

In India, washing machines top computers in popularity

65% of Indian households own a television, while 29% own a refrigerator, according to the ICE 360° survey



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NEW DELHI

In his 2010 best-selling book, *23 Things They Don't Tell You About Capitalism*, Cambridge University economist economist can see computers everywhere but in productivity statistics.

Households from at least one large developing country may be partly vindicating Chang's thesis by purchasing washing machines in far greater numbers than computers. Fresh data from a large-scale nationally representative survey conducted this year shows that the washing machine has become a more popular household asset than the computer in India. The Household Survey on India's Citizen Environment & Consumer Economy (ICE 360° survey) shows that 14% households own a washing machine while only 6% own a computer or a laptop. The survey covering 61,000 households is among the largest consumer economy surveys in the country.

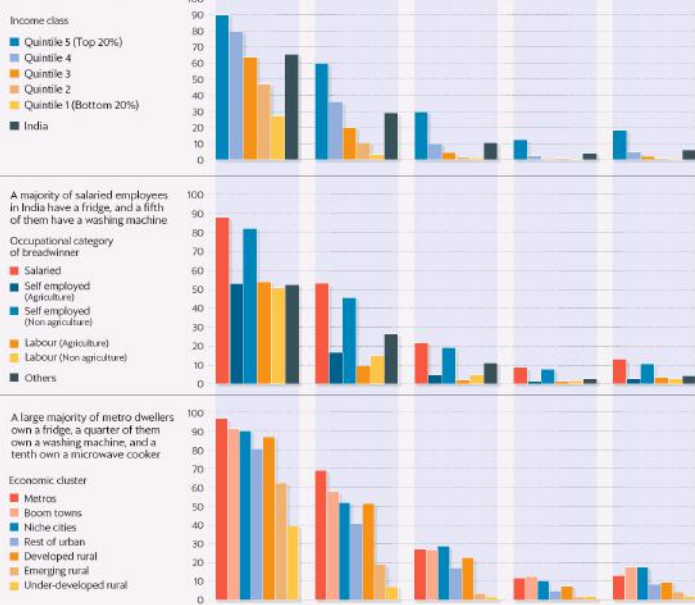
The survey shows a drop in the proportion of computer-owning households compared to the 2011 census, when nearly 10% households reported having either a computer or a laptop the census did not report data on washing machines. The ICE 360° survey also shows that 10% households reported having an Internet connection, 1% lower than the proportion of households with a washing machine. But the proportion of households with at least one household member reporting accessing the Internet (including those who accessed the Internet at work) is significantly higher at 22%.

It needs to be kept in mind that while the 2011 figures were based on a complete census, the 2016 figures are estimates based on a survey and hence need to be interpreted with greater caution. Nonetheless, estimates such as these based on a nationally representative survey usually provide a fair sense of the direction of change, even if they underestimate or overstate the pace of change because of sampling errors.

One big reason why the computer or laptop seems to be losing popularity is the rise of Internet-enabled mobile phones, through which most

Household assets

As TV becomes a mass market product, the refrigerator is today the new aspirational product for Indians. A majority of the top quintile owns a fridge. Nationally, a little less than a third of the households own a fridge.



Graphic: Ahmed Raza Khary/Mint

ICE 360° Part 9

people in India access the Internet today. Nonetheless, the popularity of washing machines over computers in the land of information technology is surprising. Whether this eventually leads to gains for women in the job market remains to be seen. Other countries with slow increasing adoption of household appliances and a jump in female labour force participation rates in the industrialized world also had widespread access to amenities such as piped water, which nearly half of Indian households lack (*bit.ly/2gR3RC*).

The survey also shows that a large majority of Indian households own a TV today. The 2011 census had shown that 17% households have a TV set. That proportion has increased to 65%, according to the ICE 360° survey. As TV becomes a mass market product, the refrigerator may be

turning into the kind of aspirational product that the TV once used to be. A majority of the top quintile owns a refrigerator. A majority of the salaried class also owns a refrigerator. Nationally, 29% households own a refrigerator.

The ICE 360° survey was conducted by the independent not-for-profit organization, People Research on India's Consumer Economy (PRICE), headed by two of India's best-known consumer economy experts, Rama Bijapurkar and Rajesh Shukla. The urban sample of the survey is comparable to that of the National Sample Survey Office (NSSO) consumer expenditure survey conducted in 2011-12.

While the NSSO surveyed 101,651 households, of which 41,968 (41.3%) were urban households, the ICE 360° survey covered 61,000 households, of which 36,000 (59%) are urban households.

The rural sample of the ICE 360° survey is less than half of the NSSO

sample. Nonetheless, all the estimates of each region have been derived by adjusting for the respective population of those regions.

A notable feature of the ICE 360° survey is that it is representative at the level of economic clusters. Urban India has been divided into four clusters: metro (population more than 5 million), boom towns (2.5 to 5 million), niche cities (1 to 2.5 million) and other urban towns (less than 1 million). Based on a district development index, rural India has been subdivided into three different clusters: 'developed rural', 'emerging rural', and 'under-developed rural'. The first category includes districts such as Bahadur (Uttar Pradesh) and Kangra (Himachal Pradesh). The second category includes districts such as Latur (Maharashtra) and Kamrup (Assam) while the last category includes districts such as Kalamandi (Odisha) and Bastar (Chhattisgarh).

The survey shows that metro-dwellers are most well-endowed with household assets. Nonetheless, the penetration of consumer durables in boom towns and niche cities is roughly similar to that of metros. The proportion of households owning a refrigerator is relatively lower in boom towns and niche cities compared to metros but the proportion of households owning a computer is relatively higher in boom towns and niche cities. The survey also shows that the penetration of consumer durables is greater in developed rural areas than in smaller urban centres (classified as 'Rest of urban' in the analysis).

Tadit Kamda in Mumbai contributed to this story.
This is the ninth of a 16-part data journalism series on how Indians live, think, earn and spend, based on the latest results from the ICE 360° survey (www.ice360.in) conducted by the People Research on India's Consumer Economy (PRICE) in 2016. The next part will look at how Indians access and use the Internet.

Trump ties One-China policy to cutting a better trade deal

BY NICK WADHANS
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WASHINGTON

US president-elect Donald Trump said his support for the decades-old One-China policy will hinge on cutting a better deal on trade and that other nations, especially China, shouldn't be deciding who he talks to.

"I fully understand the One-China policy, but I don't know why we have to be bound by a One-China policy unless we make a deal with China having to do with other things, including trade," Trump said in an interview with Fox News. "I don't want China dictating to me," he added, echoing his comment a week ago on Twitter, days after he broke with decades of protocol and spoke by phone with Taiwan's president in a move that prompted a Chinese protest.

Last week, he told a crowd in Iowa that China would soon have to "play by the rules."

The Republican threatened during his campaign to demand China's currency manipulator immediately upon taking office, and to slap 45% tariffs on its exports to the US.

The US is "being hurt very badly by China with devaluation, with taxing us heavily at the borders when we don't tax them, with building a massive fortress in the middle of the South China Sea, which they shouldn't be doing, and frankly will not help us at all with North Korea," he said.

The comments come after Trump's 11-minute phone call with Tsai Ing-wen in early December, the closest leader of Taiwan has come to getting formal recognition from Washington since the US established ties with the communist government in Beijing almost four decades ago.

The One-China policy is an acknowledgment that Taiwan and China are part of the same China, even if they disagree on what that means. China regards it as a best-of-both policy, not the bargaining chip that Trump suggested.

The Trump call, which helped Tsai draw global attention to the democratically-run nation, is seen as a significant move in the shadow of a rising China, may have been a first step to upending the balance, weeks before Trump takes office.



US president-elect Donald Trump.

REUTERS

Trump's comments are significant because, while he suggests the US wants to include the One-China policy as part of broader trade discussions, the government in Beijing considers the arrangement non-negotiable. In fact, Chinese leaders define Taiwan as a so-called core interest, with the view the island belongs to China and will never be independent.

"It seems pretty clear that Trump wants to use the One-China policy as a bargaining chip—the risk is real and present," said Wang Tao, head of China economic research at UBS AG in Hong Kong. "For China, there is no balancing of trade and Taiwan—Taiwan is considered the utmost core interest of China, not for bargaining."

The *Global Times*, a party newspaper, said in an editorial on Monday that the One-China policy "cannot be bought or sold." "It looks like Trump only knows about business and thinks everything can be assessed with a price tag, and as long as he's powerful enough, he could use force to buy or sell," the paper said. China should make Trump "hit some snags" to show him it's not "easy to bully," it said.

The policy worked out in the 1970s as president Richard Nixon switched formal diplomatic recognition to Beijing from Taiwan's Kuomintang government, which fled to the island during a civil war three decades earlier.

At the same time, China has been willing to allow Taiwan almost complete unofficial sovereignty. The US has sold billions of dollars in weapons to Taiwan over the years, while China's own trade with the island has risen steadily.

"For over three decades, Washington's interactions with Taiwan have been the most sensitive, contentious, and choreographed aspects of US-China relations," Derek Chollet, a senior adviser at the German Marshall Fund and former member of the Obama administration, said last week.

"The fact this call happened and the way it was reported out either reflects ambivalence or ignorance about that history—or maybe both."

China may use the phone call as leverage in talks with the US, he said. "They may use this as an excuse to find some way to respond to us, kill it or not. China unquestionably considers the years to come as an opportunity, when the US will likely be embroiled in domestic and foreign policies that will leave it more isolated in the world, so this move, whether intended or not, gives them a grievance to pursue."

Chollet added. **BLOOMBERG**

UK said to be planning to reduce student visas by half

London: The UK government is finalizing plans to cut annual student visa figures by nearly half, from the current 300,000 to 170,000, a media report said on Monday amid a sharp fall in students coming to the country from outside Europe including India.

Some university chiefs are also warning that many Indian students are already being denied visas on minor grounds as part of a wider move to cut immigration into the UK. "They are telling some students there is exactly the same quality of course available in India so why are you coming here. That is outrageous," a UK vice-chancellor was quoted as saying by the *Guardian* newspaper.

The move comes despite recent UK Office of National Statistics figures indicating there has been a drastic drop in students coming to the UK from outside Europe. **PTI**

Tax scheme for black money holders may be notified this week

New Delhi: The government is likely to notify this week the scheme giving tax dodgers another chance to come clean by paying 50% of tax on junked currency deposited in banks post demonetization.

The Pradhan Mantri Garib Kalyan Yojana (PMGKY) provided for 50% taxes and surcharges on declarations of unaccounted cash deposited in banks. Declarants also have to park a quarter of the total sum in a non-interest bearing deposit for four years.

The department of revenue will, by the end of the week, notify PMGKY 2016, which was a part of The Taxation Laws (Second Amendment) Bill, 2016 and was approved by the Lok Sabha on 29 November. **PTI**

Banks brace for rush after three-day bank holiday

Mumbai: As the banks remained shut for the third consecutive day on Monday and many ATMs continued to run dry, it caused further inconvenience to people, who are already reeling under a currency crunch.

The banks are likely to witness a rush of people on Tuesday, when the operations resume. The three-day long bank closure started from 10 December, as it was the second Saturday of the month, followed by Sunday. On Monday, banks were shut on the occasion of Mahanavami. Many people expressed unhappiness that even a month after Prime Minister Narendra Modi's announcement about demonetization on 8 November, the situation has not improved much.

"They say the government must take 'corrective steps' quickly. It is now clear that the idea of demonetization has failed due to lack of planning and execution. Many ATMs are still unable to dispense cash," a Mumbai-based businessman said. **PTI**

CBDT issues instructions for opening of previous assessment

New Delhi: In a relief to businesses, the income-tax department has instructed field officers to not open previous year's assessment of entities solely on the basis of increased turnover this year, on account of use of digital payment methods. In instructions to the assessing officers, the Central Board of Direct Taxes has clarified that the increased turnover this year cannot be the only reason based on which the assessing officer decides to reopen assessment on the premise that income has escaped assessment in earlier years.

It has advised assessing officers not to reopen past assessments only on the ground that the current year's turnover has increased. **REKHA NAR**

India's coal demand to see biggest growth globally: IEA

New Delhi: India's coal demand will see the biggest growth over next five years even as it slows down globally on lower consumption in China and the US while renewable energy sources gain ground, the International Energy Agency said on Monday. India will see an annual average growth rate of 5% by 2021 even as demand peaks in the world's top consumer, China, the Paris-based body said in a report. India's coal output rose 5.5% last year, it said.

"Growth in global coal demand will stall over the next five years as the appetite for the fuel wanes and other energy sources gain ground," according to IEA's latest coal forecast. But much of Asia will remain hooked on coal which, while polluting, is also affordable and widely available, IEA said.

The share of coal in the power generation mix will drop to 36% by 2021, from 41% in 2014, IEA said in the latest Medium-Term Coal Market Report, driven by lower demand from China and the US, with fast growth of renewables and strong focus on energy efficiency. **PTI**