

World Bank: India ranks 4th in income equality, ahead of US and China; 171 million lifted out of extreme poverty

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India has become one of the most equal societies in the world, ranking fourth globally in income equality with a Gini Index of 25.5, according to the latest World Bank data.

India stands next only to the Slovak Republic, Slovenia, and Belarus which have better income equality scores. India's score is better than that of major economies like China (35.7), the United States (41.8), and all G7 and G20 countries.

The Gini Index measures income distribution on a scale from 0 (perfect equality) to 100 (maximum inequality).

A release from the Social Welfare department said, "It reflects how India's economic progress is being shared more evenly across its population. Behind this success is a consistent policy focus on reducing poverty, expanding financial access, and delivering welfare support directly to those who need it most."

India's Gini Index has improved from 28.8 in 2011, showing steady progress in equitable growth. A key reason behind this has been the country's strong push in reducing poverty.

The World Bank's Spring 2025 Poverty and Equity Brief noted that between 2011 and 2023, about 171 million

Indians moved out of extreme poverty. During the same period, India's poverty rate dropped sharply from 16.2 per cent to just 2.3 per cent, based on the global poverty line of \$2.15 per day.

The report also pointed to various government initiatives that have helped drive this transformation. The PM Jan Dhan Yojana has widened financial inclusion with over 55 crore bank accounts. Aadhaar, the national digital ID system, now covers more than 142 crore people, making welfare delivery through Direct Benefit Transfers more efficient and saving Rs 3.48 lakh crore by March 2023.

Schemes like Ayushman Bharat, which offers Rs 5 lakh health cover and has issued over 41 crore cards, has also improved healthcare equity. Schemes like Stand-Up India support SC/ST and women entrepreneurs, while the PM Vishwakarma Yojana helps artisans with loans and training. The PMGKAY food security programme has supported more than 80 crore people, the release added.