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India Accelerating | The Car Boom

## In Today's India, Status Comes With Four Wheels

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VISHAKHAPATNAM, [India](#) - On the dark highway, the car showroom glowed in the night like an American drive-in. Inside, it looked more like a game-show set: bright lights, white floors, huge windows, high ceilings and ad posters of beaming consumers far paler than most Indians. For 36-year-old Ram Reddy, the price was right enough to make a down payment on his fifth family car.

He and his brother already had one car "for the children," two "for the ladies," and so on. Now they were buying the Toyota Innova, a big-as-a-boat luxury van that retails for a minimum of \$23,000, 46 times India's per capita income of about \$500.

The Innova is a new plaything of the moneyed here, one being peddled, like so many products in India today, by a Bollywood star. It is yet another symbol of the kid-in-a-candy-store psyche that has seized India's growing consuming class, once denied capitalism's choices and now flooded with them.

Fifteen years after India began its transition from a state-run to a free-market economy, a new culture of money - making it, and even more, spending it - is afoot.

This domestic hunger for goods has become an important engine for an economy that still lags in exports. So intense is the advertising onslaught, so giddy the media coverage of the new affluence, that it is almost easy to forget that India remains home to the world's largest number of poor people, according to the World Bank.

Still, India's middle class has grown to an estimated 250 million in the past decade, and the number of super-rich has grown sharply as well.

And, after more decades of socialist deprivation, when consumer goods were so limited that refrigerators were given pride of place in living rooms, they have ever more wares to spend it on: cellphones, air-conditioners and washing machines; Botox, sushi and Louis Vuitton bags; and, perhaps the biggest status symbol of all, cars.

India has become one of the world's fastest-growing car markets, with about a million being sold each year. It once had only two kinds, Fiats and Ambassadors. Now dozens of models ride the roads, from the humble, Indian-made Maruti to the Rolls-Royce, which has re-entered India's market some 50 years after leaving in the British wake.

Indians are discovering in cars everything Americans did: control and freedom, privacy and privilege, speed and status. Car showrooms, the bigger the better, are the new temples here, and cars the icons of a new individualism taking root. Foreign car companies, meanwhile, have discovered the Indian consumer - not to mention the country's engineering brain power - and are setting up plants across

India.

The growing lust for cars also reflects India finally having roads decent enough to drive them on. It is making a historic effort to upgrade its dismal, mostly two-lane national highway system into four- or six-lane interstates, its largest infrastructure project since independence in 1947.

A New York Times reporter and a photographer drove one portion of the project, the so-called Golden Quadrilateral, which passes through New Delhi, Calcutta, Madras, officially known as Chennai, and Mumbai, formerly Bombay, earlier this year.

The revamped highways mean that, for the first time in India, cars can go fast; thus the new appetite for fast cars. The middle and upper classes, already being lured by one of the world's fastest-growing domestic airline industries, are discovering driving for pleasure as much as need.

"This is the American 1950's happening in India now," said Padma Chandrasekaran, a Madras resident marveling at the new ease of driving the 205 miles to Bangalore.

The new highways have seduced well-off consumers like Mr. Reddy, who plans to use the Innova for family road trips to places like the temple at Tirupati, about 400 miles south of here, a trip he would previously have made by train. The highway's smoother surfaces and additional lanes have also enriched him, by reducing fuel and maintenance costs for his trucking company.

"If the roads were not good, we would not have this many cars," said the bearded Mr. Reddy, whose 9-year-old son already knows how to steer an automobile.

### **Consumers' Appetites Grow**

The 8,300-square-foot Toyota showroom had been open only a few months, and its location just outside town on the silky new highway had already turned out to be a prime sales aid. The general manager chuckled, saying that if he gave a test drive on the road, it would be "a happy ride."

That many of the city's one million residents are what Sastry V. Prakky, the dealership's senior sales and marketing manager, calls "filthy rich" also does not hurt.

Named for Visakha, the god of valor, Vishakhapatnam faces the Bay of Bengal, in the state of Andhra Pradesh. The city is home to one of India's largest ports and the country's oldest shipyard. It is also squarely in India's booming south.

Some residents have prospered by going to work in the United States in information technology, others by opening "business process outsourcing" centers. Many work in pharmaceutical production, or export carpets or shellfish.

Pricy hotels line the beachfront, and driving schools the side streets, although Indian driving habits raise questions about the quality of their instruction. Almost every beauty salon also has a "body weight reduction" center, reflecting the upper-middle-class's new obsession, and plumpness: people are still starving in India, but people are overeating, too.

In a historical blink, capitalism, which postcolonial analysis once labeled poverty's cause, is now seen as its solution. Debt, once anathema for the middle class, is now an acceptable means to an end.

For a sliver of Indians, the go-go years are here. The same sentiment has permeated the countryside, where young men drive bright yellow motorbikes with names like Ambition and dream of becoming crorepatis, or multimillionaires.

America, of course, went through a similar evolution: the making of a postwar consumerist economy; the introduction of credit cards and growing comfort with, and dependence on, debt; the rise of an advertising culture. India today offers the chance to watch it in real time, at a hyper, almost-out-of-control, pace.

"Now the people want to spend and enjoy," Mr. Prakky said. "Everyone wants upgradation": the scooter owner wants a motorbike, the motorbike owner a car, the car owner a more expensive one.

He was checking the paperwork on another new purchase, including a deposit of 180,000 rupees, or about \$4,000. He took it upstairs to the general manager, C. Sudhaker, whose glass-walled office overlooked the showroom floor. In modern times, as Mr. Sudhaker put it, a good car was a business necessity, not just about showing off, although he conceded an appetite for "recognition in society."

That appetite was on display in other showrooms along the highway.

"Life is short, madam," said Sanganagouda Patil, a politician and landowner, explaining why he had to buy a new car model every two years. He was at another Toyota showroom, about 600 miles away in the state of Karnataka, inspecting the Innova even though he already owned four cars. Proper vehicles were expected of V.I.P.'s, he said, even if the roads near his home district were not yet good enough to drive them.

He wore gold jewelry, Ray-Ban sunglasses and an expensive-looking white kurta of the hand-woven fabric that Mohandas K. Gandhi popularized as a symbol of swadeshi, or homegrown, in an era when all things foreign were mistrusted.

Many Indian politicians today see the state merely as an object of plunder, and they are not shy about displaying their spoils. Car salesmen say that when a new model comes in, politicians call and demand to have the first vehicle delivered to them, with a discount.

### **A Shifting Value System**

India's state-run rail network may have been built by the British, but it came to represent a certain egalitarianism. Powerful and voiceless, rich and poor - all navigated the same chaotic, crowded stations and rode the same jam-packed trains, if not in the same class.

Cars, in contrast, reflect the atomization prosperity brings.

This is a far bigger change for Indian society than it was for America, which in many ways was founded around the notion of the individual. Indian society has always been more about duty, or dharma, than drive, more about responsibility to others than the realization of individual desire.

That ethos is changing. "Twenty years back one car was an achievement," said Maj. Gen. B. C. Khanduri, who as minister of roads from 2000 to 2004 helped shepherd the new highway into being. "Now every child needs their own car."

To him and others who grew up in a different society, that change bespeaks a larger, and troubling, shift. "The value system is finishing now," he said. "We are gradually increasing everyone for himself."

Luxuries are now necessities, he said, and children are focused more on earning for themselves than on caring for their parents. Indians have always been critical of what they see as American selfishness, the way children relegate parents to retirement homes so they can pursue their own lives. Now, suddenly, they are hearing such stories among themselves.

Spreading affluence also has brought new competitive anxiety. Where once everyone in a neighborhood had an Ambassador or a Fiat, the hierarchy of livelihoods, of success, now can be parsed easily through cars.

P. V. J. Mohanrao, 48, an assistant college professor, who came to the Toyota showroom to look at the Innova, could afford only cheaper cars: the Indian-made Maruti and Tata Sumo.

A neighbor who was with him, P. Srinivas, 41, a businessman dealing in glass, could afford larger monthly installments, and thus the more luxurious Chevrolet Tavera.

Another neighbor, a software entrepreneur who, Mr. Mohanrao pointed out, had "spent time in the United States," outclassed them both: at any given time, he had three or four cars, none of them cheap.

"He has booked this car, I heard," Mr. Mohanrao said of his neighbor and the Innova.

The car fever here is in part a triumph of marketing to people who did not grow up being marketed to. Advertising in India has succeeded in making, as Mr. Khanduri said, luxuries into necessities, in portraying persuasion as knowledge.

The Toyota salesmen here market aggressively, singling out beach walkers and mall shoppers. They aim at people who bought cars in 2002 and convince them they already need an upgrade. Helped by record-low car-loan rates, they have learned to manufacture desire. "If that fellow has a burning zeal we will add to the fire, we will tempt him," said Mr. Prakky, the sales manager.

### **The Dangers of the Boom**

"Please do not drive in the wrong direction," a flashing sign implores over the redone highway.

The feeble exhortation underscores one of the many downsides of India's auto boom. The country already has one of the world's highest accident rates, with more than 80,000 traffic-related deaths a year. Few police officers patrol its roads, which ensures that pretty much anything goes, even at times on the fancy new highway.

With India reveling in its rising global profile, there has been little planning for the traffic, environmental or economic consequences of millions more Indians acquiring new cars. India's economic boom has outpaced any planning for the resources, like oil for auto fuel, it will demand. Urban planning is so poor that in Bangalore and other cities traffic congestion is threatening investment and business expansion.

At the same time, the focus on cars threatens to obscure the needs of the many more without them.

There are still only about eight million passenger vehicles on Indian roads, in a country of more than one billion people. By the late 1920's, in comparison, the United States had 23 million registered car owners.

Poor Indians rely, in addition to their feet, on an extraordinary array of contraptions for transport. They pile on top of buses in the Indian version of the double-decker. They ride tractors and bullock carts and pack 13 strong into Tempo taxis made for 6.

What they cannot regularly rely on is public transport. While New Delhi and Calcutta have built subways, most cities have not, and they face severe bus shortages as well. Cars speed by waiting bus riders, who stand like spectators.

The rise of the auto, and the investment in highways, dovetails with a larger trend of privatization in Indian life, in which the "haves" are those who can afford to pay for services the government does not provide: efficient transport, clean water, good schools, decent health care.

Most Indians cannot afford the tolls along the Golden Quadrilateral, let alone the cars to drive on it. Gandhi, whose foot marches for social justice defined an era of Indian history, now has an expressway named for him. Its toll of \$1.33 is more than about 300 million Indians earn in a day.

India's growing material hunger has another downside: it is largely being sated by credit and debt.

With borrowing comes the danger of overstretching, and pricy cars purchased in Vishakhapatnam's Toyota showroom can always be taken back.

That is where the repo man comes in. He waits at a tollbooth in Rajasthan, cater-corner from Vishakhapatnam on the Quadrilateral, armed with a long list of deadbeats' license plate numbers.

In a beat-up Maruti van, with a stick inside, Anil Kumar Vyas, 34, was chasing down Toyota owners behind in their payments. Befitting his upper-caste Brahmin status, he was also a local village head, but that brought more prestige than profit.

His may be one of the few lines of work that has benefited from traffic jams and potholes. Bad roads made for easy captures, since no one could drive over 22 miles an hour. On the new, smooth four-lane highway, he has already given chase at more than 60 miles an hour.

"It is harder for us to catch them," he said. "We're still working it out."