

Time to budget for contingent liabilities

Possible damages such as the Cairn one, and, now, the Kowepo, need to be accounted for in the Budget

IT IS IRONIC, but while senior government ministers blamed telcos like Bharti Airtel and Vodafone-Idea—they never spoke of BSNL-MTNL, curiously—for not provisioning enough to account for the likely AGR dues that they now have to pay, the boot is now on the other leg. Given the manner in which the government—the UPA first, and now the NDA—has hurt investor interests and the number of global arbitration cases, the government should perhaps think of making provisions in the Budget in case it loses some, if not all, of these cases.

The Vodafone arbitration against the UPA's retrospective tax case doesn't include any damages, but Cairn Energy Plc has asked for \$1.4 billion of monetary compensation; the verdict was expected around now, but the global arbitration court has said it will be delivered next summer. If the verdict goes in favour of Cairn—it was taxed on capital gains arising out of its corporate restructuring prior to its listing, but it argues there were no outflows from India—and even if the energy major doesn't press for damages, the government will still need to pay it \$1.4 billion; one billion for its shares that the taxman confiscated and foolishly sold, and another \$400 million of dividends that were appropriated by the taxman. The government has already lost the Antrix-Devas arbitration, and the only thing that is allowing the government to not pay \$672 million award is the fact that it has challenged the award in court; a country hoping to become the global arbitration centre, ironically is challenging global arbitration awards!

The latest to join this list of companies approaching global arbitration benches on being unable to resolve disputes locally is South Korean state-owned power utility, Kowepo. Kowepo owns a majority stake in, *The Economic Times* reported, Pioneer Gas Power, a 388 MW gas-based power plant in Maharashtra. The power plant was delayed initially owing to lack of gas allocation by the central government, and when the government came out with a rescue package for stranded gas plants, it could not participate as the PSU Gail had not completed the pipeline to the plant. Kowepo has asked for \$400 million in compensation and damages, and argued that the government portrayed a healthy gas industry while trying to attract investors; at that time, power plants were a priority sector for gas allocation.

And while the government-owned Solar Energy Corporation of India (SECI) is not suing its owner for damages, it has ₹276 crore of dues stuck in Andhra Pradesh. At the time of a serious funds crunch in the power sector during the UPA period, the centre, the states and RBI had signed a tripartite agreement; if the state electricity board (SEB) defaults on its dues to central government utilities, RBI will deduct this from the state government balances with it; central tax transfers, for instance, are credited to this account. If other borrowers owed money by SEBs start doing the same as SECI and RBI starts deducting this from the state government balances, that too could end up in trouble if the states start resisting. It is not clear, how, but there is a possibility that this too could have repercussions on central finances; say, if central PSUs like NTPC don't get paid and the states successfully resist RBI debiting their accounts. Several chickens, it would appear are coming home to roost.

Fix Ujjwala problems

CAG points out problems, Aadhaar & third-party audits can help

THE AUDIT OF the Pradhan Mantri Ujjwala Yojana (PMUY) by the Comptroller and Auditor General of India highlights problems that the government will do well to pay heed to and address. The goal was to give eight crore women LPG connections under the PMUY and Extended PMUY (E-PMUY). While 7.2 crore families have got the LPG connections, the progress of Aadhaar linking—to ensure there are no leakages—has been patchy. Around 3.8 crore PMUY households were covered and the remaining 3.4 crore were E-PMUY. Though the CAG doesn't give details for E-PMUY households, in the case of 3.8 crore PMUY households, it says just 42% were Aadhaar linked. Sustained LPG use, one of the key goals of the PMUY, also seems to be out of grasp at present with the annual average of refill consumption for nearly two crore PMUY consumers (who had completed more than one year of connection by March 31, 2018) was just 3.66 refills while, for 3.2 crore beneficiaries, it had declined to 3.21 refills as on December 31, 2018.

Diversion of domestic cylinders for commercial use that plagued the earlier LPG subsidy regime in the country was noticed for nearly two lakh PMUY beneficiaries who had an annual consumption of more than 12 cylinders per year, which is unlikely to have been a genuine demand given their BPL status. Nearly 1.4 lakh beneficiaries consumed between three to 41 refills a month while IOC and Hindustan Petroleum reported that in 3.44 lakh cases, two to twenty refills had been issued in a day to individual PMUY beneficiaries having single bottle cylinder connection. While these numbers are a small fraction of the numbers genuinely benefited by PMUY, they are still a cause for worry as diversion could grow if it is not nipped immediately. The audit also pointed out instances of bank account of others being linked to Ujjwala scheme beneficiaries, which means the subsidy transferred may be getting waylaid—"during test check of KYC records at sample 164 LPG distributors, 100 instances were noticed where bank account of others were linked with PMUY beneficiaries", the report noted.

The audit findings make a strong case for not just Aadhaar linking of all family members of existing as well as new beneficiaries to ensure rigorous de-duplication but also for spot checks to see if intended beneficiaries are diverting LPG to unintended beneficiaries or for commercial purposes. Apart from rejigging the software at oil-marketing companies to add the appropriate input controls and data validation, e-KYC needs to be initiated too. A special focus also needs to be given to low consumption households, especially to address the underlying factors. The scheme had called for third-party audits to ensure that leakages are eliminated; the government must try and formalise this at the earliest. The Ujjwala scheme has the potential to be transformative, but only if effective monitoring prevents it from being hijacked to the bad old days of rampant leakage.

Diversity DIALOGUE

While there is a shift towards diversity in movie award nominations, all-White, all-male still remain sticky points

THIRTY-FOUR GOLDEN Globe nominations, 17 each for TV and films, are certainly a validation of Netflix's content prowess. Although Netflix and other streaming platforms had won a major fight with the Oscar's retaining rules to let them compete, the Golden Globes announcement has come as a surprise. While everyone had expected Netflix and other platforms to make a dent in the award categories—Amazon has an Oscar to its name with Manchester by the Sea—no one had expected to be this big. Not only Netflix, the newly started Apple TV also secured nominations for one of its shows. The trend is certainly refreshing as it points to the dominance of streaming-focused content, but, more importantly, it gives impetus to the likes of Netflix to produce more good quality content. Besides, it also makes such content easily accessible to masses, which was rare in older days.

The platform through which cinema reaches audiences may have evolved, but the industry still has to undergo quite a few churns. While, at the Oscars this year, more women and more non-Whites bagged awards—and in 2017, *Moonlight*, a movie with a nearly all-Black cast won the Best Picture, and in 2018, *Get Out*, a horror-satire on race relations in the US, won Jordan Peele, a Black screenplay writer, the Best Screenplay award—diversity is still a contentious topic for the industry. At the Globes, Eddie Murphy-starrer *Dolemite is My Name*, a Netflix co-produced biographical comedy, is the only film with major nominations that has a African American lead character. Awards are not meant to enforce racial equality and bolster diversity, but is all-White a winning formula, going by the pick of the jury? The likes of Netflix that have made diversity a top priority will have to walk the talk when it comes to award nominations and the brand value that accrues from these.

● CHOLOROPHILE

IN-FIELD MANAGEMENT OF PADDY STUBBLE CAN GET IMPEDED IF INFLUENTIAL VOICES PROPOSING UNVIALE ALTERNATIVES GAIN TRACTION AMONG FARMERS AND GOVT LEADERS

Straw-man stands threaten crop stubble management

THE SLOW AND steady progress made by no-burn technologies for in-field management of paddy straw and stubble in Punjab, Haryana and Uttar Pradesh, can get impeded if influential voices proposing unviable alternatives, or blaming field fires on legislation against early transplanting of rice gain traction among farmers and government leaders.

The venerable agricultural scientist MS Swaminathan, who is credited with India's Green Revolution, has proposed "rice bio-parks," which are prettily-named industrial estates to produce paper, board and animal feed from paddy straw. Agricultural economist and NITI Aayog member Ramesh Chand says it is best used for compressed bio-gas. Public sector oil marketing companies are installing plants to produce gas and ethanol from straw.

All these alternatives require the straw to be moved out of fields. Multiple machines will be needed to compress the straw into bales after chopping and raking it. Since rice plants produce equal quantities of grain and straw, Punjab's average straw yield per acre will be 2.6 tonnes. The Indian Council of Agricultural Research (ICAR) estimates that Punjab and Haryana produced 28 million tonnes of rice straw in 2018. 36% of it was left in the fields. A fifth was removed. The rest was burnt.

Pramod Chaudhari, executive chairman of Pune-based Praj Industries, which is providing technology to oil companies for ethanol production from cellulose, says the plant-gate cost of straw, including a payment of ₹500 to farmers, will be ₹1,300 a tonne. That is ₹3,400 an acre. Will the ethanol be competitive? Environmental benefits should not be seen through the lens of profitability, the company says.

Sanjeev Nagpal of Sampurn Agriventures buys straw for ₹2 per kg, or ₹5,200 an acre. Of this, the farmer retains ₹1 per kg and pays the rest as collection expenses. His plant in Fazilka produces bio-gas from fermented straw, which in turn is used to generate electricity. The state utility buys it at an assured price of

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Views are personal

₹8.50 a unit, he says, which is more than Punjab's average electricity tariff, excluding taxes. The utility buys solar power for ₹2.50 a unit. Nagpal's plant can use 40 tonnes of straw a day, but was operating at half the capacity last year.

Punjab and Haryana grow rice on 4.5 million hectares. Moving even a part of the straw within a period of one month to make way for wheat planting will be a logistical challenge. Trucks, and tractors powering the mulchers, rakers and balers, will add to the pollution load with their exhaust emissions.

Retaining the straw in fields to degrade over time improves soil texture, enhances nutrient content, suppresses weeds, conserves moisture and allows beneficial microbes to thrive. A contraption attached to combine harvesters chops the straw and spreads it evenly. It has been made mandatory for harvesters to be eligible for purchasing subsidy. A seed drill, called the Happy Seeder, parts the straw mat and sows wheat in row-wise slits.

This saves farmers about ₹2,000 an acre in averted ploughing. The saving is twice as much when compared to burning the straw, and preparing the fields by ploughing and planking them multiple times. No-burn, no-till farming is the preferred practice recommended by ICAR, Punjab Agricultural University (PAU), the International Maize and Wheat Improvement Centre (CIMMYT) and the Borlaug Institute for South Asia (BISA). It improves wheat productivity and enables the crop to withstand terminal heat by retaining soil moisture.

In fields where potato and peas are grown after the rice harvest, the straw can be chopped, and incorporated in the soil using a harrow and a reversible mould plough. According to

PAU, these two methods have caught on. 36% of straw was managed in these two ways in 2018, up from less than 2% in 2017.

In 2018, the Centre provided ₹1,150 crore to subsidise the machines needed for no-till and straw-in-soil farming practices. This correspondent met six farmers in Karnal and Ludhiana districts of Haryana and Punjab respectively, who have been practising zero-till, no-burn agriculture. Some of them were recent converts. Two of them were cultivating large tracts and had bought Happy Seeders. (Contrary to reports, they are not expensive. They cost about ₹1.5 lakh each, and can pay for themselves in two seasons if used for six-to-eight hours a day). Others were hiring them from centres which were supplied the machines by company trusts as part of their social responsibility.

PAU VC Baldev Singh Dhillon says evacuation of straw from fields is fine for the time being to avert smoke from burning, but over time, the paddy straw must be managed in-field. The university's director of research, Navtej Singh Bains admits to teething troubles in no-till agriculture which, he says, would be encountered in any transition of technology. ML Jat, who oversees CIMMYT's 'sustainable intensification' programme in India, says apart from timely availability of machine, farmers need to be hand-held into adopting practices that go no-till, no-burn agriculture.

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They were dismayed over news reports and commentary that attributes the slight increase in stubble burning events this year to a 2009 Punjab legislation that prohibits the raising of rice nurseries before 10 May, and transplanting before a notified day in June. The law was enacted to conserve groundwater by stopping farmers from taking a summer crop of 'satt-hi' (meaning 60-day) rice after wheat harvesting and before the kharif rice crop. The law forbade transplanting before 15 June from 2014 to 2017. Last year it was 20 June. This year, following protests, including by the Akali Dal which had piloted the legislation when in government, it was pushed back by a week to 13 June.

The prohibition on early transplantation is meant to save groundwater which is depleting in Punjab, in some blocks at faster than the aquifer recharge rate. Farmers have adopted shorter duration rice varieties that need fewer number of irrigations and can be harvested earlier, leaving a longer period for wheat planting. The coverage of these varieties rose from 32.6% in 2012 to 81.9% in 2018, according to PAU surveys.

PAU says it is necessary to stick to the transplanting date of 20 June so that farmers do not revert to long-duration varieties that require more irrigation. The reprieve of one-week this year has resulted in just this: area under short-duration varieties fell by nearly 14 percentage points to 68%.

Persuading farmers to give up ingrained practices like ploughing, and practising straw-in-field planting takes time. The focus should be on expanding the adoption of no-burn paddy straw management technologies. Influential distractions can set back efforts in place for ground water conservation and sustainably managing air pollution from paddy cultivation.

LETTERS TO THE EDITOR

Citizenship law

Citizenship law holds the mirror to the face of today's India. It is predicated upon Hindu Right's core and central dogma that Hindus are entitled to be above others in India. It is not an overstatement to say that it is premised on the Orwellian notion that 'some people are more equal than others'. But then it goes against the principle of equality unambiguously affirmed in the Constitution. It sits ill with Article 14 of the Constitution. The Constitution affirms equality for all persons and does not differentiate between religions and religious communities. Phrases such as 'reasonable classification' and 'intelligible differentia' cannot rationalise a blatantly discriminatory law. To our profound sadness, the new law shakes the foundations of India as a secular democracy, and negates everything that the independence movement stood for. Sad to say, the wider society does not oppose the law passionately, but leaves it to those who would be directly affected. The protests in ethnic ally-diverse north-east triggered by the new citizenship law despite curfew, internet shutdown and army presence, are so 'organic' and 'spontaneous' for PM Modi to put the blame on the opposition. Put 'non-Hindus' in the place of 'non-Muslims' to understand how it is biased and unjust. It would seem that the Sangh Parivar takes it upon itself to target Muslims, for fear that Islam which is egalitarian and does not divide people on the basis of birth stands a fair chance of being embraced by more people of the lower orders. Self-serving Hindu revivalists who consider India as their fiefdom will do well to not forget 'Aryan migration' now conclusively proved by genetic studies. India should be able to do without modelling itself on Israel.

— G David Milton, Maruthancode

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The party that ruined the planet

Only way that either American democracy or a livable planet can survive is if the Republican Party as it now exists is effectively dismantled and replaced with something better

PAUL KRUGMAN

NYT

THE MOST TERRIFYING aspect of the US political drama isn't the revelation that the president has abused his power for personal gain. If you didn't see that coming from the day Donald Trump was elected, you weren't paying attention.

No, the real revelation has been the utter depravity of the Republican Party. Essentially every elected or appointed official in that party has chosen to defend Trump by buying into crazy, debunked conspiracy theories. That is, one of America's two major parties is beyond redemption; given that, it is hard to see how democracy can long endure, even if Trump is defeated.

However, the scariest reporting I have seen recently has been about science, not politics. A new federal report finds that climate change in the Arctic is accelerating, matching what used to be considered worst-case scenarios. And there are indications that Arctic warming may be turning into a self-reinforcing spiral, as the thawing tundra itself releases vast quantities of greenhouse gases.

Catastrophic sea-level rise, heat waves that make major population centres uninhabitable, and more are now looking more likely than not, and sooner rather than later.

But, the terrifying political news and the terrifying climate news are closely related.

Why, after all, has the world failed to take action on climate, and why is it still failing to act even as the danger gets ever more obvious? There are, of course, many culprits; action was never going to be easy.

But, one factor stands out above all others: the fanatical opposition of America's Republicans, who are the world's only major climate-denialist party. Because of this opposition, the

US hasn't just failed to provide the kind of leadership that would have been essential to global action, it has become a force against action.

And Republican climate denial is rooted in the same kind of depravity that we are seeing with regard to Trump.

As I've written in the past, climate denial was in many ways the crucible for Trumpism. Long before the cries of "fake news", Republicans were refusing to accept science that contradicted their prejudices. Long before Republicans began attributing every negative development to the machinations of the "deep state", they were insisting that global warming was a gigantic hoax perpetrated by a vast global cabal of corrupt scientists.

And long before Trump began weaponising the power of the presidency for political gain, Republicans were using their political power to harass climate scientists and, where possible, criminalise the practice of science itself.

Perhaps not surprisingly, some of those responsible for these abuses are now ensconced in the Trump administration. Notably, Ken Cuccinelli, who as attorney general of Virginia engaged in a long witch-hunt against the climate scientist Michael Mann, is now at the Department of Homeland Security, where he pushes anti-immigrant policies with, as *The Times* reports, "little concern for legal restraints".

But, why have Republicans become the party of climate doom? Money is an important part of the answer: In the current cycle Republicans have received 97% of political contributions from the coal industry, 88% from oil and gas. And this doesn't even count the wing nut welfare offered by institutions supported by the Koch brothers and other fossil-fuel moguls.

However, I don't believe that it is just about the money. My sense is that right-wingers believe, probably correctly, that there is a sort of halo effect surrounding any form of public action. Once you accept that we need policies to protect the environment, you are more likely to accept the idea that we should have policies to ensure access to health care, child care, and more. So the government must be prevented from doing anything good, lest it legitimise a broader progressive agenda.

Still, whatever the short-term political incentives, it takes a special kind of depravity to respond to those incentives by denying facts, embracing insane conspiracy theories and putting the very future of civilisation at risk.

Unfortunately, that kind of depravity isn't just present in the modern Republican Party, it has effectively taken over the whole institution. There used to be at least some Republicans with principles; as recently as 2008 Senator John McCain co-sponsored serious climate-change legislation. But, those people have either experienced total moral collapse (hello, Senator Graham) or left the party.

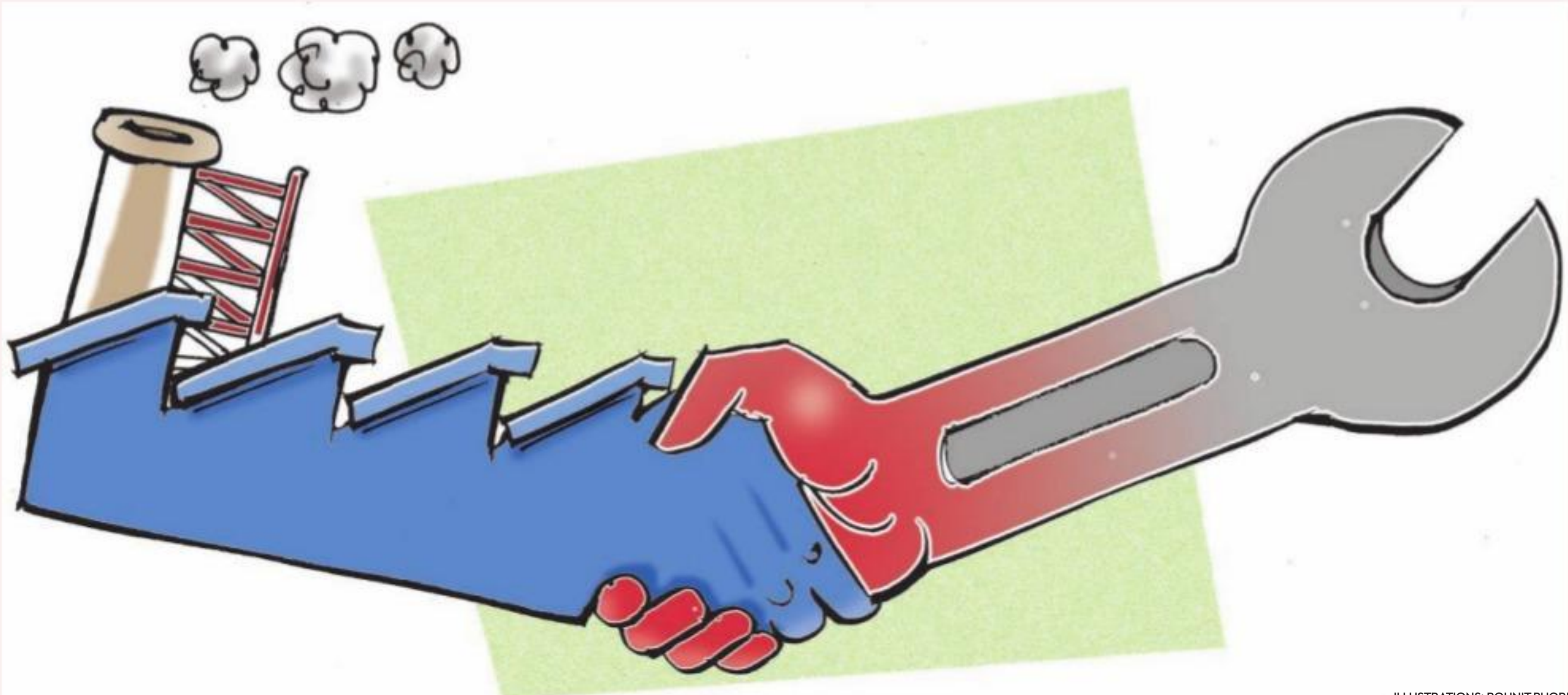
The truth is that even now I don't fully understand how things got this bad. But, the reality is clear: Modern Republicans are irredeemable, devoid of principle or shame. And there is, as I said, no reason to believe that this will change even if Trump is defeated next year.

The only way that either American democracy or a livable planet can survive is if the Republican Party as it now exists is effectively dismantled and replaced with something better—maybe with a party that has the same name, but completely different values. This may sound like an impossible dream. But it is the only hope we have.

The Code is confused, badly drafted, unimaginative, unrealistic, empirically ungrounded and most woefully lacks a perspective. It is a cut-copy-paste with minor and often mindless tinkering

INDUSTRIAL RELATIONS CODE

A poor balancing act



ILLUSTRATIONS: ROHNIT PHORE


THE INDUSTRIAL RELATIONS Code has sought to combine three laws, viz. the Trade Unions Act, 1926, the Industrial Disputes Act, 1947 (ID Act) and the Industrial Employment (Standing Orders) Act 1946 (Standing Orders Act). Lawmakers are justifying the Code on two major grounds, protection of workers' interests and promotion of ease of doing business.

Workers' Benefits

It is well-known that the average size of the factory in the organised sector has declined due to technological factors and organisational strategies (supply chain)—according to the Annual Survey of Factories data, the workers per factory declined from 59.71 during 1981-85 to 47.65 during 2013-16. The decline at the aggregate level is a significant indicator of the kind of fragmentation happening at the disaggregate levels. Unlike other Codes, which sought to widen the coverage of workers and establishments, this one largely retains the thresholds.

For example, the Standing Orders Act required the employers to frame 'standing orders' to eliminate discrimination in the conditions of employment and that Act was applied understandably to establishments employing 100 or more workers; this was the case at the initial stages of industrialisation in the late 1940s. Similarly, in the ID Act the applicability of the bi-partite forum, 'works committee' was pegged at 100 in 1947. These benign provisions should be made applicable to establishments employing at least 50, if not 20, after more than seven decades of law making. In fact, more workers' protective provisions are needed in the small and medium establishments as there is enough research evidence to show that the probability of presence of workers' voice rises/falls with the size of establishments.

The Code provides for recognition of trade union(s) for collective bargaining purposes. This reform has been pending for more than seven decades. But the good work is undone by unrealistic and unimaginative legislating. In the case of multiple unions, a union having 75% membership will be designated as the sole bargaining agent, failing which a negotiating council will be formed with constituent unions having at least 10% membership in the bargaining unit. By setting a stiff threshold of 75% membership for sole bargaining agent status, the law defeats its very objective of providing for it; either the lawmak-



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ers have no grip on the empirical realities or they are insincere about their noble purposes. Then, the law in fact enables multi-union and crowded (theoretically 10 unions in any firm) negotiating council. It fails to recognise the probability of a larger union say with say 33-49 % membership being treated on par with that having 10% membership. These will make union sector in a firm a battle ground, which

would ultimately lead to inefficient bargaining.

The Code wrongly claims that it has several adjudicating bodies like the Court of Inquiry, Board of Conciliation and Labour Courts, and provides for a single body, the Industrial Tribunal. First, the Court of Inquiry and the Conciliation Boards do not have adjudicatory powers in the ID Act. Second, providing for one forum, the Tribunal is not the solution that will address the concerns of the workers or the employers. Currently, the adjudication process suffers from two serious shortcomings, viz. absence of quick and efficient system of industrial justice delivery (which means time-based dispute resolution processes) and inadequate number of adjudicatory tribunals and officials proportionate to the workforce. Maybe it is time to revive the Labour Appellate Tribunal as the higher courts, the High Courts and the Supreme Court occupied with all sorts of litigations have unmanageable

workload. Judicial reform in the wide sense is the remedy and not just meaningless changes in nomenclatures. Apart from the aforementioned weaknesses, the tougher conditions for legal strikes (which include accidental mass casual leave), the lower status for collectively bargaining agreement as opposed to conciliated settlements and judicial awards in terms of their differential coverage weaken bi-partism.

Ease of Doing Business

Electronic compliance, where necessary, has been provided. But major concerns of the employers have not been addressed adequately. Despite the fact that none of the State governments notified the fixed term employment (FTE) reform carried out in March 2018 by the Central government, the Code has included it. The irony is that FTE benefits neither workers nor employers. Workers do not benefit because of absence of regulations on the contracts' tenure and the number of renewals.

In the absence of recognition laws, tougher employers could slug it out wearing out contesting militant trade unions. Now they must contend with a crowd of trade unions lest they will be hauled up under the Code

Workers fear that they will be permanently temporary and live on the mercy of the employers as they cannot unionise for fear of losing renewal prospects. For the employers, FTE is far costlier than contract labour in many ways. For example, they apart from higher monetary costs, increase the transaction costs of cycles of renewals and the monitoring and disciplinary costs (being their direct employer). Fur-

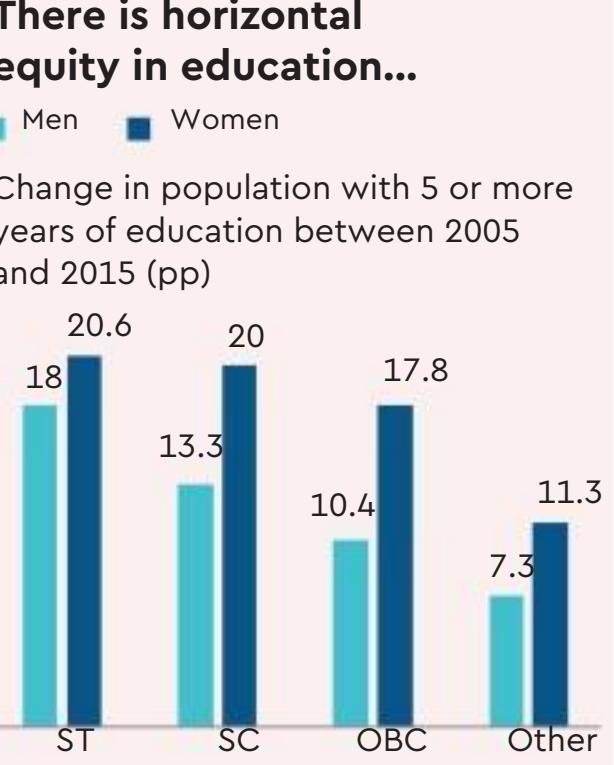
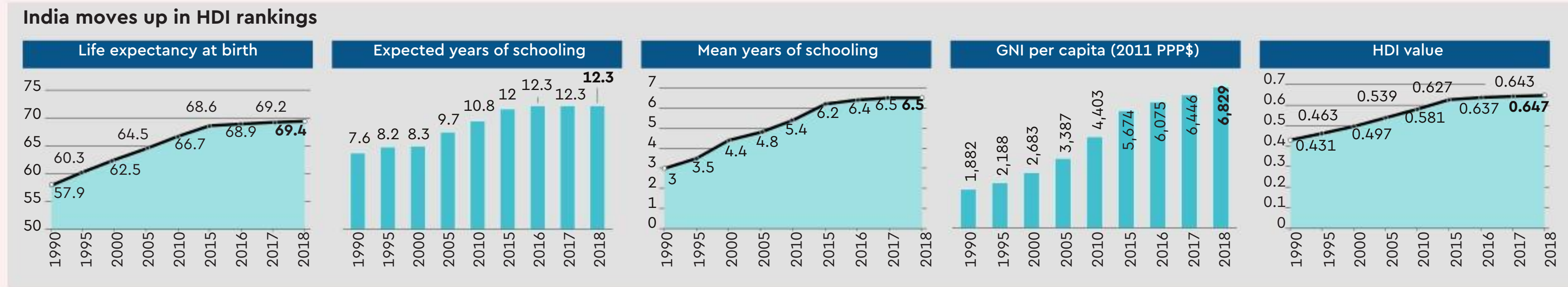
ther, when more flexible and easier options are available, the principle employer is least incentivised to use FTE. Finally, who is going to supply skill-ready FTEs to the employer?

The threshold with respect to retrenchment of workers and closure of establishments has been left untouched in the Code despite loud demands from the employers for relaxing them or even doing away with them. Though the Code has a provision to have it changed through executive order by the appropriate governments. This will not inspire the confidence of the foreign investors. Assuming that regional governments relax the thresholds, flight of capital will have to take place and they have tremendous costs (land, labour, legal, tax, etc.). What is the guarantee that the state which relaxes exit threshold scores high on other aspects of ease of doing business. Assam and Jharkhand should be securing higher foreign direct investment, but do they? Further lobbying costs for employers will increase as the lobbying centres are equal to the number of regions and not just the central government. To the foreign investors, the legal map of Indian sub-continent will be frightfully crowded and confused. Reform at the federal level will create a level playing field and remove uncertainty on this front. Adding to their unease, apart from tackling separation costs, they have to cough up money to the reskilling fund. So the state has cleverly shifted three primary costs on to the employer, viz. the skilling, unemployment allowance and social security (gratuity cost to contract labour is threatening them!)

Finally, everyone knows that most strikes in India are indeed illegal, and no punitive action can be taken by the government for fear of backlash unless judiciary flays the erring parties. They hoped for clarity, on the recognition front, so that efficient collective bargaining could be conducted. Now, the poorly drafted reforms concerning recognition have dashed their hopes. In the absence of recognition laws, tougher employers could slug it out wearing out contesting militant trade unions. Now they must contend with a crowd of trade unions lest they will be hauled up under the Code!

The Code is confused, badly drafted, unimaginative, unrealistic, empirically ungrounded and most woefully lacks a perspective. It is a cut-copy-paste with minor and often mindless tinkering. So it pleases neither the Labour nor the Capital!

DATA DRIVE



Inequality impedes development

INDIA, THE UN's new Human Development Index report highlights, has bettered its position over the last ranking by one spot, ranking 129 out of 189 countries. Although the jump comes on the back of improvement in life expectancy and per capita income, expected and mean years of schooling have remained constant for the last three years. The report highlights the problem of rising inequality in the country. India's rankings do pale in comparison with the BRICS and neighbours like Sri Lanka—these economies are moving much faster. More important, income inequality has been rising in India over the last decade. The country has done better on the issue of horizontal inequity. For instance, data highlights that there is a convergence of educational attainment, with historically marginalised groups catching up with the rest of the population in the proportion of people with five or more years of education. Similarly, there is convergence in access to and uptake of mobile phones. But this difference has increased in terms of access to computers. With UN revising its methodology to capture more data—there are no revisions suggested to HDI—India would do well to address inequality, especially as new challenges emerge in an increasingly tech-driven world.

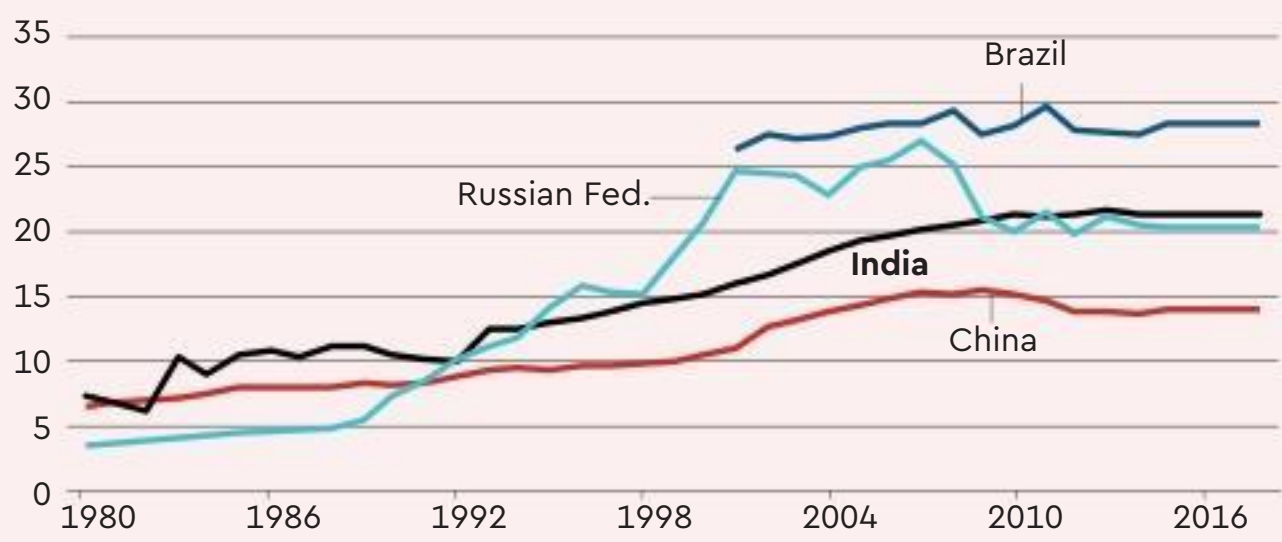
But the country still performs worse than its counterparts



A comparison with BRIC

Country	2000-2018				2007-2018			
	Avg. income growth (%)	Bottom 40% growth (%)	Difference between income growth of the bottom 40% and average income growth (pp)	Top 1% growth (%)	Average income growth (%)	Bottom 40% growth (%)	Difference between income growth of the bottom 40% and average income growth (pp)	Top 1% growth (%)
Brazil	5	20	14	16	-3	3	6	-2
China	361	263	-97	518	138	135	-3	117
India	122	58	-64	213	68	41	-27	78
Russian Federation	72	121	49	68	6	35	29	-20

Inequality has been rising

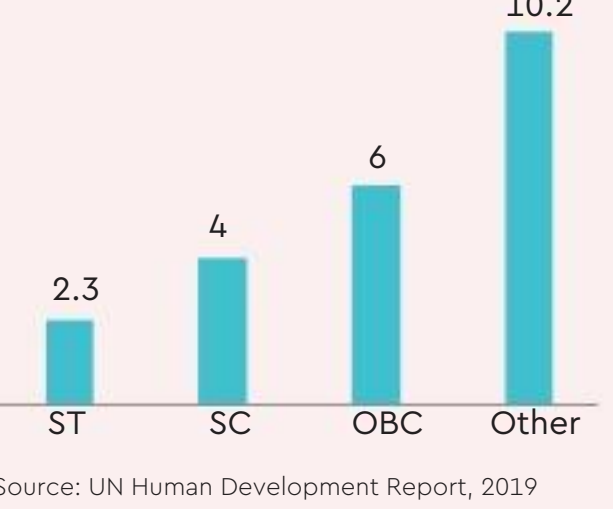


... but not in technology

Mobile, change between 2005 and 2015 (pp)



Computer, change between 2005 and 2015 (pp)



Source: UN Human Development Report, 2019