Globalization: Theoretical Perspective
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Lecture 57
The New Middle Class and Employment

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Welcome back. So at the end of the previous lecture, we talked about visual culture and how it gives us an idea of the formation of middle-class identities shaped by globalisation. So, I have given the example of the two films you see on screen. To sort of repeat what I said before, the individuals represented here are very much seen as aspirational figures, especially for the new middle-class members and those. The latter are upwardly mobile and want to enter this group.

There is a scholar called Rachel Dwyer, who is written quite extensively on Hindi cinema specifically and it is cultural impact, including through the '90s; of course, do keep in mind that this one the only types of films being made in this decade following liberalisation; there were many other types of movies as well. But there was some kind of difference in a genre that we started to see emerging, very much informed by social, political and economic changes at the time. This was not just in Hindi cinema or English cinema, but even in other regional languages.

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The 'New' Middle Class and Employment

'The expansion of the service sector of the economy and of professional, white-collar private-sector employment has been fundamentally linked with the rise of the new Indian middle class. At a structural level, the new middle class is not comprised of new entrants to middle class status. Rather, it is defined by a change in the status of jobs, which now signify the upper tiers of middle class employment. The socioeconomic boundaries of the new middle class are shaped by this shift in the direction of new middle class employment aspirations. In symbolic terms, the cultural and economic standard for the 'old' middle class would have been represented by a job in a state bank or the Indian civil service. Members of the new middle class aspire to jobs in multinational corporations or foreign banks.' - *Fernandes*

Now, let us move on to how the idea of the new middle class intersects with employment; as I said right in the beginning, this lecture is about globalisation, class, and work. And while there are many aspects that we can explore, in terms of globalisation and the middle class, we have already spoken a bit of consumption; I have highlighted some other work that has been done in the realm of globalisation, class, and gender.

And even in the theme, like consumption, I did not even detail various other forms of consumption. For example, it is not just cinema, but also the massive expansion of TV channels, TV programmes, English TV channels that came in and how they shaped identities in this period.

So, there are many things we can discuss. But what I want to focus on here is the realm of employment. And because this links very much to what Fernandes has to say, in that she says, When she is talking about globalisation, creating a new middle class, as I already said, she is talking about the new forms of work that have emerged because of globalisation and how these make a new middle class.

So, that link is very, very important. I will quote her here, again, the expansion of the economy's service sector and professional white-collar private sector employment has been fundamentally linked with the rise of the new Indian middle class. So she is explicitly making this link between the height of the service sector, which boomed, following the expansion, the opening up of the economy.

And at this time, private sector employment created a vast array of new jobs. The new middle class does not comprise new entrants to middle-class status at a structural level. Instead, it is defined by a change in the quality of jobs, which now signify the upper tiers of middle-class employment. Keep in mind that when she talks about the middle class, her categorisation refers very much to one of the many we could call middle classes, the upper tiers.

As I said, the sort of English speaking urban middle class, of course, since the time that Fernandes has written her book, it has been shown that even the jobs she highlights have become opened up more and more beyond what she calls the upper tiers. Nevertheless, this is a handy way of analysing these themes.

So, she continues the socio-economic boundaries of the new middle class are shaped by the shift in the direction of new middle-class employment aspirations. In symbolic terms, this is important. The cultural and economic standard for the old middle class would have been represented by a job in a state bank or the Indian civil service.

The new middle-class members aspire to jobs in multinational corporations or foreign banks. So, she is again making this. She highlights specific jobs and professions and says that really this old or traditional middle class, you would have seen them much more before liberalisation in the bank, IAS jobs.

But the new middle class aspires to jobs in this unique private economy in MNC's and foreign banks. And again, since the time of the publication of this book, we can see that the economy has expanded even more, the digital space has created so many new types of jobs, whether it is content creation or digital marketing and the emergence of what is known as creative and cultural economies, including in India. So, you see the sort of diversification of this space and, this is very much linked to going back to the initial changes brought in by globalisation.

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It is coming to the Indian information technology industry. So, why are we speaking about this industry, specifically, when I have already said that there are so many many industries that emerged as a result of globalisation well the IT industry is perhaps most emblematic of the changes that have come in; it is the largest private-sector employer in the country, continues to be and the figure of the techie has dominated certain aspects of popular culture.

Even in again in films or TV, you will often see the IT worker represented a fair bit and especially intersecting with themes of migration, diaspora, mobility, and so on. So, it is vital to analyse class, middle-class identities, and globalisation.

Now, to give you a brief history of the Indian IT industry, let us see the birth of the Indian IT industry can be traced to the early 1970s very important. Again, we have to remember there is always a long history; the IT industry did not simply come into being in 1991. We can trace it back to the early '70s. But of course, 1991 represented a point when it could expand exponentially. But we do need to keep in mind the more extended history.

So, when the central government first began to promote software exports and the inclusion of computer science courses in higher education institutions. In 1984, under then prime minister Rajiv Gandhi, the government released a computer policy that officially recognised software as an industry with subsequent policies further easing restrictions for investors.

Again, we see that changes were happening right through the '80s. Now, with the economic reforms, here we see off the 1990's and the launch of the software technology parks of India STPI in 1991, this emerging industry was allowed to flourish. So, a government or the STPI government provides IT companies with well-equipped physical spaces for conducting business.

They allow foreign companies to offshore their software and service requirements directly to Indian sites while domestic companies benefit from the suitable infrastructure. So, we see that the expansion of IT parks, if you visit the most metro cities in the country, now, IT parks are ubiquitous, especially in certain parts of those cities.

So, early the expansion of these physical spaces and economic reforms significantly reduced barriers to the inflow of foreign capital, allowing foreign companies to offshore work in India and allowing for the growth of domestic companies. As we know, there are now several massive IT companies in India; I do not think I need to name all of them because they are so well known in the understanding of the Indian economy today.

So, it allowed for this tremendous expansion. Now, also here do keep in mind, this was combined with and this is where the middle class could come in the availability of a technically educated relative cheap English speaking labour force. This set the path for the industry's rapid growth; when we say relatively inexpensive here, we mean compared to the cost of labour in countries in the global north; India provided workers who had to be paid salaries at much lower rates.

At the same time, they had good technical education; we have many engineering colleges in India. Also, English speaking is a feature of this new middle class very much, and all these factors came together to allow this industry to flourish. Now, remember that the IT industry is quite diverse at this point. Besides the production of hardware, which is sort of a smaller scale, I think perhaps the two most well-known sectors are ITES, so IT-enabled services and software, production of software services.

Now, I will focus more on software services; ITES itself is an exciting area to study. And there has been quite a lot of research on call centre workers, people doing things like medical transcription, data entry, all this sort of falls into the ITES space.

But for the sake of this lecture, let us stick to IT services, primarily software because this group tends to be a little distinct from the ITES group and perhaps fits in somewhat better with Fernandes conception of the new middle class. They tend to have usually engineering or science degrees. And as I said, they tend to have more characteristics of Fernandes's new middle-class rate.

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Now, to represent the sort of the physical spaces of this new industry, as I said, those of you living in metro cities would perhaps find these quite familiar if you have visited metro cities, and increasingly, these sorts of constructions also appear in smaller cities and towns as the industry keeps expanding. As they keep looking for more and more labour essentially.

So, what we have on the left is the Infosys campus in Bengaluru. And on the right is what is known as the IT corridor in Chennai city of Chennai; it is a six-lane highway dotted with several IT companies and these massive parks. And so to sort of digressing a little bit, when we talk about globalisation is also very interesting. And this is something human geographers have worked quite a lot on, to look at the intersection of globalisation with changes to both the built environment that is the changing nature of the landscape of cities, the constructed landscape.

The sort of buildings that come up and the natural environment. So, how do all these changes? How does this construction impact? We might consider what is known as a sort of more than human. So, it is also pretty interesting to think how the emergence of the IT industry, which was

due to globalisation, has shaped our actual physical surroundings. But I am not going to get into this in detail.

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Now, what I want to discuss in the final part of this lecture is how we can tie IT work more specifically to the processes of globalisation. We have already established that the expansion of the industry was primarily facilitated by the opening up of the Indian economy. We have also shown that this sort of new middle class, as Fernandes puts it, has very much gone into many of these sorts of IT jobs that have come up because of these processes.

But if you look at the specific theories of globalisation that you have encountered during this course, how can we apply those to IT work as it happens today in India. So, let us discuss this a bit; here I am quoting Upadhya and Vasavi report; they saw the rise of the global IT industry and the spread of modern information and communication technologies ICTs had been inextricably linked with processes of globalisation and the transition to a post-industrial economy in the advanced economies of the North.

The more recent IT and other services outsourcing is a central part of this process. So, suppose you look at what Castells, for example, is called the network society. In that case, what Upadhya and Vasavi say that this spread of ICT's has to be seen as part of the processes of globalisation that have resulted as well in outsourcing of IT to countries like India, we have to keep this within

our frame of analysis Upadhya and Vasavi also make the interesting point, that the way Castells conceptualises the networked society is not in every sense applicable in an Indian context.

Because the access to these ICT's is much more uneven in India than in say, they call it advanced economies of the North. Nevertheless, we can certainly apply that lens to studying IT work here. They continue under the regime of flexible accumulation. David Harvey, production is increasingly organised through transnational production networks. This global commodity chain links together diverse economic entities across the globe, from giant multinational corporations to small family firms, through various kinds of subcontracting and outsourcing arrangements.

Even large multinational corporations or MNC's have been restructured, very important, from vertically integrated bureaucratic organisations into network enterprises, composed of semi-autonomous entities that contract out work to one another. The development of these flexible forms of organisation has been accompanied by the flexibilisation of labour and increased capital mobility.

Now, let us kind of read through this a little more closely. What Upadhya and Vasavi are saying is not necessarily that now you are seeing more significant linkages across different countries, in terms of production of commodities or services, because indeed that was happening, even before the period that is widely associated with, say, the network society or with globalisation, certainly before the '90s in India. You are still seeing what is known as a Fords mode of production, where goods would be produced in countries of the global south.

Because labour was cheaper, their production was more affordable and then sold in countries of the global north. So, these sort of chains, the global commodity chains, as they call them, did exist, even then. But the distinction they make is how a business becomes increasingly flexible; companies have to adapt tremendously to constant changes.

One of the critical characteristics of the phase we are currently living in is the need to constantly adapt and change and seen as almost a requirement of living in this contemporary period. And this is really what these scholars talk about when they speak about flexibilisation.

Companies need to be more flexible labour has to be more flexible. And there is also this increasing mobility of capital that is capital can flow much more freely across the globe. And as

we have already established, the economic reforms of 1991 in India specifically helped facilitate that.

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The next concept I want to spend some time on within these theories of globalisation is the idea of time-space compression, which you would have encountered when you studied Harvey. It is a fascinating concept. Harvey says that as globalisation has taken place, time separates different parts of the world and the actual physical space between other factors.

So, you know, I could be thousands of kilometres away from someone, but we can still be connected. We can still be talking in real-time. So, there is a sort of compression of this space; large quantities of space can be incredibly compressed. Similarly, time differences can seem less and less critical as things also speed up. So, when he talks about the compression of time, it is not simply the collapse of these differences. Still, things are also are getting faster and faster, which has been facilitated by ICT's and other changes in recent years.

So, to quote Upadhya and Vasavi again, speaking now in the context of the Indian IT industry, globalisation has de-spatialized work and production, as economic organisations and individuals located in distant sites are linked together through complex financial and communication networks, blurring, temporal and spatial boundaries.

So, they call this process de-spatialized work; it is almost like spaces seem to matter. So, people located just in very disparate parts of the world can now be linked together, blurring these

boundaries that appeared to exist earlier; I will highlight though at this stage, and this will come to the right at the very end of this lecture.

That processes of time-space compression do not always follow a sort of similar trend; you might notice that people in certain parts of the world face more pressure to sort of compress than people in other parts of the world, indeed, with the global service industry and what is known as the knowledge economy or IT work. You will see that people working in India and other countries in the worldwide south expected more often to be flexible in terms of their time. And this is certainly something that we need to revisit this idea of power asymmetries as a result of the process of time-space compression, and we will come back to this.

Now, returning to Upadhya and Vasavi, as they say, the global IT industry has been both the facilitator of the new economy and one of its primary industries. And the back end and low-end software services providers such as India have played a central role in developing this economy by enabling work to be performed faster, cheaper, and around the clock again, who has to work around the clock.

As Castells notes, the distinctive feature of the new global economy is its capacity to work as a unit in real-time on a planetary scale. So, quite a grand conception; essentially, the whole world can work in sync in real-time. It is exciting to come back to the point they make earlier; they say that the IT industry has allowed this new economy to emerge because it facilitates the use of ICT's, but it is also one of its primary industries. So, the work needed to keep the IT industry going is also one of the main reasons the new economy is what it is today that shape the new economy work.

So, it is pretty interesting to look at it that way. And they are a highlight how India has played a vital role in these processes. And as I have already said, the idea of time-space compression is applicable here. This is also because of work that is done in the service sector. Especially in an industry like IT relies primarily on what is known as immaterial labour you may not produce a tangible product you are making is reliant on perhaps cognitive work, so you are trying to create something that you cannot physically hold most of the time, and this allows it to be transmitted more easily across the world.

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Flexibilisation of Work

- Longer hours, more contract-based work, less job security, much like in other segments of the globalised economy.

- Flexibilisation manifests in situated ways.

- 'While the Indian IT industry depends on flexible forms of employment as in the U.S., the key axis of 'flexibility' is somewhat different here: Indian software services companies need to be able to quickly deploy workers on projects, send them onsite or bring them back to India as needed, and shift them among different technologies and platforms.' – *Upadhya and Vasavi*

The last concept I want to discuss before we get to our final slide is the flexibilisation of work and other critical theories in studying globalisation. This is certainly something that has been thought about to a great extent in terms of the IT industry, which is characterised by longer hours compared to forms of work that existed earlier, especially for the middle class, more contract based work.

So, this means that the work is somewhat less stable. It is more contingent, less job security, much like other segments of the globalised economy. So, because the economy is seen as needing to be quite fluid, there is less job security, more of a hire and fire policy, and more of a tendency to hire people for shorter-term contracts.

And there is also somewhat of a tendency to try and go around specific labour laws, certainly not something restricted only to the IT industry. Nevertheless, this industry can be situated within the global trend of increasing precarity and work. Precarity is essentially the state of the precarious position of instability of this feeling that something could change at any moment and take away your job security. It is seen as characteristic of many types of work, not just in India but globally.

And this is also seen as an essential feature of flexibilisation. So, of course, why do people want to do this work if it is so insecure and whatnot? Of course, we know that IT jobs pay well, especially as you move up the ranks. And there is scope for job progression and upward mobility once you enter an IT company. There is more scope for that, especially in software services, rather than in a space like ITES, definitely in IT services.

So, there are, of course, some incentives that make this kind of work desirable. But increasingly, there is now a sort of pushback that we see where this is not always seen enough to justify some of the challenges of working in this space. And this could perhaps, at this time, be a new way of looking at the Indian middle class since 1991. How has this group shifted in the last 30 years, especially in IT work? How is its identity shifted as this work becomes more precarious, insecure, and demanding?

Now, going back to flexibilisation, we can see that it manifests in situated ways that mean local context plays a vital role in how flexibilisation operates. I am going to coat Upadhya and Vasavi again here. While the Indian IT industry depends on flexible forms of employment as in the US, the critical axis of flexibility is somewhat different.

Indian software services companies need to deploy workers on projects quickly, send them on-site, or bring them back to India as required and then shift them among different technologies and platforms. So, here what they are arguing is it flexibilisation, as conceptualised by some of the theorists based in the global north, often focuses on flexibilisation of the individual.

But in India, they argue that this seems to be more at an institutional level; companies are expected to be highly flexible, to meet the demands of clients. And again, this brings the question back to our employees also expected to be flexible in the space. Yes, of course, I mean, as we have already seen the nature of the job requires these things like longer hours and more contract based work and so on. Nevertheless, they say that we can observe differences in what it means to be flexible in countries like the US and India, and this is why we need studies that on the ground look at how these theories can be applied, and this is what Upadhya and Vasavi are trying to do.

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Power Structures in the Global Economy

- The IT industry has demonstrated a particular reliance on foreign clients - the very foundation of the industry was built on exports, which has deeply influenced its institutional growth.

- This particular dependence of the IT industry on foreign clients, and on the unpredictability of the transnational economy, distinctly impacts both corporate policies and employees in their localised settings.

- While the industry is undoubtedly placed within a broader system of complex and non-linear transnational flows (Appadurai 1996), we have to consider the 'power geometry' of these movements (Massey 1994).

To conclude this lecture, I will end with a provocation of sorts. I want to go back to my earlier question about power structures in the global economy. This is something that, for critical theorists, is very important and needs to be analysed in some depth in the context of the Indian IT industry, what are the power structures that operate.

I have already spoken a bit of time-space compression; I want to bring you to some of my research. One of the aspects of my work on the Indian IT industry, specifically in the city of Chennai, is looking at adherence to workplace sexual harassment legislation.

Now, some of you might know that in 2013, a law was passed that made it mandatory for companies to set up mechanisms to address workplace sexual harassment, and I wanted to see in the course of my research how this was being implemented and what was the underlying factors behind it?

Now, the IT industry to contextualise this, the IT industry has demonstrated a particular reliance on foreign clients. The industry's foundation was built on exports, profoundly influencing its institutional growth. So, this sort of reliance has impacted how the industry is today.

This particular dependence of the IT industry on foreign clients and the unpredictability of the global economy distinctly impacts corporate policies and employees in their localised settings. So, I want to bring you back again to this figure of the new middle class IT employee.

So, how does the embeddedness of the IT industry impact this person within the global market within these transnational flows? So, we see that while the sector is undoubtedly placed within a broader system of complex and non-linear transactional flows, as Appadurai has argued. Indeed, we cannot say that it is a simple hierarchy we can establish between clients and companies. It is nonlinear and complex and needs to be unpacked in various ways.

Nevertheless, we have to consider the power geometry of these movements. This is a well-known formulation by Doreen Massey, a famous human geographer, who wrote this essay in 1994. And she spoke about complicating this idea of globalisation and transnationalism by understanding what she calls the power geometry and how power is allotted between different groups and settings. What is the balance of power? And again, in the context of my research, what I found was that in terms of the workplace sexual harassment law, domestic adherence to domestic legal frameworks was seen to give companies greater lead legitimacy in the global market.

This is not to say that foreign companies are inherently better or more moral or anything like that. But this is how the brand image is shaped by their perception of what is required in this global marketplace. And this became a factor in how they frame their workplace sexual harassment legislation.

And now, as you can perhaps imagine, with this idea of legal compliance as linked to a brand image being one of the factors and how companies approached this idea of workplace sexual harassment legislation, it had some implications for how they practised it handling cases and how it ultimately impacted the figure at the start of this whole lecture, which is the new middle class IT employee. So, we need always situate our work within these multiple angles to get a better picture. Thank you.