

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1980
TO BE ANSWERED ON THE 18TH MARCH, 2025

Relatively lower per capita income of India

1980. Dr. Fauzia Khan:

Will the Minister of FINANCE be pleased to state:

- a) whether the government is aware of reports, including those by the World Bank, highlighting India's low per capita income relative to developing countries, categorizing it as a lower-middle income country;
- b) the steps being considered by Government to elevate India's economic status, addressing challenges like aging populations, income gap, debt, geopolitical tensions, and declining standards of living and sustainable development;
- c) whether Government has established a timeline for achieving high-income country status;
- d) If so, the details thereof; if not reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- a) As per the World Bank's classification, India comes under the lower middle-income category.

b) The Government has adopted an inclusive approach toward economic development by creating robust social security systems along with a continued emphasis on economic growth. By providing elderly with pensions, comprehensive healthcare facilities, and creating elder-friendly public spaces and mobility options, the Government has enabled a safety net for the aging population. This, coupled with the Government's efforts to provide affordable housing, social security for workers, food security, financial inclusion, universal access to basic amenities and high-quality affordable healthcare, is expected to improve the overall well-being and standards of living. At the same time, the Government's focus on robust capital expenditure, infrastructure build-up, financial sector reforms, ease of doing business, agriculture, education, skill development, small and micro enterprises, and urban development is likely to sustain high growth rates of Indian economy, amidst geopolitical uncertainties. The Union Budget 2025-26 emphasises energy security, expanding clean energy capacity and fostering domestic manufacturing of green technologies. The Government has also indicated that it would endeavour to maintain a declining trajectory for the Central Government debt from 2026-27 till 2030-31.

c & d): The Government has set the vision of Viksit Bharat by 2047. The Union Budget 2025-26 has outlined the development measures and path leading to Viksit Bharat.
