CURRENT AFFAIRS

WORLD BANK ON INDIA'S POVERTY: 27% TO 2.6%, AND THE WORK STILL AHEAD

By **Kamlesh Bhagatkar**, *Politician, Author & Geopolitical Analyst · 19 November 2026*

The World Bank's October 2026 Poverty and Equity Brief for India says the share of Indians in extreme poverty fell from 27.1 per cent in 2011 to 2.6 per cent in 2023. Extreme poverty here means living on less than $3 a day, measured at 2021 purchasing power parity (PPP). The Bank called it "one of the fastest poverty declines in the world", ANI reported.

On a higher line of $4.20 a day, the poverty line the Bank uses for lower-middle-income countries such as India, the share of the poor fell from 57.7 per cent to 16.1 per cent over the same period. That, the Bank estimates, means about 496 million people moved above the line. The figures were reported by ANI and Al Jazeera, among others.

For decades Garibi Hatao was a political promise, and the fight against poverty was measured in speeches. A drop of this size deserves a careful reading. That means looking at what the numbers say, what drove them, and what they do not yet show.

Which number is which

The 496 million figure is for the $4.20 line. It is not the count of people who left extreme poverty. EconoTimes, reporting on the same brief, notes that about 232 million people were still below the $4.20 line in the latest survey year. When people quote "half a billion out of poverty", they mean the higher line, and they should say so.

PPP also needs a word of explanation. The dollar figure is not converted at the market exchange rate. It is adjusted for what money actually buys in India, which is why $3 a day is a meaningful line here.

EconoTimes reports that the latest year in the brief comes from the 2023-24 consumption survey. The Ministry of Statistics says the National Statistics Office ran that Household Consumption Expenditure Survey from August 2023 to July 2024. This matters because an earlier World Bank estimate, released in June 2025, put extreme poverty at the $3 line at 5.3 per cent in 2022-23, as The Tribune and News On AIR reported then. The new 2.6 per cent figure is a later survey year, not a revision of that number.

The same survey shows the gap closing on the ground. The Ministry of Statistics reported that the urban-rural gap in monthly per capita spending fell to 71 per cent in 2022-23 from 84 per cent in 2011-12. The Gini coefficient, a common measure of consumption inequality, fell in rural areas to 0.237 in 2023-24 from 0.266 a year earlier, and in urban areas to 0.284 from 0.314.

What drove it

The World Bank lists three drivers. Al Jazeera quotes the brief as crediting "strong consumption growth, rising employment, especially among women, and expanded social transfers, including food subsidies."

The employment point is the one I find most encouraging. According to the brief, as reported by ANI, employment grew by about 134 million people between 2017 and 2023, nearly twice the growth of the working-age population. Much of that came from rural women entering paid work. I think a household where the mother earns as well is far better placed to absorb a bad harvest or a hospital bill.

The food subsidy point is about the ration shop. The Union Cabinet decided to give free foodgrains to about 81.35 crore beneficiaries for five years from 1 January 2024 under the Pradhan Mantri Garib Kalyan Anna Yojana. PRS Legislative Research reports that Rs 2,27,429 crore has been allocated to the scheme for 2026-27. That is a large bill. The World Bank's reading is that transfers of this kind helped households hold their ground.

The improvement is wider than income. The brief cites the Multidimensional Poverty Index of the Oxford Poverty and Human Development Initiative, which looks at health, schooling and living standards. It fell from 53.8 per cent in 2005-06 to 16.4 per cent in 2019-21. The World Bank's own multidimensional measure stood at 15.5 per cent in 2022-23. A NITI Aayog discussion paper put India's own multidimensional poverty at 11.28 per cent in 2022-23, down from 29.17 per cent in 2013-14, which it said meant nearly 25 crore people had moved out, ThePrint reported.

I read these numbers as the result of many things done steadily over a decade, with free grain at the ration shop among the most visible. No single scheme explains a fall of this size, and I think the common thread is delivery that reaches the last house.

What the numbers do not settle

The fall in poverty is real, and so are the gaps that remain. I see three.

The first gap is jobs and wages. The same brief, as reported by ANI, says youth unemployment rose from 14.6 per cent to 15.9 per cent between the first quarters of 2025-26 and 2026-27, most of all among young rural women. It also says real earnings stayed broadly unchanged, because most new jobs were in low-productivity work. The top 10 per cent of wage earners had median earnings about 13 times those of the bottom 10 per cent in 2023, according to Al Jazeera's reading of the brief.

The second gap is geography. About 57 per cent of India's remaining poor live in one continuous belt from Uttar Pradesh to West Bengal, according to the brief. The Bank says productive jobs in those states are what will cut poverty further. From Nagpur, at the centre of the country, I see this as the most important line in the brief: the next stage of the fight is regional.

The third gap is measurement. The World Bank itself cautions that some recent gains may reflect better measurement as well as real improvement in welfare, ANI reported. The Bank's projections show the rate at the $4.20 line falling from 14.2 per cent in 2026 to 12.1 per cent by 2028, a slower decline than before, and it calls these indicative estimates that could change with new data.

Economists differ on how much to read into all this, and their views are worth hearing. Santosh Mehrotra, a former Planning Commission economist, was quoted by Al Jazeera as saying: "We are a strange country in having adopted an international organisation's poverty line as our own." Jayati Ghosh of the University of Massachusetts Amherst pointed to stagnant real wages and said: "These are not signs of a dynamic economy with falling poverty." On the other side, Surjit Bhalla, a former executive director at the IMF, called World Bank data the "gold standard" and said there was "no ideological basis" for questioning it.

My own view sits in the middle, but closer to Bhalla on the main point. The survey covered 2,61,953 households and was run by our own statistical system, and the direction it shows is clear. Mehrotra's point about a national poverty line, though, deserves an answer. A country of our size should publish its own official line, updated for how Indians spend today, so that we are not debating our progress in another institution's terms.

Where policy goes from here

In my view, moving people above $3 a day was mostly about food and basic services. Moving them above $4.20, and then well above it, will take better jobs. That means factories, food processing and services in the eastern belt, and training young people, especially young women, for the work that is actually on offer.

It also means trade. Labour-heavy exports such as garments, footwear and processed food create the kind of jobs that this belt needs, which is one reason the terms of the India-US trade deal matter to families far from any port.

In a post on Instagram, the Prime Minister welcomed the brief as showing a "historic fall in poverty" and a "generational rise in opportunity", Al Jazeera reported. The first half of that phrase is now in the data. The second half will be measured by the youth unemployment figure in the next labour survey, and by how many of the 232 million people still below the $4.20 line live in Uttar Pradesh, Bihar and West Bengal when the World Bank next reports.

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