With poor people making up less than a tenth of its population, Himachal Pradesh is one of India’s more prosperous states. Since 1994, there has been a steady decline in poverty in the state, specially in the rural areas. As a result, the difference in poverty levels between the state’s rural and urban areas has narrowed considerably. In spite of this, Himachal Pradesh’s western and central districts record higher levels of poverty than its other regions. Growth in the state has been modest after 2005, driven mainly by the non-farm sectors of the economy. In urban areas, consumption inequality has increased.

**Poverty in Himachal Pradesh is among the lowest in the country**

![Population below poverty line, 2012 (%)](image)

*Low Income States are highlighted in orange, AI is All India.*

**Districts in the west and center of Himachal Pradesh have higher poverty than the rest**

*District level poverty, 2012*
Since 1994, a steady decline in poverty in Himachal Pradesh

Population below poverty line, (%)

Low Income States are highlighted in orange, AI is All India.

With rapid poverty reduction in rural areas, the rural-urban gap in poverty is closing in Himachal Pradesh

Population below poverty line, (%)

WORLD BANK GROUP
Growth in Himachal Pradesh is similar to the national average

Non-farm sectors drive Himachal Pradesh’s growth

Components of GSDP growth rate, (%)
The pace of poverty reduction in Himachal Pradesh has been among the fastest after 2005.

A very small share of India’s poor live in Himachal Pradesh.

Interpreting the graph:
- Share of poor > share of population
- Share of poor < share of population
- What % of India’s population lives in this state?
Consumption inequality has risen in urban areas of Himachal Pradesh, but dropped marginally in rural areas.

Consumption inequality in Himachal Pradesh is lower than the national average.

Low Income States are highlighted in orange, AI is All India.