REPORT OF STUDY GROUP

Note on Urban Issues and Middle Class

INCREASING URBAN POPULATION

According to the 2011 census, the urban population in our country is now 32% of the total. For the first time, the rate of increase in the urban population is higher than in the rural. During 1971-81, the increased rate of urbanization was caused by the expansion of the public sector. Then, until 2001 when it again registered an increase, it came down. The main factors contributing to this increase in the urban population is migration from the villages and the merger of adjacent villages into urban centers. However, urbanization in our country is still less than that experienced in China.

Reasons for increasing urbanization:

· With agriculture becoming less remunerative, members of the younger generation in rural areas are migrating to the urban areas in order to better their prospects. A section of the rich peasants is also shifting from agriculture to setting up businesses in urban areas. Members of the rural rich are also settling in urban areas in order to make quality education available to their children.

· Children of the rural rich and middle class sections in villages are attending English medium schools in urban areas. This makes them accustomed to urban ways of life from early childhood.

· Because employment in agriculture is dwindling, agricultural workers are migrating to urban areas in large numbers.

· Dalits are migrating to the relative safety of urban areas to escape atrocities and discrimination.

EXPANSION OF CITIES AND TOWNS

Between 1951 and 2001, there was an increase in the number of towns and cities by a total of 2125. This figure increased to 2771 between 2001 and 2011. It should be noted that a change in census definitions has also contributed to this abnormal increase. The share of income from urban areas in the total GDP is also rising steadily and is currently 60%. Towns are administrative, employment-generating and political centers. This also means that they are becoming the centers for agitations and mass movements.

Development, wealth and amenities are concentrated in towns. Since investment in real estate and construction has increased, investment in basic amenities has also got a boost. Slums and new townships are springing up simultaneously with one another. The urban rich belonging to all castes and

religions are moving from the old city-centers to the suburbs and surrounding areas. The old areas are suffering from neglect. The processes of urban development are excluding the poor, middle-class and backward social groups.

New problems are being created. Shortage of housing is a serious issue and, it is calculated there is a shortfall of 2 crore dwellings. Completely ignoring this major issue, the Government has announced that it will build 100 smart cities and has allocated 7,000 crores for this in the recent Budget. The ground is also being prepared to raise the taxes necessary for mobilizing funds for this project.

URBAN REFORMS

The ruling classes are projecting the process of urbanization itself as an important impetus to the rapid advancement of the ne-liberal regime. While, on the one hand, more funds are being allocated for urban development, on the other greater burdens in the form of user-fees, replacement of subsidies by loans and displacement are being placed on the less advantaged urban population. Of course, all this is being done in the name of 'development'.

In the guise of 'public participation', groups are being organized in slums to implement various kinds of 'reforms' through JNNURM/PURA and PPP models. Slum development has also led to large-scale displacement of slum-dwellers. In middle-class areas, Resident Welfare Associations (RWAs) have been used to collect user-charges.

The mechanism of doing away with urban land ceilings was used to annex adjacent villages into urban settlements. This is was an essential component of the real estate boom which attracted large investments and also speculative capital. The result has been that land prices are now beyond the reach of even the middle-classes.

The reform process has also resulted in a shrinking of the spaces available for protest, much of which is generated by and directed against, the results of the process itself. Designated spaces for protest are now not only inadequate in size but are located in places that are not visible or easily accessible. Thus, although such places have been named 'Dharna Chowks' etc. demonstrations held here do not make much of a public impact. It is only when there is a mass upsurge that these restrictions on spaces of protest are broken down.

These urban reforms are adversely affecting the poor and poorer sections of the middle class. However, they have, conversely, found strong support among the upper middle class.

PARTY PROGRAMMATIC UNDERSTANDING

The implementation of neo-liberal policies have led to significant growth among various sections of the middle-class. Our Party Programme of 1964 made an assessment of the middle class and changes in this class were noted in the Updated Programme of 2000 which stated "With the further development of capitalism and the policies of liberalization, differentiation within the middles classes has deepened."

EVOLUTION OF THE MIDDLE-CLASS

The middle class is a product of capitalism. In the pre-Independence period, the middle-class evolved from non-agriculturalist upper caste sections. In the post-Independence period, due to agrarian reforms, the middle-classes expanded with sections of the beneficiary agriculturist classes joining its ranks. By the 1980's, rich and middle-class sections developed and expanded within the backward castes and even the dalits (due to the policy of reservations). With the advent of the neo-liberal policies in the 1990's, the rapid expansion of the service sector led to the emergence of new middle-class sections.

THE MIDDLE-CLASS

The middle-class is not a homogenous class. It is multi-layered. It has within its fold, those who sell their labour (service sector) and also those who purchase the labour of others (small entrepreneurs of petty bourgeois). Corporate consultants make social divisions on the basis of income and consumption. Those who can afford to buy consumer goods range from industrial workers to the rich. Therefore, while income is an important component, it cannot be the basis on which to scientifically establish class-membership. This can be done by understanding the role in production and in the surplus value generated of and by different sections. There are differences between the rural and urban middle-classes and, in urban areas themselves, there are various layers. So differences within the middle-classes are spatial and social and based on economic roles. The lines separating different segments are both narrow and wide and are based on occupation, income and the ownership of wealth and capital.

CHANGES WITHIN THE MIDDLE-CLASSES

Traditional middle class

Its constituents include Central and State Government employees, teachers, employees of the banking and insurance sectors, doctors, lawyers, engineers and other members of the intelligentsia. Many members of this class used to spend much of their leisure time on union, political and social activities. With the advent of neo-liberal reforms, professionals like doctors and teachers spend much of their spare in business activity both connected and unconnected with their professions. Parents also play a significant role in shaping their children's careers and invest heavily in this. Their children, in turn, devote much of their leisure time to study, tuition and such extra-curricular activities that they think will improve their career prospects.

Workers in public sector enterprises earn high incomes and many consider themselves to be members of the middle-class. A large proportion of this section has drifted away from working-class movements and has become supportive of neo-liberal policies. They spread illusions about these and about the Government among other workers. They are often referred to as members of the Labour Aristocracy. The corporate sector thinks of them as members of the middle-class (because of their consumption patterns?)

Intelligentsia

During this period, the impact of Left ideology on the middle-class intelligentsia is considerably reduced. Various public and private research institutions have been transformed or set up as intellectual centers of neo-liberal thought and ideology. Within Universities and centers of higher education, discussion and debate on social and political issues are much reduced. Management and B-schools have also emerged as centers of neo-liberal thinking. Social perceptions are now created and influenced by the market and its promoters.

The new middle class

The class that has emerged as a consequence of the impact of globalization is primarily engaged in the service sector and has been dubbed as the New Middle Class. The values and aspirations associated with this class are widely disseminated throughout society and this is an important new development. Members of this class work mostly in IT, BPO, Pharma, Infrastructure, Private financial institutions, Private Education and Health sectors, Media, Tourism, Communication, Travel, Hospitality and Entertainment, Event management, Malls, Nursing, Real Estate, Consultancy and Corporate Office sectors. These can be further classified into three categories:

The first category is of those getting high incomes and leading a 'modern' lifestyle (mostly IT and Finance). It must be kept in mind, however, that those working in IT/Pharma who produce surplus value are, despite their subjective understanding, workers. They are often called 'Knowledge Professionals'. It is also important to remember that even in the IT sector, 20 to 25% of workers are drivers, gardeners, cleaners, house-keeping staff etc. These would also come under the category of 'working class'.

The second category is of those whose pay-scale is relatively modest and who are struggling to lead a 'modern' lifestyle. Members of this category are to be found in Media, Infrastructure and Corporate offices etc.

The third category comprises those who are brokers in real estate, private and micro- finance, chit funds etc. and those earning 'extra' income. They are mainly parasitic in nature. Some of them have lumpen characteristics. Less than 5% of these are in the top management that maybe considered a new leisure class.

Youth

Three quarters of our country's population is below the age of 35 years. Youth belonging to the new middle class is dynamic, vibrant, assertive and adaptive. In the IT sector, the average age of the workers is 28 (in 2008, it was 25). They are key constituents I the new middle class and have an influence on young people outside this section too. Young women are also advancing in all walks of life including business and politics. Their sense of assertion is growing. In many cases where both spouses work, men have started sharing household responsibilities.

SIZE OF THE MIDDLE CLASS

There are no accurate estimates of the size of the middle class. While NCAER estimates it at 5-7%, McKinsey estimates it at 20% (25 crores). Statistics relating

to the numbers of those working the newly developed sectors are not yet available in full. Estimates by some study groups place the number at 10% of the population. It can be said that the middle class comprises of one-third of the urban population and, unlike Europe and the US, it is growing.

SERVICE SECTOR

The service sector is the largest after agriculture in terms of GDP: 65%. However, it provides only 28% of total employment. Unorganised sectors like retail and wholesale business provide 80% of employment. Real estate, finance, insurance and business services account for 20%. Labour productivity in the service sector is the highest. Public sector employment fell by 11% between 93-94 and 2009-10.

EMPLOYMENT

Employment opportunities have increased in the unorganised sector. Along with the engineering sector, 94% have received employment here. Despite job insecurity and high rates of attrition, the hope that income opportunities will improve makes workers accept and remain in these jobs. There have been many openings in sectors like real estate, finance, tourism, media, education, health care services, consultancies, retail business, malls, event management, communication, transport, private offices, construction, infrastructure, housing etc. Between 93-94 and 2011-12, 20 million new jobs were added while only 6 million were added in manufacturing.

   Job opportunities in these sectors have been unconventional in nature. There has been a rapid increase in jobs connected with speculative investments, share brokerage, real estate brokerage, brokerage in educational and healthcare institutions, liasoning for different services required by the bureaucracy and governments. Liasoning/brokerage percolated downwards from earlier and limited levels. It has facilitated self-employment generation within middle and lower levels of the urban middle class in areas like issuing of licences/permits at transport departments, permissions at municipal/panchayat/other offices etc. The change in consumption patterns has triggered a growth in petty jobs in Supermarkets, sale of sim cards, sales of financial schemes etc. Private industry has shown significant growth and has, therefore, increased the number of small and big entrepreneurs.

IT

The IT-BPM industry has a workforce of 31 lacs of whom 10 lacs are women. 20 lacs have been recruited in the last decade. Its share in GDP is 8.1% and it comprises 7% of the world IT market. In financial year 2014, its total revenues were US $118 billion. After construction, it is the largest constituent of the service sector. 90% of its workforce is concentrated in 8 cities.

     IT growth is export-driven. Of its revenue, services constitute 64%, BPM 23% and software products 18%. The share of hardware is much smaller at 13%. In the last two years, the domestic market has stagnated earning a revenue of $32 billion. There are 15,000 firms in this industry. 11 companies are responsible for 40% of the total workforce and revenue while 120-150 middle-sized companies

account for between 35-40%. Most of the 15,000 companies are small-sized, accounting for 9-10% of workforce and revenue. About 1200 to 1500 companies are seen as emerging players. The major component of the workforce of the IT industry is engineering and other graduates (77%). Next are post-graduates – MBA/MCA/MScs (14%). All other streams – 10%.

The IT-BPM industry developed as a consequence of the automation of manufacturing and business processes. What was an instrument of automation has now become a victim of the same. The result is that a very highly skilled by small number of developers is required to work on the automation of IT processes themselves. These highly skilled jobs are moving to the developed nations which hold the Intellectual Property Rights. The job market in this sector is now shrinking into two kinds of work. The highly skilled that is moving to the developed countries and the lower-skilled that are exclusive language dependent and are moving to cheaper labour markets like Vietnam, Philippines etc.

With the proliferation of private professional colleges lakhs are graduating every year but absorption in the IT sector has come down from 70 thousand p.a. to 30,000. In AP alone there are now 5 lakh engineering graduate job-seekers. Those who lose hope go back to their homes or take up any kind of low-paid job that is available. The corporate sector is now recruiting at low wages and so those who are employed are facing job-insecurity, reduced or no increments. Recruitment is much reduced and retrenchment is common. These problems find mention in the Finance Ministry's Working Paper of January, 2014.

WORKING CONDITIONS

The ruling classes have mastered modern methods of enhanced exploitation. Relatively high wages combined with much higher rates of exploitation are common. Every detail of an individual's performance is documented and timed. Deadlines and assessment mechanisms calculated to the last detail. The salary is divided into two parts: the first comprises of consolidated pay and the other is based on performance-based appraisal. Usually, the latter accounts for 50% of the total salary. The team of employees gets a performance indicator and each individual's payment depends on this which means that it is not always the best performer who earns the most.

Health insurance and provident fund payments are based on the first half of the salary.

IT professionals work long hours, starting early and ending late. Deadlines and the possibility of working from different locations force them to work also from home and ensure an increase of working hours. While 8.8 hours are mandatory, actual working hours are at least 11-12 hours. What one earns as a share of what is billed for one's work is miniscule. While much of the exploitation comprises of the surplus value that they generate, sophisticated efforts are being made to ensure that the absolute surplus is also increased. Despite the fact that the rate of exploitation in this sector is high, it is very difficult to organize these employees using conventional methods except in some crisis situations.

UNIONISATION

The unconventional nature of work, the diversity of employment and employability and the nature of the work in the service sector is so huge that in order to increase wages and improve the career graph, constant change of profession or employer is undertaken by the employees. A non-permanent mode of employment has replaced a permanent mode; change of jobs has replaced a struggle for increased wages. 'Getting organised', therefore, is perceived as something that is obsolete. Concepts like collective bargaining, unionization etc. are ideas that are not engaged with. The nature of work here is such that it breaks down the constraints of time and place. Teams are constituted with people in different places, within the workplace, within the country and outside the country. Entry inside the company is also restricted either to the floor on which they work or to their cabins. People at different locations make up the knowledge pool for a particular assignment/delivery. This means that the entire work force does not have one place of work with a common peak of production which would have given them a striking point. The deadlines for the fixed-pride projects are also so well orchestrated that the employees have to work very hard. The final product itself is intangible and its production time also cannot be predicted but the work has to be done within a specified time. When this was a young and lucrative industry, personal bargaining capacities were high and these problems were not given much attention. The complete absence of guidelines for the implementation of labour laws for this section is the result. For unionization, meetings in residential areas and utilizing peer-groups will have to be thought of.

SKILL DEVELOPMENT

The educated youth from rural areas and the downtrodden sections are very adversely affected. The basic skills needed for recruitment have increased. This real problem is being exploited by coaching centers and fraudulent companies who woo them in the name of giving them training. The tremendous need for money to pay for various kinds of skill development is placing a huge burden on rural families. The numbers of young men and women from the down-trodden sections completing higher education is increasing as is competition for dwindling job opportunities. These students are not able to compete successfully. There is increased competition for government jobs also. The private sector is promoting corruption, maximization of profits and the worst forms of exploitation and expropriation. The unforeseen changes in the economy are impacting on young people and many of them are losing their illusions about the private sector. In 2005. The Central Govt. established the "National Skill Development Corporation" but its role has been nominal. The quality of many engineering colleges is dubious and the corrupt AICTE is ineffective.

EDUCATION

Education has become so expensive that saving for children's education starts even before they are conceived. The aspirations of the parents as far as the intellectual development of their children is concerned are being tapped early. The market in Pre-school education is now estimated to be worth 4000 crores. In Delhi, Courts have intervened to try and regulate fees. Individuals and groups have filed PILs regarding admission and have formed advocacy groups and parents' associations

but neither these organisations nor teachers' organisations are actively intervening in the area of ever-increasing fees. In addition to fees, commuting time and fees, the problem of parents' engagements after school hours, security, sexual abuse, corporal punishments etc. are all serious concerns. The desire to secure admission in better institutions of higher learning is forcing parents to send their children to coaching classes from Class 7 and 8 onwards. There is increased expenditure on the preparation to acquire higher education and on the higher education itself. Insecurity about a child's future forces parents to control their children by creating hectic schedules for them. Already enrolment in private schools between 6-14 years is about 30% (in South India it is even higher).

EXPLOITATION NOT JUST AT WORK PLACES BUT RESIDENTIAL AREAS

These sections (new middle class) are exploited despite receiving relative higher wages. They are also exploited in their places of residence. Price rise brings down real wages and they are also subject to high land prices, EMI deduction on loans, floating interest rates, income tax, user charges, private education, costly private health facilities, petrol price hikes etc.

THE CHARACTERISTICS OF THE NEW MIDDLE CLASS

They are vacillating by temperament. They are easily influenced by dominant ideas and reproduce them rapidly. They are opinion makers. They are benefitting from some trickle-down wealth in the form of wages, profits, commissions, brokerage, loans, Government schemes. Etc. Those whose incomes have risen want reforms to continue.

1. Members of the New Middle class have relatively high incomes; they avail of modern amenities and form the bulk of consumers. They also buy on credit and often end up with large debts which replace earlier investments. They are partial to 'brands' and the acquisition of status symbols. This leads them to be careless about costs.
2. They are ambitious and eager to succeed and look down upon others lower in status. They want instant results and wealth. They are willing to migrate in order to achieve these.
3. They speak English or an anglicized version of their own language and long to study abroad and for foreign employment. They possess effective communication, business and professions skills.
4. Earlier, changing jobs was considered risky. Now this is common in the search for better salaries/facilities/positions. After the recent economic downturn, there is less attrition but the highly skilled would prefer to be idle while searching for better avenues.
5. While they are overall supporters of liberalization, many of them were in the forefront of recent movements against corruption that were based on the belief that crony capitalism is siphoning off the wealth of the country.
6. They have an aversion to politics and politicians including those of the Left. In the 2014 elections, this aversion to politics was reduced when Modi was seen by them to be a representative of 'good governance, new politics and development.' In Delhi, they supported the Aam Admi Party. While its influence is somewhat reduced but the social section from which it derived support has been strengthened.

Increasing inequality is proving the theory of trickle-down to be false. However, it is true that there is more money in circulation as a result of increased loans, wages, speculative investments in real estate etc. This has affected the middle-class and life styles in general. Neo-liberal policies have generated a new culture that is influencing the social consciousness of the middle class. Human relations have been altered and the importance of money in forming them has increased. Ways of dressing, speaking, body language and ways of consuming food have all changed. The proliferation of McDonalds, KFC, Dominoes, Café Coffee Day etc. are proof of this. There is a craze to own a new product as soon as it arrives in the market and thih ownership is seen as a sign of being up-to-date and in possession of a status symbol. A smart phone is considered a basic necessity. The Govt. is encouraging this tendency. Even the Jan Dhan Yojana is providing an overdraft facility of Rs. 5000/-. E commerce is growing rapidly. It now has a market share of $14 billion and will increase at a faster pace. This will force a re-structuring of supply chains as e commerce is penetrating into newer segments from travel and electronics earlier to apparel, books and other consumables.

SOCIAL GROUPS

Members of Dalit and backward communities migrated to towns in large numbers to work as manual labour in the construction industry which experienced a boom at the very inception of the era of neo-liberal reforms. The growth of capitalism in agriculture, accelerated by the Green Revolution, resulted in a middle class emerging in the OBCs while reservations had the same consequences among Dalits and tribals. OBCs now form a significant part of the middle class while Dalits and tribals have a smaller representation. Since there are no reservations in the private sector, tribals and dalits are not represented here at all. The India Labour Market Report, 2008, admits that 'there is discrimination against dalits in private sector job recruitment."

Dalits form 12.5% of the urban population and among dalits, 20% live in towns, most of them in slums. Those who have entered the middle class are able to push their wards into the higher strata. During this period, many have become businessmen and contractors. The establishment of the DICCI, affliliated to the CII, is an example of this trend. There are more dalits and tribals contesting general seats as Independents but only 1% of candidates put up by political parties contest these seats. Current slogans like 'Inclusive Politics' and 'Affirmative Action' are further proof of the stratification that has taken place among SCs.

Only 2.4% of the tribal population lives in urban areas. Both the effects of neoliberal policies on tribal areas and their migration are low.

Among OBCs and Muslims, most are self-employed. Within OBCs, some castes have developed significantly while the MBCs are still backward.

Christians are a actually more numerous than the Census indicates i.e. 2.4%. They often hide their identity for fear of losing their 'reserved' category jobs. A large number of poor and middle class people, specially women, embrace Christianity to find solace. For the unemployed, jobs as pastors are also inviting.

The BJP has been taking advantage of these trends and forcing reverse conversions which is creating tension among these groups.

Members of the oppressed sections who work in public sector units have organized themselves in separate caste organizations and federations while many continue to be members of trade unions simultaneousl. They adopt a caste identity over a class one. Without addressing these issues, it will be difficult to integrate these sections into a United Trade Union Movement.

CASTE DISCRIMINATION IN URBAN AREAS

Untouchability is not experienced in urban areas in the same way as rural but discrimination continues in different ways. This is seen in the area of access to rental accommodation and in the attitudes of upper caste employees towards those from dalits and the lower castes. Even if they reside in the same apartments, they are not invited to social functions. In cities like Jaipur, there are caste-based cremation grounds run by the Municipal Corporation. In Tiruchirapalli, there were walls erected between the homes of dalits and those of other castes. The proportion of inter-caste marriages is only 11% (even lower in Tamil Nadu).

We need to study why the impact of caste and religiosity in urbanized areas is high and unchanging.

INCREASE IN WOMEN'S ASSERTION

Women's participation in public life has increased significantly. Women are employed in large numbers in the new service sectors – IT, IT&ES, Pharma, Bio-tech, Finance, Banking, Media, Retail, Tourism, Fashion Technology, Hotel Management etc. - that have come up in this period. While their numbers in teaching and nursing were significant, they have further increased. With this increasing mobility and participation in public, the issues of security of women in work places and public spaces are becoming very important.

Young women are also raising the demands of freedom and choice and equal access to public spaces. There has been a rise in protests against crimes against women. Obscurantists have tried to shift the blame for this on women themselves. Struggles against gender discrimination and for equality have also received support. Among educated, middle-class women there is a visible increase in consciousness.

FAMILY RELATED ISSUES

Different kinds of social tensions are being reflected within the family. Often these are related to work and finances. There is greater equality of women within the family and they have a greater say in the management of household affairs. Within about 30% of middle class households, their contribution to household finances has increased. However, new sources of tension have also appeared whether it is the upbringing of the children, or the care of the aged or the handling of debt/investment. Also, the extension and unconventional nature of working hours, wage uncertainty, bad conditions of commuting, increased stress, sedentary nature of work and life-style, shrinking of time available for family members and socializing with friends.

CULTURAL AND SPIRITUAL SPACE

Govt. policies have ensured that everything has a price today. Monetisation of entertainment, recreation and public spaces like playgrounds, parks, swimming pools etc. has shrunk available cultural and spiritual spaces. The Govt. does think that it is its responsibility to provide facilities for relaxation to people and has handed this over to the private sector. Members of the new middle class experience high levels of stress due to the pressures of work, financial problems and vagaries of the market. If both p arents are working, child-rearing becomes a contentious problem. In such situations not only doctors but various religious figures – Swamis and Babas – become important. Some may provide relief but often faith is exploited by communal forces. At present, there is a vacuum as far as far progressive culture and real spiritual values are concerned. It is our responsibility to develop and provide a real, living people's culture.

IDEOLOGICAL IMPACT

Internationally, anti-Marxist, non-Left ideologies are dominating the intellectual sphere. In our country also, reactionary ideologies are being patronized and encouraged. The dissemination of progressive ideology is unsatisfactory due to the comparative weakness of the Left movement.

Those who were young at time that neo-liberal policies were first introduced are middle-aged today. They are influenced by these policies and also by ideologies that were current earlier. They have witnessed many movements and may not have any faith left in them. Though they may be in the same jobs, their aspirations have changed. They want to spend their extra time on earning more money using new opportunities. They are very influenced by the media and by Identity Politics. In sectors like banking, insurance, teaching etc. where there are strong unions there has not been much recruitment for several years. Many of the newer recruits (contract/casual workers) do not have much contact with the trade union movement. There is a gap between our trade union leaders and these newer sections of workers. The result is de-politicization among them too.

Those who were born when the reform period began are young people today. Earlier movements and politics have not had much influence on them. They are more easily influenced by celebrities from the sports or film world. Advertisements fostering consumerism and a wealth-seeking culture along with video-games, Barbie Dolls, Ben10, Chhota Bheem etc. exert a great influence on them. Beauty consciousness, make-up, fashion etc. attract them from early childhood. The US and West fascinate them and influence them ideologically. The influences of capitalist and feudal ideas are interlaced with each other.

The link between government policies and economic policies is being hidden and are looked at as separate from each other. This creates the illusion that if the same policies are connected to good governance they will lead to development and growth. The ruling classes have been successful in creating this myth. Neo-liberal ideologues want to do away with all poverty alleviation programmes. In order to do this, they are trying to get more and more middle class people to come out and vote for a pro-rich platform.

There is, however, a gradual change taking place. Interest in politics among the youth is increasing and they are giving up some of their animosity towards political leaders and lack of interest in voting which were prevalent 15 years ago. There is a feeling of dissatisfaction and unrest. There is an attempt to co-opt them before they begin to attack the system. Leaders of ruling parties are projecting their own children as youth leaders and trying to create the impression that they are interested in a real generational change in leadership. All parties are making efforts to attract the youth. They are using their dreams to rally their support. But once young people realise that they have been betrayed and that their hopes for development and employment will not be realized, they may react and move forward.

FILMS AND TV

The depiction of the lives of the poor and lower middle-class in Indian films has now been replaced by those of the upper middle classes and the rich. This finds resonance with the aspirations and dreams of the middle class, women in particular.
    The dividing line between news and paid news has disappeared on many occasions.

SPECIAL IMPACT ON THOUGHT PROCESS

Virtual space is taking over real space in communication and expression and passive means of communication are more and more sought for interaction. Texting is a more specific form and expresses clearly what is to be communicated. Members of the older generation are not able to understand this change and feel that technology is pushing individuals into isolation.

INTERNET AND SOCIAL MEDIA

Access to internet among the new generation is quite high. Growth of broadband connectivity, internet connectivity through mobile networks and the availability of smart phones are cheaper prices is increasing this access. According to ITU, the number of mobile internet users grew from 26 million in March 2011 to 80 million in 2013. There are another 427 million cell phones that are data enabled though they may not be subscribing to internet services. Of course, connectivity in India is much less than in Western countries or in China.
    Media, specially social media, has a great influence on the younger generation. They rely on it for updates and to network with people and establish relationships. A majority of urban youth is connected to the internet. Social media has become a tool for them to keep in touch with friends and make new friends. This can be an important tool for spreading social and political ideas among them.

GAMING

The minds of children and young adolescents are the focus of advertisement techniques that attract them towards site registrations for services etc. Games

written for them are based on the concept of winning at all costs. The State is completely absent and the entire focus is on the individual. Anarchist trends visible among the youth in advanced capitalist countries are a result of these. They have succeeded in undermining earlier values and trends. The new culture that this industry will create is an important fact to keep track of. Gaming as an industry on the internet, mobile phones, Tabs/Ipad aims at bringing about a cultural transformation of growing minds to be susceptible to market requirements. Video games have also moved to mobile phones now.

CONVERGENCE

With smart phone becoming available for Rs. 2000/-, the processes noted earlier will percolate to the lower middle class and the poor. Children from all sections of society will have been shaped by a value system which is a requirement for market forces to flourish by the time that they achieve adolescence.

ON-LINE/INTERNET-BASED ADVERTISEMENT

These advertisements are focused at such micro-levels that 2 people using the internet from the same connection and looking at the same item could be seeing different advertisements. Advertisement agencies relay information on each user through cookies and person-specific advertisements are delivered. This is done to lure an individual towards procurement using specific information about him/her.

CHARITY AND SERVICE ACTIVITY

There is today a growing trend towards philanthropy, service and charity among sections of youth. This is a welcome development as it expresses a desire for change which may also take the form of showing interest in NGO work.
    Examples of this are the ice-bucket challenge in the USA and rice-bucket challenge in India. These were methods of raising money for charity and food for the poor. Both went viral. Creative ways of promoting donations and charities should be devised. Similarly, there is a tremendous interest in organ- and body-donation which we should try and build into a movement.

FESTIVALS AND VARIOUS 'DAYS'

Apart from traditional religious festivals, there are increasing numbers of 'Days' dedicated to mothers, fathers, birthdays, friendship, love etc. which are promoted by the market since they are occasions for gift-buying. BJP uses traditional festivals as a vehicle for its expansion. It opposes certain 'days' like Valentine's Day in the name of Hindu culture but this has received a negative response from many young people.

IMPACT OF IDENTITY POLITICS

The influence of Identity Politics is not limited to the socially oppressed like Dalits but also to the OBCs and Muslims. Once the RSS and Hindutva forces realized that

all these sections cannot be homogenized under a religious identity, they began their efforts at social engineering using caste within the Hindutva framework. They have devised a strategy to penetrate among educated and middle-class Dalits by distorting history. Only the growth of organized working class movements and social movements can reduce the influence of Identity Politics.

ROLE OF JUDICIARY

Recently, there have been many judgments delivered that are anti-working class and anti-democratic in nature. Such judgments like the ban on strikes are welcomed by middle class sections. The judiciary has also impressed this class by its pronouncements on RTI, Elections, Political Parties, Corruption etc.

CONTRADICTIONS

In order to formulate correct slogans to reach these sections, it is important to identify contradictions within different sections of the middle-class.

AMONGST PEOPLE

*Slums * Middle-class (especially Upper-Sections)*

Middle-class considers slums as a reason for unrest, unclean surroundings, hindrance to beautification, theft, crime and other social evils. This is the reason why the middle class supports the exclusivist urbanisation models. There is an opposition in middle-class on the subsidies being given to the poor. They are opposed bandhs and strikes that are being organised by working class.

*Street hawkers * shop keepers*

Shop keepers consider street hawkers as an anathema to their businesses.

*Employees, Teachers * people*

The frequent absence of the teachers working in government schools in discharging their duties and employees evasive response when people approach them distances them from the people. People's anger is visible on the Corruption of bureaucracy and govt services at local levels.

With state

· The contradiction with administration which colludes with the real estate and other mafia is a serious concern that could be an avenue in uniting the middle-class and the poor in taking up issues.
· The issue of civic amenities with the state and segregation in the matters of drinking water, sanitation, electricity, public parks are issues.
· Political corruption at all levels from the ward member to the Minister ranging from basic permissions for constructing a house to permissions at higher levels.

· Economic burden through taxation, user charges, etc.
· Red-tapism in getting the basic permissions certificates etc.
· Land acquisition for SEZ's, roads etc resulting in the encroachment of their houses and establishments.
· Democratic Rights: against restrictions/ban on social media, knowledge commons

With Corporates

· Industrial and Chemical pollution, Medical and Bio waste etc which are harmful to the peoples health.
· Working conditions of employees, wages, implementation of labour laws etc.
· Expropriation of natural resources and corrupt practices
· Against Patent and copy rights (knowledge freedom)

OUR EXPERIENCE

We have seen the large-scale participation by youth in the anti-corruption and Nirbhaya demonstrations. These indicate changes taking place. The initiative taken by the team working in the free software movement in Hyderabad has also given its members valuable experience and helped them to make contacts among well-educated, enthusiastic youth including girls.

INTERNATIONAL EXPERIENCES

In many countries, anti-consumerist campaigns were transformed into anti-corporate movements (OWS for example). Anonymous mailing was used as a method of campaigning. The campaign was initiated by a small group of anonymous, leftist, anarchists and different kinds of people 'in opposition'. They united against the 1% and started a movement and brought this issue onto the national agenda. In the Arab Spring, the pent-up anger of people on fundamental issues was triggered by a small incident and multiple protests began. Some elementary networks that existed in the form of peer and grassroots organizations worked as catalysts. In Latin America, new forces emerged from mass/social movements to form broad-based national movements against Imperialism and neo-liberal policies. We need to study these experiences and draw concrete lessons.

ASSESSMENT OF CURRENT SITUATION

After the economic slowdown of 2010, some dissent started building among young people. Loss of job opportunities increased insecurity. Both AAP and Modi benefited politically from this because they worked out correct slogans. Expectations that Modi would deliver reached an all-time high and his slogan for development was seen as a trigger for industrialization and employment generation. After he became PM, he is trying to involve and attract young people with different slogans. Employment generation is crucial and the focus on urbanization and industrialization (manufacturing) is precisely to achieve this. If, however, the economy does not permit the kind of growth needed, dissent will become explosive. Mobilisations at work places, however, cannot be expected

because by and large employees are satisfied and the managements' modus operandi is successful.

There is growing insecurity and work-related stress. Fear of retrenchment as a result of falling behind targets and being branded as a non-performer is increasing. Stress-related health problems are increasing. Cardiologists have found that 80% of those suffering heart attacks under 30 are from this sector. Cases of counselling by psychiatrists and psychologists are on the rise. Many young members of this section are committing suicide because of work-related and other pressures. As mentioned earlier, many of them are high spenders whose EMI liabilities become very high. A large part of their high earnings are actually taken back by corporate through enhanced interest rates on loans, price rise etc. The earlier boom period brought benefits to a limited section in the rural areas too. This was reflected in high land prices. But now remittances from this sector to rural areas have also decreased.

Reduced job opportunities for the unemployed, under-employment, diminishing growth coupled with rampant corruption often associated with crony capitalism, are the reason for re-thinking among many in this section. Their participation in movements against corruption and violence against women are indications of this. Young people who had avoided thinking about policies and politics are now paying attention to them.

It is not easy to increase awareness among the middle class but this is possible now that those who were used to living a peaceful life have now to face the consequences of economic crises. Until 2010, access to jobs and institutions in various service sectors was relatively easy. Now this is shrinking. Those who are employed fear retrenchment. A financial crisis can cause savings to evaporate. In the last 5 years, middle class investors have lost crores of rupees in share market crashes. The tension has led many to suicide. Stability now seems impossible to achieve. This is the basis for the changes one sees in them. Some have started thinking that an authoritarian regime is the answer while others are looking for solutions in social movements.

These circumstances are bound to create the objective conditions favorable to the growth of mass movements in the future. In order to intervene effectively, we have to work out correct slogans and tactics and present a political alternative to the youth.

OUR INTERVENTIONS

Problems of Urban middle classes

We should frame concrete demands that could attract people and instill the confidence in them that something can be achieved. Important issues are education, employment, health, housing, taxation, civic amenities, democratic rights, security of women, environment etc. On each issue focused slogans should be evolved at the correct time.

SOME IMPORTANT ISSUES

Employment

· Vacancies in government departments and public sector, Backlog posts, reservations in private sector, skill development, recruitment related issues, streamlining the private recruitments through public agencies. Regulation of private consultancies.
· Visa related problems

Issues of Development

· Roads and connectivity.
· Industries in backward areas.
· Development of Dalit and Tribal areas.
· Infrastructure for urban development.
· Irrigation and Power.
· Digital Unite (Bytes for all i.e., Internet connectivity for all).

Working Conditions

· Implementation of labour laws, wages, job security, arbitration mechanisms, counseling/stress management centres

Education:

· Implementation of RTE, Regulation of fees in private institutions, Regulation of coaching centres.

Health

· Strengthening of public health, availability and affordability of path labs, regulation in corporate hospitals, availability of emergency services,

Housing

· Affordable housing prices, regulation of real estate (2013 bill is pending), stability in interest rates in housing, speedy implementation of government schemes, quality maintenance of houses under the government schemes.

Encroachments

There has been tremendous encroachment on both private property and public spaces during this period by realtors and mafia. Middle class and poor victims are driven by their desperation to approach local politicians who are actually in collusion with the realtors/mafia and force unfair compromises on the victims. These politicians are increasing their hold on people. Faulty documentation by governments is easily exploited by these elements. While these may appear to be individual problems, it is possible to take up the demand for unambiguous legislation and action.
· The encroachments of the public places are facilitated officially by the governments by giving places for nominal lease for 99 years etc.
· On the other hand there is a collusion of the politicians, officials and land mafia in encroaching them that includes public parks, common places within townships, tanks,

lakes, river beds and government properties. These encroachers forcibly evict the places where the lower middle-class and the poor reside by occupying these places.

Taxation

· Rationalisation of income tax, Increasing tax limit(upto 10 lakhs), Collection of corporate taxes, property tax related issues

Civic Amenities

· Facilities like drinking water, power, drainage system, parks, transport, managing and protecting water bodies,
· User charges, tolls,
· Playgrounds, recreation centres, swimming pools, children's parks
· Online availability of all sort of certificates
· Supply of filtered drinking water (20 litres of water per family per day)

Urban related issues

· Town planning, planning of cities, slum development, street vendors
· Commutation, public transport, concessional passes, pedestrian paths, cyclist paths

Environment and Pollution

· Environmentally clean and green city
· Garbage collection and Solid waste management
· Maintenance and protection of tanks and lakes
· Processing and decomposition of industrial, chemical, medical and bio wastes
· Urban social forestry and green belts
· Ground water recycling pits

Democracy and decentralization

· Decentralised, participatory and good governance and democratic functioning of the urban local bodies has to be made an issue.
· On electoral reforms-for proportional representation method
· Police harassment.
· Demand participatory budgeting and implement wherever we are in office.
· For knowledge Free Society-promote free software. Knowledge commons should be promoted across disciplines like drug industry and bio-technology

Security

· Security for women, special bus services, effective alarm systems.
· Protection of private property of poor and middle class.
· Protection and encouragement to those taking up inter-caste marriage.
· Security from anti-social and lumpen elements.

Price rise

- PDS, control on essential commodities, ration cards.
- Quality control of foods and beverages.

Other

- Vagaries of stock markets etc.
- Take up the issues of senior citizens.
- Recognition of LGBT rights.

MODES OF AGITATION

Ground level collective agitation methods that foster team spirit. For example Flash mob, Mob freeze, on-line petitions, social media, group songs and dances (fusion music), short films. Using RTI, PIL and working on it and encouraging alternative media.

INTERVENTIONS

Service activities, imparting communication skills to unemployed youth, computer education to less educated, education to poor children, intervention in festivals, cultural programmes, physical exercises, runs, themes, walking clubs etc. e-literacy campaigns.

FESTIVALS

Festivals have now emerged as huge gathering points. Though we don't spread superstitions wherever there is a possibility of people gathering in large numbers we should intervene to connect with them and influence them. Organising competitions and cultural festivals for various sections, Medical Camps, sports activities, volunteering, supplying drinking water/buttermilk to devotees etc.

SERVICE ACTIVITY

we should stand by the people at the time of calamities and disasters consistently. We should help to organise and run medical camps and legal aid centers. We will have to impart legal and para medical training to the school passed outs which will enable them to help people as was in the case of communist movement in 1950s.

COOPERATIVES

Running cooperative bodies where ever and which ever field available. We should encourage and promote such initiatives in schooling and health by progressive individuals and groups.

SOCIAL MEDIA

We must be active on social media, not restricting ourselves to Party pages but by forming various groups. We should not just respond to ideological and political

attacks but should devise creative means of propagating our ideology. Social media groups that we form can be transformed into action groups.

Since the l990's we have been vehemently opposing neo-liberal policies like privatizing of education, health and other services etc. Now these policies are affecting people who want access to quality services but are denied this because of their unaffordability. We missed the opportunity to adequately express their aspirations and subsequent disappointment with correct slogans. There is a strong feeling both within the Party and among our supporters that we have neglected the middle class. There is also a big gap between us and the present, new generation.

Some of the areas that we have not intervened in or intervened inadequately are:

· We did not have a plan for intervention into engineering, medical and other professional institutions.
· Though there is a scope for intervention in IT through Free Software Movement, we did not pay sufficient attention.
· Theoretically we were opposing trickle down economics but failed to assess the gravity of its percolation. Hence our demands did not resonate with the aspirations of the people.
· While we opposed the trickle-down theory, we did not fully assess what a failure this percolation would be. Hence our demands did not resonate with the aspirations of middle class sections.
· We vehemently oppose corruption, but our position stating that corruption is a bi-product of neo-liberalism, this approach has restricted us from concretely intervening in anti-corruption movement. Apart from that we have taken a negative approach towards India Against Corruption rather taking a critical approach. This has distanced us from youth.
· While we vehemently oppose corruption, when we state that corruption is linked to neo-liberalism, our understanding prevents us from intervening properly in anti-corruption movements. We adopted a negative attitude to India against Corruption rather than a critical one and this distanced us from youthful participants.
· During Nirbhaya agitation though we participated independently we appeared to be isolated in the whole movement.
· We did not recognise the importance of social media in time. Though we have decided to intervene now, we can't say that we have understood its dynamics comprehensively.

The greatest challenge and the most important task for communists is to attract the new generation towards socialism. They have been misled to believe that 'Socialism is failed idea'.

It is relatively easy to approach engineering college students, unemployed and under-employed youth and IT professionals and it is necessary to focus on them because they are adopting modern methods and flexible approaches and are able to deal with logistic and support structures. Focusing on issues like unemployment, underemployment, development spaces of intervention like colleges and residential

areas can be utilized for organization. A long-term approach must be adopted and engineering colleges should seen as centers to contact and groom educated, bright and vibrant cadres who will become part of the industrial work force with time. This will facilitate our entry into new work centers. If we work consistently, we will see results in 4-5 years.

This approach will help in building bases in Urban centres which are home to large numbers of young people and are political and agitation centres that influence rural areas. There should be a permanent study team at the Party Centre on urban issues.

ORGANISATIONAL FORMS AND METHODS

A very democratic style of functioning has to be adopted to involve professionals who will not be attracted by conventional methods. They cannot be incorporated into our existing mass organisations so we have to explore new organisational forms in accordance with the requirements and problems of the new sectors. New organisations and platforms can be created as also temporary fora/platforms.

We should encourage free software movements. This is a platform that can organise IT employees etc. We have to allot proper cadre for this and also concentrate on engineering colleges.

Development of cadre for this work is essential. We can utilise part-time services from retirees, employees and children of comrades.

We have to build a cultural movement among middle classes. We have to intervene in festivals and celebrations. We should establish citizen forums or work in the existing forums to intervene on various issues plaguing the urban citizens. We should actively participate in residential welfare associations. We should also set up organisations to mobilise the poor living in urban slums.

We must conduct workshops on environmental pollution, for consumer forums, children etc. We should organise cultural and sport events.

We should evolve slogans and calls that are suitable to the level of consciousness of people. We should conduct militant and sustained struggles on issues, doing so will help increase the confidence of the masses on party.

RE-ORIENTATION OF CADRES ON NEW WORK METHODS

Our cadre must be re-oriented to meet the new challenges posed by the neo-liberal regime. There is a need to concentrate on urban areas and the new middles classes. The approach must be two-pronged: on the one hand, the Party has to articulate its stand publicly on various issues and, on the other, we have to work with different forms of associationa/organizations among them.

The leadership at all levels must directly participate in local struggles. This will enthuse our cadre. Our style of speaking, our language and the style and language of our propaganda material must all change. We will have to use modern technology and communication methods to disseminate our ideology. Smart phones can be important weapons. We must constantly strive to increase the influence of the Left among the middle classes.

TASKS OF THE WORKING CLASS

It is the responsibility of the working class to build movements, to intervene and participate in all movements and to support the middle class when it is drawn into struggle against different aspects of neo-liberalism. While fighting at work places, the leaders of the working class must also work in residential areas along with middle classes and fight against various manifestations of exploitation by the State and market forces.

SUGGESTIONS AND RECOMMENDATIONS

1. It is only through our interventions on economic, social and cultural issues confronting the middle class we can fight the tendencies amongst them and rally with the progressive stream.

2. With alternative slogans, and a new approach with new organisational orientation, we can penetrate among these new middle class sections. Democratic functioning of mass organisations is elementary to facilitate ordinary youth's participation in our activities. While intervening in the new middle class, we should adopt new forms of organisations, including setting up of forums.

3. Party State and Centre leadership should respond on policy matters on local issues connected with state and central governments respectively

4. Leadership from top to bottom should actively participate in important local struggles. Top leaderships local level participation on National issues will effectively bring them an agenda as was done in the national movement.

5. A New Urban Front as an umbrella organization has to be started in all states and then later at National level. Party committees to coordinate from the centre and states should be formed immediately.

6. We have to reorient our middle-class organizations and the Party cadre in the changing situation. Our existing organisations should focus on serving effectively the sections associated with their work and exert their influence. Eg: our teachers focusing on imparting guidance and better orientation to the students etc.

7. Proper allotment of cadre and appropriate organizational arrangements for the new fronts for work in new middle classes at various levels.

8. Ideological struggle through our Party and mass organizations journals, media and websites.

9. Equip cadres on current affairs consistently through study circles and other means.

10. Literature on various topics has to be published in regional languages on regular basis. In order to do so publication wings at the centre and the states have to be strengthened.

11. Strengthen social media network groups from different platforms which will also serve as nucleus for mobilization.

12. Modern cultural forums like those of artists, painters, theatre, fusion, drums, Bands etc. have to be facilitated and encouraged.

13. Identifying Young Cadres from different fields and train them with political, organizational and communication skills.

Members of the Study Group:
Ashok Bhattacharya, Sridip Bhattacharya, Dr. Smita Gupta,
Dr. Thomas Isaac, Kiran, V. Srinivasa Rao (Convenor)