

Pew study shows COVID pushed 32 million Indians out of middle class



A year into the pandemic, the number of those in the Indian middle class shrank to 66 million, says Pew [Photo: Francis Mascarenhas/Reuters]

New Delhi, March 20 (RHC)-- A year into the pandemic, the numbers of those in the middle class in India has shrunk to 66 million, down a third from a pre-pandemic estimate of 99 million. "India is estimated to have seen a greater decrease in the middle class and a much sharper rise in poverty than China in the COVID-19 downturn," the Pew Research Centre said, citing the World Bank's forecasts of economic growth.

Nearly 57 million people had joined the middle-income group between 2011 and 2019, according to the study. In January last year, the World Bank forecast almost the same level of economic growth for India and China, at 5.8 percent and 5.9 percent respectively, in 2020.

But nearly a year into the pandemic, the World Bank revised its forecast this January, to a contraction of 9.6 percent for India and growth of 2 percent for China. India faces a second wave of infections in some industrial states, after a decline in cases until early this year, and its tally of 11.5 million cases is the highest after the US and Brazil.

Prime Minister Narendra Modi's government projects a contraction of 8 percent in the current financial year, which ends this month, before economic growth picks up to about 10 percent in the next financial year.

The Pew center estimated the number of poor people, with incomes of \$2 or less each day, has gone up by 75 million as the recession brought by the virus clawed back years of progress. A rise of nearly 10 percent in domestic fuel prices this year, job losses and salary cuts have further hurt millions of households, forcing many people to seek jobs overseas.

In China, however, the fall in living standards was modest as numbers in the middle-income category probably decreased by 10 million, while poverty levels remained unchanged, the report added.

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