

# Poverty in India eased in '21, but was above '18 level: World Bank data

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ASIT RANJAN MISHRA  
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Extreme poverty in India declined by 38 million in 2021 to 167.49 million after a surge in the two preceding years, but remained above the 2018 level, the latest World Bank data shows.

While for most countries poverty rose in 2020, when the Covid-19 pandemic hit the global economy, the data shows poverty shot up in India a year earlier in 2019 to 176.09 million from 151.79 million in 2018,

the lowest pre-pandemic count. India's poverty rate at 11.9 per cent in 2021 also remained higher than the 2018 level of 11.09 per cent, though easing from 14.72 per cent in 2020.

**India's poverty rate at 11.9% in 2021 remained higher than 2018, easing from 14.72% in 2020**

The World Bank measures extreme poverty rate at \$2.15 a day in purchasing power parity terms. The multilateral lending institution used data from the Consumer Pyramids Household Survey (CPHS), conducted by the Centre for Monitoring Indian



Economy (CMIE), to estimate poverty for India in the absence of Household Consumer Expenditure Survey data from the government since 2011-12.

The World Bank substantially revised upwards its extreme poverty number for 2019 to 176.09 million

from 136.81 million estimated earlier. This substantially narrowed the gap with the 2020 figures to 29.5 million, implying the pandemic had a lesser debilitating impact on poverty than earlier anticipated.

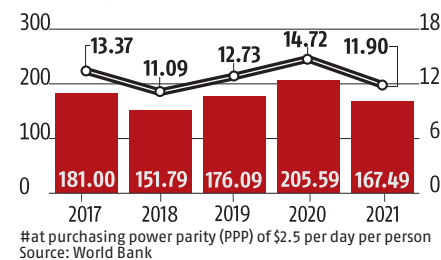
Last year, the World Bank said about 56 million Indians may have

plunged into extreme poverty in 2020 as a result of the pandemic, increasing the global tally by 71 million and making it the worst year for poverty reduction since World War II.

N C Saxena, who was a member of the erstwhile Planning

## IN NUMBERS

■ Population living in poverty (in mn) # LHS  
— Poverty rate (in %) RHS



Commission, said there were many reasons why poverty might have increased before the pandemic in 2018-19. "The government's own 2017-18 consumption survey that it junked had shown that poverty increased in India. In the 2005-2015 period, there was a great deal of investment in construction, which declined after 2015. So, a large number of people who were involved in construction activity lost their jobs. The latest figures also show there has been no increase in real wages. The number of people who are in the workforce has also not increased significantly. Therefore, a large number of people are in the third category of 'neither employed nor seeking employment'," he said.

The United Nations under the Sustainable Development Goals (SDGs) has set the target of eradicating extreme poverty for all people everywhere by 2030. "I don't

know how things will change in the next five years but it appears that the goal is difficult to achieve," Saxena said.

In a blogpost published on its website, the World Bank said the post-pandemic recovery from high levels of poverty had been uneven. "While extreme poverty in middle-income countries has decreased, poverty in the poorest countries and countries affected by fragility, conflict or violence is still worse than before the pandemic," the World Bank said.

The economic setbacks of the pandemic resulted in the largest increase in global extreme poverty in decades, the multilateral lending agency said. "Global poverty has now receded to levels closer to those prior to the pandemic, but this means that we have lost three years in the fight against poverty," it added.