

Economic Expansion and Wealth Disparities: Analyzing the Relationship Between GDP and Income Inequality in India

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Abstract: *This study examines the complex relationship between India's GDP growth and income inequality over the two decades from 2000 to 2024, utilizing a mixed-method approach that integrates quantitative analysis of macroeconomic data with qualitative insights. The results reveal a striking contrast: despite periods of robust economic expansion, with the GDP growth rate peaking at 8.5% in 2010, income inequality has consistently worsened. Key indicators show the Gini coefficient rising steadily from 0.32 to 0.42. This is exacerbated by a sharp rise in the income share of the top 10% (from 33% to 45%) and a corresponding decline for the bottom 50% (from 19% to 13%). Correlation analysis confirms a positive association between economic growth and widening disparities, suggesting that India's rapid progress has disproportionately benefited higher-income groups. The findings underscore the critical need for targeted, inclusive policies to translate national economic progress into equitable wealth distribution and sustainable development across all segments of Indian society.*

Keywords: India, GDP growth, income inequality, Gini coefficient, wealth distribution, economic expansion, top 10% income share, bottom 50% income share, socioeconomic disparities, inclusive development