

## **Income inequality declining with support from Govt initiatives: Report**

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The income share of top 10% of the population, which was 1.82 times higher than the bottom 50% in 2004-05, declined to 1.34 times in 2022-23.

National Rural Employment Guarantee Scheme (NREGS), Direct Benefit Transfer (DBT) and various other financial inclusion initiatives have played a key role in uplifting the bottom 50% of the population, as per the paper titled 'Evolution of Income Inequality in India Since Independence: Results from India's Household Income Surveys'.

Despite a general decline in inequality, the income share ratio of top 10% to the bottom 50% briefly increased during the Covid-19 pandemic in 2020-21, exacerbating existing disparities, it added.

The analysis is based on household income surveys conducted by National Council of Applied Economics Research (NCAER) and People's Research on India's Consumer Economy (PRICE)

Data shows that middle 40% of the population continues to account for the largest share of income, followed by the top 10%.

The share of top 1% in net national income declined to 7.3% in 2022-23 from 8.3% in 2004-05. Similarly, the share of top 10% fell to 30.6% from 36.1% over the same period. On the other hand, it increased for the bottom 50% to 22.8% in 2022-23 from 19.6% in 2004-05. For the bottom 10%, it rose to 2.4% from 2.1%, the paper noted.