

India's middle class failure

by Chakravarthi Ram-Prasad

India's 200m-strong middle class is the most economically dynamic group on the planet, but is largely uninterested in politics or social reform. Until it begins to engage politically, India will suffer from a lop-sided modernisation

Chakravarthi Ram-Prasad is professor of comparative religion and philosophy at Lancaster University

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Jaya Mary is a cleaner. Tall and thin, with some English, and at least two Indian languages, she quietly challenged her main employer, a medium-sized company, when it recently threatened to fire her without the pension to which she is entitled. When she works in a private house, she has no contract, and depends on the goodwill of the householder. She is a Christian, but also adheres to many cultural expressions of Hinduism. Her husband left her with two small children, and she relies on the support of her mother and brother. Her boy is in a local-language state school, but her clever daughter is in a private English-language school, which costs Jaya 20 per cent of her income. She has an empty bank account, but acquired a mobile phone from her scooter-driving brother (whose wife, a sworn enemy of Jaya, has just left him). Languages, religions, integrity, suffering, family stresses and ties, education, dependence, global aspiration--she encompasses them all, she is a Mother India. (And she is a very real person.)

As the actual Mother India celebrates the 60th anniversary of her independence, there is--as in Jaya Mary's life--both surging optimism and crushing despair about her future. As the saying goes, everything and its opposite is true in India. The seven Indian Institutes of Technology rank near the top of global surveys, and job offers to graduates from the Indian Institutes of Management rival those to graduates of the famous US business schools; yet a third of the country is still illiterate. Three hundred million Indians live on less than \$1 a day--a quarter of the world's utterly poor--yet since 1985, more than 400m (out of a total population of 1bn) have risen out of relative poverty--to \$5 a day--and another 300m will follow over the next two decades if the economy continues to grow at over 7 per cent a year. Population growth, even at a slower pace, will mean that there will still be millions below the poverty line, but the fall in number will be steady. At the other end of the scale, India has the largest number of dollar billionaires outside the US and Russia.

Historical success led India and China to their current demographic challenges. Their populations grew into the tens of millions because they were so economically advanced at the start of the first millennium--at a time when even the Roman empire lagged behind. By the time of the birth of European modernity, when technology provided leverage for smaller populations to improve their lives, India and China already had too many people for this to be possible. The legacy of this

early success underlies both India's scale and the polarity of opinion over what the place is all about. India is near the top, or the bottom, of most international economic tables. To grapple with such extremes, and to peer into the country's future, we must above all try to understand India's rapidly growing middle class.

For a country that was born of partition, has had a history of separatism, and that encompasses such linguistic, ethnic, social, religious and geographic variety, it is strange that even critics talk of India as if its legal unity was sufficient guarantor of its actual unity. Statistics that combine the city of Chennai, in the stable southern state of Tamil Nadu, with a village in newly constituted Jharkhand state, in eastern India, are likely to deceive as much as those that try to encompass both Denmark and Kosovo.

"India" could have been many other things--an even larger, undivided India, but also a much smaller one, or just a cluster of ancestral formations. Only the British empire and then the resolve of the leaders of the independence struggle ensured that the ancient yet amorphous idea became a single nation state. Sixty years later, there is a functional Indian state that is a rising world power despite its huge variations--but there is also a dysfunctional Indian state that cannot realise the social purpose that the idea of national citizenship is meant to provide.

In Tamil Nadu, half the population lived below the poverty line in the mid-1960s, but effective contraception, female education and primary healthcare led to population stability and a consequent drop in poverty by the end of the century. But in Bihar, which had the same percentage of people below the poverty line in the 1960s, the population still grows at a staggering pace, making anti-poverty measures hard to pursue. Both Assam and Punjab have histories of political violence and a poor school system, but the latter's infrastructure allows for a standard of life far ahead of the former.

Among the middle class, in much of the media, in the malls and airports, in houses (however small) with water and electricity, there is still a commitment to an India which plays a decisive role on the international stage--but now, instead of through "non-aligned" solidarity and ancient history, it is through software and finance. Ten years after the buzz caused by the nuclear tests, the middle classes take India's new status for granted; they simply assume it is India's due to be treated as the "equal" of the US and the rest, and move on to talk of economic opportunities. This commitment to their own idea of India and their central role in its economic rise makes the middle classes sure of themselves. But at the same time, their sense of citizenship is weak: they do not, on the whole, extend a sense of solidarity to the poor; they often do not acknowledge the role of the state in their own rise or its capacity to solve any of the country's problems; and they are, in general, politically apathetic.

What explains this introversion? Middle classes at all stages of development, whether in 19th-century Europe or now, distrust those who have not risen with them. Yet in more homogeneous societies, the better off are more likely to care for the worse off. Highly diverse societies, like India, find it more difficult to institutionalise such fellow feeling.

The key to the diversity of Indian society is the

jati system--intermarrying among consanguineous groups with hereditary (if often notional) occupations. But these groups

are also placed within the ancient hierarchy of the varna, or "caste," system--the fivefold division of society on the axis of ritual purity from priests to warriors to merchants to labourers to those beyond the possibility of purity and therefore untouchable. Over the centuries, there have been many efforts to extend a sense of common humanity across castes. The caste system has also allowed for unparalleled pluralism of belief and practice; according to the logic of purity, the Brahmin priest has no control over practices beyond his realm, making for a thrilling diversity of temples, festivals and deities. Nonetheless, the varna concept that people are intrinsically pure or impure has blighted the idea of citizenship on the subcontinent. And while the 1950 Indian constitution sought to end such division (which the British had exploited), caste sentiment still drives rural violence and the separation of privileged groups.

The social distance of caste is echoed in religious difference--above all in the existence of a large Muslim minority which makes India the largest Muslim country in the world after Indonesia. While some hostile Hindus still question the Indianness of Muslims, the middle class contains about the same percentage of Muslims as does the population as a whole: about 13 per cent. (Caste distinctions that combine older Hindu divisions with newer Islamic social stratification prevail in Indian Islam, and middle-class Muslims tend to come from the traditional ashraf or "noble" sections of Muslim society.) But despite--or because of--constitutional guarantees of special rights for Muslims, there is a perennial worry over Muslim economic progress.

Aside from some extreme Hindu nationalists, I have never met a middle-class Indian who did not acknowledge the political equality of all Indians. The pride that middle-class Indians take in their democracy requires them to have an inclusive sense of Indianness, but not of citizenship. Middle-class Indians who feel little obligation to the poor tend to believe that they have made their contribution simply by becoming middle class. They focus on their own needs because they have overcome a great deal to get where they are and still fear slipping back. Moreover, they say, why give to the state when the money will just be wasted by corrupt politicians?

Charity, civic duty and pressure on both the state and the private sector to sustain anti-poverty programmes are rare. Where there is philanthropy, the scale is impressive: large corporate groups like the Tata, Birla and Bajaj, as well as IT billionaires like Azim Premji and Narayana Murthy, are big givers. Young IT professionals often cite these people as their models. And it is not only the very rich who give. MN Janardhan, a second-generation owner of medium-sized hotels in Chennai, has put many of the children of his rural employees through higher education, so that in one generation they have become middle class. Meanwhile, small charities oriented towards children and women are sprouting up across the country. But life expectancy at birth across India as a whole--62 for men, 64 for women--is lower than in poor Latin American countries like Guatemala and Nicaragua, and the poorest rural families eat less rice than they did five years ago. And no statistic can capture the agonising sight of a barefoot, ragged four year old doing somersaults at a traffic light to earn a rupee.

Prosperous India has not yet provided sufficient social infrastructure to make the country less brutal for those at the bottom. This is partly because the state apparatus for tax collection was for a long time a shambles, and evasion the norm. (One welcome consequence of liberalisation and rapid growth is that the software and human resources for effective collection have improved.) But the economist Nimai Mehta argues that another reason for the poor fiscal performance of the state is the Indian people's ingrained preference for private rather than public provision, a pattern evident since colonial times.

How should the Indian middle class be defined? According to the Indian National Council of Applied Economic Research, the term "middle class" applies to those earning between \$4,000 and \$21,000 a year (\$20,000-\$120,000 in purchasing power parity terms). But this definition suits only about 60m (under 6 per cent) of the population. Nevertheless, there seems to be an underlying intuition about the "middle class-ness" of those moving up from \$5 a day to \$10. A recent study by CNN-IBN and the Hindustan Times suggested a "simple consumer-based criterion" for membership of the middle class: ownership of a telephone, a two or four-wheel (motorised) vehicle, and a colour television. Under this definition, the middle class makes up nearly 20 per cent of the population--200m people. With such numbers, one can see why the global market thinks of the Indian middle class as a separate country; why else would Mercedes Benz, Louis Vuitton and Rolex bother with a country whose annual per capita GDP is still around \$750? Around 10m Indians can buy the world's most expensive brands, but another 50m can aspire to the cheapest in a range, and yet another 140m can seriously think of Levi's jeans and Swatch watches.

Consumerism--the shifting of expenditure from needs to wants--is what distinguishes the Indian middle class most sharply from the middling social groups of the past. But there are more general patterns of bourgeois modernity, with which India's middle class largely conforms. Consider Raghunath. His parents are typical of the lower-middle class of the previous generation: they come from a high-caste background but without economic status. The father is a classical musician, but unlike the more comfortable middle and upper-class families, who learn music as an art while acquiring a professional education, he has been on the staff of All India Radio, the state-run broadcaster. He made sufficient money to buy a small house in Bangalore, in a warren of badly constructed buildings occupied by people of similar means. Raghunath, too, is a trained classical musician, but his "day" job (often involving night shifts) is in the business process outsourcing office of Microsoft, where he has moved rapidly up the hierarchy. He speaks English with American inflections, and says dreamily that he would love to visit the west--but not live there. He has the latest MP3 player, and listens to the south Indian classical canon on it. He looks forward to marrying, but would not think of moving from the family home. His future will lie in a middle class that is both recognisably Indian and global.

The middle class uses education to improve the earnings of the next generation, and then, if successful, to pursue more elusive goals of self-fulfilment. Middle-class lives involve a tussle between individuality and community: seeking novel self-expression in new jobs and leisure or taking risks with autonomy (the divorce rate is growing, from a low base), but also attempting to keep a sense of community, with dutiful support of parents (a high number of IT professionals buy cars for their parents) and strenuous attempts at maintaining a social circle (oriented around alcohol, movies, resorts and restaurants).

One problem with making sense of the Indian middle class is that while it clearly relates to caste, it is not clear how: an important development in India over the past 60 years has been the disentangling of caste from its occupational base and its reconstitution as a form of political identity. Upper-caste elites have, in recent decades, become used to those below them in the hierarchy accruing economic power, especially since liberalisation in the early 1990s. The new middle class argues that since it had no help from older elites, its success is self-made and ought to be the model for the poor. But the poor are still usually from castes traditionally lower than those of the new middle class--and this acts as an obstacle to their advancement.

In India's complex constitutional categorisation of hereditary identity, the traditionally privileged castes--from the Brahmin, Ksatriya (warrior) and Vaisya (trading) communities--are called the "forward" classes. However, it is in the interests of various communities to emphasise their "backwardness," in order to take advantage of higher education places and public sector jobs reserved for lower-caste groups. The result is that there are constant challenges to the system of classification

under which the same caste can be forward or backward in different states. In any case, a CNN-IBN/Hindustan Times survey found that 37 per cent of the forward classes were part of the middle class, as were nearly half of Indian Sikhs and Christians (who each form about 2 per cent of the population). The Sikhs are known for economic success, but the size of the Christian middle class is more surprising, since some of the most marginal social groups are Christian Dalits. Parsis and Jains are usually too wealthy to count as middle class at all.

Caste discrimination becomes clearer when considering the "backward" castes. The most deprived, the "scheduled" castes--largely Dalits--who are listed in the schedule of the Indian constitution and make up some 16 per cent of the population, barely figure in the middle class. Only 13 per cent of the middle class come from the "other backward classes"--caste groups not specifically named in the constitution, who make up around half of the Indian population. Still, while more disadvantaged groups take longer to work their way into the middle class, the fact that it is happening at all--and faster since the liberalisation of the economy in the early 1990s--indicates that its borders are porous. On the other hand, as we have seen, aspiration typically goes hand in hand with a distrust of "losers." It is normal for servants in middle-class homes to come from shacks in areas where there is no electricity or running water. A humane middle-class householder gives gifts to her cleaner; a little local organisation seeks to teach and feed the labourers' children. But these are token gestures against the essential injustice of things. Without drainage, water, electricity, decent housing and access to medical treatment, many will live in misery.

Middle-class scepticism about the capacity of the state is understandable, but is also at the root of India's troubles. The assumption of many in the middle class that they owe nothing to the state is simply wrong. Edward Luce, in his recent *In Spite of the Gods: The Strange Rise of Modern India*, makes the point that India has boomed economically partly as a result of the huge investment in higher education--to the detriment of primary education--made by successive Indian governments, dating back to Nehru. The assumption that India ought by rights to have a highly developed higher education system was one that came easily to the old middle classes who built independent India. The new middle class has benefited directly from this.

Unlike in many postcolonial countries, power in India was not concentrated in traditional landed elites or resistance fighters, but in the old middle class--educated, professional, upper and intermediate castes from across the religions. Jawaharlal Nehru, India's first prime minister, represented this class. Although rich enough to have studied at Harrow and Cambridge, he did this on the money made by his lawyer father rather than revenue from inherited land. So did the deputy prime minister, Vallabhbhai Patel, from a mercantile community; successive presidents of India--Rajendra Prasad, Sarvepalli Radhakrishnan, Zakir Hussain (the first of three Muslim presidents)--were all middle-class intellectuals. Even the great BR Ambedkar, who rose from the poverty of a Dalit family to be the leading author of the Indian constitution, created a middle-class background for himself through becoming a lawyer.

But notwithstanding its success in higher education--and, crucially, in the green revolution in food production in the 1960s--the Indian state is spectacularly inefficient. Many visitors to India, hearing all the talk of "Chindia" and the dual rise of China and India, are shocked by how ramshackle everything looks. India cannot dream of an Olympic bid for the foreseeable future, while China rigorously sticks to its 2008 schedule. A more efficient--if perhaps smaller--state requires dedicated political engagement from those driving its globalising economy.

It is where the Indian state is absent from the daily lives of the poor--where there is no micro-credit, no market-sensitive subsidy and no tax revenue ploughed back into irrigation or roads--that political agitation explodes into violence. In those most blighted rural areas of central India, the farmers commit suicide (although the WTO's discrimination in favour of rich western farmers is also to blame) and the Maoist Naxalites gather strength.

The political apathy of the middle class owes something to the differences in the way 21st-century India and 18th/19th-century western Europe developed. Whereas the growth of free-thinking western bourgeois culture preceded universal suffrage, Indian democracy is nearly half a century older than the birth of an economically vibrant middle class. So, whereas fighting for political power was a crucial element of early western bourgeois culture, in India political rights were taken for granted and are now neglected by those who see their prosperity as a result of their own economic wherewithal. Politics for the middle class is an intellectual preoccupation, not an urgent ethical imperative. Polls routinely show that compared to poorer sections of society, the middle class treats voting and other political activity as low priorities. In a recent focus group I ran with the polling company ACNielsen, young IT professionals dismissed political activity as dishonest, and said they preferred donations to their own company charities as the way to make a difference. The Indian middle class behaves more like the contemporary consuming classes of the west, relentlessly concentrating on expanding its choice of lifestyles while taking political parties to be as bad as each other and non-party politics to be hopelessly idealistic.

The possibility of political change is better realised by those who have not--yet--had the opportunity to concentrate on consumption. Often the most politically active in India are those who are poor without being destitute: the \$1-to-\$5-a-day people. It is they who tend to give majorities to political parties. This is because it is their lives that are most likely to be transformed by state action. If there is no decent school in the neighbourhood, if lower castes face discrimination, if a child falls ill and requires medicine, if there is drought, if the market price of an agricultural product collapses, then they are exposed--but these are areas where an effective state can make a difference. Investment in healthcare in Tamil Nadu, education in Kerala, roads in Maharashtra, targeted agricultural relief in West Bengal have all helped the working poor, and political parties that have delivered have thrived over several electoral cycles.

There are now effective movements of marginalised groups and opportunistic social coalitions in many states. In the most striking of recent developments, earlier this year, a Dalit politician, Mayawati Kumari, led her party to a big majority in the largest state, Uttar Pradesh, with a novel coalition of Brahmins, Dalits and Muslims. Although she faced charges of corruption, and led a party with as many convicted criminals as those of her opponents, Mayawati demonstrated that politics might be the scene of resistance to the inequities of the market.

Indeed, political parties that focus on social reform--including the Congress-led alliance that won the 2004 general election--are winning power in many parts of the country. The problem is that India's democratic institutions are developed enough to tempt politicians to embed themselves in them rather than radically change them; so we must wait and see whether the electoral success of those outside of the middle class can make the state more responsive to their needs.

But for all the potential for transformation that an optimist might see in the political activity of the poor, it is still likely that the sheer pace of economic growth is what will matter most in the coming decades. The democratic Indian state could not impose a country-wide population control strategy, in contrast to the clinical efficiency of communist China. But now it is

clear that China will grow old long before it grows rich, while India's young population will enjoy much more sustained growth well into the century. The question is whether new forms of economic and political activity will combine to make development less a matter of luck and unintended consequences and more a matter of moral urgency and strategy. Despite an army of passionate development economists drawn from the middle class, this has not yet happened.

In the middle of celebrations to mark the 60th year of India's independence, there is much to despair about. The middle class is the cause of both the celebration and the despair. What matters now is what happens to those who look to both state and market to make their lives more like those of the middle class.

Lakshmi, a 45-year-old woman living in Bangalore, is barely literate, and that makes her work as a cook difficult, since she has to order provisions. But with help from two of her employers (revealingly, women, whom she calls "akka," or elder sister) she is putting her three daughters through state schools, and has even got one into college. From a remote village, with no education--and, truth to tell, not much culinary skill either--she has charted a path for her daughters straight into the middle class. (Her husband drinks and cannot hold down work.) She asks for money to help them study, because her earnings can do no more than feed and clothe them. "Those girls are going to finish their studies and take real jobs," she says. She gestures around the confines of the kitchen. "Brother, tell me, can this be all there is to life?" The fact that there can indeed be more is going to be important to her girls, to the middle class, and to India itself.

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