



OLD INDIA: A slum on the western side of Delhi where extreme poverty persists. **NEW INDIA:** The office campus of tech giant Infosys, in Bangalore

Frédéric Soltan/Corbis via Getty Images (left); Dirk Kruell/iaif/Redux (right)

A Tale of Two Indias

The world's largest democracy has a booming economy that's lifting millions into the middle class. But many Indians are still struggling to escape from poverty.

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By Patricia Smith

Down a winding alleyway strewn with trash and up a narrow staircase is the small two-room apartment where 14-year-old Sushmita lives in an overcrowded neighborhood of Delhi, one of India's largest cities.

Her family is part of the huge wave of Indians who've moved from impoverished rural villages to the city in search of better lives. Yet Sushmita's family still lives day to day. Her parents both work, and they struggle to make ends meet. Sometimes there's no electricity. The apartment has one bed, which Sushmita* and her brother share. Her parents and older sister sleep on the floor next to them in the cramped bedroom.

Just 12 miles away, on the eastern side of the city, 14-year-old Anirudh Joshi lives in another world. His neighborhood is known for its parks, a nearby shopping mall, and convenient access to Delhi's subway system. His family's apartment is situated on a quiet, well-kept street and boasts an air conditioner, a flat-screen TV, and a family computer. Anirudh has his own cellphone and likes to play cricket with his friends after school.

"I have everything provided for me," he says.

Anirudh and Sushmita reflect the two sides of India today. On the one hand, India's economy has boomed in the past 25 years, and hundreds of millions of people have been lifted out of poverty. Last year, a British think tank predicted that by the end of 2018, India's economy will surpass both France's and the United Kingdom's in size, making it the fifth-largest in the world.

But at the same time, millions remain stuck in the old India, a place that's very poor, uneducated, and trying to make the transition to modernity. About 20 percent of the population still lives on less than \$2 a day.

"India has come a long, long way when it comes to its economy," says Anubhav Gupta, an India expert at the Asia Society in New York, "but it still has a long way to go."



Jim McMahon

1.3 Billion People

Modern India was born in 1947, when it gained independence from its longtime colonial ruler, Great Britain. (The British partitioned the country into Hindu-majority India and the Muslim country of Pakistan.) For more than four decades after gaining independence, India's economy was heavily controlled by its socialist government, and the nation made little progress in tackling its crippling poverty.

But in 1991, the government began turning away from socialism, loosening regulations, opening India to foreign investment, and adopting other free-market practices. The economy took off, and since then the ranks of the middle class have more than doubled.

With 1.3 billion people, India has the world's second-largest population (after China) and is the world's largest democracy. Indeed, India is now seen by many as the other rising global power—along with China—that the United States will have to compete with in the decades ahead.

Despite India's huge leaps forward, however, large swaths of the population have so far been left behind. About half of Indians who live in rural villages don't have toilets, and 240 million Indians lack electricity. Education is another huge challenge: About 25 percent of Indians can't read—that's some 325 million people, or about the population of the United States.

"Because it's such a vast country, the challenges are just greater in scale," Gupta says.

India is also hampered by the caste system, a traditional social hierarchy that dates back to the ancient origins of Hinduism, the country's majority religion (*see "The Caste System," below*).



Aditya Kapoor

“India is a country where there are no equal opportunities.” —Sushmita, 14

Moving Up the Economic Ladder

One of India’s great strengths, however, is the youth of its people. More than 600 million Indians are younger than 25—about half the population. By 2020, analysts predict, India will account for 12 percent of the world’s college graduates. Some U.S. tech companies, including IBM and Dell, have moved substantial numbers of jobs to India because the tech workforce is well-educated and salaries are much lower than in the U.S.

The opportunities created by this growth have Anirudh Joshi, the 14-year-old Delhi boy, and young people like him optimistic about the future.

In just one generation, Anirudh's family has moved several rungs up the economic ladder: His father grew up in a village of about 100 people in Uttarakhand, where his family were farmers. As a child, Anirudh's father walked two miles to school and then did farm chores when he got home. He was 18 the first time he watched TV.

He got ahead by studying hard and eventually going to college to become an accountant. Having a reliable profession enabled him to move his family into a nice neighborhood in Delhi and send his children to a private school where instruction is in English. That's a huge advantage in India because English is the language of business, and speaking it fluently gives any young person a leg up.



Aditya Kapoor

"I have everything provided for me." —Anirudh Joshi, 14

Chemistry Tutorials on YouTube

The family is even able to afford some extravagances, like the hired car that drives Anirudh and some classmates to school. Some of those luxuries are helping Anirudh in his quest for success: He uses his smartphone and the family computer to watch physics and chemistry tutorials on YouTube.

Anirudh hopes to follow in his father's footsteps and become an accountant—partly because math is his favorite subject, but also because he sees it as an avenue to success.

"I want to become a big man—somebody who is well respected," he says. "I want to earn good money. I want to do good for others."

On the other side of the city, Sushmita's life is very different, more like the childhood of Anirudh's father. Every day, she wakes at 6 o'clock to do all the household cleaning before walking to the government school she attends. There are 57 students in her class and most instruction is in Hindi, one of India's many languages. She doesn't own a cellphone, much less a computer.

Long Odds

Sushmita takes English courses at school and dreams of being an English teacher someday. But in some ways, the odds are stacked against her: Many Indian colleges are highly selective, and Sushmita will be competing against many students who've been much better prepared. She seems to understand this.

"India is a country where there are no equal opportunities," she says. "The rich can find their way around by paying money. The middle class and others cannot find their way into the same opportunities because they don't have money."

Sushmita's father works as a carpenter, and he can sometimes go months without a job. Her mother is a maid, which means long hours. When Sushmita gets home from school, she must make the family's dinner each night, in addition to doing her homework.

India's problems are vast, but so are its ambitions.

Despite her many challenges, Sushmita is aware that her life is easier than her parents' lives were at her age.

"They were pushed into working from a very early age," she says. "My mother tells me she could not sit down and rest for even a couple of minutes. She was constantly made to work. She was married off very young. She was around 10 years old."

Sushmita feels lucky that her parents intend to let both their daughters finish school—something they weren't able to do. It's this sense of progress, even if it's small steps, that continues to drive India's growth despite the enormous hurdles the country faces.

That's what makes Anubhav Gupta, the India expert, optimistic about India's future.

"The problems it faces seem vast, but so are its ambitions," Gupta says. "I'm optimistic because India has a very hungry and forward-looking population, and they're going to keep pressing the government for progress."

The Caste System

The basics of India's 3,000-year-old social structure

Last month, hundreds of Dalits—once known as "untouchables"—took to the streets to protest a court ruling that many feared would weaken laws protecting lower-caste Indians. About 20 people died and dozens were injured when some of the protests turned violent.

The demonstrations were the latest sign of growing tensions related to India's caste system, which divides Hindus into five major groups based on a family's traditional occupation.

So how does caste work? At the top of the more than 3,000-year-old hierarchy are the Brahmins, who were traditionally priests and teachers. Next come Kshatriyas, who were administrators and soldiers. Vaishyas—traditionally farmers, traders, merchants, and craftspeople—are just below that. One rung lower are the Shudras, who are manual laborers, and at the very bottom of the heap are Dalits, or so-called untouchables.

Caste Discrimination

Considered "outcastes," Dalits traditionally did the dirtiest jobs, such as cleaning toilets or disposing of animal carcasses. (They were called "untouchable" because they were considered impure and higher-caste Indians were forbidden to touch them.)

Caste status is inherited, and low-caste Indians have long been socially isolated and barred from more prestigious occupations. India outlawed caste discrimination in 1950 and later set quotas for members of lower castes in schools and government jobs. But discrimination persists—especially in rural areas.

Last month, a mob of upper caste men in Gujarat hacked a young Dalit to death for riding a horse—something Dalits are traditionally forbidden to do.

"Life for low-caste people has dramatically improved, but there are still a lot of problems," says Alyssa Ayres, an India expert at the Council on Foreign Relations. "Caste remains a social differentiator."

As more Indians move to cities, the strict rules of the caste system have begun to break down. Some lower-caste Indians have also moved up the economic ladder, and a Dalit politician was recently elected India's president—a major achievement even though the position is largely ceremonial.

The Major Caste Groups

1. **Brahmins** Priests, teachers
2. **Kshatriyas** Administrators and soldiers
3. **Vaishyas** Farmers, traders, merchants, and craftspeople
4. **Shudras** Manual laborers
5. **Dalits** ("Untouchables")

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