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**SUSTAINABILITY OF LOWER-MIDDLE-CLASS PEOPLE DURING COVID 19 PANDEMIC - A STUDY**

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## **SUSTAINABILITY OF LOWER-MIDDLE-CLASS PEOPLE DURING COVID 19 PANDEMIC - A STUDY**

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### **Abstract**

The novel coronavirus has thrown the world into disarray, fear, commotion, uneasiness, strain, embarrassment, and xenophobia. Because of the coronavirus, all production, transportation, sales, and services were halted. When all production units and other organizations came to a halt, employers were unable to take their companies to the next level, and employees were unable to be adequately compensated. As a result, the majority of employees were laid off, with some receiving 1/3 of their previous wage and others receiving half. As a result, individuals began looking for new professions with lower pay, and some even returned to their native communities. The study looked at how the corona affected the lives of lower-middle-income people in Coimbatore, how much they were paid, and what would happen if they were laid off. A total of 150 people were surveyed for the study, and the results were presented using percentage analysis. According to the findings, the respondents were able to subsist thanks to government assistance and the day-to-day earnings from the jobs they obtained throughout the pandemic.

**Keywords:** COVID-19, Poverty, Retrench, Lower middle- income and family expenses.

### **Introduction**

India is a developing country with a literacy rate of 74.04 percent in both the government and non-government sectors. Employees in the government sector earn significantly more than those in the private sector. During the Covid 19 pandemic, government employees were paid their full salaries, whereas private employees faced several challenges. The majority of employees were paid 70%, with others receiving 40%, some receiving half and a third, and others losing their employment entirely. The situation became terrible for these people because the Covid 19 issue was unfamiliar to them. The majority of India's population is low-income, with 3.5 crore people falling below the poverty line as a result of the pandemic. The number of people earning Rs. 150 per day grew as a result of the pandemic's job losses. As a result, people have moved from the middle to the lower-income bracket. Businesses have been forced to close as a result of the COVID-19 pandemic, resulting in lost income and job retrenchments, and the Indian economy has entered a slump. As the number of impoverished people earning less than Rs. 150 has grown, the global poverty rate has climbed by nearly 60%. According to research, the number of poor individuals has risen faster than expected as a result of the recession brought on by Covid 19 (Pew Report, 2021).

## **Objectives of the study**

The following are the objective of the study

1. To investigate the impact of COVID -19 on lower-middle-class people's income levels.
2. To investigate the income levels of people in the lower middle class.
3. To assess the efficiency of lower-middle-class people's sustainability.
4. To suggest that lower-middle-class people co-op up with the situation caused by COVID.

## **Statement of the problem**

COVID -19 has thrown the lives of lower-middle-class individuals into disarray, with the majority of people losing their jobs, putting their families in jeopardy. People looked for better occupations to support their families. Inequality has worsened, poverty has increased, high-income people's income has declined, and middle-income people's income has shrunk more than projected as a result of the recession. As a result, research was done to determine how COVID-19 has impacted people's lives and the long-term viability of middle-income individuals in Coimbatore.

## **Methodology**

A convenient sampling strategy was used to select a sample size of 150 respondents from Coimbatore city. The personnel chosen are primarily from the retrenched group from private sector organizations who are now employed elsewhere.

## **Research Gap**

The COVID-19 scenario and the people who fall into the poverty category are new to the globe, and few pieces of research for lower-middle-income people have been conducted. Because middle-income people did not expect the situation to worsen as a result of the novel coronavirus, this study focused on the long-term viability of the lower-middle-income population in Coimbatore. Because Coimbatore is viewed as a higher-earning area in Tamil Nadu, a study of lower-middle-income persons in Coimbatore was conducted during COVID-19.

## **Review of literature**

According to the telegraph online (2021) the issue, a large number of people have been thrown into poverty as a result of employment losses brought on by the COVID-19 pandemic. Between April 1, 2020, and mid-February 20, 2021, more than 100 million people from 70 million families participated in the Mahatma Gandhi Rural Employment Guarantee Act, a rural employment program that provides people with 100 days of work every year. As more people returned to their homes in India's rural areas, the number of persons applying for MGNREGS increased by 80%. Even after the economy improved in November 2020, the number of people applying for MGNREGS increased by 47% over the previous month.

The Diplomat (2021) interviewed low-income persons about how they were able to survive the lockout in the Covid 19 incident. Some of the street sellers selling flowers, food, pens, earphones, and other items were struggling to support their families following the outbreak. Most of their sales plummeted, and those selling meals and flowers lost money. They must borrow money from the locals to support their families. As a result, the majority of people lost their jobs, and the population has reduced, with more poor people and fewer middle-income earners. COVID 19's position is unprecedented, although it is comparable to the Great Depression.

In their discussion paper on Poverty, the Middle Class, and Income Distribution in the Context of COVID-19, Jose Ramon G, et al (2020) argue that the development of a nation is accomplished by studying poverty and taking actions to alleviate it. This debate of poverty has also included the possibility of non-poor people becoming vulnerable to poverty as a result of COVID-19, as the novel coronavirus has a negative influence on earning capacity due to a reduction in economic activity. The research was conducted in the Philippines and was based on numerous income distribution, family income, and expenditure surveys. The typology of the low, medium, and high-

income groups is being contracted during the coronavirus pandemic, according to research. The majority of middle-income persons slipped into the poor category, and the government took steps to increase protections for the poor and middle-income groups, who were the most affected by the COVID crisis.

The Process of Defining, the Concept Of Sustainability: A Case Study Of The "Holding Hands" Income-Generating Community Projects, by Niesing CN, Scholtz EM, and A Kruger (2015), was published in the research paper The Process Of Defining The Concept Of Sustainability: A Case Study Of The "Holding Hands" Income-Generating Community Projects. The North West Province has stated that the problem of poverty in South Africa is multi-dimensional, based on factors such as a lack of jobs, literacy levels, and the availability of organizations, among others. The North West Province has also stated that the sustainability of holding hands projects for income generation and job creation through entrepreneurship projects is questionable. It has been established that the government should pursue more initiatives to boost people's income and ensure their earning capability in South Africa.

Poverty in Southern Africa is a major facet of the world, according to Meyiwa and Ngubentombi (2010)<sup>1</sup> in their study article. Because South Africa is one of the poorest countries in the world, with a large disparity between the rich and the poor, different wars have been waged to alleviate poverty and raise the poor. It is concluded that the government should take appropriate efforts to create income-generating initiatives and support the impoverished in South Africa by giving required items for their daily lives.

### Analysis and Interpretation

The researchers have used percentage analysis to present the socio-economic profile.

**Table 1: Gender of the respondents**

Sl. No.	Gender	Number of respondents	Percentage
1	Male	94	62.67
2	Female	56	37.33
	Total	150	100

**Source: Survey data**

The gender of the respondents is shown in the table above; out of 150 respondents, 94 (62.67 percent) are male and 56 (37.33 percent) are female. Males make up the majority of the respondents (62.67 percent).

**Table 2: Age group of the respondents**

Sl. No.	Age Group	Number of respondents	Percentage
1	Up to 30 years	49	32.67
2	31 years to 50 years	55	36.67
3	Above 51 years	46	30.66
	Total	150	100

**Source: Survey data**

The age group of the respondents is shown in the table above; out of 150 respondents, 49 (32.67 percent) are between the ages of 18 and 30. Fifty-five percent (36.67 percent) of respondents are between the ages of 31 and 50, while the remaining forty-six percent (30.66 percent) are over 51. The majority of the responders (36.67%) are between the ages of 31 and 50.

**Table 3: Income level of the respondents**

Sl. No.	Income level	Number of respondents	Percentage
1	Low	89	59.33
2	Medium	48	32.00

<sup>1</sup>[Van der Merwe L Chapter 2.pdf\(nwu.ac.za\)](http://Van_der_Merwe_L_Chapter_2.pdf(nwu.ac.za))

3	High	13	8.67
	Total	150	100

**Source: Survey data**

The income level of the respondents is shown in the table above; out of 150 respondents, 89 (59.33%) had a low-income level. There are 48 of them (32.00 percent ) The income level of forty-eight respondents (32.00 percent) is medium, while the income level of the remaining thirteen respondents (8.67 percent) is high. The majority of the respondent's monthly income (59.33 percent) is modest.

**Table 4: Marital Status of the respondents**

Sl. No.	Marital Status	Number of respondents	Percentage
1	Married	93	62.00
2	Unmarried	57	38.00
	Total	150	100

**Source: Survey data**

The marital status of the respondents is shown in the table above. Ninety-three (62.00 percent) of the respondents are married, while the remaining fifty-seven (38.00 percent) are single. The majority of the responders (62.00 percent) are married.

**Table 5: Level of Income of lower-middle-class people impact during Covid-19**

Sl. No.	Level of Income	Number of respondents	Percentage
1	Low	102	68.00
2	Medium	48	32.00
3	High	0	0
	Total	150	100

**Source: Survey data**

The table above depicts the impact of middle-class income levels during Covid 19. One hundred and two (68.00%) respondents had a low income of lower-middle-class people influence during Covid-19, whereas the remaining forty-eight (32.00%) respondents had a medium-income of lower-middle-class people impact during Covid-19. During Covid- 19, no respondents believed that having a high income of lower-middle-class persons had an impact. The majority of respondents (67.00 percent) have a low income.

**Table 6: Level of the standard of living of lower-middle-class people during COVID – 19**

Sl. No.	Level of Standard of Living	Number of respondents	Percentage
1	Low	94	62.67
2	Medium	56	37.33
3	High	0	0
	Total	150	100

**Source: Survey data**

The table above depicts the impact on middle-class people's living standards during Covid 19. Ninety-four percent (62.67 percent) of the sample respondents felt they had a low standard of life, whereas fifty-six percent (37.33 percent) felt they had a medium standard of living. There are no such middle-class folks who have experienced such a high standard of living. During Covid – 19, the majority of respondents (62.67 percent) reported a low standard of living.

**Table 7: Level of Investments of lower-middle-class people during COVID – 19**

Sl. No.	Level of Investments	Number of respondents	Percentage
1	Low	85	56.67
2	Medium	61	40.67
3	High	4	2.66
	Total	150	100

**Source: Survey data**

The table above depicts the impact of middle-class people's investment during Covid 19. Eighty-five (56.67 percent) of the one hundred and fifty sample respondents claimed their investment during Covid – 19 is at a low level. Sixty-one percent (40.67 percent) of respondents indicated their investment during Covid – 19 is at a medium level, while just four percent (2.66 percent) stated their investment is at a high level. The majority of respondents (56.67 percent) believe there is a low level of investment. The majority of respondents (56.67 percent) believe that investment during Covid – 19 is at a low level.

### **Findings**

1. Males make up the majority of the responders (62.67 percent).
2. The majority of the responders (36.67%) are between the ages of 31 and 50.
3. The majority of the respondent's monthly income (59.33 percent) is poor.
4. The majority of the responders (62.00 percent) are married.
5. The majority of respondents (67.00 percent) have a low-income level.
6. During Covid – 19, the majority of respondents (62.67 percent) reported a low standard of living.
7. The majority of respondents (56.67 percent) believe that investment during Covid – 19 is at a low level.

### **Suggestions**

It is possible to predict the long-term viability of lower-middle-income private sector employees during and after the pandemic.

1. Employees do not need to take up new investment plans presented in the market during the pre-pandemic and post-pandemic periods since their income is lowered.
2. It is usually a good idea to cut costs and buy-in lesser quantities of healthful food, vegetables and fruits may purchase from the farmers market and farmers outlet.
3. Above all, health should be prioritized by maintaining social distance, correctly wearing masks, avoiding outside meals, and frequently cleansing hands and body.
4. There are several investment options, and consumers must ensure that they keep their savings in existing investments rather than pursuing new ones.
5. Purchases of long-lasting products can be postponed for a time and then planned once the situation returns to normal.
6. People can look for innovative business prospects that emerge in the new period and can be pursued with little or no capital outlay.
7. Consider a sound financial strategy to save your life and property. The financial goods accessible on the market are unknown to the middle class. This includes medical insurance, which would have been extremely helpful in meeting the covid treatment requirements during the pandemic.
8. People should be informed about financial inclusion and government programs such as 100 days of employment and programs to train people to start enterprises to assist them to overcome poverty.

### **Conclusion**

The purpose of this research is to determine the long-term viability of the lower middle class during the period of Covid – 19. This research is being carried out in the Tamil Nadu district of Coimbatore. Several studies were conducted in India during the Covid -19 pandemic. According to surveys, people in the lower middle class are suffering greatly due to a lack of income and health difficulties. During this time, people learned more about themselves and their survival, and many businesses experienced losses. This research aids people in the lower middle class in planning their lives in the event of a pandemic in the future.

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