

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