Nineteen

The Rise and Rise of a Middle Class

The most perfect political community is one in which the middle class is in control, and outnumbers both of the other classes.

—ARISTOTLE

It was a rare Sunday afternoon in Delhi's March. The sky was blue, the sun was shining, and the quiet breeze sent me on a walk to the Lodhi Gardens on the way to a haircut at Khan Market. Once in the gardens, I thought I'd take a nap in the park—actually lie down on a patch of green grass and go to sleep.

I was leaning against a lamp pole by the Bara Gumbad on the Lodhi Road side watching overgrown boys argue over a controversial decision that turned into a heavy debate on the politics of cricket. I'm not a big fan of the game so my interest flagged. My attention turned to a game of catch played by a middle-class father with his two small sons. Just then the little fellow missed; he ran after the ball and heroically dove in the grass to save it from going in the ditch.

It has been years since I ran deep near the boundary to save a four, but I used to, and the smell of grass recalls it. They say that smell is the key to memory, and in my school days I would end up smelling a fair amount of grass. I disengaged myself from the lamp pole and headed for a spot in between but yet sufficiently far from two groups of picnickers. Here I thought I might close my eyes and snooze.

Sleeping in the park in a city is a form of civilization. First, you need a city with enough bustle and clatter to make a person yearn for a calm, green spot. Then you need a first-class park, as the Lodhi Gardens certainly is. And finally, you need the right sort of person, one who is capable of dropping his guard and flopping down on the ground and falling asleep with his mouth open and snoring like a yodeling walrus.

The grass behind the Bara Gumbad that day didn't quite work out. I lay down but couldn't sleep. Perhaps the mass of the Bara Gumbad was too great, or the impending humiliation at the barber's was on my mind. I lay for about fifteen minutes, eyes closed, listening to the passing scene, and then sat up.

I watched the first picnicking family and it was immediately clear that they belonged to the new middle class. They spoke roughly and aggressively. From their talk I gathered that the family had a flourishing export business in garments. All the adults, including the women, worked hard in the business. I admired the ease with which they talked about their customers in Sydney, Toronto, and Brussels. They insisted on sprinkling their conversation with English words that they did not understand too well. They were newly prosperous. Yet they were less than a generation away from the village well, dust-raising cattle, and the green revolution in Haryana.

I turned to look at the other, quieter family. Three generations were enjoying the afternoon sun after

a tidy lunch. The grandmother watched her young grandson roll in the grass; her stern-looking husband, from his self-important manner, had probably just retired as a senior civil servant. Their son, an IIT-IIM-trained manager, was on his way up. They were the old middle class.

The most striking feature of contemporary India is the rise of a confident new middle class. It is full of energy and drive and it is making things happen. That it goes about it in an uninhibited, pragmatic, and amoral fashion is true. It is different from the older bourgeoisie, which was tolerant, secular, and ambiguous. The new class is street-smart. It has had to fight to rise from the bottom, and it has learnt to maneuver the system. It is easy to despair over its vulgarity, its new-rich mentality. But whether India can deliver the goods depends a great deal on it.

This new middle class is displacing the older bourgeoisie—people like my grandfather and father—which first emerged in the nineteenth century with the spread of English education. It had produced the professionals who had stepped into the shoes of the departing English in 1947, and had since monopolized the rewards of the society. The chief virtue of the old middle class was that it was based on education and merit with relatively free entry, but it was also a class alienated from the mass of people and unsure of its identity. The new middle class, on the other hand, is based on money, drive, and an ability to get things done. Whereas the old class was liberal, idealistic, and inhibited, the new order is refreshingly free from colonial hang-ups.

We may regret the eclipse of the old bourgeoisie, especially because it possessed the unique characteristic of being a class based on free entry, education, and capability. We may feel equally uneasy that a new class based on money alone—without social responsibility, let alone spiritual values—is replacing it. However, this is not a new phenomenon. This has happened repeatedly in all societies, particularly after the advent of the industrial revolution. Whether old or new, the middle class is growing very rapidly in India. If one draws a line from Kanpur to Madras, I reckon that by 2020 half the population west of the line will be middle class. It will take another twenty years for half the people east of the line to get there. When half of India is middle class, this will have a major impact on politics, markets, and society.

When India became independent, the middle class was tiny—around 5 percent of the population—but we had a clear idea of what our parents wanted us to grow up to be. They wanted us to be nice young men, well bred, handsome, intelligent, and good at games. We were groomed to be brown sahibs, the rightful rulers of free India. They educated us at private schools. Those who could afford it sent theirs to Doon and Mayo (even when it pinched their pockets). We became good at cricket and tennis and adequate at studies. “He is a good all-rounder,” was the model held up before us. After school, we went on to Delhi’s St. Stephen’s College or Presidency College in Calcutta and Madras. A few lucky ones even managed to go to Oxford and Cambridge. We were expected to acquire the basic intellectual equipment at the university, but not to become scholars.

From the 1960s, the path became more competitive and those who could get in chose technical and managerial institutions—the Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs). After college, we were ready to join the civil service or industry or the professions—all the pleasant niches for which the older Indian bourgeoisie groomed its young. With secure jobs in our pockets, we were married off to good middle- or upper-middle-class girls whom

we courted in the gymkhana clubs and in hill stations during our summer holidays. We were ready to become pillars of the establishment and repeat the process with our young. As we prospered in our jobs, we built houses in south Delhi and went to lots of stylish parties where we met our friends, rubbed shoulders with diplomats, and enjoyed the wit of the intellectual elite of our land. Could one have a better recipe for the enviably happy life? We had fulfilled the dreams of our fathers. Why then, with all our advantages, do we feel a gnawing pain in the gut? What has gone wrong?

As civil servants we face humiliation daily at the hands of our political masters, whose background and values are alien to ours. We are even willing to bend with the breeze, but it gets intolerable when we have to lie, cheat, and be unjust on their behalf because we are afraid that otherwise they will transfer us to an unmentionable provincial job. As managers in the private sector, we meet the same ministers and bureaucrats to get licenses and permits. But when we are treated in Delhi as though we are merely a cow to be milked, our self-respect is wounded. When our own school friends in the IAS treat us with suspicion, we feel hurt. Nonetheless, either as civil servants or as company managers, we tolerate the politician because he is an inevitable growth of democracy with which we largely identify. However, it is harder to accept the new monied class. The contractors, the intermediaries, and the potbellied sycophants of the ruling party are abhorrent.

Our children are leaving or have left to go abroad and this is another source of discontent. We did not create enough jobs at home because of mistaken economic policies. Our children are forced to look abroad for opportunities—many of them never to return. When friends and children leave, life begins to feel insipid.

The old middle class complains constantly of the decline in our national character. In the abstract, it sounds like a cliché, but when you discover that your friend in the civil service is corrupt or that your roommate in boarding school, who joined the police, is now under suspicion for murder in an "encounter" in Andhra, or that your clerk's wife committed "suicide" because of a dispute on dowry with her in-laws, then the pain in the gut returns to stay.

Our inner lives are a parody. We have one foot in India, the other in the West, and we belong to neither. We speak a hodgepodge of English and our regional language, the combination varying with the status of the listener. When speaking to a servant or shopkeeper, our verbal brew leans towards the local language; with a peer, we are capable of invoking the purest English. We are alienated from the mass of our people. We mouth platitudes about Indian culture without having read the classics in Sanskrit. Instead, we read *Time* magazine to "keep up." We are touchy about India and look to the West for inspiration and recognition.

We are Macaulay's children, not Manu's. Our ambivalence goes back to that day when Macaulay persuaded the British government to teach English to Indians. Our position is similar to Rammohun Roy's, who had two houses in Calcutta. One was his "Bengali house" and the other his "European house." In the Bengali house he lived with his wife and children in the traditional Indian way. The "European house," on the other hand, was tastefully done up with English furniture and was used to entertain his European friends. Someone teased him by saying that everything in the Bengali house was Bengali except Rammohun Roy; and everything in the European house was European except Rammohun Roy. The dilemma of today's "brown sahib" is similar. We can live our hypocritical lives

only for so long; ultimately we must question our recipe for the enviably happy life.

The bureaucracy is quintessentially old middle class, and no single institution has disappointed us more. We bought the cruel myth that our civil service was our "steel frame." Today, our bureaucracy has become the single biggest obstacle to the country's development. Indians think of their bureaucrats as "self-servers, rent seekers, obstructive, and corrupt," says Madhav Godbole, the former Union home secretary. Instead of shepherding the economic reforms, the bureaucracy is responsible for their faltering pace. The way it is going, it looks as though it is the bureaucracy versus the rest of the people.

Compare this to the situation in China. Mr. Sahgal, managing director of Phillips Carbon Black, visited China last year to set up a plant. A senior Chinese official met him at the Shanghai airport. It was Sunday but bureaucrats came to see him at his hotel. The land officials promised him a plot within thirty days. The tax officers in their uniforms and epaulettes patiently explained their seven-page income tax code and three-page excise code. The head of the electricity board committed to laying a two-kilometer transmission line in thirty days. The mayor came by in the afternoon to take him in his car to Wuxi, two hundred kilometers away, a distance they covered in two hours on the new superhighway. On follow-up visits, the mayor again came to Shanghai to escort his operating managers to Wuxi. In contrast, Phillips Carbon Black took nine months and a half dozen bribes to acquire land in Durgapur and six months to get an electricity connection, with a full-time person chasing after the officials.

It is widely accepted that East Asian bureaucrats played an important role in engineering their economic miracle. Why did they succeed and Indian bureaucrats fail? A Korean businessman told me that "man for man, your bureaucrats are smarter." But that may be part of the problem. "Whereas your bureaucrat is a know-it-all, who prejudges people's needs and dictates to them, ours listens to us and forms a collaborative relationship with businessmen." Second, East Asian bureaucrats are specialists, who are not shifted from job to job. Thus, they acquire expertise and commitment. Even in the United Kingdom, you join the Treasury, not an amorphous civil service. Third, East Asian bureaucracies are smaller, with shorter lines of authority, and this makes for quicker decisions. Fourth, when you bribe, your work gets done; in India, even after a bribe you are never sure.

What is the answer? Certainly, it is not to abolish the permanent civil service. Every country needs and has one. The real solution is to change work processes and procedures and reward bureaucrats for results and not for adherence to process. To achieve result orientation, we should downsize the bureaucracy, decentralize decisions, give more autonomy to officers, and delegate authority to those lower down. Second, we should relentlessly invest in training civil servants. We should empower them with managerial skills and educate them in the economics and values of a liberal economy.

Proud laughter from the garment exporters diverts my mind from uncomfortable thoughts about the bureaucracy and old middle class. Certainly this new, innocent middle-class family is only half educated; they proudly show off their new riches and they laugh too loudly, but let's face it, they are our future. The old middle class is not going to deliver the goods. The new bourgeoisie, represented by these garment exporters, do not have our false sense of national grandeur; they are not worried about phantom external interferences with our national sovereignty; they don't need to engage in

Pepsi-bashing in order to feel Indian; they want politicians and bureaucrats out of economic life; they want India to open up and join the world; they want the latest technology and our rupee to be convertible; in short, they want India to become and behave like other successful nations.

The new bourgeoisie is highly visible. You can recognize the man a mile away in an expensive suit with a briefcase in one hand and glossy magazines in the other. The woman in her Ruby Queen polyester saree alights from her new red Maruti to shop for the latest gadgets. Their children in Arrow shirts and Colour Plus pants are found in Nirula's sipping Pepsi with a pizza, or at night dancing awkwardly at the disco to Indiapop. They go on holidays to the new resorts springing up across the country, carrying a matched set of Skybags. But when they reach Goa, instead of going for a long walk on Bogmalo Beach, you find them packing the video room.

The new middle class is free from the inhibitions that shackled the older bourgeoisie. It doesn't seek endorsement from the West: what works is good. It is nonideological, pragmatic, result-oriented. It is here to stay. The old bourgeoisie had a liberal humanistic outlook which was tolerant of ambiguities and shy of certainties. Self-government and economic freedom were clearly its political objectives. Since the English language and education was the only hurdle for entry into the old bourgeoisie, people came from various backgrounds. By and large, opportunities were open to all, although the upper castes were the first to seize them. Once the new elite was formed, it tended to close ranks. Slowly after 1947, however, it lost vigor and started to decline. Manners became more important than content. How you spoke mattered more than what you said; your calligraphy was valued more than your thoughts. After Independence, a determined effort was made by the business class to acquire respectability as an extension of its financial power. However, the old bourgeoisie in the bureaucracy and in politics checked these ambitions with controls, a crippling system of taxation, and legislation like the MRTP Act.

When I was growing up, the middle class was tiny. It began to expand in the 1950s. Those who were newly admitted had a triumphal feeling, but they also suffered constant anxiety that they might slip down into the laboring poor. The early entrants came up through government jobs—they were clerks and peons in offices, carrying messages and files, bringing tea and coffee, keeping citizens away from officers. As the government began to produce steel and other goods, they got new jobs as factory labor and supervisors in the public sector. In the seventies with the green revolution, the children of farmers in Punjab, western Uttar Pradesh, and other pockets of prosperity, such as the sugar belt in Maharashtra, seamlessly entered the middle class. The children of laborers who went to the Middle East during the oil boom were similarly integrated.

A person had arrived in the middle class when he did not have to do physical labor. Another conspicuous sign of arrival, according to Ashok Desai, the economist, was that you wore something on your feet, either sandals or shoes. The laboring classes had usually gone barefoot. Today, this is no longer true. The lower classes now wear PVC sandals and clothes of synthetic fiber. Today's distinctive class marker is housing, says Desai. The middle class live in houses of brick and cement (while the lower classes live in urban slums in the cities or in mud homes in villages). They send their children to the new English-speaking schools and second-rate colleges, read film magazines, and go on holidays in video coaches. They ride on scooters and buy blenders to grind chilies. India is

now the world's largest market for blenders and the second-largest for scooters (after China).

In the 1980s the middle class doubled as the economic growth rate rose to 5.6 percent. Marketing professionals were amazed by the extent of rural prosperity. As the rural family's expenditure on food dropped from roughly 68 percent to 55 percent of its income, rural demand for consumer products multiplied. Soaps and detergents in villages grew 20 percent a year through the eighties while the urban market grew only 5 percent. By 1990, the rural market for washing products, for example, had become 55 percent of the total, compared to 30 percent in 1980. With rural prosperity, India became the world's largest consumer and producer of tractors. The spread of TV was a cause as well as an effect. In the end, millions of rural families joined up with the national middle class.

In the nineties, the economic growth rate rose beyond 7 percent and this gave another boost to the middle class. The National Council of Applied Economic Research (NCAER) systematically tracks the middle class based on periodic national-sample surveys. Its focus is ownership of consumer products, and it prefers the term "consuming class" to the fuzzier "middle class." It estimated that in the mid-nineties the consuming class was 32.5 million households. Since there are roughly five persons in a household, this means that the middle class was 169 million, or 18 percent of the population. NCAER's consuming class has an annual income between Rs 45,000 and Rs 215,000, and typically owns a TV, cassette recorder, pressure cooker, ceiling fan, bicycle, and wristwatch. Two-thirds of the "consuming class" own a scooter, color TV, electric iron, blender, and sewing machine, but less than half own a refrigerator. (Of course, the penetration of TVs, bicycles, radios, and fans goes far beyond the middle class—TVs are in over 62 million homes, bicycles in 80 million, wristwatches in 125 million, and fans in 50 million homes.) Most strikingly, the consuming class appears to have tripled in ten years. NCAER has projected the consuming class to reach 91 million households by 2007, or 450 million people. That may be too optimistic, but it is easier to imagine that the middle class could become 50 percent of the population west of the imaginary line finking Kanpur and Madras by 2020, and east of the line by 2040.

Thus, we start off the twenty-first century with a dynamic and rapidly growing middle class which is pushing the politicians to liberalize and globalize. Its primary preoccupation is with a rising standard of living, with social mobility, and it is enthusiastically embracing consumerist values and lifestyles. Many in the new middle class also embrace ethnicity and religious revival, a few even fundamentalism. It has been the main support of the Bharatiya Janata Party and has helped make it the largest political party in India. The majority, however, are too busy thinking of money and are not unduly exercised by politics or Hindu nationalism. Their young are aggressively taking to the world of knowledge. They instinctively understand that technology is working in our favor. Computers are daily reducing the cost of words, numbers, sights, and sounds. They are taking to software, media, and entertainment as fish to water. Daler Mehndi and A. R. Rahman are their new music heroes, who have helped create a global fusion music which resonates with middle-class Indians on all the continents.

Cinema, however, continues to be their great passion. Indian movies are the largest cinema industry in the world, and they affirm the middle-class world. They create its values, nourish its soul, and are the source of its dreams and role models. The markets ring to the sound of the latest hits, and it is a common sight in provincial towns to see young men (and women) dressed in the latest "film

fashions," strutting about the street, imitating their heroes while humming their latest songs. Films are just as popular today as they were in the 1950s, although one sees them more often on television. They still provide the defining image. But there is a difference. The hopes and the dreams of the fifties and sixties are gone. Films today are faster-paced. They have bigger budgets. The dancers have more pelvic thrusts. The villains are more violent.

When I was young, the actors Guru Dutt and Raj Kapoor had touched a sympathetic chord with people. With heavily charged sensuality, their films summoned up all our romantic dreams. They were the dreams of the new nation. The middle class was filled with hope and it thirsted for romance. It had put up with the independence struggle; it had suffered the tragedy, the bloodshed, and the dislocation of Partition; now, it wanted the romance of freedom. It identified with Guru Dutt's search for the pure and the innocent, unscathed by the compromises of society. It was drawn to his theme of unrequited love, which led to self-inflicted suffering. It put a bit of itself in each of his films. It contrasted the innocence of its new government with the cynicism of the old global order. It literally believed in the Mughal gardens of the celluloid world, complete with bumblebees, jasmine flowers, and torpid breezes. It believed in them as it believed in Nehru's dreams. Today, the dreams of Guru Dutt are gone, just as its post-Independence hopes have died.

Today's middle class has no illusions. It accepts both affirmative action for the lower castes and Hindu nationalism (with the ascent of the BJP). It has no clear ethos beyond money and the here and now. It has no heroes other than cricketers and Bollywood stars. The soul has gone out of the old merit-based middle class, and an aggressive capitalism has replaced the socialist idealism of the youth. The ones who are setting the pace today are the PR boys, the new media elite from Zee and Star TV and the whiz kids from Morgan Stanley.

On a recent visit to Bombay, I met two boys in their early twenties. I had known their father many years ago. We stopped to look at a tall building at Nariman Point. "So this is it!" said one of them to the other, filled with awe. "This is it," replied the other, looking up with reverence at the office of Dhirubhai Ambani. "He came from nowhere and went up and up. They expected him to fall, but he refused and he built instead the largest company in India."

The two young men did not have business backgrounds. They came from an old Brahmin family from Pune and they were paying homage to their hero, who had created the magical Reliance Industries. Eighty years ago, their heroes would have been the nationalists Gopal Krishna Gokhale and Bal Gangadhar Tilak. Fifty years ago, they would have been Gandhi and Nehru. Today they are business tycoons like Ambani and Azim Premji. It is a sign of our changing times.

The young men took me to their home in Bandra. They also had a teenaged brother, who had just finished high school. Over dinner that evening, he gave me his recipe for the ideal life. "First, I shall go to IIT, then to IIM, and then get a job in consulting or financial services. Eventually, I want to own and run my own company."

"Have you thought of doing arts in college?" I asked. He looked at me as if I needed to have my head examined. "Arts is for dufiers," he said. "It's for those who can't get into science. Besides, what is the use of poetry?"

I suggested that business leaders of tomorrow needed to have vision, had to build high-performing

organizations. In order to achieve global competitive advantage they had to recognize change and innovation, and promote sustained investment in human skills. The lessons of history and literature might better prepare a young person for those challenges.

"Arts subjects aren't high-scoring," he said dismissively. "And I don't want to spoil my CV." I suggested that he would have to do a lot of science at IIT. Did he like science?

"You just have to memorize a bunch of facts. I have a good memory, fortunately." He was obviously confident and good at studies, but I was distressed by his approach to his education. The fault lay partly with his parents and his teachers. No one had told him that science was not about "a bunch of facts" but rather about learning to think more exactly. Scientific education meant the implanting of a rational, experimental habit of mind. As I was leaving their house that night, I felt ambivalent. All three youngsters were self-assured and optimistic. They were confident about the future. Yet they looked at education as slogging work.

It is a popular pastime with the old middle class to grumble about the new rich and the decline in values. They complain incessantly, especially after the reforms, that the young are self-centered and motivated only by greed. They speak of a "crippling ideological barrenness which threatens to convert India into a vastly unethical and insensitive aggregation of wants." They believe that the naked self-interest of the new middle class has subverted the idealistic goal of an egalitarian society, which was part of the Gandhi-Nehru consensus of their own younger days. I feel differently. I believe that the young are no less virtuous today. Nor is the new middle class any greedier. (It is less well educated, certainly, but then its children will be better educated.) The chief difference is that there is less hypocrisy and more self-confidence. Self-interest has always been the basic motivator of individuals and classes. In denying this basic truth about humanity, we embraced treacherous ideologies and failed economic policies. We certainly do not want to repeat those experiments.