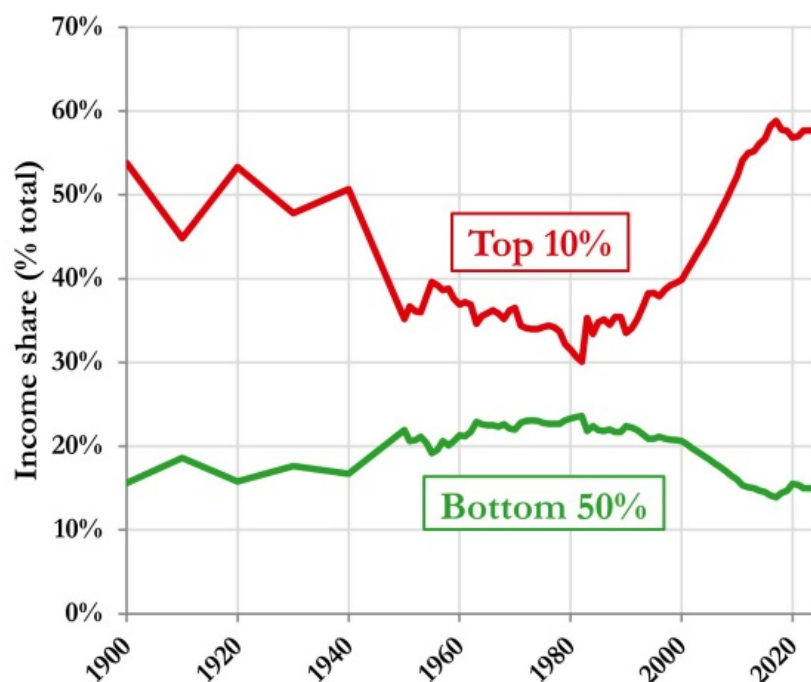
What are the Key Findings Related to India in the World Inequality Report 2026?

- **Income Inequality:** The **top 10% of earners** capture a disproportionate **58% of the national income** . In contrast, the **bottom 50% of the population** receives only **15%** .
- **Wealth Concentration:** The **richest 10%** hold around **65% of the nation's total wealth** . The **top 1%** alone holds about **40% of total wealth** .
- **Low Female Labor Force Participation:** The **female labor force participation rate** is only **15.7%** ,

one of the **lowest in the world** .

- **Average Prosperity:** The average annual income **per capita** is approximately **Euros 6,200 (PPP)** , and **average wealth** is about **Euros 28,000 (PPP)** .

Figure 1: Top 10% and bottom 50% income shares in India, 1900-2024



World Inequality Report

- **About:** The **World Inequality Report** is a major **global publication** that provides comprehensive **data and analysis** on the distribution of **income and wealth** across countries and over time.
 - It is produced by the **World Inequality Lab** , a research center based at the **Paris School of Economics** .
- **Key Features of the Report:** It provides a deeper assessment of **global income and wealth distribution** , moving beyond conventional metrics like GDP.
 - It uses a **multidimensional lens** , covering gender inequality, climate impact, and access to public services.

What are the Key Policy Recommendations Made in World Inequality Report 2026?

Policy Area	Core Objective	Recommendations
Public Investment in Human Capital	Equalize life chances from the start and build an inclusive society .	Invest in free, high-quality education , universal healthcare, childcare, and nutrition programs.
Redistribution & Social Protection	Shift resources directly to lower-income groups and provide stability.	Implement cash transfers, pensions, and unemployment benefits for vulnerable households.
Advancing Gender Equality	Dismantle structural barriers and redistribute unpaid care work .	Provide affordable childcare, equitable parental leave , and enforce equal pay laws.
Progressive & Green Taxation	Mobilize public resources fairly and align fiscal policy with climate goals.	Enact progressive wealth/income taxes and use taxes/subsidies to promote low-carbon technologies.
Reforming Global Financial System	Correct systemic biases that transfer resources from poor to rich nations.	Explore new global currency arrangements systems to reduce unequal financial flows.

India’s Initiatives to Reduce Inequality

- **Mahatma Gandhi National Rural Employment Guarantee Act Scheme (MGNREGA)**
- **Prime Minister’s Employment Generation Programme (PMEGP)**
- **Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM)**
- **Samagra Shiksha Scheme 2.0**
- **Pradhan Mantri Jan Dhan Yojana**
- **Lakshpati Didi Initiative**

Conclusion

The **World Inequality Report 2026** reveals an interconnected **crisis** of extreme **economic** , **environmental** , and **social disparities** . While the **data** shows that **inequality** is a **political choice** , the proposed **multi-dimensional policy solutions** and existing **national initiatives** highlight a clear, actionable path toward building more **equitable** and **resilient societies** .

Drishti Mains Question:

Q. Examine the multidimensional nature of global inequality as highlighted in the World Inequality Report 2026. What comprehensive steps, integrating fiscal and social policy, are needed to forge an effective and equitable development path for India?

Frequently Asked Questions (FAQs)

1. What does WIR 2026 reveal about global wealth concentration?

The top 10% hold 75% of global wealth, while the bottom 50% owns only 2%; the top 0.001% controls three times more wealth than half of humanity.

2. How is climate inequality linked to wealth?

The wealthiest 10% account for 77% of emissions from private capital; the top 1% alone contribute 41%, showing unequal responsibility and risk.

3. What does the report identify as a primary reason for persistent high inequality in India?

Inequality in India is entrenched, with the top 10% capturing 58% of national income and the top 1% holding 40% of wealth, exacerbated by a stagnant female labour force participation rate of 15.7%.

[Watch Video on YouTube:

▶ https://www.youtube.com/embed/owWX3_DiMX0

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UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. Inclusive growth as enunciated in the Eleventh Five Year Plan does not include one of the following: (2010)

- (a) Reduction of poverty
- (b) Extension of employment opportunities
- (c) Strengthening of capital market
- (d) Reduction of gender inequality

Ans: (c)

Mains

Q. COVID-19 pandemic accelerated class inequalities and poverty in India. Comment. (2020)

Role of Bengal in Indian National Movement



Source: ET

Why in News?

The **West Bengal Chief Minister** has criticised the **Central government** , alleging that it has undermined the contributions of **national icons from Bengal** , including **Rabindranath Tagore** , **Netaji Subhas Chandra Bose** , and **Bankim Chandra Chattopadhyay** .

- Her remarks have sparked debate over the **politics of national symbols** , **regional identity** , and **historical legacy**, especially over the national song **Vande Mataram** .

Summary


- **Bengal** served as the **intellectual and revolutionary center** of Indian nationalism, driving mass movements, radical thought, and armed resistance.
- Iconic figures like **Tagore, Bose, and Bankim Chandra** shaped the movement's **cultural and ideological foundations** , though with complex legacies.
- Ongoing debates over symbols like **Vande Mataram** and these icons reflect tensions between **regional identity, historical memory, and national narratives**.

What is the Role of Bengal in Indian National Movement?

- **Intellectual and Cultural Awakening:** **Raja Rammohan Roy's Brahmo Samaj** ignited **rationalism** and **social reforms** , while **Bankim Chandra Chattopadhyay's Vande Mataram** served as the **anthem** of the Indian national movement.
 - **Swami Vivekananda** then galvanized this sentiment, fusing **national pride** , **self-respect** , and **service** into a **spiritual duty**.
- **Early Political Associations:** **Early political organizations like the British Indian Association (1851)** , and **Indian Association (1876)** emerged in Calcutta , paving the way for organized political movements that shaped India's struggle for independence.
 - Early Congress sessions were dominated by Bengali leaders (Surendranath Banerjea , Ananda Mohan Bose , etc.).
- **Swadeshi Movement & Extremism:** The **Partition of Bengal (1905)** ignited the **Swadeshi Movement** , birthing modern **revolutionary nationalism** through **boycott** , **swadeshi enterprise** , **national education** , and **extremist leaders** like **Bipin Chandra Pal** and **Aurobindo Ghosh** .
 - This era saw the rise of revolutionary groups like the **Anushilan Samiti (1902)** and **Jugantar party (1906)** , marked by actions such as the **Alipur Bomb Case (1908)** .
- **Revolutionary Phase of Nationalism:** Iconic actions included the **Chittagong Armoury Raid (1930)** by **Master Da Surya Sen** and pioneering martyrdom by women revolutionaries like **Pritilata Waddedar (1932)** and **Bina Das (1932)** .
- **Cultural & Literary Contribution:** The fearless **Bengali press** (e.g., **Amrita Bazar Patrika**) and

powerful **theatre** (e.g., **Neel Darpan**) exposed colonial exploitation, while **Rabindranath Tagore** (work **Ghare Baire** i.e., **The Home and the World**) and the **rebel poet Kazi Nazrul Islam** profoundly shaped **nationalist thought** through literature, music, and impassioned verse.


- **Role in Gandhian Movements:** Bengal actively participated in **Non-Cooperation (1920-22)** with leaders like **Chittaranjan Das** and **Basanti Devi** , in **Civil Disobedience (1930-34)** where thousands courted arrest, and in **Quit India (1942)** , which spurred the parallel **Tamralipta Jatiya Sarkar (1942-44)** .



"You can't cross the sea merely by standing and staring at the sea."

Rabindranath Tagore (1861-1941)

- First Indian and first non-European to achieve the **Nobel Prize in Literature** in 1913 for his exceptional work, *Gitanjali*. Responsible for modernising **Bengali prose and poetry**.
- Gave the **national anthems of India and Bangladesh**: the *Jana Gana Mana* and the *Amar Shonar Bangla*.
- "*Jana Gana Mana*" was **translated by him from Bengali to English in February 1919** at Madanapalle in the District of Chittoor (Andhra Pradesh).
- In 1915, he was **awarded the knighthood** by British King George V which he later **renounced in 1919**, to protest against the Jallianwalla Bagh massacre.
- He is said to have given Mahatma Gandhi the title of Mahatma.
- Established the **Vishwa-Bharati University** in 1921.
- Spoke at the **World Parliament for Religions** in the years 1929 and 1937.



NETAJI SUBHASH CHANDRA BOSE



BIRTH

- 23rd January 1897 (celebrated as '**Parakram Diwas**')
Subhas Chandra Bose Aapda Prabandhan Puraskar is announced every year on 23 January to honour the selfless service rendered by individuals/organisations in India in disaster management.

EARLY LIFE

- Cleared the **Indian Civil Services (ICS) examination** (1919) but resigned later
- Considered **Swami Vivekananda as his spiritual Guru**
- Newspaper - *Swaraj*

POLITICAL LIFE IN CONGRESS (INC)

- Stood for **unqualified Swaraj** (self-governance)
- Actively participated in **Salt Satyagraha (1930)**
- **Opposed Gandhi-Irwin Pact (1931)** & suspension of **Civil Disobedience Movement**
- Won INC Presidential Elections at Haripura (1938) and Tripuri (1939)
- **Resigned from INC (1939)** due to ideological differences with Gandhiji
- Founded '**the Forward Bloc**' party to consolidate the **Political Left**

INDIAN NATIONAL ARMY (INA)

- Reached Japan-controlled Singapore in July **1943**, issued from there his famous slogan - '**Dehti Chalo**'
He also gave the slogan - 'Jai Hind'
- Announced the formation of **Azad Hind Government** and INA in Oct 1943
- **INA fought allied forces (1944)** in **Imphal** (India) and in **Burma**

INA was first formed under Mohan Singh and Japanese Major Iwachi Fujiwara. It comprised Indian prisoners of war of the British-Indian Army captured by Japan in Malay and Singapore.

DEATH

- **Believably in 1945** when his plane crashed in Taiwan.



Conclusion

Bengal's **unparalleled contribution** — **intellectual** , **revolutionary** , and **cultural** — fundamentally shaped **India's freedom struggle** . Contemporary debates over its **icons** reflect the enduring **politics of memory** and **regional identity** within the **national narrative** .

Drishti Mains Question:

Q . Examine the role of Bengal as the 'crucible of Indian nationalism,' highlighting its intellectual, revolutionary, and cultural contributions to the freedom struggle

Frequently Asked Questions (FAQs)

1. Which early political associations emerged from Bengal?

The British Indian Association (1851), the Indian League (1875), and the Indian Association (1876) were key early political associations founded in Calcutta.

2. Why has 'Vande Mataram' been a historically contested symbol?

While a powerful anti-colonial anthem, its context in Bankim Chandra's novel Anandamath and overt Hindu imagery led to debates, resulting in only its first two stanzas being adopted as the National Song.

3. What was Netaji Subhas Chandra Bose's ideological divergence from the Congress mainstream?

Bose advocated for a more militant, socialist, and centrally-organized approach to independence, leading to the formation of the Forward Bloc and the Indian National Army (Azad Hind Fauj).



UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. Which among the following events happened earliest? (2018)

- (a) Swami Dayanand established Arya Samaj.
- (b) Dinabandhu Mitra wrote Neeldarpan.
- (c) Bankim Chandra Chattopadhyay wrote Anandmath.
- (d) Satyendranath Tagore became the first Indian to succeed in the Indian Civil Services Examination.

Ans: (b)

Q. Who among the following is associated with 'Songs from Prison', a translation of ancient Indian religious lyrics in English? (2021)

- (a) Bal Gangadhar Tilak
- (b) Jawaharlal Nehru
- (c) Mohandas Karamchand Gandhi
- (d) Sarojini Naidu

Ans: (c)

Mains

Q. Evaluate the policies of Lord Curzon and their long term implications on the national movement. (2020)

Q. Many voices had strengthened and enriched the nationalist movement during the Gandhian Phase. Elaborate. (2019)

Google's Quantum Echoes Experiment



Source: TH

Why in News?

Google has achieved a **breakthrough** in **quantum computing** called **Quantum Echoes** marking a significant **advancement** in understanding **quantum behavior** and has revived global discussions on **Q-day** , **encryption security** , and the future of **quantum-safe systems** .

Summary

- The **Quantum Echoes experiment** advanced **quantum physics** by measuring **information scrambling** , separate from **cryptographic code-breaking** .
- It warns of the **Q-Day threat** and **harvest-now-decrypt-later risk** to current **encrypted data** .
- A large **technology gap** persists, driving global moves like **NIST's PQC standards** and **RBI advisories** toward **quantum-safe systems** .

What is Google's Quantum Echoes Experiment?

- **About:** It is a **fundamental physics experiment** run on Google's **65-qubit Willow quantum processor** , designed to observe and measure how **quantum information** scrambles and refocuses within a complex, **entangled system** —a phenomenon metaphorically called an **echo** .
 - Scientists used a tool called an **Out-of-Time-Order Correlator (OTOC)** , which works like giving the quantum system a **tiny push**, reversing its evolution, and then detecting the returning **echo** .
- **Q-Day Concept** : Refers to when **quantum computers** become powerful enough to break **public-key encryption** . It would not instantly expose all secrets, but any encrypted data stored today could be decoded later if intercepted now — a risk known as **“harvest now, decrypt later.”**
- **Encryption Vulnerability** : **RSA-2048 (Rivest-Shamir-Adleman) encryption** , which secures nearly all **online communication** , works by multiplying large **prime numbers** .
 - **Quantum computers** using **Shor's algorithm** (a quantum method that factors **large numbers efficiently**) could potentially break this by finding **prime factors** exponentially faster than classical computers.
- **Current Technology Gap** : Breaking **RSA-2048 encryption** would require approximately **20 million physical qubits** and **8 hours** . Current processors like **Google's Willow** and **IBM's Condor** have only a few hundred **noisy qubits** .
 - **Fault-tolerant** quantum computers needing millions of **logical qubits** remain **5-8 years** away.
- **Global Preparedness** : **US National Institute of Standards and Technology (NIST)** has standardized **post-quantum cryptography (PQC)** algorithms — **CRYSTALS-Kyber** for **encryption** and **Dilithium** for **digital signatures** .
 - Companies like **Google** and **Cloudflare** are adopting **hybrid encryption** .
- **India's Response** : **Reserve Bank of India (RBI)** is urging organizations to transition to **quantum-safe systems** before the end of the **decade** , though most **networks** remain **unprotected** .

NATIONAL QUANTUM MISSION

Aims to put India among the top six leading nations involved in the R&D in quantum technologies

Presently, R&D works in quantum technologies are underway in the US, Canada, France, Finland, China and Austria

- Duration: 2023-24 to 2030-31
- Nodal Ministry: Ministry of Science & Technology
- Highlights of the Mission:
 - Four Thematic Hubs (T-Hubs) in different domains across the country
 - Wide-scale applications ranging from healthcare and diagnostics, defence, energy and data security

- Strengthening of indigenously building quantum-based computer
- Help develop magnetometers with high sensitivity in atomic systems and atomic clocks
- Support design and synthesis of quantum materials

A huge boost to National priorities like digital India, Make in India, Skill India, Stand-up India, Start-up India, Self-reliant India and SDGs

Quantum Technology

Works by using the principles of quantum mechanics (the physics of sub-atomic particles), including quantum entanglement and quantum superposition

Quantum Superposition

The ability of a quantum system to be in multiple states simultaneously

While digital computers store data as bits (the ones and zeros of binary), quantum computers use qubits that exist as one, zero or both at the same time

This superposition state creates a practically infinite range of possibilities, allowing for fast simultaneous and parallel calculations

Quantum Entanglement

- It means the two members of a pair (Qubits) exist in a single quantum state
- If you change the properties of one of them, the other changes instantly
- This can be used to create a secure encryption key in quantum cryptography
- If an eavesdropper tries to intercept the transmission, the entangled state of the particles will be disturbed, making the attempt detectable



Frequently Asked Questions (FAQs)

1. What is Google's Quantum Echoes experiment?

It is a physics experiment on the 65-qubit Willow processor that measures how quantum information spreads and refocuses using OTOCs.

2. What is Q-day in cybersecurity?

Q-day is the point when quantum computers become powerful enough to break public-key encryption, raising the "harvest now, decrypt later" threat.

3. Why is RSA-2048 vulnerable to quantum computing?

Shor's algorithm can factor large numbers exponentially faster using quantum superposition and entanglement, undermining RSA's prime-factor security

[Watch Video on YouTube: [▶ https://www.youtube.com/embed/0vkSvoQoWpk](https://www.youtube.com/embed/0vkSvoQoWpk)]

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Which one of the following is the context in which the term "qubit" is mentioned?

- (a) Cloud Services
- (b) Quantum Computing
- (c) Visible Light Communication Technologies
- (d) Wireless Communication Technologies

Ans: (b)

India-Italy Business Forum 2025



Source:PIB

The **India-Italy** Business Forum 2025 in Mumbai reinforced **bilateral trade and innovation within the Strategic Partnership** , while advancing resilient supply chains and high-technology collaboration.

- **Outcomes of the India-Italy Business Forum 2025:** Signing of the Agreed Minutes of the **22nd India-Italy Joint Commission for Economic Cooperation (JCEC)**, providing a clear and structured roadmap for future bilateral collaboration.
- **Italy-India Joint Strategic Action Plan 2025-2029: Announced in 2024, it sets a roadmap for cooperation in Artificial Intelligence, cybersecurity, renewables, telecom, biotechnology, and mobility, aiming for concrete gains in technology transfer, innovation, and coordinated bilateral engagement.**

India - Italy Economic Relations

- Italy is India's **4 th largest European Union trading partner** , with bilateral trade touching **USD 13.76 billion in 2024-25** with India's exports at **USD 7.73 billion** .
- Italy ranks **19 th in FDI inflows** into India (2000-2025) with **USD 3.61 billion** , mainly in **automobiles, trading, machinery, services, and electrical equipment** .
- Services trade is growing, with India emerging as a rapidly expanding market for Italian service exports and a strong supplier of IT and professional services.



Genocide Convention, 1948



Source: TH

The **Convention on the Prevention and Punishment of the Crime of Genocide (Genocide Convention)** , adopted by the **United Nations General Assembly (UNGA)** on 9 th December 1948, remains a cornerstone of international law, criminalising acts of genocide for the first time globally.

- The Convention entered into force on 12 th January 1951, making it legally binding on ratifying states.
- **Definition of Genocide (Article II):** Genocide comprises acts committed with intent to destroy, in whole or in part, a national, ethnic, racial, or religious group. It can occur in peace or war.
- **Membership:** Ratified by 153 States. India signed in 1949 and ratified in 1959 but has not enacted domestic legislation on the subject.
- **Obligations on State under Convention:** States must prevent and punish genocide, including enacting relevant legislation and prosecuting perpetrators.
- **Jurisdiction:** Disputes regarding interpretation or application of the Convention are heard by the [International Court of Justice \(ICJ\)](#) .
- **Global Impact :** The Convention's definition has influenced both national laws and international treaties, including **Article 6** of the **Rome Statute International Criminal Court (ICC)** .

Differences between the ICJ and the ICC

The International Court of Justice (ICJ) and the International Criminal Court (ICC) are two courts with different functions within the international legal system.

	 ICJ International Court of Justice	 ICC International Criminal Court
Established	1945	2002
UN-relationship	Highest court of the UN	Not part of the UN
Location	The Hague, the Netherlands	The Hague, the Netherlands
Jurisdiction	UN member-states	Individuals
Types of cases	Legal disputes between states and requests for advisory opinions on legal questions	Prosecutes individuals for the most serious crimes as per the Rome Statute
Appeals	No	Yes
Enforcement power	None - relies on the UN Security Council to uphold judgements, with permanent members having veto power	None - relies on cooperation from member states to enforce its decisions

[Read More: Genocide Convention](#)

Poverty in India

For Prelims: Poverty , World Bank , Gini index , Ayushman Bharat , and POSHAN Abhiyan, and Samagra Shiksha

For Mains: Poverty trends in India, Equity, distributive justice and inclusive development.

Source:IE

Why in News?

A new research paper by **Arvind Panagariya, Chairman of the 16 th Finance Commission**, finds that India has “**virtually eliminated**” extreme poverty between 2011-12 and 2023-24.

Summary

- India has seen a steep fall in poverty, with extreme poverty **dropping to about 2%**, alongside major gains across social and religious groups.
- The rising consumption, stronger welfare systems, and broad rural improvements have aided in decline in poverty.

What are the Key Highlights of the Study on Poverty?

- **Extreme Poverty Nearly Eliminated:** Poverty fell from 21.9% to 2.3% between 2011-12 and 2023-24, indicating near-elimination of extreme poverty driven by rising consumption and better access to welfare, nutrition, and basic services.
- **Poverty Declined Across all Social Groups:** SCs, STs, OBCs and FCs all saw major reductions, with ST poverty dropping to 8.7%, though remaining higher than other groups.
- Religious poverty gaps **have sharply narrowed**, with Muslims now recording slightly lower rural poverty than Hindus, reversing the common perception of higher Muslim poverty.
- **Faster Reduction in Rural Areas:** Rural poverty declined by 22.5 percentage points, outpacing urban reduction of 12.6 points due to stronger welfare and consumption growth.
- Near-Zero Poverty: Himachal Pradesh, Sikkim, Goa, Delhi, Chandigarh, and Daman & Diu recorded poverty levels close to zero.

What is Poverty?

- **Poverty:** According to the [World Bank](#), poverty is “**pronounced deprivation in well-being.**” The poor are those who do not have sufficient income or consumption to **rise above an adequate minimum threshold.**
 - The international poverty line, which is used to measure extreme poverty in low-income economies, is set at USD 3.00 per person per day (based on 2021 [purchasing power parity](#)).
 - According to NITI Aayog, poverty is measured by setting a **poverty line** (the minimum expenditure needed to meet basic socially acceptable needs) and the **poverty ratio** denotes the share of the population living below this line.
- **Poverty Estimation in India:**
 - **Post-Independence:** The **Planning Commission (1962)** initiated an official poverty assessment.
 - Later committees like **Alagh Committee (1979)** and **Lakdawala Committee (1993)** refined the methodology, focusing on consumption expenditure and calorie norms.
 - **Tendulkar Committee (2009):** Shifted from calorie-based norms, recommended a uniform all- **India Poverty Line Basket (PLB)**, and adopted Mixed Reference Period (MRP) consumption data.
 - It estimated the 2011-12 poverty line at Rs 816 (rural) and Rs 1,000 (urban) per capita per month.
 - **Rangarajan Committee (2014):** Formed after criticism of the Tendulkar method, it reverted to separate rural and urban PLBs, estimating Rs 972 (rural) and Rs 1,407 (urban) per capita per month.
 - However, the government did not adopt its recommendations officially.
- **Multidimensional Poverty Index (MPI):** Launched in 2010 by United Nations Development

Programme and Oxford Poverty & Human Development Initiative (OPHI), the MPI measures poverty beyond income, considering deprivations in health, education, and living standards.

- It reflects both the proportion of poor people and the average number of deprivations they experience simultaneously.

- **National Multidimensional Poverty Index (NMPI):** NITI Aayog uses [National Family Health Survey \(NFHS\)](#) to measure the NMPI.

- The multidimensional poverty in India has declined from **29.17% in 2013-14 to 11.28% in 2022-23** with about 24.82 crore people escaping poverty.
- The [Gini index](#) declined from **28.8 in 2011-12 to 25.5 in 2022-23**, showing reduced inequality.

Type of Poverty	Definition
Extreme Poverty	Defined as surviving on less than USD 3.00 per person per day at 2021 purchasing power parity.
Relative Poverty	Poverty measured in relation to the economic status of society.
Multidimensional Poverty (MPI)	Considers multiple deprivations in health, education, and living standards , not just income.
Consumption-based Poverty	Measured using household consumption expenditure .

What are the Factors Contributing to Poverty in India?

- **P - Persistent Inequality:** Income concentration remains high, the top 10% hold 57% of national income, leaving fewer resources and opportunities for low-income households to improve their living standards.
- **R - Rural Economic Dependence:** Agriculture employs 46% of India’s workforce but contributes only 18% to GDP, creating widespread underemployment and low earnings.
- **E - Education & Skill Deficits:** The ASER report 2024 notes that 50% of Class 5 students are not able to read Class 2 text, limiting future income mobility.
- **S - Social Exclusion:** According to the World Inequality Report 2022, women earn only 18% of labour income, and female labour force participation remains around 31% , reflecting deep social and economic barriers.
- **S - Slum Expansion & Urban Vulnerability:** Around 17% of India’s urban population lives in slums (Census 2011), with recent growth driven by migration and limited affordable housing.
- **U - Unemployment & Informal Work:** Youth unemployment stands at 10.2% (PLFS 2023–24), rising to 29% for graduates and over 80% of the workforce remains in informal jobs without social security.
- **R - Regional Disparities:** States like Bihar continue to show over 25% poverty, while Kerala reports zero extreme poverty, mirroring uneven development across India.
- **E - Environmental & Climate Stress:** About 51% of Indian children face the double burden of poverty and climate vulnerability; disasters like Cyclone Amphan displaced 2.4 million people in 2020 alone.

What Measures can be Taken to Reduce Poverty in India?

To ease the **PRESSURE** of persistent poverty, India needs to strengthen a **PROSPER** strategy that expands opportunities, strengthens safety nets, and drives inclusive, resilient growth.

- **P - Strengthen Public Services:** Expand access to quality health, nutrition, and education through **Ayushman Bharat** , and **POSHAN Abhiyan**, and **Samagra Shiksha** to build long-term human capital and resilience.
- **R - Diversify Rural Livelihoods:** Reduce overdependence on low-productivity agriculture by scaling **PM-KUSUM** , **Dairy/Fisheries Missions** , and **MGNREGA** asset creation to boost non-farm rural incomes.
- **O - Opportunities for Skilling and Jobs:** Address youth unemployment by upgrading **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)** , and promoting labour-intensive sectors under **Make in India**.
- **S - Strengthen Social Safety Nets:** Reinforce food security, housing, and direct support through **One Nation One Ration Card** , **Pradhan Mantri Awas Yojana - Urban (PMAY-U) 2.0** , and **Direct Benefit Transfer (DBT) systems** to protect vulnerable households from economic shocks.
- **P - Enhance Inclusion of Women & Marginalised Groups:** Deepen economic participation through **DAY-NRLM SHGs** , and targeted interventions in Aspirational Districts.
- **E - Build Climate-Resilient Systems:** Safeguard rural livelihoods through water conservation missions, and climate-adaptive practices under **Mission LiFE**.
- **R - Reduce Regional Disparities:** Focus on lagging states and tribal areas through **PM-Janman**, and **the Aspirational Blocks Programme** to ensure balanced development.

Conclusion

India's poverty challenge has shifted from widespread deprivation to **concentrated pockets of vulnerability** driven by inequality, climate stress, and regional disparities. A calibrated PROSPER strategy can help India secure inclusive and sustainable poverty reduction.

Drishti Mains Question:

Q. Poverty in India is now concentrated in tribal and lagging regions. Discuss and suggest policy measures.

Frequently Asked Questions (FAQs)

1. What does the Multidimensional Poverty Index (MPI) measure?

MPI measures deprivations in **health, education, and living standards**, capturing both the **proportion of people who are poor** and the **average number of deprivations they face** simultaneously.

2. What does the Gini Index measure?

It measures **inequality in income or consumption distribution**, **0 means perfect equality, and 100 indicates perfect inequality**. India's consumption-based Gini index fell from **28.8 (2011-12)** to **25.5 (2022-23)**.

3. What is “consumption-based poverty” in India?

It is poverty measured using **household consumption expenditure** rather than income, based on surveys such as the **Household Consumption Expenditure Survey (CES)** using 7-day, 30-day, and 365-day reference periods.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. The Multi-dimensional Poverty Index developed by Oxford Poverty and Human Development Initiative with UNDP support covers which of the following? (2012)

1. Deprivation of education, health, assets and services at household level
2. Purchasing power parity at national level
3. Extent of budget deficit and GDP growth rate at national level

Select the correct answer using the codes given below:

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (a)

Mains

Q. Poverty and malnutrition create a vicious cycle, adversely affecting human capital formation. What steps can be taken to break the cycle? (2024)