

CONSOLIDATED COVERAGE REPORT State of Working India - 2021



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Average household income shrinks as covid rages

Study finds job losses highest in states worst affected by the pandemic as poverty rate rises.

One year of the pandemic has pushed 230 million Indians into poverty with a 15% increase in poverty rate in rural India and 20% surge in poverty rate in urban India, says a report by the Azim Premji University.

Mobility restrictions have led to income losses due to decreased economic activity, it said. "A 10% decline in mobility was associated with a 7.5% decline in income," the report titled *State of Working India 2021: One Year of Covid-19* said suggesting this could get worse if more lockdowns are imposed.

Commenting on the labour market, the report said about 15 million workers continued to be out of job by end of 2020 compared



to pre-pandemic levels while household incomes remain depressed. "Average monthly household income per capita in October

2020 was ₹4,979, which was below its level in January 2020 at ₹5,989."

Further, job losses were higher for states with a higher average covid case load. "Maharashtra, Kerala, Tamil Nadu, Uttar Pradesh, and Delhi, contributed disproportionately to job losses," it said.

As per the report, the pandemic has increased informality and led to a severe decline in earnings for the majority of workers. It said government relief has helped avoid the most severe forms of distress, but the reach of support measures is incomplete, leaving out some of the most vulnerable workers and households.

—Yogima Seth Sharma