Beware, the Middle Class is being Hijacked by the World Bank!

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Abstract: *In recent years the World Bank and some economists have suddenly taken an interest in analysing the "Middle Class". The original impetus seems to have been a genuine intent to identify the social location of those who graduate from poverty. Like the measurement of poverty, they all concentrated in using income or consumption data to place these graduated poor in the middle class, totally oblivious of the numerous variations of the middle class and the difficulty in defining one. And like the questionable poverty measure they are also trying to come up one single measure to identify the middle class and only confusing themselves in the process. This article shows how miserably the World Bank and some like minded economists are failing in their endevour, trying to indulge in "class analysis" when, clearly, it is not their cup of tea. However, there appears to be a more sinister intent behind hijacking the middle class, that of identifying the future consumers for the global big business.*

Keywords: Middle class, class analysis, World Bank, big business, poverty

Introduction

Class is a dangerous concept that could lead you to your death until very recently and will land you in jail even today in some countries. Yet, everyone belongs to a class and according to Karl Marx (does the name sound familiar?) one either fought for a class, as in class struggle, or fought against those who fought for a class. These fights in the twentieth century divided the world in two. In all likelihood you were a Marxist if you fought for a class, a dangerous person to be. But Marx never really defined class yet, Marx, definitely the Marxists all through the twentieth century, "owned" the term "class", signifying someone's position in the process of production. Marx and the Marxists were preoccupied with the rich, the capitalist class or in their lingo, the "bourgeoisie" on the one hand and the workers, the exploited class, or again, in their lingo, the "proletariat" on the other. The history of the "hitherto existing society" for them, and as is clearly stated in the *Communist Manifesto,* was the history of class struggle (Marx and Engels 1998), which was supposed to end in the victory of the proletariat over the bourgeoisie and the world transformed into a socialist, and eventually a communist, one. And it nearly did! But, that's another story, neatly buried in the twentieth century (and the *Communist Manifesto* now sells for $0.01 on Amazon.com!).

The World Bank or the economists of the World Bank variety would have none of that. Indeed, they were the ones the proletariat fought against. To them, not only were the words bourgeoisie and the proletariat "dirty" words but so was also the word "class". One could be branded a "communist", an offensive even fearful term, if one talked about "class", "class consciousness", "class struggle" or even "class analysis". But today the World Bank and the World Bank variety of economists are clamoring to become class-analysts, indeed competing to come up with the analysis of "class". Well, the "middle class" to be precise. They are still not concerned with all classes, only the middle class for now.

Interestingly, however, the middle class of today was the historical "bourgeoisie" of the Marx's conception and later the petty bourgeoisie, meaning small bourgeoisie, small owners, lower level managers or supervisors of production (see for a concise definition: Communist League – Britain n.d.), and the term the "bourgeois" continues to be used in many European countries, including in Britain (Daley n.d.) , albeit, sometimes in a derogatory manner, reflecting the same notion of the middle class. Similarly the "proletariat" was the "working class" of those days and again a section of the working class today is often merged with the middle class, as in the USA, thus blurring all distinctions between

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those two supposedly contending classes of yester years. The issue, therefore, becomes very intriguing as to why so many economists, and the World Bank (sometimes referred as the Bank below) in particular, are putting their hands into the pot labeled “middle class”? Knowing the nature of the Bank and its economists, it will not be too farfetched to imagine that there must be some honey at the bottom of that pot. This paper is, hence, a study of this sudden interest among the World Bank economists in class analysis and how they are laying claim to the term “middle class”, indeed, hijacking it away from its legitimate owners, the Marxists, but more correctly, the sociologists. Marxists didn’t much like the “middle class”.

Middle class in sociology

In much of the history of Europe the bourgeoisie were seen as the middle class, or the third estate, the merchants and traders, often, just the city dwellers, placed between the land owning aristocracy, the nobility, and the toiling peasants. The nobility, through the Middle Ages in Europe, owned the land (land lords or feudal lords) while the peasants, called the serfs, were landless and worked for the nobility. The bourgeoisie as merchants and traders developed along with the growth of the *bourgs* in central and western Europe into cities and by the seventeenth century turned into a formidable force because of their wealth and began to play an important role in the politics of the time, mostly teamed up with the monarchs against the feudal lords to preserve their interests. By the end of the eighteenth century they were a progressive social class and supplied the poets, novelists, scientists, philosophers and political activists, responsible for bringing about the French Revolution, turning against the monarchy by this time.

By Marx’s time (mid nineteenth century) the bourgeoisie had grown to become the owners of industries and exploiters of the workers, the erstwhile peasants, in those newly established industries. Gradually, with the growth and development of the industries the bourgeoisie also swelled the ranks of the mangers and other professionals[1] forming what is the current middle class. Similarly the wealth and position of the workers also enhanced in the twentieth century and some of them (skilled or in supervisory capacity, the petty bourgeoisie) with their high income, if not wealth or education, soon joined ranks with the others in the middle class, and often got to be lumped with the middle class in some class analyses.

Though extremely sketchy, that was more or less the history of the middle class in Western Europe. Economists of the World Bank variety, the so called free market economists, were not much interested in that. They “mostly ignored the discussion of the social class and specifically the middle class” (López-Calva and Ortiz-Juarez 2011). It was the sociologists who made it one of their central concepts. Class, often social class, thanks to Max Weber (1964), the German sociologist, was made into a major part of the study of the stratified society. Class was seen by Weber more or less in the same manner as Marx, being shaped by the market forces. He identified three aspects of class: “(i) a specific causal component of actor’s life chances (ii) which rests exclusively on economic interests and wealth, and (iii) is represented under conditions of labor and commodity markets. The possession of material resources, accumulated by advantage in the marketplace, results in distinctive qualities in terms of the standard of living” (Shortell 2014).

[1] Sometimes this group was also seen by Marx as the petty bourgeoisie as they were turned into wage labourers by the bourgeois production process. "The bourgeoisie has stripped of its halo every occupation hitherto honoured and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage-labourers". (Karl Marx & Friedrich Engels: 'Manifesto of the Communist Party', in: Karl Marx: 'Selected Works', Volume 1; London; 1943; p. 208).

Although seen in economic terms, the theory of class in sociology goes along the lines of the hypothesis: “people who have a similar location within a system of property relations will also develop other important similarities: similarities of thought, values, style, behavior, and politics, for example” (Little 2008). So, for Marx people of similar class are likely to further develop a “similar class consciousness” which translates into “a similar framework of thought” and, as such, would share a similar political motivation and engage in collective action together (Little 2008). This was what class consciousness implied and would propel the proletariat towards class struggle. For Weber, this similarity translates into similar “style of life” or standard of living for people with similar “life chances”. So that, class is a combination of factors that develop around one’s economic position in society and separates him into different social classes depending on that economic position.

However, class is only one aspect of social differentiation. *Power*, the ability to control the actions of others, and *status*, the notion of prestige and honour bestowed upon the members of the society, again, as defined by Weber (1964), are the other dimensions of the stratified society and are intertwined with the notion of class. Sociologists not only elaborated on these Weberian notions but later came to identify other aspects of stratifications, like gender, race, age etc., which contribute to a larger concept of “social inequality”. Occupation is often seen as the key to the stratification system. Stratification in terms of occupation was noted in the USA as early as the mid 19th century. Thus, class represents a group of people with similar occupation, status and prestige in the society. Therefore, class in sociology is often measured in terms of the “occupational-prestige-rankings” or ranking in terms of how society values and honours an occupation. Middle class refers to occupations with high prestige rankings like those of the professors, judges, doctors etc. Also, class for the sociologists is largely a matter of subjective opinion, how people see themselves and in relation to others. People are simply asked to identify the class they belonged to, and thus, sociologists identify the three major classes, the upper, middle and the lower, more or less reflecting the prevailing notion among the members of the society. Often these are further subdivided into upper, middle and lower as in “upper” middle class, “middle” middle class and “lower” middle class etc.

As early as 1913, when statistician T.H.C. Stevenson identified the middle class for the UK Registrar-General’s report he defined it in terms of occupations like those of the professionals, managers and civil servants etc. From 1990 “social class” in the UK came to be formally identified in terms of the occupations and “the most common definition of the middle class remains occupation based” (Questia n.d.). In 1951, sociologist C. Wright Mills (1956) conducted one of the first major studies of the middle class in America. According to his definition, the middle class consists of an upper-middle class, comprising of the professionals “distinguished by exceptionally high educational attainment and high economic security” and a lower-middle class of semi-professionals. Modern sociologists define the American upper-middle class “using income, education, and occupation as primary indicators” (boundless.com n.d.) and include such occupations as lawyer, physician, dentist, engineer, professor, architect, civil service executive, and civilian contractor. Many members of the upper-middle class have graduate degrees in law, business, or medicine, required for their professional occupations. Educational attainment is, thus, a distinguishing feature of the upper-middle class. Lower middle class, though less so, also hinges on some education and consists of semi-professionals (Gilbert, 2002; Thompson and Hickey, 2005), school teachers, nurses, skilled workers etc.

The world variations of the middle class

But the notion of the middle class becomes complicated when looked globally, for the simple reason that other societies have used various other categories besides income, education and occupation to define this class. Even in the USA, the idea of middle class is not solely based on income. An ABC

News poll in 2010 found that being "middle class" meant more than "specific income levels" (Yen 2012) to people and at least two-thirds of adults said that "being middle class meant owning a home, being able to save for the future and afford things like vacation travel, the occasional new car and various other little luxuries" (Yen 2012). Denis Gilbert (2002) in his analysis of the American class structure uses nine key variables: occupation, income, wealth, prestige, association, socialization, class consciousness, power, and social mobility. Thus, wealth, education, family environment, inheritance, upbringing, cultural association or social network, manners, social values and even the ways of speaking, dressing and holding the fork featured in delineating the middle class. The Wikipedia lists some of these notions as:

- Achievement of tertiary education.
- Holding professional qualifications, including academics, lawyers, chartered engineers, politicians, and doctors, regardless of leisure or wealth.
- Belief in *bourgeois* values, such as high rates of house ownership and jobs which are perceived to be secure.
- Lifestyle. In the United Kingdom, social status has historically been linked less directly to wealth than in the United States, and has also been judged by signifiers such as accent, manners, place of education, occupation, and the class of a person's family, circle of friends and acquaintances.
- Cultural identification. Often in the United States, the middle class are the most eager participants in pop culture whereas the reverse is true in Britain. The second generation of new immigrants will often enthusiastically forsake their traditional folk culture as a sign of having arrived in the middle class.

Hence, the concept of the middle class becomes very complex and income rarely features in these definitions and never as the single delineator of class. In a recent study (Savage *et al.* 2013) of the British society with a very large sample of 161,000 people class was defined more in terms of economic, social and cultural capitals following a recent trend set by the French sociologist Pierre Bourdieu who finds that "individuals are differentiated by their possession of economic, cultural and social capital in different quantities and proportions – the three forms of 'capital' being in principle independent of each other" (Radice 2014). On the basis of these, the study identifies not three but seven classes in the UK, the "elite" at the top followed by the "established middle class", the "technical middle class", "new affluent workers", "traditional workers", "emergent service workers" and "precariat" (precarious proletariat) at the bottom, each endowed with varying amounts and combination of the three sets of capitals.

Of these, at least three, the established middle class, the technical middle class, and new affluent workers could be combined as the current middle class in the UK. The "new affluent workers" are "a young, socially and culturally active group with mid levels of economic capital" is followed by the "technical middle class", "a small, distinctive new class group which is prosperous but scores low for social and cultural capital". On the next rung is the "established middle class", described as "the largest and most gregarious group", with very high scores on economic, social and cultural capitals. It is the largest group in UK comprising of a quarter of the population, with household income of £47,000 and some *"highbrow tastes*." (Sam Jones and agency 2013).

Outside of Britain the middle class is also marked by its preoccupation with the human, cultural and social capitals, imbued in the children by their parents. This has been true of the middle class in

Bangladesh up until the 1980s[1]. The concept of the middle class in Bangladesh, the *maddhaya bitta*, literally "middle wealth", often called the *Bhadralok,* used to be prefixed by the word "educated" and even "educated-urban" to point to the distinctness of urbanity, referring largely to Western (bourgeois) values, expected of them as opposed to the traditional rural values they were supposed to be free from. It was a small group of city dwellers, mostly in Dhaka, who defined its culture, largely secular, and values and norms. Professors, engineers, doctors, lawyers, the higher echelon of the government bureaucracy, some senior level bankers and a few officials from the commercial sector comprised this "educated–urban-middle class" in Bangladesh. Educated families in the rural settings would also emulate these cultural norms and values somewhat. Education was not only the key to the entry to this class, a good education, preferably university education, from the University of Dhaka, was largely the pathway to this class. Besides education, certain sets of values and cultural capital, rather than income or wealth, were the mainstay of this class, few had any wealth and nearly all were salaried professionals. Business and industries were few in the country and were all very small scale and always considered to be of a lower status. Even the "Commerce" department at the university, schools and colleges was where students with poorer grades studied.

The parallel of this middle class in West Bengal in India is also called the *Bhadralok.* Indeed, the term, meaning sophisticated, originated there during the early colonial times and referred to the Westernized higher caste Hindus and the *Bhadralok* were the first to gain entry into the professional occupations, primarily because of their English education. They were an educated and highly 'cultured' group of people "distinguished by their refined behavior and cultivated tastes but not necessarily by wealth and power" (Ganguly- Scarse and Scarse 2009). Though a lot has changed in recent times and they have lost much of that high status, they continue to invest in their children's education and "maintain a veneer of their high status by engaging in writing, music, and the arts." Similarly, Ganguly-Scarse and Scarse also note that, "Significantly, across India, in each region or state, one finds clear class hierarchies interceded by cultural nuances defined by ethnicity, culture and education" (Ganguly-Scarse and Scarse 2009). The notion of middle class, in West Bengal and the rest of India, thus, is not a matter of wealth or income, it is intertwined with aspects of culture and even caste. Like in Britain where "it is possible to be "middle class" culturally and quite poor", known as "genteel poverty" (Daley n.d.).

Similar complicated cases of middle class are also found in South East Asia. Quoting various sources Victor King (2008) notes that defining the middle class is a complex and confusing process. It is complicated by the attempt to translate the Western notion of social stratification in non-Western societies. Thus, he notes that, in South East Asia there are three distinct middle classes, the new middle class (salary earning professionals and administrators), old middle class (small proprietors and self-employed) and the marginal middle class (white collar and small proprietors). In Singapore he shows that there are "four" middle classes, upper, middle, lower and poor middle classes. He also notes that the some middle class Philipinos are actually performing menial jobs abroad (King 2008).

In China also, a multiplicity of middle classes has been reported by Li Chunling (2013) who notes that the impression of the middle class in China is that they are "businessmen, managers and intellectual elites who enjoys high income levels and engage in conspicuous consumption". Li Chunling (n.d.)

[1] The character of the middle class began changing from the 1980s, largely because of an exodus of the members of this class to the developed countries, also a few from this class availed the political and economic opportunities presented by the newly emerged country and moved up to the upper class, while a different group of people, fresh from the rural areas, mostly lacking in quality education and sophistication, migrating to the cities in huge numbers, have come to claim the middle class position and have drowned the remaining few from the older middle class. Education (in terms of degrees) and occupation (essentially business), still matter but are no longer the defining factors, while income and wealth, mostly freshly acquired, feature prominently among this newly forming middle class, fast replacing older values and secular culture .

elsewhere identifies four different factors in designating the middle class in its current setting. These are income, occupation, education and consumption. The study feels that the middle class "is a mixture of four groups with different economic condition, social status and social-political function". These are the capitalist class (private entrepreneurs), new middle class (professionals and managers), old middle class (small owners) and marginal middle class (routine workers). Interestingly, majority of the capitalist class and old middle class are descendants from the "farmer class". Also, the middle class in the public sector is found to be "very different in social, economic, political characteristics from its counterpart in the private sector". Thus the new middle class, he notes, could be further divided into two groups: new middle class of public sector and new middle class of private sector (Chunling n.d.).

The notion of the middle class is, thus, far more complex than even the notion of class, either in the Marxian or in the Weberian sense of the term and each society has its own preferred combination of traits to designate this class. The middle class has a special position in the system of stratification in every society since it has often been identified with nearly all kinds of social, political, cultural and scientific developments, refined tastes, higher education and cultural values and is, therefore, held at some kind of high status or respect. It is also distinguished from the money earning upper class as much as it is distanced from menial jobs. Neither wealth nor income has much role to play, although a certain amount of booth are a prerequisite and may have shaped membership of this class in the past. It may thus be the past wealth or income that allowed this class to acquire the education and the cultural traits they are known for but current scramble for wealth or income beyond a reasonable need to maintain the "standard of living" is seen more as a vice, demeaning for one to pursue. The middle class people, thus, may suffer in poverty, as in the West Bengal of India, but would pride themselves because of their heritage, education and cultural tastes.

A personal anecdote

But before I get to how the World Bank and the free market economists vulgarize these notions of the middle class, a personal anecdote is in order. Very recently I was invited by my house help, socially designated as "maid servant", to her house in a nearby slum, to the first birthday celebration for her grandson. Defying some cultural norms, in my very liberal outlook, I decided to attend. What I met there confused me as a person and more so as a sociologist. First, the slum I expected was not there. In place of dirty, muddy, stinking roads and thatched houses on bamboo stilts with dirty water flowing underneath, I came upon a row of houses with low tin roofs and brick built walls, tin walls in some, very closely built with narrow passages in between from which you could see the insides of the houses. Nearly all the houses looked clean, were lit with electric bulbs, some with power-saving halogen ones. Sound of television program was coming from many of the houses and the churning of ceiling fans could also be heard from some. My host family, who lived in a two moderate sized rooms, with a small veranda, made me sit in the smaller room with clean and costly looking bedspread, probably draped in my honour, on a large wood-framed bed. The room had a small table with four chairs, a television was set on a stool in another corner and I could see a refrigerator in the other room, old looking but larger than the one in my house for my single person's needs. Nearly eighty people were invited for dinner that night, far more than I could have dared to invite.

Some of my surprises were answered when I came to know that besides the child, the family had five adults, cell phones in their hands, all working temporary menial jobs, and the combined income per capita per day added to substantially more than $2, the upper poverty line of the World Bank. They had lost all land in their rural home before the family migrated to the Dhaka city some 12 years ago. The rent of the house was about a $120 dollars per month, a very high rate for those two rooms, while the kitchen and the toilet had to be shared with others. The invited children wore festive clothes, all looked as it would in any well to do neighbourhood except that this was crammed for space. Granted that it was a better off slum, close to a very posh residential area, and probably most of the residents worked in those posh houses earning far more than the residents of other slums in the city, but none of these fitted with my preconceived ideas about the slum and my "humble" maid servant, who by any definition in my culture and society will be seen as belonging to the hapless "lower class".

It was obvious that they had graduated from poverty but where could I place them and the others in that "slum", in the social hierarchy of my society? And with that question in my mind I decided to look further and was shocked by the discovery that the World Bank and its economists have already branded them as the "middle class". But that was only the beginning, other shocks were on their way as I delved deeper into the question.

World Bank's middle class

The effort by the economists and the World Bank to define the middle class probably originated in their honest bid to understand the future of the millions, if not billions, who are expected to graduate from poverty or have already done so, as the Bank so ceremoniously claims to be, by its efforts. That is, what happens when the poor begin to make more than $2 per capita per day? Of course, since many of them would be and are already earning more than that amount, as in the above case of my house help, it is not a mere distinction between earning $1.99 and $2.01, it is the totality of their living condition. The first question the Bank, therefore, faced was where could these people be placed as a social category? Obviously, they are not "rich" but they are no longer "poor" either, by the Bank's own definition, which the World Bank was at some pains to demonstrate over the last couple of decades, anything above $2 a day per capita takes one out of poverty, so by default they must be the "middle class". What else?

And, almost reminiscent of the numerous press releases on the success of the World Bank in "eradicating" poverty, a November 13, 2012 release reads: "New World Bank Report Finds 50 Percent Increase in Middle Class in Latin America and the Caribbean over Last Decade". You are informed, exactly as a typical announcement of poverty eradication read, that "Latin America and the Caribbean registered a 50 percent *jump* in the number of people joining the middle class during the last decade, which was called by economists (of the World Bank variety, obviously) *an historic achievement*…" (World Bank 2013, emphasis added). And you also learn that "the middle class in the region grew to an estimated 152 million in 2009 compared to 103 million in 2003, an increase of 50 percent" (Sabaté 2012) or about 49 million people in only six years! How wonderful, and the Bank must be credited for that too!

Anyway, this number is only a drop in the bucket as compared to the other claims by the Bank and some economists about the "middle class" status elsewhere. They are talking in billions! Accordingly, a staggering 1.2 billion people are claimed by the World Bank economist, Martin Ravallion (2009), to have entered the middle class, and four fifths of these are from Asia and half from China alone. Paul Mason (2014) similarly claims that the middle class "has grown from 600 million to 1.4 billion". "Over the next two decades, it is estimated that the middle class will expand by another three billion people, coming almost exclusively from the emerging world" (Mason 2014). Ali and Dadush (2012a) go even further and argue that this "level has now been achieved by more than 4 billion of the world's 7 billion people". Kharas projects that the global middle class will rise from 2 billion today to 5 billion by 2030 (Rosenbaum 2013). India alone will have "more than a billion middle-class citizens by 2025" according to World Bank economist Ejaz Ghani (Mustafi 2013). Even Africa's middle class "is expected to grow from 355 million (34 percent of Africa's population) to 1.1 billion (42 percent of the population) in 2060." (Ncube 2013). Whatever may be the reality, it almost appears that each claimant is trying to outdo others by quoting ever larger numbers rather than performing any serious academic exercise.

With those many people in the middle class, the world really needs a way of identifying who they are. And because they are in the middle there must be some below and some above them too. And this is where the problem starts, how to define the "middle" and where are the upper and lower cutting points? This is where the economists, without a valid definition or a proper understanding of the middle class, begin to mess up things for themselves. Sociologists, of course, have worked past this problem long ago by asking people's opinion or, often, more objectively, assigning ranks (also by the people) to the occupations people are engaged in. Not that they did not try to put numbers and dollar amounts to the middle class but found the numbers, even the occupation-prestige-rankings, to vary with time and within and among societies, depending on who is ranking who and when. Income has also been used but never as the sole determinant of class location. While, the Marxists, the original owners of the concept of class, were never much bothered by those in the middle, claiming that during the crunch time (the final conflict) those in the middle will have to move either up or down into the ranks of the two fundamental classes, the bourgeoisie and the proletariat.

The economists, not sensitive to these complications of defining the middle class noted above, exactly in the same manner as their previous mess up with measuring poverty and inequality (see Islam 2005; Raghavan 2002; Pogge and Reddy 2003; Reddy and Pogge 2002) through income and/or consumption, promptly took to the similar measure and have since created all sorts of confusions, again, for themselves only. Others are doing fine without the economists' definition and measurements, but I am afraid, not for very long. I expect the World Bank and the economists to impose their newly hatched out definition, if they can agree on one (see below), on the world, its governments and policymakers, researchers and academicians alike, as they so forcefully did earlier with the definitions of poverty and inequality.

Defining (or measuring?) the middle class, the economists' way

Thus, by sticking to the definition of the upper threshold of poverty at $2, the World Bank economist Ravallion (2009), who championed the poverty measurement too, came to define the middle class in terms of a range of income that falls between $2, the upper poverty line in the developing countries, and $13, the poverty line of USA. Why the USA, with so much poverty there, (1.5 million households with 2.8 million children still live on less than $2 per day per person (ETS 2013), even below the world poverty line, among 15% of the total populaqtion or over 46 million who live below the $13 poverty line) and not some other country remains unexplained. Also, does the middle class in the rest of the world with $13 lead a life similar to the poor in the USA? In any case, Ravallion is not the first to confuse the notion of middle class with income or expenditure in purchasing power parity ("PPP $") terms. Banerjee and Duflo (2008) based on their study of 13 developing countries came to define the middle class, after considering various other options, as "two groups of households: households whose daily per capita expenditures valued at purchasing power parity are between $2 and $4, and those households between $6 and $10. These are the groups that we will call the middle class". (What about those earning $5? Where would they go?)

Following them other economists soon joined the fray, all trying to be the first with an acceptable definition (meaning, either income or expenditure) while they negate others' definitions and measurements with sophisticated equations and as large a data base as they can master. Thus, we now have a whole lot of definitions, equations and measurements, which, more than anything else, only goes to show how confused these economists are. These income or consumption figures, or any set of numbers, can be manipulated through a complex looking equation to generate some results, these may even be reliable, but without a *valid* and generally accepted definition of the “middle class”, these are just some meaningless sets of numbers.

However, like in the studies of poverty earlier, they also raised the question of “relative” and “absolute” middle classes. (Does one have to be a “relative” middle class before one can become an “absolute” middle class?). Some economists like Easterly (2000) and Birdsall, Graham and Pettinato (2000) take a relativistic view and define the middle class “in terms of a range of income spread around a median of the country or region, normally between the 20th and the 80th percentile”. Birdsall, Graham and Pettinato (2000) define the middle class as households in a range between 0.75 and1.25 times the median of the household per capita income distribution, while Davis and Huston (1992) use a 0.5 to 1.5 range around the median. Some have used 75% to 125% (Pressman 2007 in Luxemburg Income Studies) others like Blackburn and Bloom use a range as broad as 0.6 to 2.25 (Eduardo Lora and Johanna Fajardo 2011).

But like in the case of poverty most, including the World Bank and the OECD or ILO economists, prefer an “absolute” measurement for marking the middle class and making them comparable across countries and regions. This is true of both Ravallion and Banarjee and Duflo studies. But there is a lot of confusion regarding what should be the lower and upper limits of the income bracket, what that income can or cannot buy, with *each using different basis and data sets, all selected arbitrarily or through some concocted logic, using this or that country as the benchmark,* with no two studies concurring so far.

The World Bank uses an absolute definition, with income equal to the mean income of Brazil to reflect the income of the developing countries and that of Italy for a poorer industrialized country, or between USD4000 to USD17000 per year in 2000 purchasing power parity terms (Kharas 2010), which comes to roughly about $12 to $50 per capita per day in 2005 ppp. One of the earliest measures was offered in 2002 by World Bank economist Branko Milanovic and Hebrew University professor Shlomo Yitzhaki, who proposed to measure the middle class with daily incomes between roughly $10 and $50 a day, after adjusting for purchasing-power parity (Ali and Dadush 2012b).On the other hand Kharas and Gertz (2010) have used a range of $10 and $100 daily expenditure per person, “defined by excluding those individuals who would be considered rich in Portugal and poor in Luxembourg (the poorest and richest among the industrialized countries, respectively” (in López-Calva and Ortiz-Juarez 2011 p 6). If you are not perplexed by these just wait for more below.

López-Calva and Ortiz-Juarez from their own study of some Latin American countries like Peru, Mexico and Chile propose a middle class as falling between incomes of $10 to $50 per capita per day in 2005 ppp. They argue that it could be extended to $100 but that will only lower the number of Latin American elites from 2.2 percent to .05 percent. These researchers define the middle class within Latin America as those who are “not rich but are still economically secure” – or have less than a “10 percent chance of slipping back into poverty” (López-Calva and Ortiz-Juarez 2011). Earning $10 to $50 a day, or at least $14,000 per year, would put a family of four into the middle class. A household making less than $4 a day is considered poor, while those earning from $4 to $10 are said to be economically vulnerable (Albert Sabaté 2013; see also Birdsall, Lustig and Meyer, 2013). Today, the middle class and the poor account for roughly the same share of the Latin America and the Caribbean population – 29 percent and 31 percent respectively – while the economically vulnerable now make up the majority or 38 percent of the total (López-Calva and Ortiz-Juarez 2011).

Asian Development Bank (2010) uses an absolute definition of per capita “consumption” of $2–$20 per day and finds (in 2008) nearly 1.9 billion or 56% people of “Developing Asia”, meaning in 22 countries of Asia, including India and China, as the middle class. However, the majority of the Asian middle class still falls in the $2 -$4 range (my house help is in there somewhere). African Development Bank (AfDB), also defines the middle class (in 2011) with daily “consumption” between $2 and $20 and accordingly there are 350 million, or 34% of the African population in this middle class (ABS Staff 2013). However, this is further divided by the African Development bank with $2-$4 as belonging to the “floating middle class” that may easily fall back into poverty (ABS Staff 2013). David Cowan, a senior economist for Africa at financial services group Citi, argues that a more widely accepted definition of “an emerging market middle class consumer” is someone earning at least $13.70 per day (ABS Staff 2013). The ILO economists from 61 household surveys across the world came to define the "the developing middle class" as a group of people earning between $4 and $13 a day and this group has grown from 600 million to 1.4 billion (Paul Mason 2014).

These ought to be enough to bemuse, if not amuse, anyone. What the economists are doing, in the absence of a clear notion of what a middle class constitutes, let alone its position in society vis-à-vis culture, history, politics, even economic wellbeing, is groping in the dark for a ledge to anchor themselves. Fortunately, some even among the economists do not agree with these definitions. Mason (2014) argues that “in world terms they're not really middle class at all” since $13 a day upper limit just happens to be the poverty line in the US in 2005. Ravallion (2009) also agrees that the middle class defined by the standards of the developing countries are “still poor by the standards of rich countries”, which is true of the 200 million people he calls “middle class” but earning $2 to $3 only. Similarly, AfDB argues that World Bank’s definition is a “useful measure” to count how many people have been “lifted out of poverty”, but they are not a part of the middle class and argues that “someone earning $2 a day is not likely to be able to afford consumer goods such as washing machines and televisions” (Jaco Maritz 2013). López-Calva and Ortiz-Juarez define the middle class within Latin America as those who are “not rich but are still economically secure” – or have less than a 10 percent chance of slipping back into poverty (López-Calva and Ortiz-Juarez 2011). Luis Felipe López-Calva (2012) thus concludes that they are not poor, but not middle class either, at least not yet. Rosenbaum (2014), therefore, argues that “things considered vital to a middle-class lifestyle, such as electricity and clean water, are not necessarily obtained just because someone has a larger household income”. Shimelse Ali and Uri Dadush (2012) also note that many of these people “can buy a cell phone but have no access to a regular power supply”. They, therefore feel that the World Bank “measure is clearly too low”.

The premise that middle class living standards begin where poverty ends, that is at $2 as put by Ravallion (2009) or between $4 and $6 by Banarjee and Duflo (2008), is not accepted by some other economists either. Luis F. López-Calva and Eduardo Ortiz-Juarez (2011) challenge the view “that people above the poverty line are actually part of the middle class”. One of the sources of support Ravallion (2009) uses is the Chinese case. Quoting China’s National Bureau of Statistics, Ravalion sets $2.24 for rural and $3.47 in urban areas as the minimum required to be in a middle class or *Xiaokang*. There were accordingly 500 million Chinese in this class in 2005. But Li Chunling (n.d.) puts this figure for urban middle class at a much higher level of about $12 per day per capita (or 28,272 yuan annually) and about $9 for a family person per day per capita (or 20,715 yuan annually). Asian Development Bank (2010) puts India’s middle class (earning between $2-$20) at 25 % of the population or about 300 million but estimates by India's National Council of Applied Economic Research (NCAER) cuts it by half and puts it at 153 million (Meyer and Birdsall 2012). Christian Meyer and Nancy Birdsall (2012) revise the figure further down and puts it at a mere 70 million by their estimate of $10 -$50. Similarly, while studying Latin America Birdsall, Lustig and Meyer (2013) find the group with income between $4 and $10 as vulnerable ones and argue that they do not belong to the middle class. Kharas (2010) also rejects anyone earning less than $10 to be included in the middle class. These counter arguments merely increase the confusion rather than clarifying them.

So, who are the middle class?

The global middle class

In reality, the middle class the World Bank and these economists are actually looking for isn't the middle class with only $2 in their pocket. The World Bank, therefore, distinguishes between $2-$9 and $9-$13 groups as does the African Development Bank who divides the middle class (income between $2-20) into one with $2-4 per day as belonging to the "floating middle class", and those above. This lower income group constitutes "about 60 percent or nearly two thirds of the African population". The report thus argues that someone earning $2 a day is not likely to be a consumer of goods like the washing machine, television or a car although "many people earning $2 a day are able to afford a cell phone" (Dadush in Rosenbaum 2014). In Bangladesh, for instance, the current number of cell phones exceeds 110 million in a population of 155 million, or about 71% coverage. Even if we subtract multiple possessions of about10 million phones, this is still close to 65%, while the percentage of population above the $2 poverty line is only 23%, meaning that many below this poverty line in Bangladesh are also users of cell phones. A Guardian article, therefore, questions the reality of this "new middle class" life in Brazil, Morocco or Indonesia (as examples of life in Latin America, Africa and Asia respectively). It notes that the "word comfortable does not spring to mind" when one talks of the middle class in these countries, "it means often living in a chaotic mega-city, cheek-by-jowl with abject poverty and crime, crowding on to makeshift public transport systems and seeing your income leach away into the pockets of all kinds of corrupt officials, middlemen and grey market people" (Mason 2014).

Research firm Ernst and Young (2013) similarly, argues that "this definition (of the middle class) is not very helpful for companies dependent on sales to those with large disposable incomes; they require a more realistic estimation of the number of people entering their target markets. For most businesses, a much more useful definition of middle class is people earning between US$10 and US$100 per day. At this level, consumers start having the kind of disposable incomes that will allow them to buy the cars, televisions and other goods that have been the staples of bourgeois life in the West for 60 years. People in this income bracket can be considered a "global middle class" — middle class by the standards of any country.

Hence, besides the debate over the "absolute" and the "relative" there is also the debate about the differences in measurements between the "developing countries only" and the "global" middle class. The "absolute" definitions generally propose a standard measure, like that of the poverty measurement, to be applicable across countries as a unitary measure (or definition) of the "global middle class". Thus, Homi Kharas (2010) after an exhaustive review of literature has proposed an absolute measure for the "global middle class" with income level between $10 and $100 per day in 2005 ppp (or between $3,650 and $36,500 annually). This range falls between the poverty line of Italy and Portugal as the lower limit while the upper limit is chosen as "twice the median income of Luxemburg", the richest advanced country. Defined this way, he notes, "The global middle class excludes those who are considered poor in the poorest advanced countries and those who are considered rich in the richest advanced country". (How about the poor in the rich advanced countries like the USA, with $13?) Kharas proposes this range as the global standard for the middle class as opposed to the middle class in the context of the developing countries only, which falls between $2-10 (Banarjee and Dufllo 2008) or $2-13 (Ravalion 2009) or even $2-$20 for ADB or AfDB etc.

A confused class

But in any case, there seems to be no agreement among the economists. Nancy Birdsall (2012) with a very appropriate title in her blog, "Oops: Economists in Confused Search for the Middle Class in the Developing World" notes the extent of this ambiguity. "So far," she writes, "there is no agreement among economists on the appropriate income/consumption thresholds to identify the middle class – not even on whether it is *relative* or *absolute* income that matters, nor on whether the identification should be based on a *country*, a *region*, or a *global* standard" (Birdsall 2012). The economists, therefore, without the proper understanding or even the knowledge of how society works, are just a confused lot, trying to enlighten others who could very well do without these baffling definitions.

But more importantly, and as noted above, these are all arbitrarily assigned, doesn't matter how much they are coated with complex econometric models. The base countries are selected for some weird and, perhaps, personal reasons; the income brackets chosen by some outlandish logic, while relative, absolute or global labels are applied by some bizarre judgment. And at the end of it all there is no basic agreement among the institutions like the World Bank, Asian Development Bank, the OECD, ILO etc. and their respective group of economists.

I am not even raising the question of the accuracy of the measure, particularly of the 2005 PPP used as the basis of most of these measurements. Although Kharas (2010), who uses the same measure, does and notes that "serious questions remain about the significant changes that have resulted from the 2005 measure, as compared to previous estimates" (Kharas 2010). Even though the measure was constructed after a study of 146 countries and for 1000 goods and services, the prices for which were often adjusted upward by almost 40% in countries like India and Bangladesh, while in case of China, prices were taken from the richest part of the richest cities, totally ignoring the majority of the rural population (Kharas 2010), effectively rendering the estimate useless, if not *false!*

Therefore, it is evident that the economists, without a clear cut definition or even the proper understanding of what the middle class constitutes, are just talking past each other. Eric Rosenbaum (2013) notes that "some of the early studies of an income threshold for the developing world's middle class show how far apart the experts can be". Several of the prevailing definitions of the new middle class don't even overlap at any point on a quantified spectrum. Christian Meyer (quoted by Rosenbaum 2013) argues that there is not only no consensus, they are just a "mess of confused definitions". The assumption in all cases is that the income of certain PPP $ across the world buys the same (or similar) goods and services for the middle class, notwithstanding the fact that the middle class life style in every society, culturally and historically, are far divergent, and vastly different from the dissimilarities noted in the experience of poverty, which the economists had brought down to the single measure of $2 ($1.25 for extreme poverty). Having or not having those two dollars made such a difference in life that it could hardly be captured across countries and regions. While here, for the middle class, the economists are trying to fathom the difference in the living standards which, at the very least, are internally highly heterogeneous (Aitkinson ajnd Brandolini 2011), and span over $48 or even $98 by their definitions, yet they feel confident that they have captured the difference!

While some like Ravallion (2009) and Banarjee and Duflo (2008) are defining the middle class in the developing countries without making any allowance for the numerous differences in the notion of the middle class in these countries, others are merely thinking in terms of a “global” middle class or “one size fits all”, simply on the basis of income, which sociologists and others in society do not even consider as important enough. Economists like Luis F. López-Calva and Eduardo Ortiz-Juarez (2011) consistently find that two of the clearest association with the “concept of middle class are greater levels of education and wage employment” and not just income. Luis Felipe López-Clava (2013) argues further that ,“regardless of which definition is used, the measurement of middle class is dependent on a particular period and place, and it is determined by several factors, such as history, culture and the development stage of a society”.

Hence, those economists who are sensitive to the problem of defining the middle class feel that it is not for the economists to deal with the notion of class. Atkinson and Brandolini (2011) wonder “whether a pure income characterization of social class is analytically satisfactory” while arguing in favour of a measure with a combination of the “personal incomes”, “position in the division of labour” and “ownership structure”. “In fact, being middle class has always been a slippery business”, they quote Beckett (2010) as saying that, “having servants, renting a good property, owning a good property, owning a business, being employed in one of ‘the professions’, how you speak, how you use cutlery – at different times, all these have been regarded as essentials of middle-class life” (Beckett 2010). They feel that the income based definition of the economists is far from the layman’s perception of the middle class, which as we noted above are far more complex and differ from society to society. Hence, Atkinson and Brandolini (2011) designate the *analysis of social class as the “purview of the sociologists” and not of the economists.*

Honey in the pot

So why are World Bank and the economists poking their noses in the business of others, trying to deal with a concept better left to others? Could there be other hidden agenda? Some studies do point in that direction. The banks, economists and business organizations seem to be more concerned with the money the middle class people will be earning rather than the middle class itself. For instance, the research firm Ernst and Young (2013) blatantly claims that “*it’s not really an issue of “class” at all, but rather income and spending power”* (emphasis added) of this middle class that they are interested in. It is just that “people with more money buy more stuff” (Rosenbaum 2014) and some people in the developing world are earning more money these days. Ali and Dadush (2012b) unreservedly declare that measuring of the middle class “isn’t just an academic exercise … it carries real world implications”, and that in reality the “economists and market analysts are *mainly interested in the size of the middle class as an indicator of a population's ability to rise from poverty and purchase items that go beyond bare necessities* (emphasis added).

Homi Kharas (2010), likewiase, admits the same. Of the four recognized contributions made by the middle class according to Banarjee and Duflo (2008), as in the development of democracy, as entrepreneurs, as builders of human capital and as consumers, Kharas finds greater reason to define the middle class solely in terms of consumption, as the “consumer class”. Quoting Murphy, Shleifer and Vishny (1989), Kharas argues that since industrialization is costly and so is international trade, “there must be a domestic market of certain size to overcome these costs” and that “only happens if income is concentrated in a middle class”. In the current economic scenario, he finds the middle income countries to harbour such prospects of this global consumer class. His study of the middle class, thus, focuses squarely on China and India, whose (combined) 2.5 billion people are “converging with the West in terms of living standards". According to his calculations there are, thus, currently 1.8 billion people of the world in this consumer category (Kharas 2010).

Ali and Dadush (2012b) concludes that the "only question" that needs to be known as far as this rise of the middle class is concerned is "how high it will go and how fast it will get there"; given the present trends, "a massive population wave will join the middle classes by 2030" (Augusto de la Torre and Jamele Rigolini n.d.). And by all accounts, the numbers are only going to grow so that by the year 2030 "two billion new people will join the world middle class" according to the banking giant Goldman Sachs who identify the miffle class "as the global middle class – those with incomes between $6,000 and $30,000 per anum (Wilson and Dragusanu 2008). The research group Ernst and Young (2013) claim that "Over the next two decades… the middle class will expand by another three billion peple, coming almost exclusively from the emerging world". To be more precise, " When the number stood at 1 billion, it was primarily divided among the U.S., Europe and Japan. By 2030, however, the developed middle class will no longer be in the majority, or even splitting the pie fifty-fifty" (Kharas quoted by Rosenbaum 2014).

More to the point is that in PPP terms the world GDP in 2009 was USD 63 trillion "by 2034, 25 years from now, the global economy may be (as large as) USD 200 trillion in PPP dollars" (Kharas 2010). And more notably, as Kharas puts it, such a world is going to be very different from the one today. It will be "significantly wealthier, with per capita incomes averaging USD 21300 as compared to USD 8000 today". Such a world is no longer a place with poor Asians in it. It will be a world reminiscent of the world before the industrial revolution with China and India dominating the world economy. Ali and Dadush (2012b) argue that consumer spending in the developing countries is already " increasing at about three times the rate in advanced countries" while the economic centre of gravity is shifting to Asia, which "by 2034 could account for 57 per cent of global output" with three "giant economies, China, India and Japan", leading this resurgence. Even other countries of Asia like Indonesia and Vietnam will be a part of this charge and countries like Thailand and Malaysia "could have economies larger than France has today." It is likely to be a world with undreamed of number of "consumers" in it (Ali and Dadush 2012b).

So that, the big business and the industries producing middle class consumer good, if not the World Bank or the economists, are salivating at the prospect of capturing this huge number of "buyers", who will become the driving force of the global economy of the future. "Economists are hoping that this growing cohort of consumers can help to keep the floundering global economy afloat" while "companies accustomed to serving the middle-income brackets of the Western democracies will need to decide how they can effectively supply the *new bourgeois of Africa and Asia* and beyond (Ernst and Young 2013. Emphasis added to point to the sarcasm there). So, they need to know how many "consumers" there are (or will be) and how much they can "spend" on what products, that's all there is to it, that's the sole reason for this sudden urge among these economists and the World Bank for class analysis, ***that's the honey in the pot!*** No wonder, it is largely the big business and the international banks that are funding these studies of the middle class. Eventually the big business will make this new middle class "pay" through their noses for this privilege of being in the middle class, as it has done to the middle class of the developed world.

Hence, there is another side, a sad tale, to this story!

The other middle class

The consumption leader of today's world economy, the USA with about 21% or $4.4 trillion of consumption, is failing. Many studies have pointed to the lack of real growth in the middle class, and the economy in general, in the USA. The middle class in the USA is a spent force it can no longer support big business or remain as the driving force of the global economy. In key respects, notes Eduardo Porter (2013), "the standard of living of most Americans has fallen decidedly behind". By the measures of social and economic well-being, the United States have slipped compared to even other advanced countries, which are not doing too good either, to the extent that "America has been standing still for a full generation, with the typical household income in 2012 remaining roughly the same as the typical household income a quarter of a century ago, at $51,017" (Porter 2013). Add to this the continuous rise in the cost of living, including health care per person, which has doubled, and the price of education. Nearly two-thirds of the people with bachelor's degree depended on loans to get through college, compared to 45 percent two decades ago, while the average current student loan debt in the United States in 2014 stands at $32,250 …" (Snyder 2014). As a result, the "net worth" of a middle income American has actually gone down by 6% from 1988 (after adjusting for inflation). And by all accounts the economic problems since the 2008 recession have taken the wind out of the "sail" of consumerism in America. "It's going to be hard to maintain strong economic growth with such a large proportion of the population falling behind", New York Times (NYT) quotes Steven Fazzari of Washinton University (Schwartz 2014).

Schwartz (2014) in NYT notes that the "post-recession reality is that the customer base for businesses that appeal to the middle class is shrinking". Michael Snyder (2014) in *The Economic Collapse blog,* notes, "The death of the middle class in America has become so painfully obvious that now even the New York Times is doing stories about it. Millions of middle class jobs have disappeared, incomes are steadily decreasing …" Rapacki (2014) shows that "*53 percent of Americans now make less than $30,000 yearly; 1 out of 4 part-time workers live below the poverty line; the average credit card debt is $15,279".* Snyder (2014) similarly, using the NYT article sums up a few sobering facts like, "Some of the largest retailers in the United States that once thrived by serving the middle class are now steadily dying"; "Seers and J.C. Penny are on the verge of bankruptcy"; "Median household income in the United States has fallen for five years in a row". Also significant are the facts that in 2008, "53 percent of all Americans considered themselves to be 'middle class'" now (in 2014) it is only 44 percent who do and again in 2008 (Rapacki 2014) "25 percent of all Americans in the 18 to 29-year-old age bracket considered themselves to be "lower class", in 2014, an astounding 49 percent of them do". But more importantly, Snyder (2014b) notes, "As disposable income decreases, major retailers are closing thousands of stores all over the country. Some are even calling this "a retail apocalypse'". The whole scenario is best illustrated by the fact that the "Overall, U.S. consumers are $11,360,000,000,000 in debt (Snyder 2014b)!

These facts are enough to show how the "income" of the middle class in the USA has been siphoned off by the big business which is now ready to "jump ship" and look elsewhere for their future profiteering. When the middle class in the USA and other developed countries cannot consume enough to run the global economy, fresh pastures are needed. The obvious focus, thus, falls on the new and upcoming middle class in the developing world. By 2030, Ernst and Young (2013) projects that "two-thirds of the global middle class will be residents of the Asia-Pacific region, up from just under one-third in 2009"

Another personal anecdote

But before I get to that global middle class, another personal anecdote is in order. A friend of mine, who has worked much of his life for international organizations like the World Bank and lived abroad, whenever he visited Bangladesh and me, he would ask me if I had bought a car. Of course, with a professor's salary at the University of Dhaka, I was far from buying even the bare necessities and had no prospect of ever buying a car and would always answer in the negative to my friend. He would let out a sigh, probably in pity mixed with frustration that he failed to inculcate some basic values in me. On one such occasion, about twenty years ago, I asked him back, "Why do you keep nagging me about buying a car?" He smiled and declared, "Either you own a car or you are a proletariat!" All my life I had prided myself as belonging to the middle class, as did my parents and their parents too, so I should have been offended by his remark but I decided to excuse him since he understood little about the realities of Bangladesh and living abroad with a well paying job probably had a car for each member of his family and expected the same from his friend in Bangladesh as well. That was 20 years ago!

The "Automobile Club"

But it was not until twenty years later, when I started working on this paper, that I came to understand, even if I did not appreciate, his concerns. Like my expatriate friend, Shimelse Ali, Uri Dadush (2012b) in a paper in the Foreign Policy magazine makes a very strong argument to measure the middle class in the developing world by the ownership of cars. They argue that the measurement of the middle class by income data are not adequate, and is actually erroneous, because of the PPP issue discussed above and dependence on household surveys, but the ownership of cars can more accurately define that middle class, they call it "a more sensible measure". They show that "in the developing world, buying a car is virtually synonymous with entry into the middle class … in these countries, car ownership separates those with the ability to purchase many other nonessentials from those within the wider population" (2012 b). So that the people in the slum noted above are definitely not in the same league (nor am I, by the way). The $2 to $4 or $9 are not the proper measures, these sums may let one buy a cell phone, a TV or even a computer but do not ensure entry into the middle class, not yet.

Ali and Dadush (2012b) argue that cars in circulation per capita rise once income per capita crosses a certain threshold. They suggest this threshold to be about $3,400 PPP, after a study of some 60 countries. They show that during the 1996-2010 period, for countries with average per capita income between $3,400 and $10,000, the average income elasticity of car ownership was 1.9, and argue that in about 70 countries with a population of nearly 4 billion the income varied between $3,400 - $10,000 per capita, this they call the "threshold of affluence". To Dadush buying a car seems "to be a natural crossing point into middle class" (Dadush in Rosenbaum 2013). Ali and Dadush (2012b) show that in the BRIC countries (Brazil, Russia, India and China) in 2010 alone 14 million cars were added to the circulation. This "figure implies that about 46 million people were added to the middle class" in those countries (in one year!). A Goldman Sachs report (Wilson and Dragusanu 2008) also notes that car ownership shifts as income rises and from about 100 cars owned per thousand people with per capita income around $8000, it rises sharply to more than 500 cars per thousand people for $30,000 plus per capita income. This not only defines the middle class, for Ali and Dadush (2012b), it also shows that *the future of the car market (and other consumer goods) is in the developing world and urge policy makers to make a note of this*. As I stated above, this is the crux of the matter, this is the honey!

So, buying cars, washing machines, air conditioners, and, perhaps, houses, is the destination (if not the destiny) of this income based new and upcoming middle class! This is the group, the "automobile club", that is expected to keep the global economy afloat. This is reminiscent of the 1950s and 60s when the development literature used to compare the number of radios or telephones among the population to measure "development". Someone might, likewise, find a "strong correlation" between having a western style toilet at home and being middle class, after all, it does require certain amount of "income" to be able to afford the western fixtures!

Magazines, which have recently dealt with the issue of this new or global middle class, show pictures of consumers in affluent shops buying air conditioners or other electronic gadgets (may even be toilet fixtures). One shows a carefree angler taking a nap by the river side, with a fishing rod dangling from his hand. But my favourite is the one in the *Foreign Policy* journal in which Mr. Ratan Tata is handing over the key of the "Nano" car (placed in the background) to the members of an "ideal" Indian family of four (father, mother, daughter and son) with a hand written note on the wall in the background announcing the "delivery of the most awaited car starts today".

That is what "middle class" means to the Bank, the economists and to big business. What they, therefore, identify or define is basically, as Kharash (2010) puts it, a "consumer class" and that's at best what it may be called. In reality, it is just an "income group" across the world, irrespective of their wealth, occupation, education, cultural values or social and even spatial location, earning a certain amount of dollars (or its equivalent) per day, per person and is able to spend those dollars (or its equivalent) in buying consumer goods. That income may not bracket them with either the rich or the poor but being "middle class" has nothing to do with it since both "class" and "middle class" have entirely different connotations in every society and among academics. Even two World Bank economists, Luis F. López-Calva and Eduardo Ortiz-Juarez (2011), sensitive to the problem, agree that "in the economic literature, the analysis has focused mainly on relative definitions, addressing a *stratum* of the income distribution rather than an analysis of *class*" (emphasis original).

There may have been some "honest" effort to explore what lies in the future of those who graduate out of poverty, but, as it turns out, such honesty of the Bank got tarnished soon since it did not take the Bank or the economists to see "dollars" in those same graduated poor as the future "consumers" of the global economy, as did big businesses like Goldman Sachs. Hundreds of millions, by most accounts billions, of people now have "incomes" to "buy" goods and services from big business and industries. Ali and Dadush (2012b) note that as the ranks of the middle class in the developing world swell, "firms in advanced countries will increasingly focus their efforts on selling products to that middle class directly, or selling the machines, software, and business services that firms in developing countries need to meet the needs of their burgeoning middle classes".

Conclusion: Multidimensionality of the middle class

Class and middle class may denote economic positions in society, as in the definitions of both Marx and Weber, but that economic position is not defined simply by income or consumption. Income can accrue from a profession, from inherited wealth or from the arts and sports, it may even be gotten by means not often deemed legal by the society, and that income may put a whole lot of people in the same bracket but not all in that bracket will have similar "life chances" leading to a similar "style of Life" putting them in a particular social class, nor will they enjoy similar "status" and honour in society and definitely not the same extent of "power". Of course, they are all consumers and buy goods and services, but not all of them buy cars or electronics, some of them may prefer to buy a decent education for their children, a painting for the living room or a ticket to a theater even when they can buy a car or the latest electronic gadgets. That's what sets the "style of life" and sets classes of people apart also in terms of status and power in society. That's what separates a doctor from a drug dealer;

a professor from a shopkeeper; an automobile engineer from a taxi-driver even if they earn the same income. That's what separates the middle class from the rest. So that, if a definition has to be offered or if a measuring instrument has to be constructed to represent the middle class, these distinctions must be taken into account along with the history, tradition or cultural norms and values, while a single global measure may become self defeating, missing far more than it can capture.

It has taken a couple of decades for the academic community to be convinced that poverty is not merely an income phenomenon but is multidimensional, which can be better understood by taking into account a lot of other variables that affect poverty and the life of the poor. Fortunately, the UNDP (2013) has taken heed, based on their previous multidimensional attempts to define human development, they are now using an index called Multidimensional Poverty Index (MPI), based on a measuring technique originally suggested by Sabina Alkire and James Foster (2007, 2011) of the Oxford Poverty and Human Development Initiative (OPHI), to explain poverty as composed of a number of dimensions like health, education and living standards which are identified with ten different variables ranging from nutrition to the use of electricity and even the quality of floor in a house. The beauty of the MPI is that it can be constructed for any country (OPHI nd.), region or even a city while wholly different sets of dimensions may be used for different locations as has already been done by researchers in countries like Mexico (Foster 2007).

The picture of poverty that MPI catches is vastly different from that of "income poverty" of the World Bank. The rosy picture of eradicating poverty, which the World Bank has been painting for the last two decades, suddenly fades out and a different set of reality is presented by the MPI. The World Bank data, for instance, shows that Bangladesh has been immensely successful in eradicating poverty well before the deadline set by the Millennium Development Goals to as low as 26% in 2013 from about 56% in 1990. The MPI today, unfortunately, shows that *57% of the Bangladeshi population or more than 80 million people are still under multidimensional poverty*. The improvement in income has not done much to put a solid floor in their houses or given access to better health or electricity to a whole lot of people!

The middle class anywhere, as has been repeatedly mentioned above, is far greatly multidimensional, immensely more so than the lower class. It is composed of a vastly complex group of people, with multitude of variations in their standard of living, social status, honour and prestige, power, culture, history, tradition, education, occupation, income levels, wealth and property, also tastes, preferences and involvements in multifarious activities, even within one society. To try to capture all of those through "income" alone, across the world, is simply foolhardy, even more pathetic than measuring poverty with $2 of income per day per person. If economists were, ever, dealing with the real societies in real world, they would have known these distinctions, as do the rest of the billions of people, simply as a matter of common knowledge. If anything, therefore, constructing a multidimensional index, not the car index of Dadush and Ali (2012) but more like the "Great British Class Survey", taking into account economic, social and cultural capitals, or as many such dimensions as practicable for each society or region, might yield a better picture of the middle class for them. But, as would be expected, such a plea will not dent the resolve of the economists. Some like Ravallion (2011) continues to defend the income definition in spite of the evidences presented otherwise.

The Bank and these free market economists, thus, seem to be ignoring all precepts and are bent on identifying the middle class just as an "income group", without even being sure of what that income or its limits constitute, l*et al.*one what different goods and services that income buys and for whom. Being callously uninformed about what class analysis comprises of, they are focusing on just "one class", and by disregarding the vast literature on class analysis, the economists of the World Bank and other similar organizations and big businesses are taking over, hijacking, the concept of the middle class, stripping it of all social, cultural and historical connotations and are turning it into a nameless, faceless, listless group of "consumers", sticking "price tags" or printing "bar codes" on individual faces, and will be, eventually, imposing that definition on the world, as they did earlier with the concepts of poverty and inequality.

World Bank's definition matters. They have the resources and the manpower to construct such definitions and the rest of the world, including academicians and governments, are dependent on them. But more importantly, in most developing countries World Bank's instructions translate directly into policy prescriptions and will affect the lives of real people by their billions.

So, beware!

Post Script:
My house help and her family members may have cell phones in their hands and a few electronic gadgets in their house, contributing to the global economy with incomes above $2, but they are a vulnerable lot. They are landless and totally illiterate, devoid of assets to fall back on. Her husband is in a failing health, suffering from tuberculosis, and her daughter-in-law suffers from chronic malnutrition, had a couple of miscarriages earlier and barely survived her ordeal to give birth to a premature second child recently. The "birthday boy" met with a serious head injury in a road accident a couple of months later. Fortunately, a major surgical operation brought back the boy from certain death but landed the family in a "proper slum" this time.

That's the flip-side of the World Bank's middle class!

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