

## MIDDLE CLASS IN HISTORY AND IMPLICATIONS FOR VIETNAM'S MODERN SOCIETY

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The term “middle class” appeared very soon and has been realized, defined, and explained by various scientists from ancient ages to modern times; from the West to the East, by diverse definitions which are not always identical to others. Middle class is used for people with relatively independent economic status and have medium level of influence and power in a society. In the “order” structure of society, they are not in the upper class, neither lower one. In the work “The politics” (250 B.C), the well-known philosopher Aristotle (384-322) is the first person who uses this term. According to his opinion, middle class is “a moderately wealthy class between the rich and poor”.

During a long period in Europe history, people considered middle class as mediate society class between nobles and peasants. While the nobles owned lands in rural areas and peasants were the ones working in the field, there were a so-called merchant class, which were increasingly crowded in urban areas. They were considered the middle class,

wealthy, radical, and have independent life style.

Until the 18th century in Britain, middle class is understood as merchants and highly professional laborers. This class is separated from the highly aristocratic title (baron, marquis), landlord nobles as well as peasants.

Along with the development of industrial capitalism along the 19th and 20th century, firstly in Britain then comes other Western Europe countries, several new jobs without physical strength requirements had blossomed in large numbers. They were finance officers, engineers, bankers, architects, scientists, managers, desk officers, principles of universities and schools. They were considered as non-manual laborers or white collar laborers who were in contrary to common laborers (as known as “blue collar workers”), or peasants and craftsmen who were commonly attached with words such as “dirty”, “muscle”, “oily”.

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Increasing in the same time with development of industry, commerce, maritime, and international exchange, is the number of small and medium businessmen, trade shop owners, farmers, merchants of both international and domestic origins. These groups grew larger, more reputable and more socially influential, they gathered to become middle class and played a special role in socio-economic development, they were considered as origins of entrepreneurship; their development and innovation led to the nation's prosperity and stability. Many governments count on middle class to achieve their political goals. Governments of Tony Blair (Britain) and Barack Obama (America) are typical examples.

Typical characteristics of middle class, according to sociologists, are considered to include high-school education level at least, acquiring certain specific professions and sustainable income source which is more than average level of society. They are people who have prosperous life, private houses, and houses for rent or are affordable to hire comfortable houses. Besides that, most of them are self-disciplined law-abiding citizens, and always pay attention to remain their family's values; they educate their children based on social commons and standards as well as manners in their "class". The people of middle class tend to act "neutral", socially responsible, and actively involved in political movements as well as contribution for community development.

In history of capitalism countries, people distinguish two kinds of middle class: the "old" middle class and the "new" middle class. The "old" middle class was known as contractors and farm owners; meanwhile, the "new" middle class was known as business owners, experts, managers, and a lot of intellectuals. The "desk revolution" with significant increase of intellectual jobs in accordance with industry revolution boosted the number and the roles of the "new" middle class.

However, the size of middle class depends on which set of measurements is selected or focused. Nowadays, researches almost focus on income measurement. Other measurements are also taken into consideration but quite flexible and mostly qualitative.

Under perspective of social "class", scientists in the world agree that middle class is in between the upper class and labor class, poor class (lower class).

According to scientists, middle class are classified into 2 levels: upper-middle-class and lower-middle-class. This is the most popular classification. Besides, some people classify into 3 levels: upper-middle-class, middle-middle-class and lower-middle-class.

Upper-middle-class consists of people working highly professional jobs (professors, lawyers, and scientists), medium-sized entrepreneurs, big shop owners, and farm owners. They are people who have quite many assets and

high income<sup>1</sup>. Members of this group commonly have at least a bachelor degree. Most of their children are well-educated, follow their parent career, and have the same or higher education level than their parents. This class has political acumen and actively involves in election; a portion of them are always reaching to upper class.

The lower-middle-class includes people with lower-skilled professions compared to upper-middle-class, they usually are primary school or secondary school teachers, secretaries, accountants, salesmen, office staffs, civil servants or officials earning stable income; small-sized businessmen and small farm owners<sup>2</sup>. The average education level of them is tertiary, some people have bachelor degrees.

Many years ago, Marx and Engels didn't define middle class directly. Moreover, they didn't define social classes by asset, income or fame but their relations to production material. The nobles, land owners, capitalist possess capital, and peasants without production material must work as hired laborers. However, between owner of production material (also known as ruler) and hired laborer (also known as the ruled) there is always a middle group who don't entirely possess or don't possess any production materials which are typical of that

society. For example, in feudal society they are urban citizens, artists, scientists, monks, traders... In capitalism society there are few more to add: bankers, finance officer, accountants...

In Vietnam, during a long period rarely can we see scientists mentioning about middle class, instead they concern about worker class, peasant class, intellectual class...And the bourgeois, merchants, rich peasants, businessmen, land owners are considered as objects to be demolished and renovated by revolutionists.

Middle class has been mentioned only since Reform and international integration; with some articles mentioning about this class with much caution.

Then how are middle class identified and understood by academia?

Firstly, it is essential to state that there is a difference in measurements to classify individuals or households to different social classes, including middle class. However, most scientists agree that main measurements used as basement for classify or categorize individuals and households are income and consumption per capita. Accordingly, middle class of a nation are defined as people who have income ranging from 80% to 120% average national income, and they are "immune" from any economic recession in their nations. Unquestionably, measurement of income used for measuring and categorizing varies among different group of countries, different countries, and different times.

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<sup>1</sup>For example in America this number ranges from 83.500 USD to 154.498 USD/year/household, it accounts for 15% of total households [4].

<sup>2</sup> Household income per year of this class in American ranges from 33.314 USD to 83.499 USD, the number of this class accounts for 40% of total households [4]

In Asia, Asia Development Bank (ADB) considers average consumption per capita per day varies between 2-20 USD. It is separated into 3 levels: lower-middle-class (2-4 USD), middle-middle-class (over 4 to 10 USD), and upper-middle-class (over 10 to 20 USD). Among these, middle-middle-class consists of people who can afford for basic and essential needs, are able to save money and consume luxury [1]. With such calculation, in Asia as of 2008, middle class accounts for 56% population (approximately 1.9 billion people) as compared with 21% in 1990. China solely contributed 800 million people. However, it should be taken into account that most of people in middle class have income from 2-4 USD. But if middle class is measured based on income per capita per day (ranging from 12 to 50 USD) of middle class, in which the lower bound is of Brazil and upper bound is of Italy, therefore, middle class in “emerging” markets and developing countries is approximately 250 million people in 2000 and 400 million people in 2005, and it is projected to reach 1.2 billion people in 2030 [4]. According to a report on economic movement and development of middle class in Latin America of World Bank (WB) published on 13rd November 2012, middle class of this area reached to 50% over recent decade from 103 million people in 2003 up to 152 million people in 2009 [4].

In Vietnam, there is lacking of rigorous researches on middle class; however, if it is based on the average income between 2-20 USD per capita per day, Vietnamese middle class is quite large as

compared with period before Reform. According to assessment of Organization of Economic Cooperation and Development, 8 million people is in the middle class which consists of households with consumption expenditure ranging from 10 to 100 USD per person per day and it is projected to increase to 44 million people in 2020. A different estimate claims that there are approximately 5 million people belong to middle class (2007) with income ranging from 8 to 16 USD per person per day. In quintile pyramid which sociologists use to rank living conditions of people, middle class is considered to be in the third and the fourth quintiles (consists of individual and household having living condition above the society's average level). However, it doesn't mean that all people in these 2 quintiles are classified into middle class.

According to our opinions as well as those of other scientists, middle class includes people with these characteristics below:

- Has good education background, well-trained or self-trained, has start-up knowledge, earn sustainable income from their jobs.
- Has ability to create jobs and income for lower class or help the poor; “neutral” behaviors, and ability to live in harmony with people. Recently in Vietnam, they belong to social group who significantly contributes taxes and resources to society.
- A lifestyle adhered to principles and social standards, an ambition for learning and advancement, quite modest

consumption, self-discipline (excluding the suddenly emerging riches), hard-working.

-Flexible with changes, ability to be immune from small ups and downs in economic and social life.

-Middle class in our country is quite diverse in form and kind: from officials and civil servants to experts, professors, engineers, doctors, political leaders, junior managers as well as senior managers to business man, artists, farm owners... They are a big social force and playing a very important role to the development of economy, society, culture, science, education in the innovation process and steering development towards sustainability.

According to many scientists, middle class in our country is increasing in number and gradually become a significant social force, which is very important for the country's revitalization. Their advance comes with wealth and sustainable and stable development; meanwhile they contribute actively to settle down social conflicts as well as reduce increasing social division... An elite group of middle class always try to rise up for joining upper class (elite) to be the so-called "head of train", the pioneer force which is actively in science, technology, competition, integration as well as economic development. If they are wisely oriented and led by the Communist Party and State, they can be a pioneer force which helps our country

overcome poverty and reach to prosperity. Middle class is very close to poor class, they can easily understand and be empathic to the poor as well as help the poor in the most efficient and practical ways. The dynamics of hunger reduction and poverty eradication in our country over recent decades are strong evidences for that argument.

It is time to boost up the size of middle class in the society in an active, positive way with full of trust. It is suggested that the Party, the State, political leaders, activists, and scientists need to have rigorous researches on this class as soon as possible to illustrate appropriate orientation, policies, agenda, and solutions to boost the middle class towards a right development path and take advantages from their significant role in Vietnam's renovation process.

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