Wealth Inequality and Elites in the global South

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MAPPING THE WEALTH ELITES OF INDIA

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Introduction

This paper[1] attempts to explore "big" private wealth in India through a broad historical overview and a preliminary survey of its custodian, the wealth owners or wealth elite[2]. Following Yuval Elmelech (2020: 1), we define private wealth as "the net worth of all financial and tangible assets someone owns". However, big-wealth ownership is not simply a matter of an individual's personal attributes or achievements. It also always involves a process of accumulation through an economic activity in which many others participate as wage/salary workers, financiers, traders, state actors, etc. Wealth is thus generated and accumulated in a larger economic, social and political structure. In other words, wealth generation and its accumulation or concentration is a relational process.

The presence of big wealth almost always produces its opposite, a non-wealth owner, which could also manifest itself in destitution or poverty. The two tend to exist simultaneously, thereby producing a structure of economic inequality and disparity. In between the two extremes, wealth ownership tends to exist to a degree, ranging from a few household assets and personal jewellery to cultivable lands, urban property, bank deposits and shares. The size of the middle and the lower is often shaped by the economy of the upper and the nature of the given political system. Thus, an understanding of the processes of wealth accumulation and a sociological mapping of the owners of the big wealth is critical for the study of inequalities in a given society or nation state.

Motivation and focus

The common or popular approach to the study of emerging patterns of inequality in countries of the global South is to look at the changing status of their poor and marginalised populations. Exploring change also involves looking at mobilities – the poor moving to middle-class locations; or the migration of workforce from rural/agrarian economy to urban industrial/service economies. The rich and wealthy, the top end of stratification, their social composition, their political power or the consolidation/ disintegration of their economic empires have been less popular areas of research.

While the poor and middle-class locations tell important stories of social and economic inequality, their stories are certainly not enough. Further, inequality is not simply an economic process of difference between the holder of the top 1% or 10% and the bottom 50% or 70% of the income bracket of a given population in a country. As the emerging literature on the subject is increasingly showing, inequalities are shaped historically, politically and

[1] The paper is based on an extensive study completed during 2022 across regions of India. The study was sponsored by the Southern Centre for Inequality Studies, University of Witwatersrand, Johannesburg. Our research team consisted of Sripad Motiram, Purendra Prasad, Manas Bhowmik, Saswata Guha Thakurata, Ishan Anand and Anjana Thampi along with Mayur Kumar, Riona Basu, Raviteja Rambarki and Kiran Limaye.

[2] Wealth is also owned by larger collectives, such as nation-states, communal or ethnic associations, cooperatives, religious trusts and civic organisations.

sociologically. They also produce profound political effects and can be better understood using an interdisciplinary approach. Exploration of extreme wealth concentration and wealth-elite of a given society/nation-state could thus also provide a different kind of lens to the understanding of social, economic and political processes, historically and in contemporary times. Such a focus is also required for a better understanding of the social and political dynamics of economic inequalities.

India's wealth elite

In popular Western imagination, India had long been viewed as a land of the "other-worldly Hindus". It was not only Max Weber who popularised such a view in his comparative study of religion and development of capitalism. Its origins lay in the orientalist framings of the region and the colonial representations of India as a land of self-absorbed, autonomous and never changing village communities. Even Karl Marx took the writings of the British colonial administrators to be valid empirical facts about the region.

Such framings of "Indic cultures" did not imply absence of wealth in the region. It was invariably the presumed stocks of wealth in India that, in most cases, lured the Western travellers. However, wealth in the region was believed to be held by the rulers, who had little to do with the local communities, and hence these rulers invariably tended to be "outsiders". Although the source of its wealth would have obviously been its economic riches, the common people were presumably not culturally entrepreneurial or wealth accumulators. The all-encompassing village communities did not even have the notion of private property. Land was cultivated collectively and its produce was shared as per the prevailing communal norms.

Questions of economic inequality were also of little concern to them. Such orientalist narratives popular in the West tended to emphasise the obsessive preoccupation that the Hindus of the region had with status and after-life, which manifested itself in the rigid hierarchies of caste, a system that valued and foregrounded the ritual position of social groups and virtually nothing else. Individuals could alter their status position and seek mobility to higher status in their next life by adhering to the prescribed duties or *karmas* of their caste[3].

These were indeed fallacious assumptions, mostly drawn from impressionistic readings of some select ancient texts. Such a view of pre-colonial India has been unanimously rejected by later day historians of India. The village life and agrarian economies of different regions were reproduced through an active relationship with the pre-colonial cities and broader economic and political process underway in the region (see Ludden, 1999). Private customary rights to land existed in the region long before the British introduced formal ownership titles, starting with the Cornwallis settlement in 1793 (Chatterjee and Rudra, 1989; Habib, 1963). More recently, sociologists and historians have also

[3] For a more recent exposition of this view see Dumont 1970.

been revisiting the popular Hindu-religion-centric theories of caste and pointing to the obvious materiality underlying the hierarchies of caste. It was its materiality that helped it persist over time[4]. Caste hierarchies have never been stable or static. Status mobilities were possible and such processes were closely tied to the processes of economic mobilities of the traditionally low status social groups[5]. As we discuss below, the region has also been a land of vibrant and mobile merchant communities.

Contemporary India

Contemporary India has often been described as a land of contradictions. This is perhaps most evident in the sphere of wealth and economic disparity. Despite its rapid economic growth, particularly over the past three decades, India remains a country with the largest number of chronically poor people, larger than sub-Saharan Africa. Its rank in the UN scale of human development remains behind more than 125 countries of the world. However, India also has the distinction of having the fourth or fifth largest number of dollar billionaires in the world. Even while the absolute number of those leading precarious lives remains persistent, and more recently appears to be growing thanks to the economic disruptions caused by the pandemic, India's big wealth has seen no shrinkage. On the contrary, the number of super-rich has steadily grown over the past decade; even during the peak years of the pandemic. Some of them are listed among the top wealth owners in the entire world[6].

More importantly perhaps, this process is not confined to a few individuals gaining net worth. It also appears to reflect the broader process of consolidation and expansion of big wealth. As is evident from Table 1, the absolute number of those owning more than 1000 crore Indian rupees went up more than eleven times over the past ten years. The number of dollar billionaires, too, saw a significant increase. More importantly perhaps, the social base of big wealth in India appears to be expanding, with nearly two-thirds of the very rich reportedly being self-made. However, the table also indicates that location at the top is rather slippery. Even when their absolute numbers see a consistent increase, there have also been dropouts over the years.

[4] See Srinivas 1962; Jodhka 2022.
[5] See Srinivas 1966.
[6] https://www.investopedia.com/articles/investing/012715/5-richest-people-world.asp. Accessed December 25 2022

Table 1. Number of big-wealth owners (Rs.1000 crore plus) in India

Year	Above 1000 crore rupees	Dollar Billionaires	Addition over the past year	Dropouts	Self-made (%)
2012	100	59		--	62
2016	339	126	13	-NA-	55
2018	831	141	306	75	-NA-
2021	1007	237	229	51	66
2022	1103	221	149	67	67

Source: Hurun lists of different years.

Who are the wealthy Indians? How do they come to acquire such vast amounts of wealth? What kinds of wealth do they own? What kinds of social backgrounds do they come from? What is the nature of their growing social or ethnic diversity? How many among those listed come from historically disadvantaged categories, such as women, religious/ethnic minorities, Scheduled Castes (SCs), Scheduled Tribes (STs) or the 'other backward classes' (OBCs)? This study is an attempt to empirically explore some of these questions.

Objectives of the study

This study is part of a larger comparative project and attempts to engage with some of these questions. Keeping in tune with the comparative project, the study attempts to explore the broader processes that produce, expand and reproduce the big wealth or the extreme concentration of wealth in the context of institutional and social structures in India. Following the common document for comparative research prepared by the research coordinators, we identified three core objectives for historical and empirical research in India:

1. Mapping the historical and contemporary socio-economic and cultural processes through which wealth elites have been created.

2. Mapping the wealth elite – who are they and how has their social profile been changing over time?

3. Dynamics of social ascription in the processes of wealth expansion, shrinkage and reproduction.

Research Process

Given the scope and time constraints of the project, historical mapping of big wealth is carried out through available secondary sources. This includes writings by economic historians, empirical studies by other social scientists and some journalistic accounts/popular writing.

The bigger challenge is mapping the wealthy empirically. Besides the obvious difficulty of studying wealthy elites, accessing them for primary interviews is extremely difficult anywhere in the world. We also encounter specific challenges in countries such as India. More than 90% of the Indian economy still functions informally. A large majority of Indians do not file income tax returns. Even when they do, they do not account for all their income or the wealth they own. This holds true even for the owners of big wealth, perhaps more for them than the ordinary workers.

Furthermore, India is a vast country. As with its ecologies, languages and cultural traditions, its economy is diverse with significant regional differences and inequities. As indicated above, trajectories of economic growth and big wealth creation have also varied significantly across regions. While the southern states of Kerala and Tamil Nadu and the western states Maharashtra and Gujarat have nearly half of their population living in urban areas, this is less than a quarter than that in most of the central and north Indian states. Their levels of per-capita income also vary significantly. The richest state of Goa has nearly ten times the per capita income than that of the poorest state of Bihar.

Exploring wealthy empirical research

Operationally, as it is popularly understood, we too look at wealth as accumulated economic goods. However, as mentioned above, wealth also has a wider meaning: it is a relationship. The nature of its ownership and concentrations is an important indicator of the wider structure of social relationship and political process. As indicated above, individual, or private wealth accumulation, is an outcome of historical processes and ought to be understood in the emerging nature of economic globalisation and growth of capitalist economies within the framework of nation-state societies.

For example, the history of capitalist development of India goes back to the colonial period. The British colonial rule fundamentally restructured the economy of the region in many ways. Likewise, in contemporary history, India's independence from colonial rule was a critical moment in the wealth history of the region. It was also a part of the larger global process of decolonisation. India's growth as an independent national economy within the framework of a liberal constitution and democratic governance provided new opportunities for wealth creation, for the nation-state as well as for individuals. The third critical moment in the contemporary history of India was its economic liberalisation, initiated during the late 1980s and pursued with much greater enthusiasm after the economic reforms of the early 1990s.

Besides these three critical temporal moments, we also recognise the significance of spatial contexts of wealth, its expansion, shrinkage and the processes of its reproduction. To operationalise spatial contexts of wealth, we chose four city regions as sites for primary fieldwork.

Cities, regions and the nation-state

We operationalise the spatial context of the Indian story of private wealth by going beyond the singular nation-state narrative to focus on city regions. All present-day big wealth resides and tends to reproduce itself in cities. However, we do not view cities as the binary opposites of the village. Cities represent spatial processes operative in the given regions where they are located. Their wealth tends to be generated within the larger region, which they also come to politically represent. They emerge as centres of political power which, besides other processes, are sustained by big wealth. In turn, the presence of political power in such cities also functions as an enabling process for private wealth in its expansion and reproduction. In the South Asian context, cities have also emerged as centres of social consolidation of ascription-based identities. Such identities tend to enable the reproduction of big wealth. They also work as buffers in the moments of economic competition and political hostility/instability.

India's ecological and linguistic diversities are a well-known fact. Administratively, the country is divided into 28 States and 9 Union Territories. Its diversities are also shaped by its recent political history. For example, the experience of colonialism was significantly different across regions of the subcontinent. While Bengal was colonised in 1757, the British had to wait for nearly a century to annex Punjab in the northwest and Hyderabad. Many other territories remained under the control of the local rulers, also known as the princely states. Different regions of the subcontinent continue to be socially diverse in terms of castes and communities. Although the modern democratic political process has been extended to all parts of India, the dynamics of local/regional power also function within the framework of these communities and regional histories. These regional differences have also been reinforced by the diverse trajectories of economic growth during the post-Independence period.

Keeping these ground realities in mind, we decided to carry out empirical research in four city regions:

1. **Mumbai**/Bombay: Maharashtra, Gujarat (West)
2. **Hyderabad**: Telangana, Andhra Pradesh (South)
3. **Kolkata**/Calcutta: West Bengal, Bangladesh (East)
4. **New Delhi**/NCR: Delhi, UP, Haryana, Rajasthan

As is the case elsewhere, the nature of big wealth ownership in India is diverse and complex. Its formal or legal ownership is often owned collectively and is spatially and organisationally dispersed. However, in most cases, it is not hard to identify an individual who is the effective owner of a given wealth cluster, often extended to more than one place or business, known as an extended wealth cluster (EWC). We describe them as the primary wealth owner (PWO) for the purpose of our empirical work. We also identify PWOs as primary units/respondents of our empirical work.

Following the comparative proposal, we framed our research question around the processes of wealth reproduction, expansion and shrinkage. Besides looking at the individual entrepreneurs and their extended wealth clusters, we decided to explore the role and relevance of ascription processes in the process of wealth consolidation (see above).

Figure 1. Map of India: City regions shown in circles

Source: https://www.mapsofindia.com/maps/india/india-political-map.htm.

Team making

We were able to find local researchers in each region to carry out fieldwork and prepare regional reports. Each team had one or two senior researcher(s) and one field investigator. Their professional training was either in economics or sociology.

Extensive discussions with the team

We had three online workshops with the team members to discuss the process of fieldwork and preparation of tools. Following our discussions, we put together two schedules, short and long. We also advised our researchers to use the questions listed in the schedule for preparing interview guides for case studies.

History of India's wealth elite

For historical exploration of the wealthy elite, we divide our discussion into three sections. We begin with a brief discussion of the pre-colonial period, mostly focussing on broad processes during the period immediately preceding the region's colonisation by European powers. This is followed by a discussion of some of the processes unleashed in the region during the British colonial period. The third section introduces the historical processes that began to unfold after India's Independence from colonial rule. We also divide into two phases the trajectory of the Indian economy during the post-Independence period: first, the Nehruvian period of centralised state planning (1950s to 1980s) and second, the post-Nehruvian period after economic liberalisation (post-1980s).

Our discussion of historical processes is based on available secondary sources. Rather than providing quantitative estimates (which are quite difficult to obtain), our focus will be on discussing the groups that owned disproportionate amounts of wealth, their sources and strategies of wealth accumulation. We will also examine the continuities and discontinuities across pre-colonial, colonial and post-colonial periods. While we have attempted to provide an all-India picture, given the availability of sources, our coverage varies across regions.

Pre-colonial processes

In the few centuries prior to the colonial period, the dominant political formation in India was the Mughal empire. There were, however, several kingdoms that were either independent or subservient to the Mughal empire. Some of the political elite, such as the Mughal emperor, kings, ministers and those who received large tracts of land from the rulers, such as zamindars, were considerably wealthy. In addition, some individuals and families belonging to traditional merchant and money lending communities were also part of the top-wealth holders. Examples of these communities include Banias (Gujarati and Non-Gujarati), Jains (Gujarati and Non-Gujarati), Parsis, Chettiars, Vanis, Komatis, Khatris, including some Muslim communities. Some of these communities, such as Vanis and Komatis, operated in specific regions whereas others operated nationally or even internationally (Damodaran, 2008).

What were the sources of wealth and means of wealth accumulation for these groups? Western India (particularly Gujarat) produced textiles, such as cotton and silk, indigo, medicines and drugs.[7] A well-established handicraft sector existed, which produced items such as jewellery and furniture. One source of wealth accumulation was the

[7] See Pearson (1976), which we draw on for a discussion of Western India.

putting-out system, wherein a few capitalist lenders (shroffs) provided advances to artisans. Another important source of wealth accumulation was overseas trade, for instance to Africa, in which Hindus, Jains and Muslims were involved. While Hindus and Jains belonged to Vaniya caste group, Muslims were either of foreign origin, for example Turkish who had settled in India, or they were of local origin (Bohras and Khojahs). Virji Vora and Shantidas Jhaveri, two Jain merchants, became enormously wealthy through these sources and their proximity to the Mughals, but there were several other Jain millionaires. Overseas trade was facilitated by the presence of a long coastline and several excellent ports, most importantly Surat. Ports and international trade played an important role in wealth accumulation in the Eastern region of India too. The prominent ports were Tamralipa, Saptagram and Chattagram. The main exports were rice and textiles while imports included horses, jewellery and spices.

The story of wealth in Eastern India is incomplete without discussing Jagat Seth, one of the wealthiest families in the world in the eighteenth century. The title of Jagat Seth (banker to the world) was conferred on Manikchand (a Jain merchant and banker of Dhaka) and his descendants by the Mughal Emperor Farrukhsiyar. Manikchand was a son of Hiranand Sahu, who had migrated from Rajasthan to Patna and traded in saltpetre.[8] Manikchand was a close associate of Nawab Murshid Quli Khan, the governor of Dhaka. When Murshid Quli Khan moved to the city of Murshidabad, the new capital of Bengal, Manikchand accompanied him and took charge of revenue collection and operation of the mint. The family prospered enormously under Manikchand and later under Fatehchand. It lent money to the East India Company and mediated between Europeans and the nawabs of Bengal. Along with other merchants, the Jagat Seth joined hands with the East India Company to overthrow Siraj-ud-daula, the nawab of Bengal. However, the family went into decline after a later nawab of Bengal, Mir Qasim, had the then Jagat Seth (Mehtabchand) murdered.

In many regions of India, including the North, one mechanism that facilitated business was the "hundi", a financial instrument developed by the Baniyas.[9] A seller from a location (A) could deliver a product and get a hundi (instead of money) from a buyer in a different location (B) and then exchange this hundi for money from the buyer's agent in location (A). Similar to a bill of exchange, the hundi provided for safe transactions and helped trade. Over time, the hundi also became a way to borrow and lend. Through the hundi, the trading and money lending communities were able to establish networks and spread geographically across various parts of India. These communities, particularly Marwaris, supplied provisions to the armies of princes, hence acting as "modis", and provided credit with land revenue as collateral.[10] In some areas of the South, for example, the Hyderabad state, migrants from Western and Northern India and belonging to merchant/money lending communities (Marwaris, Agarwals, Jains and Goswamis) entrenched themselves in banking and moneylending. Some of them initially entered as traders in commodities such as shawls or jewellery.

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[8] https://theprint.in/pageturner/excerpt/bengal-banker-jagat-seth-who-gave-loans-to-east-india-company-financial-tips-to-aurangzeb/486979/

[9] Damodaran (2008, Chapter 2). We draw on this for the discussion on the hundi and Marwaris.

[10] Two examples of such transactions are between the firm Gopaldas and Manohardas and the ruler of Banaras and the Nizam of Hyderabad and Ganeriwala.

To briefly summarise this section, in pre-colonial India, apart from political elites, individuals and families that held high amounts of wealth belonged to traditional merchant/money lending communities. These groups accumulated wealth through trade (within and outside India) and moneylending to both commoners and state functionaries. Proximity to the state was important for the purpose of wealth accumulation.

Colonial period, plunder, and "progress"

In terms of wealth and its accumulation, the British colonial period marked a departure from the earlier periods in some ways but there are also continuities. However, it is worth highlighting two points. First, during the colonial period, a division emerged in India between regions directly administered by the British (such as Bombay Presidency) and indirectly administered princely states (such as the Nizam state of Hyderabad). Second, in the roughly two centuries that India was under the control of the East India Company and later directly under the British Crown, considerable wealth was drained out of the country. Economist Utsa Patnaik in 2018 estimates this to have been as high as $44.6 trillion (in current US dollars).[11]

In Western India, a major development during the colonial period was the emergence of Bombay city as the most important port and centre for trade and manufacturing. This has much to do with opium trade with China and, to a lesser extent, trade in raw cotton.[12] The communities that benefited from opium trade included Parsis, Marwaris, Gujarati Baniyas, and Konkani Muslims.[13] Banking, shipbuilding and textiles provided other avenues for wealth accumulation. The Parsis were involved in all of these activities and have been described as "comprador" (Guha 1970b) because they collaborated with the British and exploited the opportunities offered by colonialism better than other communities.[14] The Sassoon family made an appearance during the colonial period, joined the ranks of the extremely wealthy in Bombay and disappeared at the time of Indian independence. David Sassoon, a Baghdadi Jew, was forced to move to Bombay due to antisemitism in the nineteenth century. He made money from trade in opium and raw cotton. He also built a successful dockyard in Bombay and became the largest textile manufacturer in India. After his death, his descendants, in particular his son Albert Sassoon who migrated to Europe, did not continue building the business empire (Bhaskar, 2020).

Another city that emerged in the colonial period was Calcutta in Eastern India. This created several avenues for wealth accumulation. One avenue was Indo-British partnerships, for example, Carr, Tagore and Co., which was an export firm dealing with various commodities, including indigo, sugar and rice. Such endeavours benefited entrenched landed elites such as Dwarakanath Tagore, who had prior connections with Europeans. Another avenue was created by the wastelands order of 1861, which was motivated by a desire to promote the cultivation of cotton by Europeans. Initially, this led to speculation through the setting up of dubious tea plantations as joint stock

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[11] https://www.livemint.com/Companies/HNZA71LNVNNVXQ1eaIKu6M/British-Raj-siphoned-out-45-trillion-from-India-Utsa-Patna.html
[12] See Farooqui (2006) and Guha (1970a; 1970b), which we draw on.
[13] Examples of prominent traders are Jamsetji Jejeebhoy, a Parsi, and Muhammed Ali Rogay, a Konkani Muslim.
[14] However, in shipping and shipbuilding, they had to face discrimination from the British.

corporations, but it eventually led to the emergence of an industrial elite. A third avenue was created by the transfer of ownership of Calcutta-based British conglomerates to Indians. Marwaris, in particular, exploited this opportunity due to their access to liquid wealth. Some well-known families that benefited from this process were Bangur, Surajmull Nagarmull, Dalmia-Jain and Singhanias.

In the South, the princely state of Hyderabad witnessed considerable modernisation and industrialisation, such as setting up of railways, during the colonial period. The Hyderabad state also witnessed in-migration of trading communities – Jains, Marwaris (more on this below). In the Andhra region, which was part of Madras Presidency and became part of Andhra Pradesh state after independence, the British initiated several irrigation projects, which gave an impetus to commercial agriculture and trading in commodities. This benefited the landed elite, many of whom hailed from peasant castes, such as Kammas. After the Great Depression, these communities found trading and moneylending less profitable and moved into much more lucrative sectors such as banking, filmmaking, and manufacturing.[15] The Chettiars, a moneylending community hailing from Chettinad area of Tamil Nadu, moved their capital from Madras Presidency overseas to Ceylon, Burma, Singapore, Malacca, Penang, Vietnam, Laos and Cambodia (Damodaran, 2008). These regions were being colonised and the Chettiyars wanted to exploit emerging opportunities in the form of plantation crops for tea and rubber, as examples, and commercial crops such as paddy. The Chettiyars made crop loans to farmers at high interest rates with land as collateral. As a result, they accumulated a huge amount of land on account of loan defaults by farmers.[16]

Finally, colonialism provided an impetus for the out-migration of Marwaris who settled in different parts of India (North, South, East, Central and North East) and even Bangladesh, Nepal and Burma (Damodaran, 2008). The migration to the North East, Bangladesh and Burma was facilitated by the railway line between Delhi and Calcutta. We have already discussed the hundi system and how it allowed business communities such as Banias and Marwaris to have a geographically wide network. Railways and telegraph, which emerged during British rule, provided further avenues for the consolidation and deepening of networks. Large trading firms, which had branches in multiple cities, emerged out of these developments, for example, Tarachand Ghanshyamdas with offices in Kolkata, Mumbai and Malwa. These firms acted as steppingstones for industrial concerns that are well-known to us today, for example, Birla, Mittal.

To summarise, trading and merchant communities that were wealthy in the pre-colonial period continued to thrive after colonial rule. They did so through new opportunities created by the British colonial state and sometimes by collaborating actively with it. However, some communities, such as Parsis, were able to accomplish this better than others. The long presence of British colonial rulers, spanning nearly two centuries and covering most of the subcontinent, although not all of present-day India, produced significant changes in the social, economic and political life of the region. It transformed many disparate regions into an integrated territorial and administrative

[15] For example, Yarlagadda Sivaramprasad setup Andhra Bank.
[16] An example of an individual who accumulated enormous wealth in this manner was Raja Sir Annamalai Chettiar, who owned 83,000 acres.

unit. It also unleashed many economic processes and laid the foundation for a capitalist economy. Colonial rule meant large-scale economic plunder of local wealth. The changes they introduced in the prevailing land revenue systems resulted in large-scale economic misery for the cultivating peasants and a general under-development of the agrarian economy.

The colonial reworking on land tenure systems also gave birth to a new category of wealth owner in many parts of rural India: the landlord moneylenders. Even though a large volume of the wealth created in the region was drained out of India to Great Britain, a section of local intermediaries also accumulated wealth which included control over large plots of agricultural land. Their later policies also created the emergence of a professional middle class and a local bourgeoisie. British rule thus created conditions for the emergence of new forms of wealth. The social life of villages in the region was as much shaped by material processes as it was by culture. Caste, too, underwent significant changes as the economies of individuals and communities changed.[17]

Post-Independence, the Nehruvian period

Departure of the British rulers marked an important shift in the history of wealth and elite formations in India. The native elite, who wrested power from the colonial rulers, initiated a new form of economic policy. The state played an important role in the domain of economic growth by directly investing in select areas, leaving a large segment of the economy to the private sector. This was clear evidence of the influence of an emerging socialist bloc of countries under the leadership of the then Soviet Union, which had been building its economy through 'planning for development' with direct participation of the state. Interestingly, however, this was not in contradiction to the aspirations of the emerging private capital of native origin. Its leaders, too, wanted the state to invest in order to prepare conditions for its future growth.

Although the pace of growth was slow during the first three or four decades after Independence, India's economy consistently grew, albeit at a slow pace. The process of economic growth also implied newer inequalities. Several new processes contributed to growth of wealth inequality in the immediate post-independence period, apart from the deepening of the processes that were already in place while the tax system (described below) contributed to a reduction of wealth concentration. First, in rural areas, those who had significant landholdings and access to relatively inexpensive capital were able to consolidate their position at the expense of small landholders and landless workers. The policy of land reform was largely a failure, unlike in the neighbouring East Asian region. Merchant and moneylending classes continued to consolidate their position at the expense of indebted small landholders. Second, in urban areas, the fledgling capitalist class was able to obtain significant concessions from the state, and the professional classes were able to secure formal employment and consolidate themselves. Third, groups were able to secure contracts from the state in construction or other areas because of their proximity to the state. Fourth,

[17] See Habib 1963; Chatterjee and Rudra 1989.

relatively large players emerged in the informal processes of real estate and finance, although these groups would really consolidate themselves in the post-1980 period of a business-friendly environment, economic liberalisation and reforms. Fifth, the tax system, especially inheritance or estate tax, reduced wealth concentration by significantly reducing the wealth holdings of the families of the rulers of the erstwhile princely states that did not come directly under the British dominion (Kumar, 2020). Overall, the composition of the wealthy changed, with reduced significance of erstwhile princes, expansion of private capitalist classes and emergence of new agrarian elites who were moving to urban spaces, and a reduction in the overall wealth concentration between the 1960s and 1985.

Post-1980s, neoliberal capitalism

In the wake of a severe balance of payments crisis, India embarked on a set of economic reforms in 1991. These reforms put the Indian economy and society on a different path from what it had taken after independence. The existing regulatory framework was abolished, the role of the government was curtailed and an attempt was made to give a bigger role to market forces, both locally and globally. Several scholars have characterised these reforms as neoliberal, highlighting the ideas underpinning them, such as the state as source of corruption and inefficiency, and measures such as deregulation and privatisation (see Steger and Roy, 2010).

The Finance Ministry of India also set up two committees (1991 and 1998) chaired by Maidavolu Narasimhan, a former governor of the Reserve Bank of India, to reform the banking sector. It is not necessary to go into the details of the recommendations of these committees and their implementation.[18] However, we should note that these and other reforms in the financial sector gave an impetus to the emergence of private banks and the conversion of formerly public financial institutions into banks.

Being wealthy becomes trendy

In addition to the processes discussed above, the post-1990 period witnessed the emergence of new classes of wealth owners who consolidated their position. The first of these are agrarian elites who brought their wealth to urban areas and began to participate in the rapid accumulation of urban wealth holdings. A second group emerged from professionals and business owners who entered new rapid growth sectors such as IT, Pharma, Construction, Real Estate and Finance. There has been an emergence of a state-business nexus that aided the wealth creation of certain groups and individuals who have maintained close ties with the state. In the top decile of wealth distribution, there has also been a consolidation of housing wealth by professionals in cities or those who migrated abroad in search of professional employment in sectors such as information technology.

Although being and becoming wealthy has always been perceived with a sense of awe across cultures and

[18] For details, see: https://www.business-standard.com/about/what-is-narasimham-committee#collapse.

communities in the Indian subcontinent, big wealth also invoked a kind of moral ambivalence. Besides the popular celebration of the tradition of asceticism and *fakiri* across communities and religious groups, the post-independence Nehruvian state and the popular left-wing politics also tended to equate wealth accumulation of big wealth as being outcomes of economic plunder akin to crime. Economic liberalisation nearly turned this around. Becoming and being wealthy began to be celebrated. The wealthy began to be counted among the most important citizens of the country and were celebrated as agents of India's economic growth who generate employment and riches for the entire society.

They also began to be listed in popular magazines such as *India Today* and *Fortune India*. Popular American business magazine *Forbes* launched its Indian edition in 2008 with published lists of the richest persons in India and the world. The magazine was bought over by the Network 18 Group, a media conglomerate owned by the Reliance Industries, an Indian corporation. Over the years, *Forbes India* has been published regularly, covering stories and articles on the dynamics of the corporate sector. Its stories generally focus on entrepreneurs, new and old, who deal with India's corporate quagmire – either to flourish or perish. It has been publishing the richest Indian list every year since 2008.[19]

Soon to follow was the Indian edition of another high-profile American business magazine, *Fortune*. Its Indian edition is called *Fortune India*. It was launched in 2010 and is published on a monthly basis by ABP, a Kolkata based media house, in collaboration with the New York based media company, Time Inc. *Fortune India* also regularly brings out a list of top 500 corporations in India. For the year 2022, it published separately a list of 'The Rich' to chronicle India's big-wealth owners.[20]

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[19] The methodology that the list follows is to compile shareholding and financial information which includes stakes in public and private companies, real estate and other precious collections. Such information is collected from families and individuals, employees, stock exchanges, analysts as well as data from India's regulatory exchanges. Debt and charitable activities are also factored in when accounting for the wealth. The list not just covers the individuals but also lists the family and sees it as family fortune (we see a number of occupants like Bajaj or Godrej families in the list as families rather than a single individual). Their fortune is calculated based on the stock prices and exchange rates on a stipulated date. The list also includes those individuals who reside in a foreign location but have significant business in and ties to the country.

[20] Methodologically, they developed a working list of India's wealthy through data and records available for the listed entities from the Bombay Stock Exchange and National Stock Exchange and the databases available, such as the Capitalize database. The list therefore majorly depends on the listed companies. There are some companies whose wealth is measured without it being listed but there is a separate method employed for calculation of their wealth. For example, to measure the wealth of an unlisted company, the researchers have used the price-earnings multiple of the sector's index. If the industry index is not available, price earnings of the closest company belonging to the same sector or industry are considered. The valuation in the case of start-ups is done through their last available equity financing round, data of which is available with Traxcn, a database provider for such start-ups. After the list was made, individuals and families were approached to access data and details on listed as well as unlisted wealth, investments such as any stake in other listed companies, or in other entities such as start-ups, real estate, automobiles, overseas assets, cryptos, jewellery and so on. In the case of families especially, the wealth was considered as consolidated and was thus counted as such. The measurement of wealth was done based on the stock prices, shareholdings and exchange on a stipulated date. There are some individuals on The Rich List who reside outside India but own significant business in and derive the vast majority of their wealth from India.

India's most popular weekly, *India Today,* published a special issue on 21 November 2022 focussing on the wealthy who have grown out of small towns. The cover page carried photographs of seven of them with their individual 'net worth' ranging from Rupees 2,300 crores to 14,700 crores. The cover page introduces them as 'Small-town Tycoons'. 'A growing brand of entrepreneurs (who) have thrived outside India's metros, creating not just wealth but world-class enterprises'[21]. Their names clearly suggest that they are all upper caste Hindus, with the exception of one who is Christian.

Changes in the tax system after the 1980s

Like most countries, India relies on two types of tax – indirect and direct taxes. Indirect taxes are generally regressive and include excise duty, customs and sales tax. The most important among direct taxes, which are generally progressive, is income tax, but India had also levied inheritance (estate) and wealth taxes in the past. According to the latest annual budget (2023-24), direct taxes stand at a slightly higher level (6% of GDP) than indirect taxes (5.1% of GDP).[22] Historically, direct taxes have occupied a much smaller share of tax revenue, although their share has been rising gradually. Between 1969 and 1970, the share of direct taxes was only 29.1%, increasing to 43.9% between 2004 and 2005 (Acharya, 2005).

For our purposes, it is useful to examine two types of direct tax and their impact on inequality. Chancel and Piketty (2019) have recently examined income inequality in India using income tax data, extending an earlier analysis by Banerjee and Piketty (2005). They find that income inequality follows a broadly U-shaped pattern after having displayed a rising trend before independence. The share of the national income held by the top income groups (e.g., 1%) falls until the early 1980s and rises steadily thereafter. They also show that the top marginal tax rate is extremely high in the 1950s and 1960s and is almost "confiscatory" (around 97%), to use the terminology of Acharya (2005), in the early 1970s. It then starts declining from the 1970s, reaching a low of 30% by 2020. A very similar decline occurred in the highest marginal corporate tax rates as well, from about 55% in the 1960s (Narayanan, 1967) to less than 30% in the present. These sharp declines from the 1980s until the present primarily benefited the wealth accumulation processes at the very top.

Coming to other direct taxes, India had a variety of taxes targeting wealth, such as estate tax and gift tax, until the 1980s (Kumar, 2020). Analysing the period between 1966 and 1985 using tax data, Kumar (2020) argues that India adopted several anti-elite policies during this period. Two of these included abolition of privileges, privy purses, to princes who were still the dominant wealth elite in many parts of India despite independence, and nationalisation of some of the large private commercial banks. These measures and taxes reduced wealth concentration considerably, particularly through the curtailment of the wealth of princes. There has been a policy reversal since the 1980s. In 1985, arguing that the estate tax was not serving its purposes and was proving to be administratively

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[21] Its source is the Hurun rich list (see appendix 4).

[22] See: https://www.indiabudget.gov.in/doc/Budget_at_Glance/bag5.pdf

expensive, the Indian government, with Vishwanath Pratap Singh as finance minister, abolished it.[23] Later, in 2015, when Arun Jaitley was the finance minister, the wealth tax was abolished arguing that administering it was leading to losses, that is, revenue was less than collection cost.[24] Moreover, a serious problem that characterises taxes in India and which is difficult to capture using data, is tax evasion. All in all, the decline in the direct tax rates has facilitated a faster wealth accumulation process, while the expansion of tax bases has increased the proportion of direct taxes in the total taxes of India.

Wealth expansion during the post-1990s period

As is evident from Table 1 above, India has witnessed a significant expansion in private big wealth over the past seven decades. This expansion has been in terms of both the volume of wealth generated and the absolute number of big wealth owners. Further, even though big wealth continues to be largely owned by those from the privileged mercantile communities, India has seen a process of growing diversity in the social backgrounds of big wealth owners over the past 30 years. They increasingly come from a wider range of social groups, ethnic communities and geographical regions. India's economy has also seen significant differentiation in terms of sectors that generate big-wealth.

While individual entrepreneurship is significant and the primary units of wealth ownership in almost all cases are individual families, the Indian discourse of wealth ownership, particularly its expansion over the past three decades, is mostly framed in communitarian language. Business in India has traditionally moved through a 'hereditary mercantile order' established by 'ethnically homogenous resource groups' (Damodaran, 2008: 2) that provided guarantees against trade defaults and used to leverage thick networks for information, markets, raw materials and their sourcing.

The social networks around caste/jati, regional and religious communities appear also to be playing a critical role in the process of wealth expansion and in the making of newer categories of wealthy individuals. Even when businesses cross ethnic thresholds by becoming listed companies and opening to public participation, marriage and kinship remain important mediums through which reproduction of big wealth happens.

While caste and community obviously matter in the reproduction of big wealth, India has also been a story of growing caste diversity. The rise of the intermediate caste among big wealth owners is a very fascinating one. Many from among the upper segments of the so-called 'other backward classes' (OBCs) emerged as big wealth owners across regions of the country. The new communities, such as those belonging to agriculture and allied workers,

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[23] See: https://www.forbesindia.com/article/new-year-special-2022/a-case-for-inheritance-tax-by-nikhil-kamath/72915/1

[24] See: https://economictimes.indiatimes.com/news/economy/policy/can-india-go-back-to-a-wealth-tax-by-appealing-to-the-better-side-of-the-rich/articleshow/89056174.cms

went on to establish their own businesses. However, there are very few, if any, from among the lower sections of the OBCs, the Scheduled Castes and Scheduled Tribes communities. Together they make for nearly half of India's total population. Although the Muslim minority of India has seen a steady decline in its economic status across regions of India, some Muslim names remain in lists of big wealth owners lists. Other religious minorities of India – the Christians, the Sikh, the Parsis and the Jains – tend to be overrepresented in the rich lists.

Further, there are significant regional diversities in the wealth-expansion story of India. The trajectories of change vary quite significantly across regions of the country. The western India belt of Maharashtra and Gujarat has traditionally been the centre of big wealth and has continued to do well over the past five decades or so. Some individuals from the agrarian-rich families of the region have been able to enter the big wealth circuit, mostly using their political clout and through investments in real estate.

As Damodaran notes, most of the big wealth owners in the western region continue to come from traditional trading communities of the region, although there has been significant expansion of families/individuals from within traditional mercantile habitus, mostly made of the Parsis, the Hindu trading castes of Gujarati origin, Jains, Marwaris originally from Rajasthan and a section from the traditionally mercantile Muslim communities. Southern India has seen a much greater expansion in the social profile of big business. This also implies that the region did not have caste-community-centric monopolies and many from the upwardly mobile agrarian castes could enter the big business. In turn, they have been very successful in accumulating big wealth. Damodaran further posits or peddles the orientalist notion that business, historically and religio-culturally, has not been an honourable profession. This was also mentioned by Weber in his works.

However, the story of their mobility is as much about individual entrepreneurship as their ability to cultivate and mobilise their kin-based networks and the larger social structure of their caste groupings. Within the intermediate castes which predominantly belong to the new merchant communities, some have made their business and fortune by selling traditional commercial products, such as cotton, as in case of the Kammas and similar to mining for the Reddys. However, with time, they had to diversify to other sectors such as pharmaceuticals and information technology, to adjust to the changing business landscape. Some families, like the Kammas, have also had interesting routes to such mobility, such as serious investments in the Telugu language cinema. They have also gained by investing in real estate, pharmaceuticals and the expanding economies of computer software and information technology. The new business communities emerged partly when the business landscape underwent a change through addition of new sectors, such as information technology, which were like a virgin land for investments. These new sectors were looking for investments and were not monopolised as yet by the traditional merchant communities.

The trajectories of other regions of India have been less exciting. Wealth trajectories of the so-called Hindi heartland and those located in the eastern parts of the country have been rather depressing. These include states such as Madhya Pradesh, Bihar, Chhattisgarh, Jharkhand, Orissa, Uttar Pradesh, Rajasthan, and the hill states of north and northwest India, where more than half of India's population resides. This is not simply a matter of neglect on the part of the authors. They have very little to add to the wealth story of the country.

Historically speaking, West Bengal has been a happening case. It was here that the colonial rulers initially set up their capital in Kolkata. The region also saw growth of industry and the city continues to be among the top four metropolitan centres of the country. However, quite like the South, the region did not have any strong community of traders in the region. Most of the local wealthy have been outsiders – the Marwaris from Rajasthan. However, over the past 50 years, some wealthy individuals/families have also emerged from the so-called native Bengali communities.

The north-western region of Punjab, Haryana and the National Capital Region has had a different trajectory. Although Punjab and Haryana have been among the most prosperous states of India, thanks largely to their vibrant agrarian economies, unlike Andhra Pradesh, Gujarat and Tamil Nadu, only a few from among the agrarian castes have been able to convert their rural/landed wealth into big urban wealth. Wealthy individuals from these states also tend to move to Delhi/NCR region as their wealth begins to grow. Their reasons for doing so vary.

Wealth and estimates of wealth inequality

One of the sources of data that economists and policy makers have used to understand wealth and its distribution is the All India Debt and Investment Survey (AIDIS) conducted by the National Sample Survey Office (NSSO) of the Ministry of Statistics and Programme Implementation (MOSPI).[25] Unit-level data from these surveys is available from 1992. Although useful, these surveys suffer from several limitations that have been well-documented (Jayadev et al., 2007). First, it is likely that the top-wealth holders do not respond to the survey and, therefore, the survey underrepresents them. Second, the survey is likely to underreport the wealth, particularly of the affluent groups. One of the reasons for this is that in India, considerable wealth is held in gold and buildings. As a result of these limitations, wealth inequality is likely to be underestimated using these surveys. Moreover, when we examine changes in wealth inequality over time, it is unclear whether there is an upward or downward bias. In recent decades, when there were indications that there was considerable wealth accumulation at the top, it is likely that these surveys underestimated increases in wealth inequality.

As indicated above, wealth is generally measured as the monetary value of total assets or net worth (assets-liabilities). It can also be measured at the household or the individual level. For the latter, we should divide household wealth by household size and impute this value to each individual in a particular household. Some estimates from the AIDIS survey of 2012 are illustrative here. We use per-capita net worth (Net worth of the household/Household size) as the measure of wealth. In rural India, the top decile owns about 56% of the wealth. The corresponding figures for urban India and all India are about 65% and 64%, respectively. Using the Gini index, a widely used

[25] NSSO also conducts surveys of land and livestock, but these are less useful for wealth analysis since they do not enumerate all components of wealth.

measure of inequality, the levels of wealth inequality at the rural, urban and all-India levels are 0.685, 0.779 and 0.751, respectively. These estimates reveal the high level of wealth inequality in India and significant rural-urban differences. For the reasons mentioned above, these estimates of inequality are likely to be underestimated.

These large-scale surveys tend to also use standardised format and are unable to capture the diverse process of wealth making underway in different regions of the country. Their focus has also generally been on measuring wealth inequality rather than mapping the wealthy individuals and the social and economic dynamics of wealth expansion.

Exploring the wealthy, empirical research

Operationally, we also look at wealth as accumulated economic goods for our empirical work. However, as mentioned above, wealth has a wider meaning. It is also a relationship. The nature of its ownership and concentration is an important indicator of the wider structure of social relationship and political process. Individual or private wealth accumulation is an outcome of historical processes and ought to be understood in the emerging nature of economic globalisation and growth of capitalist economies within the framework of nation-state societies.

For example, the history of capitalist development of India goes back to the colonial period. The British colonial rule fundamentally restructured the economy of the region in many ways. Likewise, in contemporary history, India's independence from colonial rule was a critical moment in the wealth history of the region. It was also a part of the larger global process of decolonisation. India's growth as an independent national economy within the framework of a liberal constitution and democratic governance provided new opportunities for wealth creation, for the nation-state and for individuals. Changes initiated in the national economic policy during the early 1990s and ensuing process of trade liberalisation was the third critical moment in the contemporary history of wealth in India.

As discussed above, besides these three critical temporal moments, we also recognise the significance of spatial contexts of wealth, its expansion, shrinkage and the processes of its reproduction. To operationalise spatial contexts of wealth, we chose city regions as sites for primary fieldwork.

Listing of PWOs (primary wealth owners)

After reading the available relevant literature on wealth history of their regions, the teams began their research by listing the wealthy in their field territory. They began by identifying very rich individuals from the available lists (owners of more than 1000 crore of rupees). The primary source during this process was the Hurun List[26], which

[26] **'Hurun Report'** is a research, luxury publishing and events group. It was established in London in 1998 and has presence in India, China, France, UK, USA, Australia, Japan, Canada and Luxembourg. It claims to provide comprehensive evaluation

was supplemented by other lists and sources. They also looked for those individuals who were not in the list but had more than 100 crores of wealth. We decided to look for a third category, which we describe as 'fuzzy'. They may have less than 100 crores but are certainly very rich in their given social context. This list helped us to identify wealth processes among those located on the margins of society, such as those belonging to communities of SCs, STs and lower OBCs. The sources of such listings have been varied. Some of these names were taken from locally available lists while others were collected through informal discussions with knowledgeable actors, such as finance journalists, local politicians and academics (see Table 2 below).

Table 2: Region-wise wealthy listed in the three categories

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of the wealthiest individuals across the globe' and its 'Report is the largest compiler of the rich list globally'. Its India chapter was launched in 2012 with the release of its first India Rich List in collaboration with the Mumbai based finance consultancy firm, India Infoline Finance Limited (IIFL) Wealth. The stated purpose of compiling such a list is to identify and celebrate 'the most successful entrepreneurs in India'. It covers a range of individuals from young entrepreneurs to professional managers and business leaders.

Methodology: - The list includes individuals born or brought up in India regardless of their present residence. The source of the wealth includes inherited as well as self-made wealth. They first compile a list by looking at publicly available data. They cross-check the information with various stakeholders such as entrepreneurs, industry experts, journalists and investors. In cases where the data is not available publicly as in case of unlisted companies, the valuation of such is done based on the most recent investor round as well as comparing it with companies which are equivalent in valuation and are listed. This valuation is done through the available metrics such as Price to Earnings multiple. Other methodologies include Discounted Cash Flow, Tobin's Q and First Chicago. In the year 2022, it identified a total of 1,103 individuals with wealth of INR 1,000 crore or more. The list is made up of data till 30th August 2022. It covers generational wealthy as well as the first-time billionaires.

Some highlights: The youngest first-time billionaire in the list is as young as 19 years of age. **Two-third** of them are **self-made entrepreneurs**, staggering 735 (66.6%). There are also 221 **Dollar billionaires** in the list. **Sector-wise,** the pharmaceutical sector contributes the most (126) number of entrepreneurs to the list followed by chemicals and petrochemicals (102) and software services (84). As many as 602 individuals increased their wealth, 415 saw their wealth decline and 50 individuals dropped out of the list indicating an overall positive trend of wealth creation. There were **55 (5%) women** in the list. In terms of cities with the wealthiest, Mumbai tops the chart with 283 entrants, followed by New Delhi (185) and Bengaluru (89). As many as 14 professional managers also feature in the list.

City region	1000 Cr plus	100-1000 Cr	Below 100 (fuzzy)	Total
Bombay	294 (294)	21	5	320
Hyderabad	118 (64)	63	53	234
Kolkata	38 (37)	162	6	206
Delhi-Ncr	189 (189)	98	15	302
Total	639 (584)	344	79	1062

Note: Numbers in brackets are those in the Hurun list (2021) for the city-region**.**

Surveying

Surveying of all those listed was neither possible, nor required. However, it was not very difficult to gather some data on each of the listed PWOs from the available sources, mostly from online sources. In some cases, information was also collected by directly asking the PWO or requesting them to complete the schedule. Our field teams were able to identify key-informants, who proved to be extremely helpful. Besides completing the short survey schedules, our teams were able to undertake a few case studies of wealthy individuals (for to six in each region). Some of these were based on published writings, interviews and available biographies/ autobiographies of individual wealth owners. In some cases, a limited amount of qualitative data was also gathered through content analysis of popular representations of wealth.

Findings from the field

As discussed above, mapping fieldwork was carried out in four city regions, selected from different parts of the country. The first phase of fieldwork was completed over a period of about four months, between March and June 2022. The team members met physically in Delhi on 23 July where they presented the early findings of their studies. The four teams also participated in and briefly presented their findings at the cross-country workshop of the project during the third week of October 2022. Subsequently, they submitted their draft reports, which were revised after they received comments from the team leaders. We present below brief summaries of the four field reports. In the following section we have identified broad discussion points.

Bombay/Mumbai

In the few centuries prior to colonialism, Western India (especially Gujarat) was relatively well developed. It was known for production of textiles, indigo, and various medicines and drugs. It had a thriving handicraft sector producing items such as furniture and jewellery and was involved in overseas trade, given its long coastline and ports, particularly Surat. The wealthy were traders and moneylenders belonging to traditional merchant/money lending communities: Hindu Vaniya, Jain and Konkani Muslim. There were several Jain millionaires, for example, Virji Vora and Shantidas Jhaveri. Bombay city emerged in this context and became a prominent port and manufacturing centre under British East India Company in the nineteenth and early twentieth centuries, owing largely to opium trade with China. Opium revenues were put into city building and played a role in the development of manufacturing. Parsis, Marwaris, Gujarati Baniyas and Konkani Muslims were communities that prospered through opium trade. Apart from trade, other avenues for wealth accumulation included textiles, shipping/shipbuilding and banking. The elites collaborated with the colonial state; Parsis were more adept at this and have been singled out as "comprador". At the time of independence, an indigenous wealthy class/group of elites emerged, involved in trade, banking and manufacturing of, for instance, textiles drawn from Parsi and other business communities, including Jains.

As in other parts of India, Bombay/Mumbai experienced the effects of the paradigms that India followed after independence and the paradigm shift in the early 1990s from interventionist/ Nehruvian to neoliberal. However, one set of policies, namely liberalisation in banking/finance, has had a deeper impact on Mumbai because it is India's financial capital. The report uses State Domestic Product (SDP), District Domestic Product (DDP) and household survey data to provide a macroeconomic overview. On growth, Maharashtra grew sluggishly in the 1960s and 1970s, but growth picked up in the 1980s and accelerated after 1990. In the most recent decade (2010 to 2019), growth was lower due to the slowing of the Indian economy post-global financial crisis and central government policies, such as demonetisation and GST reform. DDP data (only available since 1999) reveals that growth has been highest for Mumbai (Mumbai+Mumbai Suburban), Thane and Pune districts for the period between 2004 and 2011. Growth slowed down after 2011 due to factors that we identified for Maharashtra. Mumbai has been the richest district in terms of per-capita Net DDP, both at the beginning between 1999 and 2000) and at the end of the period for which data was available, 2019 to 2020. On distribution, we draw on All-India Debt and Investment Survey (AIDIS) data for 2012 and use per-capita net worth as the measure of wealth. We find that wealth in Mumbai is distributed highly unequally, with the top 10% owning about 85% of the total wealth, whereas the bottom 10% has a negative wealth share and are indebted. The thresholds for the top wealth groups are quite low, implying that the survey underrepresents the highly wealthy groups and/or may underreport their wealth – actual inequality would be much higher.

The source for the first group is Hurun list, whereas key informants and CMIE-Prowess database are the sources for the other groups. From CMIE-Prowess, we consider companies that have their headquarters in MMR and Pune and directors whose records exist for both FY 2014-15 and FY 2020-21. Some findings from an analysis of the Hurun list indicate that the list is dominated by Hindus, followed by Parsis and Jains; there are very few Muslims. Among Hindus, traditional trading castes (Vaishyas) dominate, and Brahmins who occupy a small proportion of Maharashtra's population are overrepresented. There are very few women in the list, and most are from established business families, such as Godrej.

The prominent sectors are chemicals/agrochemicals, pharma, finance/investment and construction/real estate. When we examine inherited vs. non-inherited wealth, this varies across sectors. For example, chemicals - 60%

inherited; finance - 13% inherited, which may reflect differences in barriers to entry among sectors. Coming to the second and third groups, there is hardly any information in the public domain on directors in the CMIE-Prowess sample, but two observations can be made. First, these individuals come from a wide variety of sectors: pharma, chemicals, finance (banking, non-banking financial firms, insurance and likewise), consumer durables, textiles, consumer non-durables and so on. Second, compared to those in Hurun list, there is a higher percentage with professional backgrounds and lower preponderance of traditional trading castes. The sample we identified with the help of key informants includes many individuals in the finance/banking sector. Except for one Dalit who is in real estate, these are upper-caste Hindus, who are either Brahmins or belong to trading castes. These are professionally educated individuals who were primed to exploit the opportunities created by liberalisation.

Briefly put, the temporal story of Bombay/Mumbai is as follows: the colonial period created a wealthy elite through trade, particularly opium, and newer industries such as textiles, banking and shipping. The 1947 to 1991 period saw the consolidation of wealth by some of these wealthy elites, for instate, Tatas, but also the emergence of newer players such as Ambani, who could use the regulatory framework to their advantage. The post-liberalisation phase created more opportunities given the liberalised regulatory environment, greater space for the private sector and easier entry of foreign capital. There are two differences between the wealth story of Bombay/Mumbai and that of other Indian cities. First, Bombay/Mumbai is essentially a product of British colonialism and trade, particularly in opium, which played a significant role in creating the city and shaping wealth. Second, banking and finance are much more important as sources of wealth and avenues for wealth accumulation in Mumbai, and this has created a different wealth profile for the city.

Hyderabad

Historical sources indicate that big wealth creation in the city region first took place during the sixteenth and early seventeenth centuries. During the Qutub Shahi reign, Golconda became one of the leading markets in the world for diamonds, pearls, steel, arms and also printed fabric. Since most of the lands and its revenues fell under Nizam, his patronage was crucial for the formation of elites in Hyderabad state. Thus, many elites from outside were integrated into the Nizam's political system. Historically, the police action in 1948 by the Indian forces for its incorporation into the newly formed nation-state, and the subsequent political events in the Hyderabad city changed the demography and composition of elites. The 1948 police action made many Hyderabadi elites migrate to the USA and other developed countries where they reoriented themselves to different settings. In subsequent years, the old Hyderabad elites – both Hindu and Muslim – had to compete with emerging new elites from coastal Andhra peasant communities in the 1970s and 1980s to get control over the Hyderabad city.

Until the 1930s, some of the agrarian caste landlords, including Kammas and Kapus, engaged themselves in moneylending, trade, rice and oil mills. After the great depression, demand for money lending diminished. This pushed them to think differently about creating wealth. The entrepreneurs from Krishna district subsequently diversified into many portfolios, such as mining, ferro alloys, heavy engineering industry for machines used in different plants and mills, and cement.

During the late eighteenth and early nineteenth centuries, the canal irrigation facilities on the Godavari and Krishna rivers transformed cropping patterns in agriculture in the region, from subsistence to cash crops, especially paddy cultivation. This led the farmers to transform themselves into commercial farmers/rich peasants. During the 1970s, the post-green revolution gave another impetus to transforming the region. As a result, first generation rural Andhra entrepreneurs invested in construction, government contracts and transport. In the 1990s, a lot of investment went into the entertainment industry (Ramoji Film City, Rama Naidu Studios, film distribution, TV channels), educational institutions (Narayana, Chaitanya) and the health care industry (pharma, hospital industry, insurance). After the 1990s, many of their businesses expanded into Hyderabad and were able to increasingly integrate themselves into global circuits of capital in Pharma, IT and ITES, real estate and construction. While capital accumulation took place rapidly in south coastal Andhra, other regions, namely north Andhra, Rayalaseema and Telangana (except Hyderabad city), witnessed quite slow growth.

A majority of the wealth elites from Telugu states emerged during the reform period (1995 to 2014), benefitting from the neoliberal policies, political patronage and nexus, and caste and regional networks. Service sector growth was predominant during the post-2014 period for both the states. While the agricultural share is greater than industry in the case of Andhra Pradesh, the share of industry is reported to be higher than agriculture in the case of Telangana. Also, Telangana state continued with the neoliberal economic policies, which privileged the growth of Hyderabad city.

Real estate, software, pharmaceuticals, agribusiness, and manufacturing are thriving business sectors which contribute to large scale wealth creation in Hyderabad city region. This is well reflected in our sample survey of 234 primary wealth owners corroborating secondary data. Disaggregated data at regional level shows that 80% of business sectors are owned by primary wealth owners from south coastal Andhra and Hyderabad city region. The logic and dynamics of wealth accumulation are discussed from data collected through specific sectors – pharma, IT, health, and aquaculture.

Hyderabad city region has been among the most vibrant parts of India since the late 1990s. The city-region saw the number of its superrich individuals grow from 3 to 78 over the last decade. In terms of industry distribution, healthcare – including pharmaceuticals – has been the biggest contributor to the list, with 15 companies, followed by software and services, chemicals and infrastructure. Further, the analysis of primary data of 234 wealthy individuals shows that 50% of them are super rich and own wealth of more than 1000 crores of Indian rupees; 27% of wealthy individuals own between 100 and 1000 crores while the fuzzy category of 23% own less than 100 crores.

Three major trends emerge from our study. First, information technology, pharma and real estate have been flagged as high growth sectors but contracts in irrigation projects such as Kaleswaram, Polavaram, privatisation of Sea Ports and infrastructure projects reveal deeper dynamics of wealth accumulation. Second, pharma, information technology, real estate, construction, cinema, food processing, education, infrastructure, automobiles, poultry and aquaculture continue to be the sectors of wealth accumulation even today. However, ITES, digital technology-led start-ups, e-commerce and horticulture more recently have been emerging as the new wealth accumulation spots. There has been sectoral and sub-sectoral diversification with a certain degree of rapidity in the past decade or so. Indeed, the business elites from certain dominant castes are still at the helm of both the old and new sectors. Third, competition among the upper castes to expand and diversify their businesses has become intense after bifurcation of Telangana and Andhra Pradesh in 2014. For instance, Velama Capital emerged significantly in Telangana, especially in real estate, the health industry and infrastructure projects competing with earlier business elites (Kammas, Reddys, Rajus, Komatis and Kapus). The presence of those from the SC and OBC backgrounds are quite marginal in both old and new business sectors.

Kolkata

Historically, big wealth in Calcutta/Kolkata has been the domain of an outsider ethnic group, the mercantile communities from the Marwar region of the western Indian state of Rajasthan, popularly known as Marwaris. As is well-known, Kolkata emerged as a major urban centre for India during the colonial period and remained the capital of British India until 1911. The city emerged as the centre-stage of wealth creation and accumulation with the arrival of the British. Prior to the birth of Kolkata, Murshidabad used to be the most important place politically – therein a Marwari Oswal-Jain family named Jagat Seth was considered extremely wealthy at that time. Even after the rise and fall of the Jagat Seth, the Marwari community remained influential in Bengal's business arena and remained among the wealthiest.

Historically, trade mainly happened through sea routes and ports. Calcutta, even as the capital of British India, did not receive the benefits of proximity to any major seaport. During the colonial period, sectors involving coal, jute and tea prospered. Due to arrangements such as 'Permanent Settlement', a series of business shocks, a relatively lower appetite for risky ventures and for many other reasons, the native Bengalis could not emerge as the dominant wealth elite. However, some of the Bengali Bonedi Families, such as Raja Naba Krishna Deb's Sovabajar Rajbari, Gobindaram Mitra of Kumartuli and Bhubanmohan Niyogi of Bagbazar, could be counted among the big wealth owners. All of these Bonedi families mainly benefitted through Zamindari and 'Permanent Settlement'. They acquired land through their cosy relationships with the British rulers. These Bengali Bonedi families did not enter into production or businesses in any significant way.

During the colonial period, sectors such as tea plantations proliferated significantly. Industrial elites emerged during the late nineteenth century. Calcutta also witnessed the establishment of the first commercial bank of India way back in 1770. While business ventures of native Bengalis failed, it is undeniable that the early economic history of colonial Calcutta was intricately related to its political counterpart. Families accumulated wealth using their early contacts with the East India Company. However, they mostly diverted the accumulated wealth into land through zamindari rights, which carried higher status. The native Bengali businessmen failed to reproduce themselves as their descendants either depended on their forefather's accumulated wealth or they took up jobs as professionals for the British. This left the business sphere open for the Marwaris.

In the sphere of cotton, a few big mills were established by so-called native entrepreneurs by the late 1930s. These included the Kesoram cotton mill, Dhakeswari cotton mill and the Bengal Lukshmi Mill. The chemical industry was another arena of wealth creation. The biggest one among them was the Bengal chemicals and pharmaceuticals works which owed their origin to Prafulla Chandra Roy. The last decades of colonial rule brought about significant changes in such industrial control. Firstly, the Marwaris converted themselves from money lenders to entrepreneurs, making their presence felt in the jute and coal industries. Secondly, the British managing industries also declined, increasingly taken over by the Marwaris. The third was the decline of the small group of Bengali entrepreneurs who had emerged during the nationalist movement, after the swadeshi movement. Lastly, multinational firms of India, Ltd. Companies emerged, a large chunk of which was controlled by the Marwaris in eastern India (Goswami, 1990). Until 1947, the three main industries – coal, tea and jute – continued to grow as they had in previous decades. Newer industries such as cement, sugar, iron and steel came after the 1930s. With many of these industries registered in Calcutta, this region enjoyed the profits as did colonisers who constituted an important segment of wealth elites.

During the post-independence period, wealth space was mostly occupied by the Marwaris. However, in the post-independence era Kolkata experienced deindustrialisation, thanks to a range of factors, including the Partition, state policies and labour unrest. Most of the industry shifted to the states like Maharashtra, Gujarat and Tamil Nadu. More recently, West Bengal, too, has embraced market-oriented reforms. Wealth appears to be growing and a new class of wealthy is emerging. Although Marwaris dominate, the new elite is more diverse, ethnically.

In our study, we have collected data from multiple sources. We listed 38 individuals in the super-rich category (more than 1000 crore rupees). Additionally, we also have a list totalling 200 plus individuals who could be described as owners of big wealth also. A good number of the super-rich are involved in metals and mining sector activities, followed by sectors such as textiles, apparels and accessories. The mining sector is a key sector for West Bengal's economic growth, overall and region specific. Their ethnic identities are quite revealing. Firstly, there are very few Bengalis in the list. Secondly, none of the Bengali PWOs (primary wealth owners) are in the top 25% wealth class. Thirdly, in contrast to that the Marwari community in this context appears to be extremely diversified, both in terms of their extent of richness and sectoral involvement.

We found a greater presence of upper-caste Bengali Hindus in the second list. They were mostly invested in the manufacturing of sports goods, leather goods and real estate. While the class-sector link is relatively more segregated, the caste-sector links are a lot more diverse, in the sense that a same caste-community group has various individuals associated with diverse business/productive activities, which is strikingly different from the Bengali community's scenario.

Delhi/NCR

Delhi-National Capital Region (NCR) is an ever-expanding inter-state territory that has occupied an important place in the history of the South Asian subcontinent. It currently includes the districts of Haryana, Uttar Pradesh, Rajasthan and the national capital – the city state of Delhi/New Delhi.

NCR had been a political capital for the Tughlaq, Lodhi, Suri and Mughal during the pre-colonial period. After the revolt of 1857 against the British empire, the spatial character of the city changed, with officials moving out of the city. In 1863, the British established municipalities in Delhi, and the locals who were loyal to the British were given municipal offices. Such individuals were already rich landowners, bankers and traders, and their wealth enabled their children to attain education in English and make professional careers. During the second decade of the twentieth century, the British also moved their capital to Delhi. Between 1920 and the 1940s, the city went through an economic recession and became a site of mass politics. In the aftermath of independence and the partition of the country in 1947, Delhi witnessed brutal communal violence. The region experienced an influx of refugees, and the period of violence was not a conducive period for business and wealth creation.

The physical boundaries of the region also expanded rapidly. The Delhi Development Authority acquired massive plots of land in the late 1950s and early 1960s, but with low compensation amounts and poor regard for improving amenities. Lands reserved for agriculture were seized by the elite to build their farmhouses from the 1970s. The neoliberal period after the 1980s also oversaw massive changes in the spatial configuration of Delhi-NCR.

Wealth inequality is the highest in Delhi NCR, as per large-scale household sample surveys. In 2021, 189 elites were listed in the Hurun rich list as having a reported wealth of or above Rs. 1000 crores in Delhi-NCR. Our initial listing of wealthy elites in Delhi NCR included 300 individuals. The list is dominated by upper caste Hindus (91%) with dominance of the Marwaris, Khatris and Aroras. They have all come from traditional business and mercantile communities of north India. The limited presence of Jats and Gujjars in the sample does not reflect their population in the region or political strength. Only a few from the locally dominant agrarian community of Jats have been able to enter the space of big wealth. Our listing of wealthy elites is also dominated by men (around 90%). Women in the lists tend to be from business families.

From the initial listing of wealthy elites in Delhi NCR, we purposely selected 80 individuals, with whom we completed the short schedule that included information on gender, social and religious composition, and educational attainment. Our qualitative research suggests five key themes. First, significant investments in real estate, land and farmhouses; second, caste and community networks remain critical; third, some start-ups have been able to enter big wealth; fourth, politics plays a critical role in wealth creation; fifth, education is also emerging as an area of investment for big wealth.

We could identify three categories of elite in the city region: first, those who derived their wealth from land in Delhi NCR; second, the traditional business families; third, a new class of babu-brigade, which includes the bureaucrats and professionals who bought government land for a pittance between the 1960s and the 1980s.

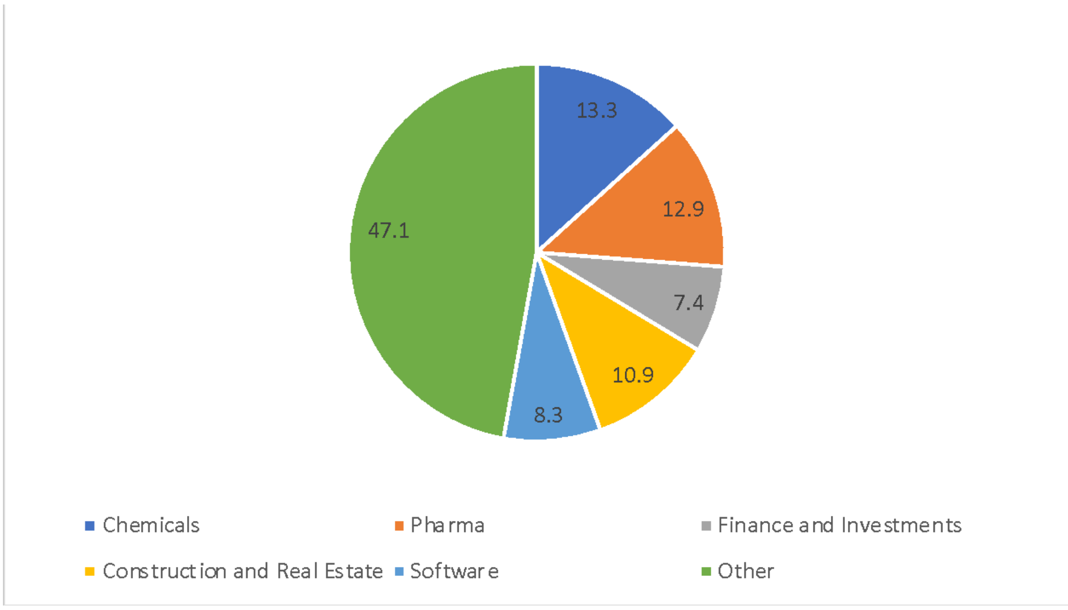
Those from the agricultural communities in the region, such as Jats and Gujjars, made their wealth by selling their plots of land. Lands were bought and sold within the community, signalling the relevance of caste and community networks. Such land is typically sold to aggregators within the community or village as it is very difficult for outsiders to manage properties registered in multiple names. The aggregator buys the individual plots at a cheap price and then negotiates land deals with big players at much higher prices, making a fortune in the process.

Since the late 2000s several start-ups have made a fortune, despite not inheriting a family business. These entrepreneurs comprise alumni of prominent educational institutions in the region. With the boom in the Indian economy in the late 2000s, and as India emerged relatively unscathed from the Great Recession of 2008, large amounts of venture capital money began to chase fewer companies. Political networks also play an important role in wealth creation. Several wealthy politicians in Delhi NCR have made their wealth through shady land deals, often acting as aggregators. Other routes included establishing businesses through government contracts in areas such as construction and management of parking lots.

Discussion points from the field

According to the Hurun List of 2021, India had a total of 1007 extremely wealthy individuals with worth of Rs. 1000 Crore or above (> US$ 120 million). Of these, 584 belonged to the four city regions. Our field-estimate suggested a higher number (639. See Table 2 above). Another 344 individuals who fall in the range of US$ 12 million to US$ 120 million were identified through various secondary sources. At the bottom of this, more than 79 wealthy individuals were identified whose wealth holdings were difficult to quantify (fuzzy) but they were perceived as being very wealthy. Of all 1062 individuals, a total of 290 were surveyed, either directly or based on secondary sources. In each city, about 10 individuals were selected for further detailed case histories/studies. This entire process of mapping the wealthy and surveying them was completed in about a year (2021 to 2022).

Figure 2: Sectoral/Industrial Distribution of the wealthy (Source: Hurun List, 2021).



From the primary surveys and the case studies in the four city regions, there are several important findings. We describe these findings concisely below. The detailed findings are discussed in the city reports presented as appendices to the report.

The first broad observation is already stated above but is worthy of restatement. There is an absolute dearth of studies on the wealthy and elites in the Indian context. The existing surveys, for instance, All India Debt and Investment Survey, and reports such as Hurun, are partial presentations of the wealthy. What we have been able to achieve in this study is to show that, although a difficult task, it is possible to show how the wealthy can be mapped and studied. This sheds light on the causal mechanisms of wealth accumulation and the outcomes, such as heightened inequality in terms of net worth. This study could inspire other careful studies that further explore the processes of wealth formation and the actual consolidation of wealth holdings in the hands of a few wealthy individuals.

In terms of history or temporal sense, there is significant diversity across these city regions. Among cities that predate the British colonial rule (Delhi and Hyderabad), wealth accumulation processes already existed and were vibrant. As described above, there were three main routes to wealth accumulation during the pre-colonial period – trade in goods, money lending and wealth accumulation through the exercise of political power. In the last case, urban/city-based political elites gained mainly through the extraction of land revenue from villages that was used both for the administrative rule, such as Diwani or Khalsa land revenue, and for individual enrichment, for example, Sarf-i-Khas or Jagirs or Inams. Trade in goods involved both within-kingdom trade and overseas trade. Overseas traders typically tended to be much larger in scale and wealthier. Cities that grew rapidly during colonial rule, including Bombay/Mumbai and Kolkata, witnessed a growth of wealthy merchants and moneylenders that were typically engaged in commodity trade within the confines of British India and beyond that, for example opium trade to China or cotton. Some of these communities moved into manufacturing in the second half of the nineteenth century.

After the end of colonial rule, after 1947, all four of the city regions witnessed two similar regimes of accumulation. The first phase after 1947 was the inward-looking Import Substitution Industrialisation (ISI) phase until the 1980s. During this phase, public sector undertakings were built in all these cities that contributed to the creation of a professional class, while the private sector was significantly protected. Basically, this meant that the existing elites witnessed further consolidation. During the period after the 1980s, economic reforms that emphasised both external liberalisation as well as internal market-oriented processes were introduced across the country. This period witnessed a significant growth of the wealthy class – both in terms of their number and their wealth holdings. However, the pace and extent of wealth accumulation varied across these cities during these two post-independence regimes, as the city reports describe in greater detail.

Across the four cities, there are significant similarities as well as dissimilarities in terms of the wealthy and the wealth creation processes. We first present the similarities across these regions. In all these cities, initial wealth was held by traditional business communities – Baniyas, Vaishyas, Parsis, and Marwaris (the latter have regional origins from the Marwar region but are diverse in their religious and caste origins, for example, Agarwals and Jains). In all these cities, these communities are still among the wealthiest. In this sense, they have retained their position in all the city regions. This is part of what may be termed *reproduction* of the wealthy communities. In religious terms, these groups are predominantly Hindu but there are also individuals from other groups, such as Jains and Parsis.

Furthermore, these individuals are mostly male. However, in terms of *expansion* and *induction* of new groups into wealthy communities, there are differences across these cities that are discussed below. The similarities of expansion are that professionals across all cities have made it to the highest wealth categories by investing in industries such as pharma or information technology. These professionals hail mostly from the Hindu upper castes. There is another important similarity – Muslim wealthy groups have seen a decline in their fortunes across the board since Indian independence. Firms that have focused exclusively on manufacturing have also seen a relative decline over the whole period, giving way to service sector business owners and managers, and trading and financial sector owners and executives.

In conclusion about the similarities across the city regions, layering and expansion of the wealthy has been the predominant phenomenon in the Indian context, instead of new wealth completely displacing or disrupting the old. There are relative wealth acquisition stories/narratives that may differentiate the pace of accumulation within the wealthy, but the overall story is one of layering of the wealthy.

In terms of spatial structuring of urban spaces too, the overall wealth accumulation phenomenon is similar to what has been described above. City spaces continue to be spatially layered and expansive for large wealth owners. There is a consolidation of already wealthy localities and existing city spaces have been altered through slum demolitions to accommodate the growth of the wealthy, for example, Bandra-Kurla Complex in Bombay. There has also been new accumulation by way of expansion into peri-urban spaces in all these cities. This has been accomplished by displacing farming or other populations, such as Gachibowli (Hyderabad); New Town (Kolkata); Gurugram (New Delhi); Navi Mumbai (Mumbai).

There are also significant dissimilarities across these cities. Partition and independence had a differential impact on elites in different cities. Hyderabad, Delhi and Kolkata were deeply transformed after partition and also witnessed an elite exodus, especially of the Muslims. This opened the possibilities for new elites to enter these cities, although there was a general slowdown of Kolkata city after independence that also reflects in the slower growth of the wealthy to date there. Hyderabad and Delhi grew rapidly after the 1970s and are among the fastest growing cities in India.

These cities largely witnessed the creation of new wealth, especially after the 1960s and 1970s. Both these cities also witnessed the influx of agrarian and other communities from hinterlands and from across the nation. Mumbai was not as affected by partition with the entrenched elites consolidating themselves over time, giving an impetus for the growth of elites that hailed from agrarian backgrounds outside the city but within the state of Maharashtra. A general decline of the eastern region of India has occurred since independence which also reflects in the relatively slower growth of wealth and the wealthy in a city like Kolkata. Economic factors, such as the decline of Jute industry, and the end of colonial rule played an important role in this phenomenon. There has been a slight reversal since 2000.

In terms of the causal explanations of wealth accumulation in post-independence India, based on the city studies, the two regimes identified above had different sets of cause. Right after independence until the 1980s, state protection/patronage, such as tariffs, and contracts, for instance, in infrastructure and large dams, were crucially important for private wealth accumulation. Since economic reforms were introduced in the 2000s, while state patronage has still been still important, other processes have also become important. Growth has been fast paced in the service sector, as opposed to manufacturing or agriculture.

Sectors such as real estate, finance, insurance, construction, hotels, transportation, health care and education have become new avenues for fast-paced accumulation.

Apart from the already existing routes to garnering wealth, new processes of accumulation have emerged, such as primitive accumulation (displacement of urban and rural populations from land), and financial investment and speculation. State patronage is still important, for example, Adani and Ambani. The role of state policy is also extremely crucial, for example, tax regimes have been relaxed to facilitate faster capital and wealth accumulation. Through all this, the main wealth assets in India are still landholdings and buildings, although there has been a growing significance of financial assets since the 1990s.

Broad conclusions:

Wealth as lens

Despite the popular image of India as being a land of poverty and stagnant rural settlements, India has always been home to some of the wealthiest individuals in the world. However, most of the popular and academic narrative on wealth tends to look at the national GDP numbers. Likewise, extreme private wealth concentration is an important reason for persistence of poverty and inequality, everywhere. While poverty and deprivation are much studied and analysed, extreme wealth concentration rarely receives the kind of academic and policy attention it deserves. Private wealth ownership is often viewed as a positive value and its association with entrepreneurship in the contemporary new-liberal economy also makes it a matter of celebration. A close examination of wealth offers an interesting and important lens for understanding the dynamics of contemporary capitalism. It may also help us understand the changing nature of the social spread of wealth which, in turn, may be useful in understanding the exclusionary processes in the given society.

Invisibility and under-reporting

Even though big wealth is celebrated, both by the state and by the emerging popular culture, a large proportion of big wealth in India remains invisible. There are many reasons/hypotheses for this. The wealthy tend to avoid paying taxes. Big wealth is perhaps also hidden for security reasons, fearing extortion by organised gangsters. Finally, the traditional mercantile castes tend to hide their wealth and tend to feel shy when talking about their wealth.

Extreme concentration and increasing social spread

India's story of wealth appears to be both of growing extreme concentration and of increasing social spread after the 1980s.

Significant regional variations

Trajectories of social spread and wealth accumulation vary significantly across regions. Big wealth has been historically concentrated in the urban centre of western India, in Mumbai and other cities of Maharashtra and Gujarat, including Pune, Nasik, Ahmedabad, Surat. Over the past 30 years, bigger cities from the south, such as Bangalore, Hyderabad and Vizag have also emerged as centres of big wealth. While the big wealth in Kolkata appears to be shrinking, the NCR region (Delhi, Gurgaon and Noida) has emerged as a major centre of new wealth creation and concentration. Over the past decade, some smaller towns have also seen the rise of wealthy individuals. Large parts of the so-called Hindi heartland have produced very few individuals with big wealth.

Big wealth is all urban

Until recently, a large majority of Indians drew their livelihood from agriculture. Land ownership has also been a significant source of power and influence, locally and regionally. Agriculture has been a source of early accumulation of wealth for some, which helped them move into big wealth. However, none of the wealthy in present day India are rural residents and have their primary investment in agriculture or ownership of agricultural land. All of the present day big wealth has been sourced from non-agricultural sectors, urban industry, services and media, and is largely located in the non-agrarian economy. Most of the present day big wealth is located in a few metropolitan centres. India has seen a growth in the number of such metropolitan centres, mostly located in the western and southern regions of India. The new urban clusters that grew most rapidly during the post-1990s period were Bangalore and Hyderabad in the south, Pune and Ahmedabad in the west, and Gurgaon and Noida as extensions of the national capital in the north of India.

Caste and kinship matters

Popular narratives of wealth tend to celebrate individual entrepreneurship. However, in the Indian case, the narrative of wealth has also been framed in terms of collective identities of communities and individual members who have produced wealth. There is also a significant concentration of wealthy individuals in traditional mercantile communities, followed by other upper/dominant castes. There are very few, if any, wealthy individuals from the lower half percentile of the caste/social hierarchies consisting of Scheduled Castes (SCs), Scheduled Tribes (STs) and lower sections of the Other Backward Classes (OBCs). Even though religion, too, is an important marker of social identities and there is growing marginalisation of the Muslim minority in the Indian political system, their presence is not insignificant among the wealthy Indians.

Caste is not tradition

While most of the wealth expansion and reproduction in India has happened within the ascription-based collectives, the habitus of caste communities or the *jatis*, they should not be viewed as traditional or closed enclaves of ethnically homogenous. In the present, they tend to be mobilised and re-imagined precisely during the process of wealth making by the aspirational individual entrepreneurs from within those communities. A good example of this is the formation of what are described by the Indian sociologists as caste-associations, modern-day civic formations using ascription as a source of mobilisation and identity (see Jodhka, 2022; Kothari, 1970; Rudolph and Rudolph, 1967).

While the idea of caste association has mostly been invoked in the context of collective mobilisation in the democratic electoral process, the role of castes in business and wealth generation has also been widely studied. Writing on the Kammas of the coastal region Andhra Pradesh, Carol Upadhya had observed it even during the 1980s:

> The functioning of caste-based networks is most apparent in the caste associations that have become active in Vizag during the last several years. The Kamma caste association in Vizag is mainly an organisation of rich Kamma businessmen (although Kammas in other occupations are also members) which promotes caste unity and the interests of Kammas. It derives its main financial support and leadership from the Kamma business community. All of the office-bearers are prominent Kamma businessmen, and all but one are contractors; these men are leaders of the local Kamma community as well as of the business community. The association provides a forum for extending social networks, and it caters to the needs of its members through projects such as the private school. It also seeks to increase Kamma power and influence by extending patronage to less wealthy caste members, for example, through providing scholarships (Upadhya, 1988).

Ujithra Ponniah's work on Agarwal Banias of Delhi also tells a similar story of wealth expansion and community making being underway, mostly engineered by wealthy members of the community. These members saw this process as helping them to consolidate their position in the city and establish them as a Hindu upper caste in the broader region (Ponniah, 2019).

Wealth follows a U-shaped evolution after independence

The overall trend of wealth concentration at the very top has followed a U-shaped evolution since independence. Primarily because of the inheritance tax (estate), there was a significant reduction of the erstwhile princely state rulers' families at the very top by 1985. However, private capital strengthened and new wealth elites from agrarian backgrounds emerged during the 1947 to 1985 period. The overall effect was that of reduced wealth concentration during this period. As discussed above, there is a significant variation in these processes across regional, caste, region and gender axes that continues to be important in the post-1985 period. With the onset of market-oriented economic reforms from the 1990s, wealth accumulation processes sharply accelerated with the old capital and new elites, of both agrarian origin and professional training, growing their wealth at a much faster clip, thus giving rise to a sharp increase in wealth concentration.

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