

India - Eco

A growing economic divide in India

By Rahul Sharma

The prosperity - in parts - has come at a price. The economic growth has created a new aspirational class that wants to achieve its ambitions and goals of joining the rich at any cost

THERE is something terribly wrong with India. It seems to be collapsing under the weight of its huge economic divide, which it finds increasingly difficult to deal with as high growth rates propel a section of society towards prosperity yet bury another in poverty.

The recent killing of a chief executive officer of a large foreign company by irate workers near the national capital, New Delhi, has caused an outrage with a stunned corporate India saying it would seriously damage the country's image among foreign investors who have been wooed with great difficulty.

The country's Labour Minister Oscar Fernandes came under attack when he blamed the company's management for the

killing, saying "a simmering discontent" was probably the reason why workers involved in a labour dispute murdered the senior official. Fernandes probably did not put it in the right political context and had to apologise, but the fact remains that the economic divide in India is increasing and there is little that is being done to address it. It is there to see in the metropolises, smaller cities and even the smaller towns.

In the past few years India has boomed, overturning decades of slow growth largely because of pathetic policies adopted by successive governments. The growth has been fuelled by a resurgent private sector led by smart managers who pushed for changes despite government reluctance to open up the economy faster.

Increasingly, Indian companies have looked outside — charting a new, previously unfathomable course that has seen them buy out big global brands for billions of dollars and becoming large multinationals. For a country where a substantial chunk of its nearly 1.3 billion people live in pover-

ty, it's been a remarkable achievement.

The prosperity - in parts - has come at a price. The economic growth has created a new aspirational class that wants to achieve its ambitions and goals of joining the rich at any cost. The young are challenging the old norms; the old are baulking at the changes

The battle between old and new, and rich and poor is increasingly examining all that many in the country took for granted for very long. And nowhere is it highlighted more than in corporate India, which is fighting to gain ground and make those big bucks it could not in the past

that have shattered the social fabric woven over several centuries.

The battle between old and new, and rich and poor is increasingly examining all that many in the country took for granted for very long. And nowhere is it highlight-

ed more than in corporate India, which is fighting to gain ground and make those big bucks it could not in the past.

Indian companies are hungry. They own some of the most visible global brands and are looking for more. There are more Indians in the Forbes list of

world billionaires than ever before. In fact, India Inc. can only become bigger and better despite the convulsions in global financial markets because they have a huge captive domestic market and a hundreds of millions greedy for an

improvement in their lifestyle.

The need to speed up the changes is, however, creating a new class of people in urban India - one that long lived on agriculture but sold out fertile land to industry and builders for big money. Now, after spending that money in its greed for a lavish lifestyle it finds itself staring again at poverty - unable to find a livelihood after being beaten in the job market due to poor qualifications. Look around Delhi and you can begin to worry about the divide in the new glittering townships surrounding the national capital.

Gurgaon the so-called Millennium City and Noida where the chief executive of the Italian company was murdered are good examples of how fast economic growth can create permanent social divisions.

For a country where most still subsist on agriculture, land is religion. Take that away and you have people, who will protest loudly. As they see multi-storied apartment complexes costing millions of dollars rise on what was not too long ago their farms and their cowsheds it is difficult

India

for them to make peace with the present which has turned them from landowners to blue-collared factory workers.

Growth has to be inclusive. In India it is increasingly not. The millions of poor still remain at the bottom of the economic cycle, while others prosper around them at a rate that causes jealousy, which often translates into violence. As India opens up, more want a share of its prosperity. In a democracy like India, which thrives on chaos and political commotion over even what would otherwise be silly matters, aspirations of a population left behind in the race cannot be overlooked.

A booming media has ensured that news of greed, violence and retaliation reaches everybody instantaneously. The reaction, often, is unexpected. The need is to quickly take the benefits of a growing economy down to the lowest levels so that everybody can participate in the growth experiment. Only then would incidents like the killing of a company's CEO by workers stop. COURTESY KHALEEJ TIMES