

COVID-19
**GENOCIDE
WITHOUT
PARALLEL**

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Chronicles of 'Dragon' Let Loose
World Economy, Taxation & Vaccination

2021

Shailendra Kumar

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**FINANCE, PLANNING & PROGRAMME
IMPLEMENTATION MINISTER, PUNJAB**

Dated: 4th August 21

FOREWORD

It is said that there are decades when nothing happens. Then there are weeks in which decades happen. The nearly 10 weeks starting with the last week of March 2020 brought a steroid-like jump in scientific and administrative excellence across the world. All of this caused by a small virus 1/10000th the size of the period that ends this sentence.

Covid-19 made people embrace online classes, work-from-home, online medical consultations, electronic hearings in courts, e-commerce, digital payments, OTT platforms and other endless innovations and adaptations.

Tax Departments were equally in the forefront of change strengthening processes towards anytime-anywhere-anyone assessments, E-invoicing, QR codes, E-FAMAA (electronic filing, accounting, matching, audit and assessment).

The new challenge, quite ironically, is how to deal with the revised levels of cost-cutting and efficiency, some of which will transform economic and social life for ever. To that extent in many areas virus looks like vaccine.

The one short lesson from all of this: If you think like a finished product, you are finished. Think like an artist and carve out your initials on your work. Behave like a paranoid optimist.

In this backdrop, this Book, a compilation of weekly column of Mr Shailendra Kumar on TIOL portal, provides valuable insights to all stakeholders associated with the COVID-19 management. Apart from qualifying as a rich reference material on the issues, the book also deals with several geopolitical implications of the pandemic and also forecasts some of the futuristic events.

The views expressed by the author on several independent canvases such as geopolitics, taxation, global economy and vaccination are laudable and substantive enough to trigger more debates on the issues.

I am sure this book will find its well-deserved place in the library of all stakeholders along with his earlier book titled 'It's Raining Black' on the global issue of black money, corruption and money-laundering.


Manpreet Singh Badal
Finance Minister of State of Punjab

Foreword

There has been a lot of discussion about the COVID-19 and its causes and effects. No doubt, lots will continue to be written for some time. This is both welcome and necessary as different perspectives are needed. What is astonishing about this book authored by Mr Shailendra Kumar, is the range and depth of the coverage and the thought process and ideas it generates. A reader will get both a broad view and an incisive detailed analysis and will walk through time from the beginning upto mid 2021 as the story unfolds.

When I first looked aghast at the scenes in Wuhan in January 2020, all my experience of the bird flu etc in the Health Ministry activated my antennae. I looked for immediate global travel restrictions, which got late in coming, and had also suggested preparatory measures which may have averted the national lockdown and its horrendous consequences. I was horrified at the casual response of WHO which led to under preparedness, but also critical of response of other countries as well as in India. Therefore, a look at those lost crucial weeks or months is called for and what lessons it has for the next pandemic, most likely waiting in the wings. It also calls for greater study of the origin of this pandemic which the Chinese are desperately trying to stall. Was it natural or escaped through the lab? Was it a part of a deliberate strategy or just research to help being future ready? Does it have any connection to the especially muscular Chinese approach, domestically and globally since then? These issues the author discusses, and warns. Perhaps there is an urgent need for a global audit of all such research being conducted across the world.

The author discusses various aspects of the thoroughly inequitable impact on the global economy as well as on India. It is crystal clear that emerging and developing countries have suffered a severe setback even as the developed will recover faster. China has gained even more strength and leverage as it pursues its BRI initiative and makes more countries indebted to it giving a new meaning to its current imperial ambition of world domination. Could this add grist to the conspiracy theory? All these issues are well brought out. There is indeed a cause for worry.

The pandemic has hammered India in many ways. We have lost huge percentages of GDP. The Centre and States stare at huge fiscal and revenue deficits. Millions of people have slid back into poverty and they are not easily or quickly going to come back above the poverty line. While it has become fashionable to discuss the numbers above or below this imaginary line, the level of distress of both is unimaginable. Clearly the poor have lost much more than the better off, particularly the salaried. How does one explain in simple terms the fragility of the economy and the pain of hundreds of millions of people with the best ever showing of the stock exchange? India is already amongst the most inequitable societies. This divide has only become bigger, more spread out and clearer. The declining parameters of nutrition captured in the

global hunger index and the latest national health family survey are indicative of a huge swell of poverty and its various ramifications. All this will require a very well conceived economic policy, including ‘out of the box ideas’, thoughtful resource mobilisation (without the maze of the GST or the opacity of the PM Cares Fund) and demand creation packages carefully implemented over a period of time in the best spirit of co-operative federalism. Unfortunately, the pandemic has heightened tensions in the federal structure. There is a lot of discussion on these issues.

The pandemic, together with the new found Chinese aggressiveness, especially against India, has brought right into the open one fact, well known, but somehow never seriously discussed. This has been the amazing contradiction of one country increasingly, and overwhelmingly, becoming dependent upon critical supplies on another which has over the last decade worked against us in every area of our critical national interest. Perhaps this is a story which is yet to be told fully, and it must. Some elements are discussed here, but it may excite further curiosity to the inquisitive mind of the author. In solar energy about 90% of capacity created is based on imports from China and we are hundred percent dependent upon them for ingots and wafers. On active pharma ingredients from China the pharmacy of the world has become critically dependent. Do we want to continue to be a trading nation? When, and how, will we become a manufacturing nation and become ourselves an active player in the global supply chain system. This will require many fundamental changes - in our research laboratories and the research itself; in develop the DNA of technology development; in connecting higher education with industry; in retaining our best techno HR talent from going abroad. There are many lessons to be learnt from the China. These aspects have also drawn the attention of the author and the issues need much more intensive debate, and purposeful incremental action, across the board. *Aatma nirbhar*, which is a packaged self-reliance of old, will not succeed otherwise. Each sector, each product, each institution needs analysis and change.

Vaccination has been both a big success and a big failure. The fact that the world could so quickly produce effective vaccines is almost miraculous. However, its roll out has been poor, almost everywhere. Why that happened must be studied to learn from mistakes. Unfortunately, we failed in India too. In an article in September 2020, I had suggested many things including investing in the production of vaccines like the UD did in operation warp speed. Subsequently, the vaccination policy itself became a problem, whether it was availability, price or responsibility given to state or to the private sector. We lost valuable time. By June end we should have vaccinated more than 500 million people (double dose equivalent). There are also other issues like the inequity in the vaccine distribution and our unfortunately laudable but somewhat failed vaccine diplomacy. The poor world needs India produced vaccines (though this time the price seems high) just as it did for AIDS/TB drugs. Two other international issues have come up. The world yielded space for faulty and self perpetuating Chinese vaccine diplomacy (In Nepal the price got leaked in end June although the country had to sign

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a non disclosure agreement) and a vaccine nationalism which unhesitatingly placed the developed world interests first. That is not a good augury for promised financial and technological aid promised for years in the climate change debate. All these issues are discussed.

The reader will find more enlivening discussion which will force one to think hard about the important issues of the day. Going through this book will be refreshing, challenging as well as illuminating. We need more such writings and more continuous blogs from Shailendra which you should look out for.

Deepak Gupta

IAS, 1974 Batch

*Former Chairman of Union Public Service Commission &
Former Secretary to Government of India*

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9th August, 2021

Foreword

Shri Shailendra Kumar's offering on COVID-19 pandemic is topical, timely and analytically rich. It targets an audience beyond his regular readers who has benefitted from his regular columns on his 'Tax India Online' (taxindiaonline.com) portal right from the beginning of the pandemic on the enfolding crisis and its impact across different sectors. The impact globally has been of a kind not seen since the Spanish flu on the early 20th century. Even then the globalisation was much restricted compared to now. As we have witnessed over the last 18 month no sector of the economy - financial, monetary, fiscal and real - escaped the adverse fallout.

Shri Kumar covers in this pioneering work the origins of the Pandemic, its pervasive impact on the global economy and trade, the responses of the governments. In particular he covers a wide range of issues related to the Indian context in terms of economic measures, welfare and health. He succinctly analyses the health crisis, livelihood issues and vaccination. The various threads of the economic response - fiscal policy, taxation and trade - are woven into a policy response framework. Complex fiscal federal issues such as GST and taxation have been dissected to highlight the challenges of both response and recovery.

The pandemic is not yet over the sceptre of the third wave hangs on the incipient economic recovery taking place. The detailed analyses and suggestions contained will be useful for policy makers as we moved forward towards restoring growth to its normal trajectory.

I wish success to him in this endeavour.

7/9/21

(Ajay Narayan Jha)

Praise for the Book

Shailendra has written a veritable thriller on the origin and public policy implications of the Covid epidemic. Gives valuable information about the 'lab leak' theory without condemning the Chinese Communist Party for its irresponsible and poorly controlled forays into 'gain of function' and biological weaponry. A case could perhaps have been built up for asking China to vacate its permanent seat in the UN Security Council as it has failed in its moral obligations of 'reasonable care' towards international security.

Mr Arvind Kumar Awasthi

Former Deputy CAG

COVID-19 : Genocide without Parallel: Chronicles of Dragon Let Loose; World Economy, Taxation & Vaccination by Shailendra Kumar is a running commentary of once in century catastrophe which started as a health problem but soon became a political and economic crisis.

I wrote a short commentary on SARS CoV 1 in 2003 in an English weekly and down played its importance as a health problem. Being a physician with research and publication interest in respiratory infection, I could not have done anything else. And I was correct as the flu of 2003 died down soon. After a few years it became part of routine flu vaccine. Many (I am also one of them) thought the same about SARS CoV2; that it is another viral infection which will be conquered soon. But it did not happen that way; and the rest is history.

This publication, I am certain, will throw light on a humanitarian crises brought about by a rouge nation, a floundering international organization led by an incompetent politician, ignorant right wing politicians and frail health systems both in public as well as corporate sector.

The pandemic has a few positives: the value of now disappearing public health, scientific temper in developing a vaccine in record time, human desire to overcome death and misery; and impetus to build a new caring society. I am certain the reader can add a few to the list.

Dr A B Dey

*Former Professor and Head, Department of Geriatric Medicine, AIIMS,
New Delhi*

Praise for the Book

COVID-19 is a black swan event! But Mr Shailendra Kumar's insightful book tells me that deadly pandemics are going to visit humanity more frequently at regular intervals! How to deal with them? He has offered a gaggle of geopolitical, political, policy, fiscal, administrative and enforcement measures to prepare India for Herculean challenges that lie ahead for us! It is a timely and early warning compilation which all stakeholders in our civil society would enjoy glancing through.

Dr Girish Ahuja

Chartered Accountant and Author

A blow-by-blow account of how Covid-19 impacted the Indian economy and the pace at which the government responded to it on the fiscal policy front. Written by one of the keenest observers of India's taxation policies, Mr Kumar's book brings out the many challenges and opportunities that the pandemic threw up for policy makers. It's a book that should enlighten both industry and the government.

Mr A K Bhattacharya

Editorial Director, Business Standard

Preface

THE hydra-headed monster called COVID-19, in scientific lingo SARS-CoV-2, put its devilish foot on this planet in the Chinese city of Wuhan in the month of November (Or, October?) 2019. As soon as the virus got the smell of varied 'scents' of humans, there was no stopping to its relentless transmission across the continents. It spread like incendiary-stoked wild fire! It demonstrated precociousness, enormous vigour and inherent pace, not seen during the Spanish Influenza about 100 years back! In less than 100 days it hopped to over two dozen countries and set up its camps, algorithmically by default, in wealthy and advanced countries and triggered unseen violent mayhem on an industrial scale! And the befuddled world mutedly watched countless body bags, pulverised healthcare system, walloped economies, pauperised tax kitties of governments and angst-ridden atomised existence of individuals!

The initial hesitancy to embrace lockdown, in fact, fed the appetite of the virus to strike harder, smite deeper and spread wider. Quick-footed and ravenous spread, *voila*, suited the coronavirus clan as rapid mutation is not only its self-defence apparatus but also a survival instinct. The more rapidly it mutated, much far virulent and scary its variants turned out to be. During the Second Wave and for some, the Third Wave, humanity unabashedly bent under the weight of physical fatigue, financial distress, emotional trauma of losing loved ones and psychological grief of being literally under 'house arrest' for an unaccustomedly protracted period.

The unfolding of once-in-a-century spectacle, many episodes are still unseen, initially coaxed me to stitch together every bit of history for the posterity and the communities of scientists, policy makers, public institutions and also the *vox populi*. In fact, when I heard about the horseshoe bat clan in January 2020, it activated the 'spike protein' in the curiosity zone of my cerebrum and, without dawdling time, I hunkered down to read more and more about the 'pole dance' being performed by the virus, first in Wuhan and then in New York. As I shadowed the evolution and the transmission of the virus, it was fast turning out to be a prescient event. By late February, I had a strong premonition that this acute respiratory syndrome, similar to the SARS-1 and the MERS, may roil mankind swingeingly!

As I could see the unseen virus sneaking into India much sooner than our health oversight agencies could have expected, I keyed my weekly column detailing how the GST Council which was to meet in the first half of March 2020, could at least discuss the broad contours of a tentative relief package for the already recession-bruised economy if the virus makes serious dents into socio-economic life of the nation. Unfortunately, the Council could not see what had seared onto my retina - a sort of *tsunami*!

Soon came an unforgettable Sunday, the '*Janata* Curfew' on March 22, 2020. It was a curtain-raiser event for a protracted lockdown announced by the Indian Prime Minister, Mr Narendra Modi, on 24th March 2020. What unfolded thereon in India and other

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parts of the world, were meticulously stitched together, regularly, in my weekly Column - The Cob(Web) - published by www.taxindiaonline.com. I unwittingly sailed with the wave like boats rise with the tide, and one fine day, I was in the ironclad grip of the virus! I had a few courageous bouts of hand-combat and exited its scary *chakravyuh* of infection - of course, visibly scarred. It was post-COVID syndrome that nudged me to write more about it. And what prompted me to entomb my Columns into a book was the random count which turned out to be more than four-dozen articles in the past 16 months - a book-size was almost there in my plate! My desire to piece together my columns in the shape of a book like my previous book titled "It's Raining Black - Chronicles of Black Money, Tax Havens & Policy Response", was whetted by my friend who is the publisher of this book - Mr Shreesh Chandra.

What further firmed up my resolve was a random google search to know more about what had happened during the Spanish Influenza; how did governments cope with the bullhorns; how did hospitals deal with the colossal tide of infected people; what sort of welfare measures were initiated by governments across the world; how devastating was its socio-economic and psychological fall-out on societies and many more tentacles of the horrid pandemic. Scant details convinced me that the regular chapters of horrifying history were not captured except for epidemiological details by some scientists. Keeping in mind the goal of providing cutting-edge insights to our political and bureaucratic leaderships, I embarked on writing each leaf of my Column containing researched inputs on policy measures - epidemiological, medical, social, economic, geopolitical, foreign trade and psychological - to help people survive this black swan event.

I could clearly see how the pandemic was going to upend the existing world order and reshape the future geopolitical coordinates and how India should respond to the fluidity? What scared me more was the crippling dependency of the world economy on autocratic China and how a parallel global supply chain may emerge in the coming years and what benefits may be binged on by India as an aspiring economy? My Column also sensitised the key fiscal bodies about the need to toy with out-of-box ideas to provide relief to the industry and trade and also common taxpayers, to buttress plummeting consumer demand so that economy rediscovers the lost momentum. Unlike many other books on COVID-19 I have focused more on the baleful effect of the pandemic on various legal and human rights of the common man and also how modern societies aided by technology may succeed navigating out of this 'endgame' and also build global institution to deal with the future pandemic!

This book contains eight parts and each Part is a bundle of few chapters dedicated to the well-deliberated themes. Part-I has four chapters largely enveloping the issues impacting the entire planet, the future geopolitical stability of the world, the threat of Third World War which may be fought in the cyberspace and how colossal economic stimulus packages worth USD 17 trillion give rise to a sort of 'Plandemic' during the peak of the pandemic period!

Part-II has four Chapters elaborately weighing the evidence culled out thus far on the hot-button issue of - The virus is a bio-terrorist or a lab-leaked or a lab-designed? The world is yet to swoop down on the 'Patient Zero'. It is vital to trace it so that the origin of the virus could be documented and adequate preventive measures could be taken to erase even remotest prospects of a future pandemic! It is equally relevant for the global leadership to either create a new Global Regulator or mandate the World Health Organisation with the task of regular audit of riskier research on dangerous pathogens. A time has come for mankind to keep a close eye on 'Gain-of-Function' Research projects if the world is to stymie decimation of all the developmental progress achieved thus far! Zeroing in on the origin is no less vital to develop an Early Warning System for the Future Pandemics!

Part-III shares an insight into quick shift in Chinese diplomacy from once-obscure to 'Wolf Warrior' mode as soon as the world began to talk about possible lab-leak of COVID-19. To distract the global attention from the origin of the virus, the Chinese leadership toughened its global posture and began to showboat its military prowess. A bunch of reckless actions taken by China clearly revealed its pre-meditated actions in harmony with its ravenous philosophy of territorial expansionism. Whether it was land, air or sea, its military PLA took a plunge in all directions and showcased its desperation to lock horns for tangible geopolitical gains.

Part IV of the book details how political leadership in many countries attached more weightage to the dollar value of the economy than the lives of their citizens and allowed the god of death to perform unrestrained dance as infections spread like wild fire! Many countries ran out of puff and critical drugs during the First Wave of the COVID-19. Ultra-right nationalist political leaders left their citizens to fend for themselves and even stepped out on streets against imposition of lockdowns! Only the low and middle income countries embraced lockdown as an effective vaccine against the Coronavirus. Millions of migrant labourers who were rendered jobless overnight, had neither money nor means to go back to their villages and lakhs of them bore the extreme shade of human trauma as a consequence. The Institution of State gloriously failed to discharge its constitutional obligations to look after the poor and the unprivileged.

Part V entombs the history of deep scars suffered by the global economy. Repeated lockdowns caused gargantuan devastation of the economic activities and disrupted the global supply chain of goods. The high-impact COVID-19 and its variants extraordinarily upended the vital metrics of the global economy and thereby gobbled up millions of jobs and pushed down the pole over 24 millions people who were once pulled above the poverty line in the last two decades. The pandemic has cost over USD 10 trillion to the global economy and the IMF estimates that the cost would pole-vault to over USD 22 trillion by 2025! And this is in addition to over USD 16 trillion spent by the world on different tranches of economic stimulus packages.

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Part VI talks about the impoverishment of fiscal kitties of the rich as well as the poor countries who were left with no wiggle room to play much with tax subsidies. The double whammy of allocating additional resources to combat the pandemic and also the need to cushion the sinking taxpayers to stay afloat against the rising tide of devastation, many countries tried to manage with the tax revenue in the gutter and a few opted for COVID-19 Cess or new levies. With economic activities hugely shrinking during the pandemic, it posed existential questions before the fiscal strategies to keep feeding the regular welfare operations of the governments across the world.

Part VII enlists the challenges faced by the governments across the world - how to accelerate the pace of vaccination programmes, the only long-term solution to end the pandemic. Since no supply chain for distribution of vaccines at a global scale existed earlier, it was a mammoth task for the global political leadership. What added new dimensions to the sticky problem was the vaccine nationalism which overshadowed vaccine diplomacy, initially undertaken by some of the countries, including India. The world is presently divvied up between jabs and jab-nots! And close to 100 countries are literally at mercy of the rich countries to donate surplus vaccines for their populations. The world needs 12 billion doses to jab over 60 per cent of global population but it looks a steep walk up the hill thus far!

And the last Part VIII captures the walloping fall-out of the Second Wave of the pandemic - a naked dance of the death god in many countries! Lakhs of people simply perished of the contagion. Mortuaries and crematoriums ran out of shelf space and people were forced to throw dead bodies in rivers as cremation costs turned unaffordable for the poor. Ill-preparedness of most governments got toxically exposed. Some of them paid huge political price and many suffered sudden drop in their approval ratings. For the health workers and hospitals, it was no less than an Armageddon - an apocalyptic experience! New variants emerged on the horizon and at one stage, it appeared that the entire endeavours to inoculate large swathes of population may come a cropper!

This book would not have been possible but for the support and persistent encouragement from many quarters. There are many adorable people I would like to thank for helping me finish this book. First of all, my friend and publisher Shreesh Chandra, who nudged me to undertake this project. His colleague Priyanka Srivastava, for her diligent participation throughout the editing process, deserves a special word of appreciation. I would like to thank his business partner, Vikesh Dhyani, for critical assistance at various stages.

I am eternally grateful to some of my mentors and well-wishers who never showed tempers and kept on motivating and guiding me with inspiring sangfroid! The 15th Finance Commission Chairman, Mr N K Singh's encouraging words continue to ring like temple bell in my ears! I must extend my gratitude to the Punjab Finance Minister, Mr Manpreet Singh Badal, who, despite his chokehold electoral compulsions, spared time to write the Foreword. In the same spirit, I must thank his Adviser Mr V K Garg

Preface

for never dampening my enthusiasm to do out-of-box things, including writing a book on the COVID-19. I would also like to profusely thank the former UPSC Chairman, Shri Deepak Gupta, who finished the Foreword even before I could elaborate the detailed plans! No words will be enough to thank the former Finance Secretary, Mr A N Jha; Mr A K Bhattacharya, the Editorial Director of the Business Standard Newspaper for untiring support; Dr Girish Ahuja being a philosopher and guru enlightening the thought process without a pause; Shri Arvind Kumar Awasthi, the Deputy CAG of India for being a regular source of encouragements and Dr A B Dey from AIIMS, silently keeping an eye on my Weekly Columns from scientific and holistic perspectives. Before I switch to my familiar turf, I would like to extend my special appreciation for the former CESTAT President and Director, National Judicial Academy, Justice Goda Raghuram, for his kind words and comments.

Back home from TIOL hive, I would like to thank Mr & Mrs Vijay Kumar, Mr D P Sengupta, Mr Sunil Achutan, Mr Rajnish Kumar, Mr Anand Kishore, Mr R Sridhar, Mr Shikher R Singh, Mr Devendra Mishra, Mr Mohan Shukla, Mr Rishabh Sawansukha, many friends from the IAS, IPS and the IRS; my other TIOL colleagues and also former colleague Mrs Vijay Ramachandran.

I received a regular nudge from my school friends and they deserve special mention here - Mr V K Singh, Mr Deven Lohani, Mr Jai Prakash Shahi, Mr Kaushal Pandey, Mr Sanjay Kumar Singh and the late Mr Gajendra Kumar Singh who also had a few hand combats with the virus before succumbing to its pernicious effects. I would also like to thank my professional friends - Mr Ranjan Pandey, Ms Shalu Misra, Ms Sapna Mishra, Mr Bagmi Dubey and Mr Krishna Ballabh Singh.

No words would suffice for the support received from my parents Mr S P Singh and Ms L P Singh and my wife and daughters - Ms Seema Singh, Shubheksha Singh & Sakshi Singh and my extended family members - Mr Ramnarain Singh, Mr Laxman Singh, Mr Lalan Prasad, Dr Jhulan Prasad Singh, Dr Satyaratan Prasad Singh, Mr Akshay Kumar Singh, Dr H K Singh, Mr Prithiviraj Manjul, Mr Suchit Singh, Mr Pinku Singh, Mr Alok Kumar, Mr Aadhaar Raj and Ms Nitu Singh.

My staff has supported me in several critical ways throughout the writing of this book and I would like to thank all of them, especially Bidya Sagar, Mukesh and Vijay Shankar.

Shailendra Kumar

Delhi

About the Author



Mr Shailendra Kumar is the Founder Editor of India's First PIB recognised Online Press - www.taxindiaonline.com popularly known as TIOL. He is recognized for his distinguished services of about 21 long years in the field of online journalism besides the 10 years of service in the Print Media (Newspapers). After completing his graduation in Economics (Hons.) from University of Delhi in the year 1987 and Post Graduate Diploma in Mass Communication from the Indian Institute of Mass Communication (Ministry of Information & Broadcasting) in 1990, Mr Kumar started his professional career with The Indian Express Newspaper in June, 1990 and then moved on to The Economic Times (in 1996) where he worked for more than five years. Mr Kumar has also completed his Bachelor's in Law.

As a financial journalist, Mr Kumar keenly observed the communication gaps in the economy and knew the solutions for sure. He laid the foundation of an umbrella tax portal (TIOL) for Direct as well as Indirect Taxes in the year 2000. He started the tradition of making critical tax rates-related notifications and circulars available free of cost to the industry and trade and thus ensured level-playing field for all business doing entities across the country. By providing information in simple and clear form to the taxpayers, he started promoting voluntary compliance with the tax laws. To protect the interests of the Exchequer he always brought to the notice of the policy makers and the taxmen the loopholes in law and also how to plug them.

Through his highly popular and respected Weekly Column 'The Cob(Web)' he has been sharing innovative and inventive ideas with the policy makers who have been generous enough to acknowledge his efforts on a regular basis. Some of the constitutional institutions have also been equally eloquent in acknowledging his efforts in making vital contribution to the process of law making.

In 2010, he developed www.taxindiainternational.com, India's first comprehensive portal on transfer pricing and international taxation. Having identified his contribution to the global Customs community, the World Customs Organisation (WCO),

About the Author

headquartered at Brussels, honoured him with a Certificate of Merit in 2012. Mr Kumar has also written extensively on Black Money since 2008 that assumed the shape of his book 'It's Raining Black' in 2015, which was launched by the SIT Chairman Justice M B Shah and Justice Arijit Pasayat.

Taking financial journalism to the next level, early in 2015, he launched another forum TIOL TUBE - India's first taxation Video Channel where experts of national and international repute join him for *manthan* on various policy issues, judicial developments etc.

In this backdrop Mr Kumar has been consistently contributing to the 'making' of the historic indirect tax reforms i.e., the Goods & Services Tax (GST). He has closely been pursuing the evolution of the Dual GST System in India and making implementable suggestions through his column since 2009. He is one of the very few private sector persons who has developed the expertise to understand and contribute to the making of the GST System which is about to be translated into a ground reality in India.

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PART I

**P3 + C2 - PANDEMIC, PLANDEMIC,
POLITICAL STRAND, CYBERWARFARE &
CLIMATE CHANGE**

Introduction

ALL ancient civilisations teach us - Life is longer and safer, legacy is durable and planet is sustainable only if mankind does not turn greedy, seedy and higgledy-piggledy and practises the art of keeping the planet cleaner, safer and protected! This is the nub of eternal life cycle on our 4.5 billion-year-old mother planet which never fails to nourish its offsprings of all species - humans, birds, animals, aquatic life and other reptiles and mammals! It has aplenty to feed all mouths provided a swathe of mouths does not become gluttonous and predatory! But, unfortunately, this is what a large component of humanity has turned into and the same now appears to be triggering a 'butterfly effect' over the most fundamentals of survival on this planet! Just before the COP26 Summit scheduled at Glasgow in the month of November, the Intergovernmental Panel on Climate Change (IPCC) Report has put serious question marks over the hitherto efforts and commitments made to keep global temperature close to 1.5 degree C above the pre-industrial level. It has called for sounding the 'death knell' on all fossil fuels - coal, oil and gas as it has projected that the world which today stands at 1.2 degrees C, may surpass the 1.5 degrees C level almost by a decade earlier than what was forecast in 2018. In other words, in place of 2040, the world is barely left with nine years to achieve what it intended to realise by 2040! Not time! Time to hurry! The clock is ticking much faster than our plodding geopolitical leadership! The COVID-19 is short-term but much bigger crisis is inching rapidly closer!

The world is indeed in throes of a quick and abrupt energy shift transition! All traditional sources of energy have to be quickly guillotined if the warming of the earth is to be kept close to 1.5C. Greenhouse emissions have to be gigantically cut and carbon neutrality has to be realised before 2045 if the consequences in terms of manifold rise in the death toll, like the COVID-19, are to be avoided in the near future. More than the pandemics, the climatic disasters are going to visit every country - just too frequently to inspire any life on this planet. A major part of the planet will turn parched. A large swathe of Pacific Ocean islands and coastal cities would either simply submerge or disappear in other territories on loan basis or get mortally pulverised and the expression survival would be losing all its meanings - Life with life, no fun!

The world has to wake up without a repeat of any other alarm clock! All key economies - the USA, the UK, the EU, China, Brazil, Canada, Australia and India, have no time to look for shelter or afford a siesta for a few hours! Carbon emissions have peaked - and, now fully established by the climate physical science, and renewable energy has to be discovered and produced to cut them to a low-use item sooner than any economist may like to recommend on the basis of cost-benefit

analysis! Yes, this does warrant fundamental-level changes but adaption without dawdling time is the nature of mankind for long-term survival. Laggards have apparently no place on this planet! And humanity ought to pay respect to the COVID-19 for a timely reminder for pile-ups of disasters in the making and also indicating how the world can save itself! A good number of countries have indeed reaped benefits out of COVID-19-induced lockdowns to cut their greenhouse emissions significantly but laggards and cribbers have always missed the bus!

What further makes things fiddly for this world is the discovery of the 'political strand' in the COVID-19 which is genetically trained to morph democracy into autocracy? Going by the worldwide violent protests in the wake of lockdowns and imposition of vaccination passes to access services of restaurants and nightclubs, a large number of countries have overnight acquired emergency powers to deal with the volatile situations. In the bargain, civil liberties and freedom of people have been put in the junkyards - at least for a few years, hopefully! As per various studies such as Freedom House of the USA and the Economic Intelligence Unit, over 80 countries have turned autocratic to deal with the situations stemming from COVID-19 crisis. Worse, in many cases, those which went to polls, embraced autocracy within a space of few months! In many democratic countries, the vox populi itself felt nostalgic about autocracy and showed desperation to get rid of what is globally known as democracy. A bad time lies ahead for all the forces of the world which strive to establish the rule of law - the dividing line between mobocracy and democracy!

Another sword of danger which hangs over the digital civilisations are the gigantic growth in the cyberwarfare capabilities of rogue states and non-state actors. The world is clearly splitting between those who cannot be stopped from practising cyber-espionage and organised cyber-attacks for reasons of geopolitical nature. In a rush to assume the mantle of global leadership, China is building its axis with Russia, Iran and North Korea to launch sustained fusillades of cyberattacks; extort private sector companies; thief sensitive data from the competing and rival governments and steal a march over democracy by a ruthless autocratic political system. I have touched many more aspects of all the scourges which afflict the world economy and our planet today. I have also provided a window to assess how the pandemic has been turned into a 'Plandemic' by fraudsters who have taken undue advantage of once-in-a-century state largesse in the form of over USD 17 trillion economic stimulus packages worldwide.

Chapter 1 deals with how humanity which was expecting a tapering plan to exit from the grip of Delta variant, ends up having a hand-combat with 1260 times more viral-load; how COVID-19 has come as a grim reminder about our planet falling victim for a long-haul war of attrition - The Climate Change!; How many posh parts of the world is being reduced a 'fireball' such as California, Turkey, Greece, Italy and Australia; how 'bush fires' in Australia during the pandemic period triggered localised stratospheric ozone-hole which in turned has cooled the climate and rendered the UNESCO-protected Great Coral Reefs Barrier as wasteland; How many large countries

have been coping with increased frequency of climatic disasters even as the pandemic continues to hold major part of attention; How on the eve of COP26 at Glasgow in November, the UN Report has described the worsening planetary position as 'Code Red' for humanity; How Britain took advantage of COVID-19-induced lockdowns and shut down its once unimaginable coal-fired four power plants and thus fulfilled a major part of its greenhouse emissions reduction target as per the Paris Agreement; How the Biden Administration is trying to cope with the pandemic and the equally urgent crisis of climatic change hurting the US economy; How China continues to see 'RED' in UN-sponsored carbon neutrality targets and is keen to build as many 60 more coal-fired power plants before it may resort to any tapering plan and how India has braced up to meet its own carbon reduction plans notwithstanding its low carbon consumption per capita and burning aspirations for faster economic growth and what wise leadership should do, under the prevailing circumstances, to spend now and reap the benefits later - a compulsion of sort to deal with such crises!

Chapter 2 deals with how global leaders viewed the onset of COVID-19 as a brief historical curiosity but it continues to take toll of over 8000 human lives even now and continues to be a puzzler; how it has turned out to be a more cumbersome riddle for political scientists who may identify a 'political strain' in the virus; does the virus promote cronyism, autocracy and mobocracy?; Is the pathogen genetically designed to be anti-democracy?; Rising spasms of protest against lockdown restrictions and mandatory vaccination, particularly in democracies, indicate that the virus has clearly gone beyond the canvas of public health crisis; it has upended politics in many continents and democracies are struggling and calling in Army to enforce lockdown curbs; the Virus has become standard pretence for democrats to turn despots overnight; in some large democracies ultra-rightist Presidents are finding fault with voting machines or overtly manipulating election results; Democracy has indeed become a system which low-income country cannot afford; it is now established that it is closely linked to high living standards and high economic growth and this is what, about 2000 years ago, political philosopher Plato had observed and forewarned about how it may degenerate into mobocracy which was watched live when Trump supporters attacked the Capitol on January 6, 2021; how the pandemic has accelerated the backslide of democracy; A Washington-based Freedom House Study finds that the quality of democracy and respect for human rights have plummeted in as many as 80 countries during the pandemic period; Another study done by the Economist's Intelligence Unit finds that only a bit over 8% global population live in democracy and over one-third in autocracy; how pandemic has proved that globalisation has not spurred democratisation movement in the world; though the pandemic may end in the near future but the reversal from autocracy to democracy may run a marathon for decades.

Chapter 3 deals with the intensifying tug-of-war over the elusive origin of COVID-19 and how it has dialled up the geopolitical temperature; Why didn't China cede to WHO's fresh appeal for second phase of investigation and how this issue along with many others figured prominently in the Sino-America bilateral talks at senior diplomatic plinth; how skirmishes for the global superpower mantle between China and

the US paving way for a covert war in the cyberspace and how Taiwan is being treated as the rope in the on-going tug-of-war; how the third World War is going to be fought in the cyberspace and China has been ramping up its digital infrastructure for firing 'cyber explosives' targeting critical infrastructural installations in the West and how its allies such as Russia, North Korea and Iran may scale up a fusillade of cyber-missiles at civilian as well as military digital assets; how much girded is the US-led camp to face such a war and what more needs to be done to score over the rivals and how much prepared is India - one of founders of the Quad and what more needs to be done to protect the rapidly digitalised Indian economy.

Chapter 4 underlines that the US and the UK may relish the joy of taming the beast but 'independence from the virus' is far off!; COVID-19 related frauds assume proportions of worldwide 'Plandemic'; fiscal elitism costs dearly to the UK - frauds of over USD 27 billion on the cards; frauds relating to the Furlough Scheme may shore up a total loss to over USD 60 billion for the UK; small businesses defraud US Treasury to the extent of over 500 million; how cyber bandits cloned genuine websites to con a German state for fake supply of masks and how Interpol managed to freeze the funds before they funnelled to Nigeria; fraudsters, in the name of South African Central Bank, collect door to door banknotes, supposedly contaminated by the virus; how fake websites tried to take over 2.5 lakh people by offering the EU Digital Vaccine Certificates; Indian con artists organise vaccine camps to inject saline water in arms in several metros; How fraudsters ditch COVID-19 patients and their kin after collecting money for supply of oxygen cylinders and drugs during the second wave; and the global trend of rising curve of frauds indicates that regulators need to brace themselves to combat sudden surges in corporate frauds in view of walloped business sentiments across the world.

Chapter 5 highlights the unstoppable nature of the virus which continues to devastate a select few geographies even though it was the buffer period between the two Waves of Infections; how humanity frets about the loss of multilateralism when it was needed the most to deal with the global disaster; the High-Level Independent Panel for Pandemic Preparedness and Response which was set up by G20 in January 2021 forecasts how the world may be washed by three possible pandemics which are almost knocking at the door and even if the next pandemic comes after some years, the costs to governments in terms of additional investments in prevention would be 10 to 25 times of the present costs of preparedness; the High-Level Panel Report stresses on ability of the world to prevent the next pandemic provided USD 75 billion funds are provided over the next five years to build a new preventive system and health spending is hiked by at least one per cent of GDP by low-and-middle income countries; Special allocation of USD 15 billion annually to be spent on building globally networked surveillance and research and the Report also suggests that IFIs like the World Bank and the IMF may be mandated to provision for such funds and the work needs to be started without losing time.



1

Accidental Benefits of COVID-19 - Get a Handle on gorilla-sized Dirty Fuels!*

NOTWITHSTANDING a flawed and utterly selfish jabbing drive plodding in a higgledy-piggledy fashion worldwide, humanity had genuinely expected after a year and half that the time for clambering out of the COVID-19 trench was much closer! However, anti-vaxxers and highly-discriminatory anti-poor global vaccination programmes embraced by the G-7 countries have done a tangible quantum of damage to the planet! Delta has rudely hit COVID-19 taper plans with many wrinkles - and including in largely vaccinated countries! Global political tsars appear to have run out of gumption to retrieve people out of sinking and depressing panopticon of atomised existence! And, going by a global average of over seven lakh daily cases today, mankind cannot, even embarrassingly, expect Delta to be kind enough not to mutate and smack the world with a new dastardly variant! Of course, a feeling of 'Adronitis' for our scientists! But Delta will obviously do its intrinsic job - found to be carrying 1260 times more viral-load in noses of even vaccinated patients and putting them in queue with the unvaccinated! Time to brace up for a long haul, *plus ça change!*

Even as the world battles it out with the pandemic - being an incorrigible optimist, I hope that it may end by 2023, our planet has fallen victim for a long-haul, 'half-veiled', apocalyptic -but-looks-'cryptic' war of attrition with much deadlier scourge - The Climate Change - another calamity on our head! During the COVID-19 years of 2020 and 2021, the planet has literally turned into a scary, smouldering, golden rays-emitting 'fireball'! Live examples are the gluttonous Dixie Fire in California which has devoured the historic gold-rush township of Greenville and qualified as largest standalone fire on record, burning close to half a million acres and incinerating legacy townships. Greece, Italy, Algeria and Turkey have also joined the growing bandwagon of wildfire victims - thousands of people were literally seen gazing at sea! Nowhere to go! Looking around for shelter! The Greek Government has sanctioned an additional dole of USD 7100 as immediate relief.

Australia is a perennial 'bush fire' favourite which has suffered a chain of infernos in 2019 and 2020. It was more historic than COVID-19 disaster! Over 42 million

* TIOL – COB (WEB) – 776 AUGUST 12, 2021.

acres burned in an unprecedented outbreak of fires numbering 100 in New South Wales alone, which triggered lightning, plumes of smoky aerosols into the stratosphere and rendered New Zealand's glaciers brown with ash. Naturally, suffocating smoke killed hundreds of people! Scientific studies later found that the Australian smoke cooled the global climate and caused a far dangerous 'butterfly effect' than the drop in greenhouse emissions thanks to the COVID-19 lockdowns. Black carbon absorbs solar radiation and heats the atmosphere and it finally penetrated a 'localised stratospheric ozone-hole'! One of the collateral damages of the fires was a northward shift in the Intertropical Convergence Zone (ITCZ) which lent force to as many as record 30 Atlantic hurricanes in 2020 alone. Worse, these damages also adversely impacted the 2300-km Great Barrier Reef - a UNESCO-protected heritage site, which dialled up the political temperature in Canberra after the UN reviewers proposed to declare it under peril. Since it is a major source of tourist attraction, Australia has bought time till 2022 for a fresh review. A Study done in 2014 had pegged its social, economic and cultural value to the tune of USD one trillion. Though coral reefs cover barely 0.1% of the ocean floor, they nourish the highest biodiversity of any ecosystem globally.

Though the COVID-19 cannot be blamed for a conspiratorial hand in the growing pile-ups of debris of natural catastrophes which have recently upended lives in Germany, Belgium, the UK, China, USA, Indonesia, Mediterranean, Algeria, Italy, the Netherlands, Bangladesh, Nepal, India and Latin American countries but it is certainly a timely and powerful punch of reminder on the cheeks of all cheek-by-jowl politicians who have been bestowed upon such huge burden to save the world from destructive alternations! It is a long-term repair work and too many climate laggards are required to advance towards the unified goal of keeping the global temperature at 1.5 degrees C above the pre-industrial level! The UN Chief in his Intergovernmental Panel on Climate Change Report released for the Glasgow-based COP26 Summit, scheduled for November, has observed with ruffled emotions that the Report is **code red** for humanity! He appealed that the world ought to sound 'death knell' for coal, oil and gas which are destroying the planet. The Report also underlines that the 1.5 degrees temperature goal is all set to be breached by 2030 than what was earlier projected as 2040! No time to dawdle on any debate! What is needed is firm action! Obviously, it's time for politicians to get nervous!

And this is what many forward-looking countries headed by shrewd leaders who are keen to leave behind a rich legacy of a healthy planet for the posterity, have done during the pandemic period. Full credit goes to the pandemic for triggering massive slump in various life-threatening pollutants in the air. The air ambience quality had improved for all those who went for a protracted lockdown drill in 2020. Nitrogen dioxide levels, generated by machineries and internal-combustion engines, were down for most self-boasting economies but just a handful decided to convert an opportunity out of the pandemic crisis! Rather than cribbing about the fiscal deficit and the sinking economies, they decided to make themselves climate-proof.

And the most notable one is the UK. With the COVID-19 mandating strict lockdowns during the first and second phases of the COVID-19 Waves last year, the UK decided to do something which was never even imagined since 1882. It quietly shut down the remaining four coal-burning zombies and they would completely be dismantled in a couple of years. Britain will now never use coal to generate electricity! Thus, Britain took a jump-start in cutting its carbon emissions target by 44 per cent! Since 1990, Britain has made its cut in emissions 1.8 times larger than the EU. Germany, the factory of Europe, still continues to burn coal to generate one-quarter of its electricity. At the peak of the pandemic, the UK Chancellor, in his 10-point agenda for green industrial revolution, proposed to spend USD 17 billion on clean-energy heads. The one who made the launching pad for the UK to take such a decision was its former Prime Minister Margaret Thatcher who had neutered the coalminers' union in the 1980s itself - no more votary of carbon emissions! Britain also happens to be the first country in the world to pass a legislation - Climate Change Act, 2008.

A spark of similar vision is now seen in the Biden Administration which is fighting the Delta variant with the one hand but not losing any time to mitigate the long-term effect of Climate emergencies with his other hand. Mr Biden has not only brought America under the umbrella of Paris Agreement but also set 2050 as the timeline to meet his country's carbon obligations. But now, it is to be seen how he adapts his plan in view of the UN Report published on Monday where the clock is said to be ticking faster than the plodding global leaders. Mr Biden has tightened the rule-book for auto makers and increased the per gallon energy consumption. He intends to have about 35% of American cars being replaced by electric vehicles by 2030 - going to spend over USD 80 bn on EV charging infrastructure. He is keen to shut down his coal-fired power plants which still account for over 40% of energy requirements. He is equally firm to phase out fossil-fuels in most industrial activities and transport. He has risen to the pyramidal height of leading the global movement against decaying climate change.

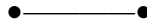
Let's now move to the real fossil-fuel and coal guzzler which is not too keen to phase out carbon emissions before 2060. Mr Xi Jinping is ambitious and does not want to reduce the pace of growth of the 'factory of the world'! He does not see highest point for its emissions before 2030. China turned highest emitter of carbon dioxide in 2006 and now accounts for over 25% of global greenhouse gas emissions. Coal is its key source of energy and it is building plants at as many as 60 more locations. It has a tapering plan starting only from 2026. Given the life-span of 40 years for an active power plant, it would take 2060 for China to realise the carbon neutrality. Its BRI Project also funds coal-fired power plants in poor countries. It's simple line of argument is that what the West has done in the past, China will do the same to expedite its process of developing its economy. This is where a deep-seated flaw exists in otherwise foresighted China which has concomitantly developed a massive solar and battery power markets besides huge nuclear power plants. In a big

way, it has also adopted green technologies to tackle air pollution in many cities. But geopolitical obduracy and blind rivalry sometimes neuter the sanity of a nation which knows that more dependence on dirty fuels would ultimately render the quality of life meaningless for its own citizens. The world is in deep danger and China which recently confronted unprecedented floods, blizzards, landslides, mudslides, wildfires, cloudbursts and lightning, knows for sure that no crisis is going to wait for it to catch up with the West in terms of economic prowess and then puncture its happiness!

Like China, India is the second country which has not yet submitted its Nationally-determined contributions (NDCs) to the kitty of carbon emissions reductions as obligated by the Paris Climate Agreement. And India has a kosher reason for not doing so! Unlike China which accounts for 2777 MTs of carbon per year, India stands at barely 714 MTs per year! India is another aspirational economy and also has a right to improve the living standards of its citizens. India is a little piqued about being compelled to commit more albeit its long-term carbon neutrality plan is almost in compliance with the long-term goal of the Paris Agreement. India has also advanced its plan to mix 20% ethanol with fossil fuels from 2030 to 2025 and it is going to cost it above USD 7 billion to set up refineries. It has adequately been subsidising sugar mills in this connection. Brazil did the same about 40 years back and it managed to cut its fuel import bills and also grow acreage of sugar production with higher productivity. India's unflinching focus remains on enhancing its renewable energy targets - solar and offshore wind power. It is going to enhance solar power capacity to close to 450GW by 2030. Since the COVID-19 has eaten its economy, it has not added any new coal-fired power plant in 2020. Yes, India is determined to improve its coal production and has involved private sector into it but it is unlikely to earmark coal for new power plants and may also embargo adding to its refining capacities for the dirty fuels. It has also been pushing for energy adaption strategies such as hydrogen-based and EVs for a large part of its national transportation networks. National Hydrogen Mission is about to be set up soon - a delayed project thus far! But, yes, given the latest urgency being drumbeat by the IPCC Report, India also needs to tweak its future energy roadmap so that it could not only meet its Paris Agreement obligations but also save its own people from repeated fusillades of natural disasters - floods in Kerala, MP, Bihar, UP, Karnataka & Maharashtra simply devouring lives and livelihoods.

To conclude, I am very sanguine that not alone India but all key economic powers in the world, including the EU, would soon rise to the occasion and prevent a 'gridlock' of climatic disasters which have been growing in number and frequency. Being on the shore of the Indian ocean, India is vulnerable to frequent high-speed cyclones; ruptures in its rainy season thanks to drastic change in the Atlantic Oceanic Patterns and fraught mountainous geographies which are highly prone to cloudbursts, mudslides and landslides besides incessant rains causing floods in virtually all the parts of the country including dry Rajasthan, India needs to look beyond the impassable Himalayas and make itself climate-proof as much as possible.

India also needs to realise that a major swathe of its population remains dependent on agriculture which has a very close nexus with Nature. Secondly, Indian agriculture is presently robust enough to feed the domestic population and also generate some surplus for exports. It would not be wise for India to compromise what exists in our bowls today for something which a modern India with gorilla-sized dirty fuels may achieve tomorrow. India like a foresighted ancient civilization also needs to remind itself that the spending comes long before the benefits. Let's spend on clean fuels and save lives of common Indians who have been dying in millions owing to environmental disasters. And the COVID-19 ought to be commended for showing us the rage of Nature and unmistakably forewarning us about what is in store if we continue to be as reckless and damnable as the world has been in the post-Second World War era! Time to reap the accidental benefits of COVID-19 & low-carbon is safe future for mankind!



2

Political Strain found in COVID-19! *Voila!* Is it genetically trained to morph democracy into autocracy?*

FOR many global leaders, the onset of the COVID-19 pandemic largely looked like a brief historical curiosity! Only now, after one and half years, they have realised that it is no less than an Arabian genie which is too difficult to be put back in a bottle! Looking at the official global tally of deaths, the gluttony of the virus appears to be unmatched - close to 42.5 lakhs thus far (unofficial tally is about 1.5 Crore)! The daily average of death count continues to be above 8000 and may soon peak to 11,000 plus once the Third Wave is ashore and goes amok in populous countries! For our scientists, it is a ticklish puzzler! *Sacré bleu*, it is no less than a riddle even for political scientists world over! What is called for is a meticulous examination of the ‘political strain’ of the virus if any! Looking at how the pathogen has violently upended politics across the planet, I am almost certain that the virus has irrefutably got its own set of political preferences!

How does political preference of the virus work? Does it ‘infect’ the genetic configuration of a rooted political system? Does a new variant bring in new elements of genetic cells in the body politic? Does it see a natural ally in Orwellian autocracy? Does it necessarily promote ‘chumocracy’ or cronyism? Does it also ignite dangerous embers of mobocracy? Going by the political hubbub, should one conclude that it is genetically anti-democracy? Or, retreat of democracy was already afoot even before the arrival of the virus? To find answers, it would be politicking on my part to provide you a glimpse of ‘political waves’ sweeping across all the continents.

Going by the sprawling tide of COVID-related protests against imposition of lockdown restrictions and vaccination-peddalling mandatory conditions, particularly in countries having democracy, the virus seemingly appears to be going beyond its canvas of public health crisis! Statistically speaking, the pathogen has been instrumental in inspiring mobocracy and autocracy in many parts of the world. Different studies of the years 2020 and 2021 reveal that the democracy has been in hasty retreat! Humanity may be praying for an elusive recession in soaring infections

* TIOL – COB (WEB) – 775 AUGUST 05, 2021.

but experts clearly see a rapid recession in democracy as a desirable political system. It has perniciously rolled upside down politics in Latin America, Africa, part of Europe, Central Asia, East Asia and also South Asia. Hot tears can be seen rolling down the eyeballs of political pundits supporting liberalism and human rights-tinged democratic systems. As against the chest-thumping autocracy like in China, Turkey, Belarus, Hungary, Poland, Myanmar, Middle East and Latin American countries which hurriedly withdrew individual's liberty granted by the rule of law and suppressed any sort of protest whatsoever against COVID-related restrictions and even mandatory vaccination, democratic leaders appear to be struggling to maintain even basic law and order in many geographies. Last Sunday, Australia felt compelled to call in Army to enforce lockdown restrictions in Sydney. The commercial hub of South Africa, Johannesburg, went into flames for several days as residents, fatigued by atomised existence under lockdown, turned into amorphous mobs and set ablaze markets and commercial premises after looting them. It took three days for the police and the army to restore sanity against the outburst of profanity!

Let's consider the example of Tunisia - the only tangible gain out of the tub-thumping Arab Spring movement, for the global democratic forces. Ten years after a self-immolation ignited the movement in the Arab world which largely continues to be under autocratic and dictatorship system, Tunisians today stand disillusioned with democracy. A large swathe, in fact, tends to feel nostalgic about the old systems of autocracy! The rising fury over the government's shambolic handling of the pandemic proved a perfect alibi for the President, a former professor of law, to snatch powers by suspending the Prime Minister and the Parliament. Peru is another example where democracy paved the way for a Community system. Brazil is another interesting case of decaying democracy. The ultra-rightist President first scoffed at the potential of the virus as an inconsequential 'little flu' and when more than five lakhs human lives perished and people began to demand his impeachment, he has launched a campaign against electronic voting system. Though the judiciary and the election commission in Brazil have not found any glitches in the voting machines but his humane gaffe machine has been working overtime! Close home, Thailand is another stark case. The rise in pandemic cases, swamping hospitals and only 5% population being vaccinated and conspiratorial denial of civil liberties prompted lakhs of people to launch spasms of protest which resulted in clashes with security forces. The Thai government has invoked *lese-majesty* charges against hundreds of protesters and prosecuted them in hundreds. The crown has virtually seized absolute powers and only a pretence of civil liberties exists today!

As surges in infections tanked the economy and walloped the public health system, France recently decided to make vaccination mandatory for availing various public utility services and also visits to restaurants and nightclubs. Over two lakh people across the country were on the streets last Sunday. The cases are no different in Myanmar, Venezuela, Central Asia, Eastern Europe and a large part of Africa where people, stung by joblessness and lack of food, have revolted against the governments and the so-called 'democrats' grabbed the opportunity to turn despots

overnight! They locked the opposition politicians in their houses and debarred them from contesting elections. In many countries, they postponed polls in the name of pandemic and smaller countries simply failed to afford democracy.

Clearly, democracy may emerge as a viable political system only if it goes hand in hand with the rise in living standards and economic growth. Low national income of a country can, at best, afford only a dictator and that is how we have a litany of dictators in most parts of the world today. Even emerging economies such as Malaysia and Thailand have failed to embrace full-fledged democracy. The ruling elite in Malaysia has been refusing to call in a session of the Parliament on the excuse of rising COVID-19 infections in the country and the Opposition has been sitting in protest for too long! Let's not forget what happened on January 6 at the Capitol Hills in America. The ultra-nationalist President did not only decline to admit his loss at the hustings but also allegedly instigated teeming mobs of unruly supporters to launch an insurrection, disguised by legitimate ructions against electoral jiggery-pokery! And the mobs, what they are genetically known for, perpetrated unquantifiable bouts of mayhem on the Congress building!

Though the Biden Administration has managed to restore a sense in the prevailing poppycock political environment but this sort of mob attacks takes us back about 2000 years when ancient political philosophers used to warn that given a chance, the hydra-headed mob would trample the established system in a country. Even liberal thinkers shared such fear against mobocracy. Plato always treated democracy as a creature, little more than a mob rule by another name! He strongly believed that democracies inevitably backslide into anarchy as the paupers plunder the rich and extravagance leads to bankruptcy. It is inevitable where deep poverty sits in the shadow of astronomical wealth. Anarchy essentially invites rules by tyrants whose crazy instincts may appeal to the mob's marauding instincts. Plato's disciple Aristotle favoured a cocktail of kingship and aristocracy and a large posse of middle class to prevent democracy from degenerating into mobocracy. It was only after the Second World War that seeds of strong democracy were sown. In the past 75 years, it thrived and flourished in many parts of the world but the growing economic disparity continued to govern the fate of low-and-middle income countries. The waxing and waning cycle, chilling to the marrow, continued for many of them but what seems to be hammering a death knell on democracy is the pandemic. Even if our scientists succeed in putting the kibosh on the pandemic, horrifying time lies ahead for democracy.

Let's glance through the findings of some of the research-works done by the think-tank organisations across the world. The Washington-based Freedom House data reveals that over 100 countries have witnessed decline in their sphere of freedom since 2016 while only a few have gained. What has been the fall-out of the pandemic on democracy? The latest data indicates that in as many as 80 countries, the quality of democracy and deference for human rights have plummeted. It also notes that dictatorships have turned nastier. In fact, global freedom has been on a slide since the economic meltdown in 2007-08 and the COVID-19 has simply accelerated the trend in myriad ways. To deal with the pandemic, political elites in

many countries have acquired emergency powers and the same is also being put to abuse! True, it is being evidently used as a tool to repress political dissidence. A similar study by the Economist Intelligence Unit of Britain finds that only a little over 8% of world's population live in a full democracy while more than a third squirm under dictatorships. As per its Democracy index, many old democracies have slipped during the pandemic period for various reasons. India is one of them. Its future, from outside India, looks less democratic. Its key institutions like Judiciary and mainstream media have been found reluctant to comment on ugly policy and legislative countenance on part of the Executive. Two key barometers - the rule of law and the freedom of expression, have been given low scores in the reckoning. As a result, India has taken a giant stride towards the world of autocracy! Even America and France have been transferred to the category of 'flawed democracy' for the reasons discussed in the earlier paragraphs. Taiwan is the only one which has been upgraded to a full democracy grade.

Of course, one may find flaws with many parameters of the Economist's research or any other similar study but the fact remains that the edifice of great geopolitical belief that globalisation may lead to a sharp jump in democratisation across the world, now stands on fissured foundation. Secondly, one of the leading indicators of democracy - elections, have also not lived up to general belief of boffins of neo-liberalism. Recent examples are Mali and Myanmar. Within a few months of fair elections in Mali, the results were set aside and the country was subjected to a coup by a group of unsmiling Generals appearing on TV! The same fate befell Myanmar where its Junta nullified the election results and put all elected representatives under house arrest. In a nutshell, the pandemic has unmistakably established that it does carry a 'political strain' in its protein spike and the same is anti-democracy!

Though the entire blame for the speedy decay in freedom cannot be put on the virus but it has certainly intensified the pejorative process. The great run of the voracious virus may come to an end tomorrow, if not today, but it would not be less than a marathon for reversal of the decaying trend and clawing back for democracies of the world! And it may consume decades! After all, democracies are built only with the bricks of public trust! And I am certain that the community of democrats, liberals, neo-liberals and votaries of civil liberties would find the latest statement of the US President Joe Biden not only timely but also highly inspiring:

"In the race for the 21st century between democracies and autocracies, we need to prove that democracies can deliver. The democracies of the world are looking to America to lead again in two ways. First, to demonstrate we can control this virus at home. And second, to show we can help address it around the world. Vaccinate America and help vaccinate the world. That is how we are about to beat this thing."

Till the time the rubber of lofty virtues of democracy hits the road, I would like to conclude this Column with what is often said about the Mexican Football Team - "They played like never before, they lost as usual.'!



3

COVID-19 origin - China's bogeyman! Dragon, full of bile, may trigger cyber-warfare!*

EVEN as the world has petrifyingly turned into a 'Delta' of swingeing infections, origin of COVID-19 continues to be a riddle, mystery and enigma! It also tends to pose a funny paradox of geopolitical ground realities! Though the community of virologists and epidemiologists does admit that tracing back the origin is critical to look into the likelihood of the future pandemics, but a large swathe tends to believe that it is a natural spillover until there is evidence to prove it otherwise. The most accepted theory is that the 'spongy' virus jumped from animals to humans at a wet market in Wuhan. But the city is also home to two labs - Might it have sneaked out of one of them?

The WHO has stated that investigations into the lab-leak theory have not been sprawling enough, and a fresh probe may throw light on such a hypothesis. So, WHO officially sought cooperation from China to conduct the second investigation. And China which follows zero tolerance policy towards any spurt in fresh infections (reported 71 fresh cases on Tuesday), seems to have extended the same zero tolerance response to any demand for fresh study. And its politically-tutored boffins loudly uttered that the issue was being politicised after the Biden Administration expressed its hunches about a possible leak from the research lab. They also scoffed at WHO's lack of respect for common sense and an arrogant attitude towards science. Though the WHO's Director General has made a fresh appeal for audit of its labs and pertinent data but China sees it as US-pedalled 'Fraudit' and favours no change in its recalcitrance towards second phase of probe. The White House has termed the Chinese blackballing as '*irresponsible and dangerous*'. Reacting to the WHO's fresh appeal, the spokesperson of the China's Ministry of Foreign Affairs Zhao Lijian has tweeted: "*If labs are to be investigated, the WHO experts should go to Fort Detrick.*" Fort Detrick is a high-tech bio-lab housed at the military base at Maryland in the US.

* TIOL – COB (WEB) – 774 JULY 29, 2021.

The issue of fresh WHO study was raised by the US delegation led by the Deputy Secretary of State Wendy Sherman with the Chinese Foreign Minister Wang Li at port city of Tianjin last Monday but, going by the China's official statements on a raft of bilateral and geopolitical issues, the expressions 'cooperation' and 'transparency' were conspicuously missing in their diplomatic plate! The Chinese spokesperson Mr Lijian said that China has asked the US to immediately "*stop interfering in its internal affairs, stop harming its interests, and stop stepping on the red line, stop playing on the fire and stop orchestrating group confrontation under the guise of values*"! For the US, apart from the COVID-19 origin cause célèbre, many global and other issues have riled its bilateral relations with China. Institutionalisation of Quad, a grouping of India, Japan, Australia and the US, has also miffed China in a big way. What has caused fury in the West are the growing number of cyberattacks on large companies and government organisations from China-sponsored non-State actors. The US, the UK, the EU and NATO have recently warned China on this issue.

Though the latest diplomatic efforts were geared to pave the pathway for a critical Biden and Xi meeting at the G7 Summit in October but their relations are apparently going downhill and geopolitical tensions are mounting. Taiwan figures prominently as the rope in the on-going tug-of-war. China has often violated its air space by sending military planes. America had earlier sent its Naval Warships but has now decided to send more than two dozen F-22 stealth fighters to an exercise in the Western Pacific. They will be deployed at Guam and Tinian Islands for Operation Pacific Iron 2021. Even as such showboating continues and China goes for overt pushback on many issues, a sort of covert war is already on in the Wild West of cyberspace. COVID-19, a phiserman's friend, has proved equally convenient for cyber-bandits from Mainland China. Taiwan is on record that it has faced 20 mn to 40 mn cyberattacks every month during the pandemic from China. Even the FBI in May month admitted that cyber-actors affiliated with China tried to steal COVID-related data and IPR from America. China's close ally North Korea is known to have gone after cryptocurrency stores. China's new ally in the Middle East, Iran, is known to have second largest cyber army in the world and they recently targeted American drug makers. Russian ransomware outfits like REvil only recently hacked critical public utility service providers and collected huge amount of ransom from the America entities like Colonia Pipeline and JBS.

In a nutshell, China which has hugely ramped up its digital infrastructure and also recruited a large army of cyber scientists-cum-indoctrinated-nationalists to work with the cyber command of the PLA, has almost girded its loins to launch a full-fledged cyberwarfare. Or, should one say that the Third World War is going to be fought in the Fifth Domain - Land, Air, Sea & Space being the conventional four! Although China has significantly enhanced its military might along with aerial prowess and naval strengths coupled with easy-to-launch nuclear warheads but it would first prefer fighting a battle against the US, the NATO, the UK, the EU, Australia, Japan

and India in the cyberspace. With the COVID-19 facilitating rapid expansion of digital economy worldwide, China-affiliated cyber-thugs have been busy testing the waters by hacking critical infrastructure and health services in the West. In 2014, the Obama Administration had indicted five members of China's armed forces for hacking into American companies. The larger question is - Is the US-led Western Grouping or Quad equally prepared to ward off or 'defend forward' in case of more destructive Cyber World War? But why Cyber-war rather than Nuclear or conventional war? It is largely because it does not promise mutually-assured destruction! Cyber-weapons are cheap and lend strength to militarily-disadvantaged and weak adversary. Another inherent advantage is - there is a blurred line between criminality and war!

China is, beyond the pale of doubts, fully-prepared to heap 'cyber explosives'! Its close allies, Russia, North Korea and Iran, are quite adept at launching spine-chilling cyberattacks. They possess proven skills if one goes by a number of incidents in the past 10 years. China has put in place a cyber-warfare doctrine which does not aim at attacking America but disrupting its forces of development and stealing its intellectual property. Not long back, China had cyber-attacked America's key F-35 defence contractor Lockheed Martin and even Google in 2009. China specialises in stealing high-tech knowhow but not as subtly as Russia does from the West. China and Russia also have highly-trained cyber-hackers to focus on military computer networks which may defuse even missile launch from the NATO! In a war-like scenario, China may unabashedly shut down critical power and gas supply grids, telecom services, water supply pipelines, airport control towers and even speeding vehicles on the road as most of them are today internet-connected!

What about the US? As per the Belfer Centre at Harvard University which evolved a new National Cyber Power Index, America tops the chart. Its cyber-security budget for 2020 was USD 17 billion. A glimpse into its awesome scale of digital espionage was provided to the world by Snowden leaks. Pentagon houses cyber-command centre but its cyber-warfare is believed to be a bit befuddled and secretive. The Biden Administration is now working on a new set of rules for offensive cyber-warfare. One vulnerable area for America are the private sector software which need to be brought under the ambit of audit by the revamped command centre. President Biden yesterday urged critical private sector companies to enhance their cyber defences. The White House may soon be the home for a new cyber-warfare Director attached to the President and a new permanent Senate Committee. The realisation has dawned on America that it has to go for a reset of its policies in the cyberspace at the earliest. Mr Biden while addressing the Office of the Director of National Intelligence (ODNI) yesterday, acknowledged the growing cyber threats from China and Russia.

China is ranked second but is known for its voracious appetite for cyber-espionage. China is also good at camouflaging its real intent. One good instance could be its recent overture to expand its nuclear missile silos but it may be fortifying

its cyber capabilities to bite terabytes of pricey Western data! The UK occupies third position. On November 19, 2020, the Boris Johnson Government announced the biggest investment in defence since the Thatcher era. With a budget of 46.5 billion pound, it became the second highest military spender in NATO. The Government also announced that it would set up a new agency for artificial intelligence (AI). It is committed to enhance nation's cyber capability in a big way. Russia is ranked fourth and has a large army of dangerous hackers who had allegedly interfered with the US Presidential polls in 2016. The fifth is the Netherlands. Israel is ranked low despite its much-talked about hacking abilities and it is perhaps because of its secrecy. The Western countries do have cyber prowess which may be tested in the new emerging international order. China would prefer responding to the new cold war tantrums, first in the cyber-world and then in other domains.

What about India which is one of the founders of the Quad? Undoubtedly, India has also put in place a command centre in its army intelligence division but it needs to be more aggressively ambitious. With the process of digitalisation of the economy getting hefty nudge from the COVID-19 and the Digital Mission of the Government, India needs to put in place a forward-looking cyber-warfare command architecture. Ideally, the Prime Minister, Mr Narendra Modi, should first create a dedicated Department of Cyber Policy and Administration by divvying up the Ministry of Electronics and Information Technology and also create a Special Secretary-level post in the PMO for all-round coordination with civil as well as military establishments. Indian political leadership needs to realise that India has no choice but to invest oodles of money in the cyber security sector if India has to grow as a confident digital economy worth USD 10 trillion in 10 years.

India cannot forget the scare of a malware in one of its nuclear plants, installed by the North Korean hackers who were looking for a detailed blueprint for their own use! The ISRO has also gone through similar bouts of jitters! Let's not forget that India is the butt for more than half a million cyberattacks every quarter, three-fold rise during the pandemic period and it costs a fortune to repair a system even if hackers fail to steal data. The latest IBM Report underlines that data breaches cost companies an average of over USD four million. In India, it averages about Rs 16.5 Crore in 2021 - a jump of about 18% from 2020. It is high time that the Union Budget of the Central Government as well as State Governments should annually earmark certain funds for the cyberspace if digital assets are to be protected. Ideally, the Government should also go for a uniform and standard security protocol for all critical civilian infrastructure and other vital services so that India as a Nation is not held to ransom or kneecapped by hostile state actors! In 2019, the Indian banking, financial and insurance sectors spent about USD 500 mn on cyber-security and it may jump to USD 800 mn by next year. India as a whole may spend over USD three billion by 2022. With a crystal-eyed policy in place, all such investments with a foresight may help build towers of impregnable fireballs and also a set of rules to launch counter-offensive in case of a full-fledged cyber-warfare!

The COVID-19 has indeed done both - an incendiary catalyst for the rapid digitalisation of the global economy and also much wider aperture for exposure to cyber-criminals and agents of cyber-warfare! In the eventuality of any sort of cyber-war launched by a country, the frontliners are likely to be civilian organisations - an easy prey to hackers! The negative perception about China has grown manifold during the pandemic and squirmy Mr Xi has turned into a 'desperado' to tee himself up for his place as a major global power alongside the US, the UK and Russia.

At the 100th Anniversary of the CCP on July 1, 2021, Mr Xi indulged in tub-thumping and warned China's competitors - "*will find their heads bashed bloody against a great wall of steel!*" Voila! Mr Xi really sounds braggadocious and monstrous to the world, inviting spleen from all quarters! He himself is beleaguered by the unmanageable weight of his own ambitions, political dichotomy in the CCP and the greying population. He is also in fear of rising heft of his own tech companies whose global stocks have completely sunk owing to his crackdown. Profit-making educational companies follow suit as Mr Xi wants to regulate the content by making it non-profit sector - a sign of autocratic governance by the CCP. He also seems to be despaired by his 'Wolf Warrior' diplomacy which failed to cash in on the golden era of 'America First' Trump and could not win over any of America's allies to his side! Going by China's reckless military-cum-foreign policy, world is indeed headed for a period of intense rivalry, acute uncertainty and regionalisation of international trade!



4

The COVID-19 Pandemic turns into the mother of a billion-dollar eerie ‘Plandemic’!*

ALTHOUGH the second wave of COVID-19 appears to be going through a cycle of waxing and waning in many parts of the world, but there is hardly any pause in the eerily silent decimation of human lives - over 8000 souls a day! For many experts, the sustained lockdowns have remarkably emaciated the gorilla-sized ‘dragon’ by denying it access to new human hosts! To an extent, the heads of governments, like Mr Boris Johnson and Mr Joe Biden, may relish the joy of taming the ‘beast’ but let’s not forget that ‘independence from the virus’ is still far off! The lack of food may enervate it in the short-run, but it still remains a Komodo Dragon - and it has an acute inherent dislike for ‘attention recession’! In weeks, it may bounce back with a new wave and, of course, new variants like Delta Plus and Lambda, only to spoil the cosy wintery months. And the chill of the third wave-in-the-making is indeed palpable much before its arrival!

Even before people are smitten by the sky-is-falling forecast or the ice-feeling-the-heat forewarning, a different hue of the ‘pandemic’ has gripped governments across the world - Let’s call it ‘Plandemic’ or ‘Scamdemic’! Every crisis which wallops societies, also carries with it a trolley of opportunities for both - ‘Benign’ and ‘Malign’ souls! As against the benign ones who offer their shoulders to cushion the pathogen-struck or grief-stricken families, malign ones tend to work in lockstep to make a colossal bonfire of taxpayers’ money or prey on medical emergencies of luckless souls, or simply palm off fake and concocted vials as authentic vaccines and vaccine certificates. I am not referring to the latest ransomware pandemic, which has paralysed hundreds of businesses in many countries as they are not necessarily linked to COVID-19. I intend to elaborate on strictly COVID-19 related cases of fraud which have assumed proportions of a worldwide ‘Plandemic’.

Though COVID-19-related scams are being reported from every corner of the world economy, notable ones are largely from the affluent countries, which fulsomely indulged in an exercise of fiscal elitism and cringeworthy flattery of small

* TIOL – COB (WEB) – 771 JULY 08, 2021.

businesses! The United Kingdom stands out in the rich club of countries which unfolded billion-dollar relief packages to cushion the kinky graph of shrinking economic activities. The Boris Johnson Government had last year announced several schemes to support the businesses. The Bounce Back Loan Scheme was unwrapped last May to permit banks to lend businesses up to 50,000 pounds with 100% State guarantee and a repayment period of nine years. This was to relieve the pain of lockdowns for small businesses. However, after a year, the generosity of the Exchequer has yielded space for extreme curiosity by the Public Accounts Committee, which has, in its latest report, noted that 35 to 60 per cent of loans may not be repaid because of fraud and credit issues, amounting to up to 27 billion pounds! The Scheme was unabashedly littered with too many flubs - and the precious time is now lost to slam the brake on its growing abuse! All hopes for a decent recovery may prove forlorn!

The UK Government had also unveiled a Coronavirus Job Retention Scheme or Furlough Scheme. This was to preserve jobs and businesses. The Scheme provided up to 80% of a worker's wages. A related Self-Employment Income Support Scheme was also introduced. Till last month, over 61 billion pounds were claimed, cushioning over 11 million jobs. It has now been dug out that the benefit was trousered for a large number of 'ghost' workers, who were never on the pay-rolls. An eye-watering number of workers were working full-time but were hand-in-glove to share the 'booty' with their employers! The overall magnitude of the frauds is Olympic-sized - over 60 billion pounds! The British banks have already hired over 750 debt collection experts and organised bootcamps to recover USD 104 billion state-backed emergency loans whose payback time has come tantalisingly close! Internal studies of the bankers have given them insight that a decent swathe of borrowers have spent the loans on affording a 'barbecue time'! However, some borrowers have also complained that bankers have approached them for repayment even though the due date is far off! It is indeed going to be a long-drawn battle for the Government, bankers, and borrowers who may be coerced to repay even before the pandemic is over - probably, thanks to the rising speculation over industrial-scale defaults!

Let's swim across the Atlantic! The American Justice Department recently announced that close to 500 people have been charged for fraud schemes worth close to USD 500 million in COVID-19 relief. Over 100 of these had fraudulently obtained funds from the Paycheck Protection Program tailored to help small businesses. One fraudster obtained about USD 25 million by applying for 15 different PPP loans from eight different lenders and 11 companies - and being driven by *jijivisha* (desire to live life to the fullest), he used the proceeds to purchase multiple luxury homes, expensive cars like Bentley convertible, Porsche Macan, and Corvette Stingray and precious jewellery! Any guess about his lineage? Undoubtedly, is he to be credited for creating a *papier mâché* facade of business trauma? He is an Indian-American from Texas! Had he been in India, it would have taken years for our system to track

him down! But his lady luck deserted him as soon as an audit exercise commenced. The FDA has also warned Americans about unauthorised fraudulent COVID-19 test kits being sold online. The US has set up a Task Force to track down all sorts of fraudsters trying to profit from the pandemic by selling unproven and illegally marketed products by making fake claims! Though enforcement agencies are on the toes of such fraudsters, con artists are no less ingenuous in stealing money from unsuspecting Americans by grabbing their stimulus cheques, unemployment benefits, fraudulent charities, and fake treatments for the coronavirus!

The story from Germany is no less fascinating. It has all the ingredients to produce goosebumps for Government procurement agencies worldwide. The most populous state of Germany, North Rhine-Westphalia, urgently needed PPEs to protect its health workers. Thus, it granted waiver of all safety protocols followed for normal procurements. Through its online interactions with some cyber buccaneers, it placed the order for 10 million masks worth USD 2.6 million. It also made some advance payments to a bunch of cloned websites registered in Spain with an intermediary in Ireland and a supply firm in the Netherlands. The charlatans were so skilled that they had cloned genuine firms and had a saloon passage to success - 10 million Euros were deposited in their account. When 50 trucks were lined up to freight the sham masks from the Netherlands, their ruse was uncorked by a silly error - they demanded additional payment before releasing the consignments. The authorities immediately moved the Interpol, which in turn managed to get the money frozen in Ireland before part of the sum was about to be funnelled out to Nigeria.

Ransomware attack may now have become common for a good number of American and European businesses, but it was a ghastly and also ghostly experience for one of largest medical facilities of the Czech Republic on the night of 12 March. It was 'benighted' by a ransomware assault. Urgent surgical operations had to be postponed and COVID-19 patients had to be relocated. Several hospitals have experienced similar attacks since the start of the pandemic, says Interpol. Off from Europe, fraudsters had a cosy stroll to success when they binged on unsuspecting common men in South Africa. They physically collected banknotes by knocking on the doors of people if they had COVID-19-contaminated currencies to be returned to their central bank. Sale of counterfeit drugs is apparently a less attractive option when there are so many lucrative windows open to be harnessed by tricksters.

The latest window to be exploited by organised syndicates of cyber bandits is to offer fake vaccine certificates for easy travel across continents. The Italian Police last Saturday smashed many such online outlets offering to sell fake EU Digital COVID-19 vaccine certificates. The EU had launched such a scheme only last Thursday, and fake websites had registered over 2.5 lakh users. The certificate costing about USD 150 also had QR Code proving vaccination and testing negative for COVID-19. A similar stampede was recorded as soon as Moscow's Mayor notified vaccination as compulsory for service-sector employees. Over 500 new domain names were registered in June alone, to provide fake vaccine certificates. As soon as the ambit of

mandatory vaccination was extended to restaurants and bars, most Muscovites, who fall in the category of anti-vaxxers, rushed to buy fake certificates. It was indeed a delightful commerce for con men as authorities had failed to introduce QR Codes.

Back home in India, it is not the vaccine certificate but the vaccine itself which has been grabbing headlines. Fake vaccine or saline water turned out to be elixir to abnormal profits for some crooks in Mumbai, Kolkata, and many other cities where fake doctors and their accomplices organised camps in certain societies and collected cash against carcasses of fake vials. With too many arms being offered for jabs, over 12 such sham camps were reportedly organised in Mumbai alone! During the peak of the second wave, a large number of befuddled people were duped in the name of providing oxygen cylinders, drugs, and injections like Remdesivir. The Delhi Police has identified over 200 mobile numbers and took steps to freeze 95 bank accounts. It has also registered 133 FIRs for frauds committed against COVID-19 patients and their kin.

Against the silhouette of rising mountains of cyber and financial frauds, it would be naive to rule out an uptick in corporate frauds as a result of the pandemic! With small, medium, and large corporates confronting the dichotomous spectacle of death & survival, large-scale manipulation of books of accounts is a live threat for regulators across the world. Survival is after all a searing horseplay - and perishing of COVID-19 certainly makes no horse sense if horselaugh is to be reckoned as emblematic of survival of the fittest - thank you, Mr Darwin! The Government of India is indeed lucky that it did not announce too many loosely-designed economic stimulus schemes (may be because of lack of resources at its command, no pun intended) - or Indian businesses, usually turbo-charged for frauds as a matter of pedestrian habits, would have scored billion-mark in no time if NPA trend is an indicator to go by! Sometimes, not creating whoops and hollers by announcing new but porous schemes is also a priceless virtue! Undoubtedly, for humanity, it is going to be a pyrrhic victory against COVID-19 (am I wool-gathering?) which itself is seen as the 'biggest fraud of the century' or a hoax palmed off by China!



5

World sitting on the vent of a pandemic 'volcano'! Is the next one knocking? *Ou là là!**

THE Coronavirus continues to be on 'double steroids' - Delta and Lambda! There is no marked abatement in its quirky potential to torpedo human lives and cause pile-ups of economic wreckage! The coronavirus seismograph clearly reveals that tremors and earthquakes are not going anywhere so soon - and whatever economic boom is being flossed today may cave in to several fault lines, which may soon emerge to roil the global economy. It is not a *mea culpa* for being overly pessimistic! What lies beneath the socio-economic surface across the world is deep gloom!

Even after 18 months of frenzied policy and dumb-downed scientific response, the virus continues to clock close to five lakh new cases and over 7000 fresh deaths on a daily basis! And mind it, it is apparently the lull period for the bellicose virus, which is spitting venom only in a select few geographies such as Russia, Indonesia, South Africa, and a large part of Latin America. Its next petrifying tide may envelope a large part of the world by September! Oh, so near? How are global vaccination programmes progressing? The messy and fractured world has indeed been doing its 'tamped down' best, but it has thus far jabbed only about 12% of the world population - 94 crore fully vaccinated and 342 crore given single doses! Humanity does not stand even a dumb chance to firewall another round of genocide!

Unarguably, COVID-19 is the Chernobyl moment for the 21st century! It is not because of the nuclear transmission of the contagion, but more because it has clearly shown us the swingeingly grave threat to our health and wellbeing. It has rudely proven to us how perishable and brittle our world is! It has, in its gangbusters' style, exposed the gaping holes in our domestic and international health systems and also the global political leadership, which willy-nilly deserted the ship of globalisation when it was definitely needed the most! By all standards, the pandemic is a global disaster - and our scientists are of firm belief that it was preventable! Had the global political leaders not diluted their trust in the virtues of multilateralism to deal with

* TIOL – COB (WEB) – 772 JULY 15, 2021.

this scourge, the global scenario would undoubtedly have not been so much downbeat! *Ou là là!* Yes, a good amount of time has been lost, but everything is not yet lost! The High-Level Independent Panel for Pandemic Preparedness and Response (IPPPR) which was set up by the G20 in January 2021, has noted in its report, submitted to the elite group at its Venice meeting last week: *Prime Ministers, Presidents, and heads of international and regional bodies must now urgently accept their responsibility to transform the way in which the world prepares for and responds to global health threats. If not now, then when, it has asked.*

The IPPPR report has underlined that the world has seen as many as 13 major infectious outbreaks in the last two decades such as Nipah, SARS-1, H1N1 Influenza, MERS, Ebola, Chikungunya, Zika, and now COVID-19. Based on the estimates by Meta-biota, the Report adds, there will be 40 lakh expected deaths in the next decade from the three pathogen groups - influenza, epidemic coronaviruses, and viral haemorrhagic fever - almost equal to the present global death toll of over 40 lakhs. Acute respiratory pathogens, such as a deadly strain of influenza, pose particular global risks in the modern age. Such infections are transmitted via respiratory droplets. With today's transportation infrastructure, they may move rapidly across geographies. COVID-19 is neither the first nor the last health emergency the world will face. Several scientists have projected that humanity will face a pandemic at least once every five years from here on! And this is just one optimistic scenario! The reality can be far worse!

The Report forewarns that the next major pandemic may visit at any time. Even if it comes only 10 or 20 years from now, the costs to Governments will still be 10 to 25 times the cumulative additional investments in prevention and preparedness over the years in the present value terms! Going by such a prognosis, the world is indeed sitting on the vent of an active volcano - and the world's collective political leadership is required to rise above their geopolitical fissures and act like a scalded cat! Commenting on the global response to the COVID-19 outbreak, the Report highlights that the alert system was too glacial - and too meek, too! *Plus ça change*, the WHO was under-powered. That is why its audit of China's initial 'calculated' response turned out to be a 'Fraudit'! Efforts of its expert panel to track down the origin of the virus ran into sand! The tardy global response has exacerbated inequalities, given 18% spike in global hunger, and the global leadership was conspicuous by its absence. COVID-19 has indeed been a grim wake-up call. The global leaders are now required to commit to clear targets, additional resources, new measures and strong leadership to prepare for the future. I sincerely hope that it is not going to be a case of - you can take a horse to water but you cannot make it drink!

The IPPPR Report is very emphatic in its observation that averting the next major pandemic is the restless race of the decade - and a race measured in days and weeks when an outbreak does emerge. The world has the scientific, technological and financial muscle to drastically lessen the risk of a pandemic, and the colossal human, social and economic costs it brings. The report has urged that great progress in

pandemic prevention, preparedness, and response is within reach in the next five years. All it entails are bold national, regional and global investments, and actions in normal times and also capacity to respond with speed and force in the event of an emerging pandemic threat.

The Report has egged on the G20 leaders to urgently build a global genomic and epidemiological surveillance system, combining pre-existing and new nodes of domain expertise at the global, regional and country levels, with the WHO at the epicentre. The present architecture of the Global Preparedness Monitoring Board is not tailored for the purpose of preventing a major pandemic. It stresses the point that the solution rests not in creating new institutions, but in introducing a new mechanism of global governance and establishing a tightly networked system of responsibility and accountability among existing institutions. All such efforts would require low-and-middle-income countries to uncomplainingly enhance their health spending by at least one more per cent of their GDPs over the next five years. Sequestering the health spending would be likened to fouling one’s own nest! At the international-level, there is a need for commitment of at least USD 75 billion over the next five years. There is no time for jousting and geopolitical kerfuffle! The sum being pleaded by the experts is derisory if we reckon the present costs to the global economy - over USD 10 trillion till date and over USD 22 trillion by 2025 as per the IMF’s latest studies!

Where will this money be spent? The Report has enlisted measures like creating a globally networked surveillance and research to stymie emerging infectious diseases; to build resilient national systems to fortify a critical foundation for pandemic preparedness; supply of medical counter-measures and tools; global governance to ensure that the system is tightly coordinated, properly funded and with clear accountability for outcome and empower the International Financial Institutions (IFIs) to boldly support the global outcomes. The IFIs like the World Bank and the IMF are not structured to address global threats favourably. They are to be especially mandated to fund such efforts, but not at the cost of other priority goals. The High-Level Panel has also bigged up the creation of a new Global Health Threats Board, which would assemble all Finance and Health Ministers and International Organisations to provide systemic financial oversight and also coordination of international efforts to mitigate pandemic threats.

Reacting to the recommendations of the Report, the G20 official press communique states that the forum has taken note of them and are committed to work together, and with the IFIs and partners like the WHO, to develop proposals for sustainable financing to strengthen future pandemic preparedness and response. It also tasked experts from their Ministries of Finance and Health to follow up with concrete proposals to be presented at the next meeting in October. The G20 response is timely and heart-gladdening. The political leaders deserve kudos for quickly learning from their cardinal mistakes and resolving to put in place a sort of early

warning system for future pandemics and create an institutional response to nix future threats in the making.

I personally feel that the High-Level Panel has been a bit conservative in asking for only USD 75 billion over the next five years. Ideally, it should be over USD 150 billion to quicken the process of creating the new bodies as the next pandemic, as per various studies, may be barely a few weeks or months away! A good example is Kerala, which has been fighting the ravenous COVID-19 virus tooth and nail and has unfortunately been struck by the Zika virus last week. Let's not rule out a scenario where the world continues to battle out the COVID-19 pathogen and may also be forced to confront a parallel outbreak of one of the possible three threats underlined by the Independent Panel of global experts! This is perhaps last chance for the global political leaders not to act penny wise and pound foolish! Need to dial up temperature for cohesive thinking! Time to blow the whistle on geopolitical differences - and even after such crystal-clear forewarnings about the next pandemic, if some large countries like China are averse to close cooperation and transparency in sharing information, they do qualify to be bracketed as what the Germans often describe as '*Backpfeifengesicht*' (a face badly in need of a slap)!



PART II
NATURAL OR LAB-DESIGNED

Introduction

THE raging pandemic, globally known as COVID-19 and also SARS-CoV-2 in the scientific community, has indeed established itself as a more ferocious life-gobbler than a wild canine on the prowl! In the past one and half years the pandemic has not only executed a sort of a worldwide carnage of the rich and poor, but almost on an equal footing; severely walloped the global economy; grievously broken the spine of the global supply chain and mounted unmanageable debts on all the countries. It has infected billions and has killed millions of people, including doctors and other medical personnel. Its rapid mutation into new variants have visited different continents at different points of time in the form of 'Waves'. Every subsequent wave has proven to be more ticklish to deal with, particularly when the entire health system creaked under pressure and exhaustion in the previous wave!

Even as the waves of the pandemic continue to sweep through some parts of the world as its epicentre keeps shifting, humanity is a little more worried about the next pandemic forecast by the World Health Organisation (WHO) and several putative research organisations in many countries. Secondly, having been devastated by the COVID-19, which is now being rated as crueller than the Spanish Influenza of 1918, it is indeed logical to not only talk about the next pandemic but also forecast the same with precision so that preventive measures could be taken in advance. And this is possible only if the world today manages to discover the origin of COVID-19 - the 'patient zero'!

The two logical hypotheses being debated around the world are - *Zoonotic Spillover v. Lab Leakage*. Not enough evidence has so far been gathered by the community of virologists, epidemiologists, and ecologists to prove either of the two hypotheses! If it is a Nature's cuss, then our scientists are required to trace the pathway of jump of the virus from horseshoe bats to the host and finally to humans. A straight line needs to be drawn to correctly understand the phenomenon of zoonotic spillover - jump of the virus from bat to animal to human. All the efforts made so far either by the WHO or independent scientists have not paid any dividends. Rather issues look more muddled now! Though China sheepishly hinted at Pangolin as a possible host but no evidence was found. China in fact has left no stone unturned to sell the theory of natural origin of the virus to the WHO team of experts when they visited Wuhan in the month of March 2021 but too many gaping holes were underlined by the experts and the same was not accepted as good enough evidence.

This brings the world to dwell on the second hypothesis - the possibility of a lab leakage. Wuhan is home to a couple of research labs which are engaged in studying the genomic structure of coronavirus and how infectious it can be for humans if they

are re-engineered or if their spiking capacity is enhanced. The Wuhan Institute of Virology is globally reputed for its research on Coronavirus in particular. Its Director, known as 'Bat Lady', has spent more than a decade in studying coronavirus after the outbreak of SARS-1 and MERS. The fact that most of the research was being done at BSL-2 and BSL-3 labs which are not required to follow very strict safety protocols, there was always a risk of leakage which is common in all labs across the world. With the help of the US-based organisations, China set up BSL-4 lab at Wuhan but it did not have fully-trained manpower and all the safety measures in place till the end of 2019. Given this background and a concerted effort by Communist China to conceal information about the outbreak from the world community followed by the refusal to share vital epidemiological data with the WHO team, it raises eyebrows and lends credence to the conspiracy theory. Why should China hide information? Secondly, the Chinese authorities also silenced a gaggle of voices coming from different corners of researchers and journalists who acted as whistle-blowers.

Interestingly, the Italian researchers found COVID-19 anti-bodies in many patients months ahead of the official notification of the outbreak by China. The American intelligence also found out that at least three researchers having corona-like symptoms were hospitalised in the month of November 2019, which further legs up the lab leakage theory. Many virologists have come out with scientific propositions indicating a stronger possibility of a lab leakage than the zoonotic spillover. However, there is not enough evidence to make a definitive conclusion and till the time China cooperates and shares data, the world would not know for sure whether COVID-19 is natural or lab-designed?

In Chapter 1 I have dwelled on the conspiracy theory about the origin of the virus; how China has suppressed all information relating to the virus and funnelled them to higher Politburo authorities for approval before public dissemination; cold-shouldering of the WHO team of experts on their visit to Wuhan; how China delayed in notifying the WHO about the outbreak; how China did not share the correct number of people infected by the pathogen in Wuhan and other cities; what was the death toll? and how China made good use of the suppressed information to make some trade gains while signing trade agreement with the US?

Chapter 2 dwells on how China made well-planned efforts to distract the global attention from the origin of the virus to some of the political purging like trampling of civil liberties in Hong Kong and liquidation of Muslim population in Xinjiang province; non-cooperation with the WHO team of experts; how did horseshoe bats travel 1500 km away from Yunnan province to Wuhan without infecting any population in between; details of huge reservoirs of viruses at Wuhan lab and how China created a red herring to divert attention of the WHO probe team?

Chapter 3 deals with the events nudging President Joe Biden to wake up in nervous sweat and take note of inputs shared by the intelligence agencies in dribs and drabs and order a fresh investigation into the origin of COVID-19; why virologists

debunked the conspiracy theory when President Trump talked about it in early March 2020; how lab leakage has a long history but what may have scared China from sharing information and how circumstantial evidence lends more credence to the lab leakage hypothesis till more facts emerge to prove it otherwise!

Chapter 4 talks about COVID-19 as precocious virus with unmatched ferocity to gobble human lives; how rapid mutation works as its survival instinct which may be imitated to unlock many mysteries of Nature; how its new avataar Delta variant has emerged as a variant of concern and even before the world could understand it fully, a Plus (Delta Plus) has come into existence; looks into the house of virologists which is on fire over the lab-leak theory and how irritated common man violently reacts against the community of virologists for treating COVID-19 as natural zoonotic spillover; however, even such virologists do not rule out an accidental leak from Wuhan Institute; Why Dr Anthony Fauci comes under severe assault as his Institute funded certain projects at Wuhan lab in the past; how China activates its 'Wolf Warrior' diplomatic corps for propaganda after Biden succeeds in getting G7 on his side, demanding fresh investigation in the origin of the virus and why it is too early to give up on the conspiracy theories if one takes into account how Soviet Union had dealt with the anthrax leak case in later '70sQ!



1

COVID-19 - China teeters on brink of becoming pariah - Is India ready to encash it!*

FOR most Swedish, K(CO)RONA is oxymoronic! Krona, literally, means ‘crown’ in Swedish whereas ‘Corona’ has knocked at their doors as a ‘breath snatching’ invisible merchant! Sweden has a little over 16000 cases and about 2000 deaths so far. With each passing day, both the curves - fresh positive cases as well as the death toll - have been zooming up without a kink! The story is same not only in the Scandinavian countries but also in western Europe and the USA. The recalcitrant pathogen has unrecognisably pulverised not only the public health systems, more tellingly in poor countries, but also the economies worldwide. The scale of damage to the world economy has been so mammoth that the IMF calls it a ‘**crisis like no other**’ since the Great Depression in 1929. In other words, whatever developmental gains in terms of poverty reduction or amelioration in living standards humanity had achieved in the past 90 years, are almost squandered. The UN General Assembly has passed a Resolution underlining that the pandemic has caused severe disruption to societies, economies, global trade, and travel. In a nutshell, it has devastatingly impacted the livelihood of more than half of the global population of over seven billion people.

Naturally, the doctrine of ‘rules of origin’ warrants a close scrutiny of the genesis of this virus named COVID-19. Such a proposition carries innate legitimacy in view of the fervent debate it excites and a web of mysteries that surround it! It all started with conspiracy theories speculating a sinister design behind the spread of the ‘man-made’ virus. Some self-styled experts and western media persons initially attributed its origin to the Wuhan Institute of Virology and dubbed it as a *Frankenstein jumping out of the Chinese bio-weapon armoury*. Later, western scientists debunked all such theories on the basis of genome sequencing and other scientific findings. All such studies of the virulent virus conducted in the USA or Europe evidently put the raging conspiracy school of thought under the carpet.

* TIOL – COB (WEB) – 708 APRIL 23, 2020.

Let's now go to the second proposition which is - the deadly natural pathogen originating from bat coronaviruses, accidentally escaped the Chinese clutches in Wuhan. Such a proposition stands hollow till the time Chinese authorities cooperate with a global investigation as demanded by the USA, Australia, and others. But it is highly unlikely in view of the political arrogance of the authoritarian Communist Party rule in China. Freedom either to the Press or to the medical fraternity is not available here even at a premium! China is a 'caged society' and every word for public dissemination is assiduously selected and approved by the highest echelons of the Communist Party. As per my study of media reporting about the human-to-human transmission of the virus in the months of December and January, some of the health workers and local newspapers which had dared to spread the word about the high degree of virulence of the COVID-19 were not only silenced but also 'buried' without any ceremony! Even as thousands of local citizens began to fall victim to the no-escape-assault by the virus, the Chinese authorities took time to react and suppressed the data about the number of deaths and positive cases which, as per latest reports, do not match with the records of crematoriums in Wuhan and other cities. The suppression of the correct data was done with such an iron hand that the fragmented news flying into the territories in the Northern Hemisphere ended up confounding the key public health watchdog institutions.

This is where the abject failure of the WHO comes to light! How? Apparently, Taiwan had acted as a whistle-blower in December and had sounded WHO about the raging epidemic in Wuhan. The missive shared with the WHO was clear - it was atypical virus spreading through human-to-human transmission. The WHO top brass failed to use its panjandrums and made the cardinal error of relying on China's official denial. In fact, when the WHO delegation arrived in Wuhan, it was reportedly not **facilitated** to visit the epicentre of the outbreak for a few days. Then the Chinese authorities escorted the WHO team to a 'doctored' whirlwind tour of Wuhan. On conclusion of its visit, the WHO team commended China's capacity to deal with COVID-19 and remained iffy regarding the transmission, epidemiology and understanding of the behaviour of the virus. In contrast to the WHO, the Mayor of Wuhan publicly admitted that timely information was not shared with the public and offered to resign!

On return, if one goes by the US Presidential candidate whom President Trump fondly calls as 'sleepy Joe', WHO, in February, had lamented the travel advisories issued on travel from China and other hotspots by USA and the other countries. Mr Joe Biden said on record that WHO had assured the US Government that there was no human-to-human transmission in Wuhan!

This is what has apparently infuriated Mr Donald Trump who, at his own peril, relied on such missives and kept dismissing the threat posed by the ruthless Coronavirus. His White House advisors and even intelligence behemoth CIA failed to alert him in time! Secondly, his lopsided in-favour-of-economy thinking probably did not enable him to pay heed to piecemeal information reaching him from other

parts of the world. Although his domestic critics accuse him of several gigantic mis-steps by his administration right in the beginning coupled with the fact that he is looking for a hapless scalp as a scapegoat, the fact remains that WHO has goofed up in issuing timely alert to the global community. When hundreds of lives were already lost and thousands of positive cases in dozens of countries were being reported, the WHO declared it as a pandemic on March 11! In this backdrop, if Mr Trump has decided to defund WHO he has a legitimate grudge to nurse!

However, going by the trail of little respect Mr Trump has consistently demonstrated for multilateral institutions built over decades under the tutelage of the United Nations, it was almost inevitable. With the White House ignoring the existence of global institutions like WTO, Security Council, UNICEF, WIPO, WHO, OECD and others; always putting a spoke in the wheels of decisions taken by them and in the process, disrupting the extant political and economic international order; a void of sorts had surfaced. This apparently fuelled the political ambition of China which had laboriously built economic muscles by becoming the ‘factory’ of the global economy, **to supplant USA as the global leader** in the comity of nations. That is why China steadily focused on various UN bodies winning elections for its candidates to helm some of these important institutions. So when the issue of COVID-19 was placed on the Security Council’s agenda for a discussion, China as President by rotation, did not call for any meeting as it feared a volley of ‘cornering’ questions on the unstoppable pandemic and the role of the Chinese authorities who have been caught on the wrong foot for obfuscating information about the spread of the virus.

Let me analyse it and fix China’s accountability for this Himalayan tort! Going by the basic principle of geography, epicentre is the point where an earthquake causes maximum damage. So, when Wuhan was the epicentre for COVID-19, how realistic is the Chinese claim that it has suffered only about 4600 deaths whereas the United States and western Europe, which are too far off on the outer ring of the tremor, have witnessed 1.35 lakh deaths and close to 17 lakh positive cases. USA alone has reported over eight lakh positive cases. Their economies have nosedived into the much deadlier virus called ‘depression’. The only sector of their economies which seems to be profiting is the Death Care Industry!

Logically speaking, the Chinese data is presumably doctored! One of the possible motives for China to not share the correct data with WHO or others was perhaps its macho rodomontade to demonstrate the superiority of its own brand of political socialism over western democracies and also to showcase the muscles of its epidemiological strength. Worse, if no such motive is to be attributed to it, why has it launched a well-funded propaganda across the world to showcase its so-called ‘soft powers’ of providing medical aid to the needy and poor countries. Apart from its ‘sock puppet’ diplomats planting stories about the US Military being the source of COVID-19, the Chinese propaganda machinery has been excessively projecting its humanitarian aid to some of the battered societies like Spain and Italy as great help!

Strangely, when it sent a freight train loaded with masks and PPEs to Madrid - 13000 km away, the Chinese Government media trumpeted the donation worth barely USD 50,000. The train arrived in Spain after two weeks but the Spanish Government meanwhile had bought a huge cargo from private Chinese companies at commercial rates. In other words, COVID-19 which has demolished the economies elsewhere, has begun creating opportunities for the Chinese factories. However, many countries and now even India, have begun to question the quality standards of all such Chinese medical goods. Doctors have openly spoken against the cheap quality and how Chinese companies have been making a killing out of this greatest crisis on earth.

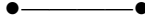
Another interesting and substantive motive which has been flung at China for alleged suppression of information about the pandemic is - When the super-spreaders of COVID-19 were doing the damage, China was bracing for a mega trade deal with USA which was signed on January 15. Western experts are now of the view that since China had inserted a FORCE MAJEURE clause in the pact being in the know of the fiery pandemic, it probably wanted to cheat USA. Such a motive, indeed, sounds more plausible as such chicanery in diplomacy is not unheard of! Reacting to such a possibility, President Trump has said that if China does so, he would cancel the deal worth USD 200 billion. In his words: "If that happens, we'll do a termination and we'll do what I can do better than anybody."

Whether China is legally guilty or not, but the reinforced global perception is that it is at fault! One piece of evidence of such a deeply prevailing perception comes from Japan which has earmarked USD 2.2 billion for its own companies to shift their factories from China to either Japan or any other country in South Asia. This brings a basket of opportunities for India to become, if not a bigger 'factory' than China, a competing one!

Post-pandemic, a large number of MNCs from USA and Europe, would prefer India as the most attractive destination to diversify their supply chain options. But is India ready for an avalanche of FDI? **Perhaps NOT! The Modi Government has a chance which comes once in a century! The bus which India had missed in the past, is back at its stop again!** Although India has amended its FDI Policy to closely scrutinise investments from China but such an amendment need not persuade the Government to wall off mundane investments in harmless sectors in India. Common businessmen in India or China will have just one motive - to make profit out of business. Proposals being backed by the Communist Party of China ought to be blocked as such investments may carry the scent of strategic political advantages.

Ideally, the Centre in tandem with the State Governments should create a common federal economic council to create a vast land bank, rail and road linkages, power stations and all such infrastructure components which are necessary for setting up large factories. It is a golden opportunity for the Modi Government as also the State politicians to break free from the shackles of *babudom* and create a single window, in true sense, to facilitate large foreign investors and to implement '**Make in India**' in letter and spirit. To translate this into reality, the Modi Government would also need

to drastically amend its tax laws and allow all such benefits which are not permitted at present. One example could be permitting Input Tax Credit (ITC) on materials used for setting up factories. At present **Section 17(5)(c) of the Central Goods and Services Tax Act, 2017 does not allow it.** But, before that, let India first tackle the COVID-19 crisis and ensure that it does not lose a chunk of its working population!



2

Spiky hairballs of protein have killed too many of us - Where is patient zero? - Can nature be a bio-terrorist?*

WITH the global death count swiftly jogging close to two the million mark, the spiky hairballs of protein - the coronavirus, have horrifyingly established their credentials of being ruthless 'killing machines'! Though I am chronically inclined to take a sanguine view that humanity, cushioned by the tireless crop of scientists, would one day succeed in defenestrating these 'scary hairballs' light years away from our planet into the celestial junkyard; before that, the chimeric virus is going to cause untold miseries not only to humankind, but also to all the glorious political and socio-cultural institutions built over the centuries. Yes, I am referring to the body blow engineered against the most imposing symbol of freedom and democracy - the citadel of the American parliament - the Capitol Hill. The assault was egged on by the most 'prized victim' of the pandemic - the about-to-be-impeached American President. Though the coronavirus is known to choke the respiratory system in the human body, but it seems to have desecrated its bailiwick and perhaps 'unthoughtfully' uncorked the 'conspiratorial gland' of the giddy President.

Responding to his vitriolic political outbursts, a large mob of unhinged Trump loyalists swarmed the Congress building like a category 5 hurricane! First, the legislators participating in the House proceedings simply rolled their eyes out of the window glass panes, and then, within minutes, were seen cowering in terror as the mobsters muscled in and violated the doctrine of '*Do Gaj Doori*'. They got themselves seated on the soapbox designed for the Speakers. The clock had to be run down for hours before the mayhem was corked, but the eyes of the friends of US democracy across the world, watching television, popped out in horror! Global political leaders described the abnormally high degree of electoral toxicity of pantomimic Trump as a case of a 'snake eating its own tail'!

Even if we skip the profanely quirky saga of Mr Trump, democracy was in retreat throughout 2020 - the golden era of the Coronavirus! The utter chaos triggered by COVID-19 enabled many despots and democratically elected leaders to resort to

* TIOL – COB (WEB) – 746 JANUARY 14, 2021.

Potemkin exercises in the name of grasping the nettle and depluming their citizens of many basic rights. Though many celebrated democracies, including India, also backslided on many counts, the sharpest decline was seen in China, particularly in Hong Kong and Xinjiang province, where Uyghur Muslims are being tethered to Gulag (labour camps). After clamping them down with the National Security Law, China has stripped Hong Kongers of their civil liberties. A good number of democracy activists, including an American lawyer, were recently shorn of their lethal delusion of being free citizens even before they could wake up and smell their coffee! In a nutshell, if a democracy index is compiled, political leaders of many European, African, Asian, and Latin American countries would be splitting their hair for having scored very poorly in 2020!

Let me now slink to the gloomies but predictable developments on the pandemic front. Addressing the media persons on the issue of the WHO mission to China to investigate the origin of the pandemic, the WHO Chief recently demonstrated his least expected spine and said that though the experts' team is ready to visit all the possible places of origin of the virus, China has not been cooperating and has been holding up the process! As widely expected, China has been negotiating too many restrictions on the movement of the WHO team of 10 globally-applauded experts. Given the scale of the highly politicised and conspiratorial background that precedes such a mission, the 'Wolf Warriors' of the Beijing Diplomatic Corp are genuinely anxious. But if China has nothing to hide, is it not morally bound as a member of the WHO to assist international experts in tracing not only the origin of the virus but also detecting how a pathogen found in bats made a Hanuman jump to humans? Was there an intermediary animal which was infected by horseshoe bats, earlier traced to be the origin of the SARS virus – a cousin of the coronavirus?

Mystery shrouds the origin of COVID-19. But it has to be zeroed in if the world is to prepare for more such future pandemics. If the origin of COVID-19 is not discovered by the scientific community on account of geopolitical rivalry, a dark cavern would always remain in the playbook of virology and future researchers will have no means to provide effective vaccines against such viruses. The issue assumes much greater significance in the light of what the WHO Emergencies Chief, Mike Ryan, recently said about COVID-19 – *'It has affected every corner of this planet. But this is not necessarily the big one'*. He also emphasised that the coronavirus is merely a 'wake-up call'! For the larger audience, the million-dollar quiz is - What exactly is he hinting at? Does the WHO possess certain sensitive information which prompted its senior functionary to utter a word of caution for the global political leaders, or is it merely a red herring?

As per my peripheral and latitudinal understanding, which perhaps matters the most to 99.9 per cent of world population, the three scenarios which emerge out of the avoidable controversies are – (1) If COVID-19 is a natural virus, there should be exemplary global cooperation to trace its origin and its flight to humans from animals; (2) If not natural, is it a lab-made synthetic virus, which was designed as

part of a germ-warfare military paradigm being pursued by China, and has mistakenly escaped out of the poorly-enforced safety protocols?; (3) Is it a natural virus, on which Wuhan-based bio-labs were experimenting for noble or profane reasons, that swung out of their safety net?

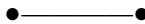
There is no wiggle room for politics in finding the truth in all the three scenarios. Hunkering down to dig out the truth is critical for the survival of mankind on this planet. Keeping such an objective in mind, all political leaders should stop gabbing and speculating about the origin of the virus and the investigators should be granted ungated access to all the contextual locations. China has, with monotonous consistency, been parroting a teleological argument that the virus is a curse from nature! If the virus is an offspring of nature, China should not act angsty and dirty its global image by floating implausible theories about the virus being imported from Europe in frozen packaged food consignments. It has also pathologically acted to eliminate all such researchers, journalists, and scientists who had initially shared some scientific insights into the origin of the virus. Moreover, China has overzealously launched a diplomatic clean-up operation to trace the virus outside its borders into Laos, Vietnam, and Myanmar, where diverse varieties of wild animals, including bats, are found. To add to this, China is also not coy about obstructing media persons who dare to visit the mine shafts in Southern China where a large population of horseshoe bats reside, and their guano may have zoonotic traces of the virus! China has also prevented its scholars and scientists from looking into the origin of COVID-19 and has also set up a high-voltage task force headed by none but Mr Xi Jinping, and no content can be made public or shared without its approval. If the task force has a fair objective, then it should facilitate international scientists to plumb the depth of the pandemic. It should also share scientific findings arrived at through various local researches sponsored by the Chinese Government.

Since China has, with vim and vigour, been firewalling all efforts to trace the natural source of the virus, here spring up the second and third propositions - the virus may either be natural, but it probably escaped from the Wuhan lab accidentally, or it may be a lab-designed one. Based on extensive research done during the SARS epidemic in 2003, and the MARS epidemic in 2012, the community of virologists, zoonoticists, and other domain experts are of the view that since horseshoe bats populate dark caves in Yunnan province in Southern China, the enigma gets parked here - how can the virus travel over 1,000 km to Wuhan and that too, without leaving behind any sick person and also not infecting anyone along its path!

A plausible explanation is that these dangerous viruses were already available in the Wuhan lab - the only BSL-4 lab in China. A BSL-4 lab is a maximum-security biosafety-level-four facility where research is done on most dangerous pathogens. America is reported to have as many as 11 such labs where 'problems' have been reported in the past. The Wuhan lab is situated at a stone's throw from the Huanan Wet Market, where COVID-19 was first found. It had also sampled bat species from every corner of South East Asia - a very large reservoir of viruses in its lab. But

since it did not have highly-skilled and trained technicians to run it safely, there was always a possibility of an accident and the COVID-19 virus may have gotten leaked. The presence of an animal meat market in the vicinity may have aided it to identify a host where it might have mutated before riding a human incubator! This can be one of the ‘parsimonious’ explanations of what might have happened, and such a theory is being speculated in the scientific community across the globe.

The last proposition that it can be a synthetic virus, is also not poppycock! Scientists have come to the conclusion that bat virus RaTG13 (named after a specific type of bat from Tongguan, in 2013) comes closest to the human virus, but the spike protein of the bat virus is different from that of the human virus, which enables it to infect human tissues more efficiently and also faster. Where did such a protein come from in the human virus? This is a trillion-dollar puzzle which needs to be demystified by finding the intermediary animal which may have carried the virus from bats to humans. Though pangolins were thrown in the ring by China as possible intermediaries, most scientists tend to treat it as a red herring. In a nutshell, the global scientific community has not yet accepted any of the three propositions elaborated in this column and is keen to investigate and piece together evidences to trace the path of the virus and then come up with accurate prognoses about future pandemics. If it is found to be a natural virus, then let us conclude that nature is the most lethal bio-terrorist the mankind would have to deal with at regular intervals!



3

Coronavirus - Lab leakage! - No way the problem child, China, can be put to bed!*

WITH the pandemic having walloped mankind and the global economy with all the ferocity at its command, a decay in the surge of infections has finally been recorded across the world, including in India - one of the few harder-hit countries. However, the serried walls of silence for almost a year have, in the recent weeks, paved the pathway for a surge in interest over the issue of the origin of COVID-19 - zoonotic spill-over vs the lab leak theory! During Mr Trump's presidency, it was a hot-button issue. But it was not taken seriously enough either by the Americans, the US allies in Europe, or even virologists as they saw him suffering from 'Pinocchio effect'! His sharply depreciated geopolitical credibility and unmistakable derision for science further shovelled the scientific community away from his conspiracy theory. Treating the same as conspiracy-mongering emanating from his pork-barrel politics, some of the seasoned epidemiologists, virologists, and ecologists rather hurriedly preferred to debunk the prospect of a lab-leakage from the Wuhan Institute of Virology (WIV) and called all such talks baloney! *Sacré bleu!* Poor science reporters in the Western media, since such scientists are their only source of information, also cloned their responses in rejecting the lab leakage theory!

Let's now jump from 2020 to 2021 and hold our breath! With the daily caseload steadily plummeting to a few thousands from lakhs at the peak, the Biden administration finding time to catch its breath, and China not wasting its breath; the White House think tank felt coerced to think afresh about patient zero! With the pandemic doing a 'Chernobyl', strangely not for China, but for the US and the rest of the world, the US woke up in nervous sweat with the mystery question - is the coronavirus (SARS-2) natural or lab-designed? With the canine virus still on prowl, there is no let-up in its virulence - over 17 crore cases with close to 36 lakh deaths, officially, how is that nothing is known about its origin and how it spread so rapidly? Being in the know of some intelligence clues coming in dribs and drabs and a good number of virologists writing for scientific journals and not ruling out the possibility

* TIOL – COB (WEB) – 766 JUNE 03, 2021.

of a lab leakage as tin-hat nonsense, the Biden administration has found meaty reasons to take the mic and order its intelligence community to double their efforts and submit a report within 90 days. In addition, the US, the UK, India, and many others also demanded at the WHO General Assembly that a fresh investigation, transparent and purely scientific, needs to be undertaken to throw fresh light on how the virus jumped directly from horseshoe bats to humans or whether there was an intermediary host. It is globally believed that such a finding is hugely important to prevent future pandemics, as being forecast by the WHO and other researchers at an embarrassing frequency.

Let us now examine a chain of events which desperately warrants more facts and hard evidence to help scientists arrive at a definitive conclusion. What nudged the White House to call for a full-fledged investigation at the cost of its already strained diplomatic relations with China is the intelligence input that at least three employees of the WIV were rushed to the hospital with COVID-like symptoms in November 2019 - a month before China reported the outbreak to the WHO on 31 December 2019. Since it was not a case of some Yankee peddling some risible fantasies, it logically raised eyebrows and also demonstrated that the WIV is complicit with the Communist Government of China in concealing the suspected leakage of the virus. But, given the fact that lab leakage is a pedestrian event at all prominent research labs across the world, why should China put its political and diplomatic might behind concealing the incident unless it knows that the unethical and dangerous nature of research, perhaps military in nature, being done at the WIV, may expose its devilish geopolitical ambitions and besmirch its global shrewdly-crafted image! China knew that SARS-1 had escaped from labs twice in 2003 – in Singapore and Taiwan, and then twice from a Beijing lab in 2004. Even smallpox had sneaked out of a British lab in 1978. Since viruses under research and re-tooling do escape from even the best of labs, why did China hide even the basic information like when it was first detected and where. Why did it fear an earful from the international community; or was it simply fearless about it as such a macabre pandemic would be an enabler to build a new world order dominated by China?

Today, the community of virologists stands asundered. A large number of them now suspect, on the basis of the news report, that some WIV researchers were hospitalised before the Wuhan outbreak was reported. Even as such suspicion deepens, the WHO has gathered vital studies done by Italian researchers who found that even before China notified the WHO about the outbreak, a good number of Italians, obviously having business links with China, had developed SARS-2 antibodies in October 2019! Mixed samples were also sent to Amsterdam labs for re-verification and there was not even an iota of change in the final finding. This piece of information indeed becomes more critical today as it points towards an irrefutable evidence that if the coronavirus had already infected Italian visitors in October, the spread of infection in local communities in Wuhan ought to be prior to that - perhaps in September! If that is so, why was China in sleep mode till December 2019, when the WHO's China office was notified of 'pneumonia of unknown cause'? It was only

on 11 January 2020 that China shared genome sequencing with the WHO. In this backdrop, should the world not work on the hypothesis that China was ‘cleaning’ its murky and messy backyard so that the ‘highly explosive’ nature of its bio-weapon-linked research was not exposed to the world. Was it also perhaps erasing all the data establishing the ‘romantic’ link between the WIV and its military, the PLA?

The ‘data dusting’ operation is further corroborated by the WHO team of investigators, who were allowed to spend barely three hours inside the Wuhan Institute in certain areas only and no epidemiologically sensitive data about the first patients and their symptoms was shared with them. The WHO team was keen to visit all the locations of horseshoe bats to find evidence of the first and most widely accepted hypothesis that the coronavirus is a nature’s cuss! However, China could at best provide a ‘guided’ and regulated tour to certain locations and declined to share all the data.

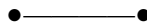
What strengthens the leakage theory is the well-meditated ‘distraction’ campaign orchestrated by China immediately after the virus began demonstrating its lethal powers in many countries. It indulged in ‘wolf warrior’ diplomacy to muddle the waters so that none talks about the origin of the virus. To give it a hard push, it also acted bumptiously in the South China Sea against its neighbouring countries. It also got into a belligerent scuffle and then a border stand-off with India. It soon took over Hong Kong, abusing the sanctity of its agreement with the British. It also escalated the trade war not only with the US alone, but also with many other countries. All such activities were largely designed to cause a tectonic shift in the global attention away from patient zero! Incidentally, at home turf, China also began purging all such voices which may prove its possible culpability! It thus acted as a quick and ruthless ‘eraser’ for many scientists and journalists who initially played the role of whistle-blowers. Not only its suppression of information, but even its no-tolerance policy towards truth-tellers can well be gauged from the latest incident of the incarceration of a blogger who had commented on the hand-combat between Indian and Chinese soldiers, and how miserably the latter had perished in a good number!

What lends credence to the lab-leakage hypothesis is the nature of research being done at the WIV on bats - the source of the coronavirus. It is well known that the WIV is headed by a globally known virologist, Dr Shi Zhengli, who is also known as the ‘bat lady’! Her team of researchers has spent many years to fathom mutations that permit bat viruses to spill over into human populations. In 2015, her team had designed a chimera created from a bat coronavirus and a mouse coronavirus that was quite efficacious in replicating in human airway cells. The WIV was incidentally working in close association with the US Government-funded research institutions earlier. Among the projects, one was about enhancing the striking capability of the virus, known as Gain-of-Function (GoF) experiment. Such a project is all about playing with the genetic code of the virus and claying a lethal hybrid one! It is generally done to enhance a country’s bio-weapon capacity. It was President Obama who had put an embargo on such a project in 2014. As soon as the embargo lapsed in

2017, the Directors of key US research bodies got the power to permit such a project and Ms Zhengli is reported to have gotten the approval for one on the coronavirus. The US not only partly funded, but also provided technical support, in bona fide belief, to set up a high-security lab of BSL-4 category - such labs are designed to deal with the most lethal pathogens. It is widely believed by a large section of the virologist community that all safety and security features were not put in place but the research, which was initially rolled out in another BSL-2 or BSL-3 lab in the vicinity of the WIV, continued on hundreds of bat samples collected from dark bat caves and mines in Yunnan province of South China.

Interestingly, the fact that Yunnan province is over 1500 km away from Wuhan, goes to militate against the much-touted hypothesis of zoonotic spill-over. For such a spill-over to take place, what is scientifically and mandatorily required is the presence of a host, which is starkly missing in this case. Second, no COVID-19 infected patient was found in the territories between Yunnan and Wuhan! It is not possible, say virologists. And third, every virus theoretically evolves, infects other animals, then humans, and finally crosses the threshold of pathogenicity in terms of infectiousness to be worried about. SARS-2 is unique in many ways - it straightaway gained the rocket-momentum to jump from bats to humans and then there has been no natural emaciation after a period of time. On the contrary, its ferocity is rising, it is becoming more lethal, and it has been mutating more rapidly. Each one of its new variants is turning out to be crueller, which questions the long-established scientific principles followed by virologists worldwide.

In a nutshell, the preponderance of probability favours the lab leakage hypothesis rather than the natural spill-over hypothesis! Second, going by the global legal jurisprudence, the onus would have rested on the WHO and other finger-pointers of such a hypothesis provided the Dragon would have cooperated and shared all the necessary data. Since the spirit of cooperation is unmistakably missing on part of cock-a-hoop China, the ball has fallen in its lap to disprove the circumstantial evidence of a thuggish coverup operation. Since China is least expected to share the truth, the origin of COVID-19 will forever remain a 'blackhole' and the community of virologists would have to begin their work for forecasting the next pandemic from any blind spot of their liking. No amount of geopolitical pressure is going to work as China, having an unshakeable sense of its own virtue, enjoys extra influence on the WHO because of its hefty voluntary contribution as well as its veto power at the UN Security Council. It has already telegraphed its snarky comments on fresh investigations. Though the Biden administration and many other democracies may push for more scientific information on this issue, China's constant response is going to be a high-decibel infodemic to distract all investigation into its territories. And thus, it is almost impossible to put China, the problem child, to bed!



4

COVID-19 - The lab-leak theory - Missing 'smoking gun' puts the house of virologists on 'fire'!

BY all standards, COVID-19 is a precocious virus! It is indeed born with innate talent to run alone in a race with no other comparable 'runner', even in the entire history of virology! Even before scientists and the global political leadership come up with a tool-kit to ensnare its rapid strides of infections, it gently and also arrogantly left behind a gridlock of body bags, frantic hospitalisation, acute dearth of essential drugs, oxygen, and vaccines, and also legal and administrative measures in its boogie-woogie style. When the pathogen 'rains', it pours; and India has seen it with puffy and swollen eyes full of tears as lakhs of Indians ran out of puff! If any country, perhaps worth its exaggerated salt, even dares to demonstrate contempt or challenge it by not resorting to repeated bouts of lockdown *a la the* UK, all such puffed-up decisions add gasoline to its 'fire-spitting' transmissibility. It was earlier Alpha, then Beta, and now Delta with a 'Plus'!

The virus not only gobbles human lives but also pummels economies with tell-tale traces of irreversible damage! Voila! Its threat is omnipresent and the virus is always thirsting for a change in its nucleus! Rapid mutation is its survival instinct - undoubtedly, worth imitating the art of evolution which may give perspicuity to scientists to unlock many other unfathomable 'mystery-balls' of nature! COVID-19, in its new *avataar*, eke-named as the Delta variant, has spread to half of the globe and has emerged as a serious hurdle to the restoration of the hustle and bustle of social life! Even before a cocktail of measures to deal with it is tailored, its irresistible tendency for a protein spike has sprung up a new variant – the Delta Plus. Dozens of cases of the new variant have been reported in India. Genome-sequencing has so far revealed that it strongly detests a cocktail of monoclonal antibody treatment, which is priced close to Rs 60,000 by Ciplas and Roche India! What more damage the Plus variant can do, is yet to be deciphered.

Even as vaccinologists continue to doggedly shadow its evolution to short-circuit its final orbit of mutation, the global community of virologists starkly stands a

* TIOL – COB (WEB) – 769 JUNE 24, 2021.

divided house! To be precise, ever since the lab-leak theory has risen like a phoenix from the ashes of 2020, the house of virologists is literally on fire! Some of them, who insisted on the natural origin of the virus and also signed a letter published by Lancet in February 2020, have apparently irked a large section of Americans, who are fuming with intense energy to outman and outgun China! Not finding many outlets to funnel their bottled anger, an unknown sender recently emailed vituperative content to one of the grandfatherly virologists in America for trashing conspiracy theories.

Here is another case. Caution - Your heart may fall into your boots! A highly-trained and combative soldier in Belgium suddenly developed intense dislike for virologists and went after one of the seasoned ones who was assisting the Belgian government in dealing with the contagion. Known for his 'tight' and far-right view, the soldier first threatened the virologist, and then gathered high-quality weapons from the military store and decamped with a notice to kill the virologist, Mr Van Ranst, who was provided with high-grade protection and a safe place to hide. A team of 350 police and military personnel was deployed to shadow him before his high-calibre firearms could dance on global broadcast channels. The high-intensity chase indeed cornered him, and after a fortnight, his body was found in the forest on the Dutch border and forensic experts suspect suicide by the military shooting instructor!

If we leave aside the instances of swinging public mood against virologists, the community itself is clearly caught in a hubbub. Intense rivalry of conflicting opinions has engulfed the community. A large group of gerontocrats within the community tends to stick to the unalloyed zoonotic opinion that the coronavirus, like many previous pathogens, probably jumped unaided into the human population from an animal host - untraced thus far! This school of virologists, however, do not rule out an unwitting laboratory accident. Some experts also believe that the researchers studying the coronavirus in the Wuhan lab perhaps did not even know that they had COVID-19 in their lab!

Rivalling such a view, 18 prominent scientists recently published a letter in *Journal Science*, which turned to be the spring board for the White House to take up the conspiracy theory more seriously this time. Given the circumstantial evidence fuelling debate over the lab-leak theory, Mr Biden seems to have decided to set China's teeth on the edge! This was an agenda bender at the G7 Summit at Cornwall, where he rallied anti-China cries and all the seven countries backed his agenda to call for deep investigation into the realistic possibility of a lab leakage. He hopped to Brussels and his anti-China rhetoric echoed at the NATO summit, too. This has naturally infuriated the Xi leadership, which seems to have once again triggered 'wolf warrior' diplomats after recently making a call to showboat China as a 'lovable' country!

The irascible Chinese diplomats are so upset with the West that they have once again begun to float quixotic, exotic, weird, and idiosyncratic theories about the origin of COVID-19. Based on the finding of a study that says that the disease could

have been circulating as early as December 2019, much before the first official COVID-19 case was reported in the US, China has given a war cry to explore the theory of multiple-origins of the virus. Chinese foreign ministry officials have called for investigating the US Military and one of its oldest bio-research centres, Fort Detrick, in Maryland. Since it was set up to run America's bio-weapon programme during the World War II, China wants a WHO team to visit and audit this facility to find possible traces of the origin of the coronavirus! While floating contaminated frozen food as another source, China has also blamed Europe, where anti-bodies have been found as early as in September 2019.

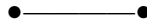
The Chinese 'wolf warriors' are indeed hyper-aggressive to float many poppycock theories but are not keen to share information about how many horseshoe bat samples were collected and what sort of research was being done at the Wuhan lab and whether the 'gain of function' research was also being done there. Since Dr Shi, the Director of the lab, has been collecting bat samples for more than a decade, most of them were being examined at BSL-2 and BSL-3 labs as Wuhan got its first BSL-4 lab only recently and a possibility of leakage cannot be completely ruled out from low-safety labs. Reacting to toxic tenor, vitriol of politics, and non sequiturs, some Western virologists have shouted back at Chinese virologists calling for multiple-origins theories and also the fact that even if some cases are now found to be there in Europe and the US much before the official record of first cases, it still does not rule out the possibility of leakage from Wuhan.

Even as the two distinctive schools of scientists split hairs and break their reading glasses over the many tentacles of the sinister theory, one of the worldwide famous and polymathic infectious disease experts, Dr Anthony S Fauci, adviser to President Joe Biden, has come under severe assault from the Republicans after his furlongs of email content were made public under the RTI Act-like local law. The sole reason for excoriating him was the past funding by his National Institute of Allergy to certain research projects undertaken by the Wuhan Institute of Virology. Many virologists also suspect that such a funding was closely linked to the 'gain of function' experiment relating to the coronavirus originating from bats. He was vilified by right-wing news media as the 'father of the virus', and such scorn was heaped on him after he called China to open the door of the lab for inspection of records.

Why do virologists lend no credence to or tend to discount the authenticity of the WHO report after a team of experts visited Wuhan and submitted their report, ruling out the lab-escape theory? One of the key reasons, apart from China saying no to the inspection of lab records, is that the team of WHO investigators included a well-known ecologist, Peter Daszak, the President of the EcoHealth Alliance, who was instrumental in obtaining the grant from Dr Fauci's institute for the Wuhan lab. He was also one of the signees of the Lancet letter last year, rubbishing the conspiracy theory. Though a powerful bloc of scientists may toss out the possibility of any sinister design behind the origin of COVID-19, it is also difficult to erase the memory of some of the notorious lab leaks in the past, which were defended with

geopolitical tantrums and dressed up as weird events but were later found to be lab-leaks! Let me recall the anthrax scam of 1979. Over 60 people had died after the anthrax micro-organism had escaped from a navy lab in the Soviet Union. The secret police had seized all hospital records and also effectively squelched all hospital staff and passed on the incident as one originating from contaminated meat. The pathogen was declared as one which jumped from animals to humans. The bottle of this scam was finally uncorked in the '90s, when it was found that it was a lab-leak case!

In this backdrop of spine-chilling instances of lab-leaks in the world history, it would be too early for the world to give up on the origin of the coronavirus. Ruthless geopolitical pressure needs to be mounted on the Communist Party, which may be besotted by the thought of the glamorous celebrations of its 100th anniversary, and this could also be one of the possible reasons to bury all such incidents which may bring a bad name to it! The world needs to find the smoking gun and it has to sensitise China that unless it shares the 'black box' hidden in the Wuhan lab, known for many unspecified classified projects, it may not be welcome in the large part of the world and multilateral forums. It may have to be condemned to a repeat of the cruel history of 'global isolation', which was unshackled by President Nixon in the '70s. A boycott of Chinese goods, investments, and also people living in foreign lands who support the autocratic system back home, is to be sustained for a period of time before the Politburo of China caves in! Or, the global leaders may take a call that like the anthrax leak, which was revealed after two decades, the Wuhan lab-leak may also be corroborated sometime in the future! Meanwhile, the lab-leak theory would sink deeper into geopolitical brawls – let us brace up!



PART III
WOLF WARRIOR DIPLOMACY
BY THE DRAGON

Introduction

Going by the astonishing amount of momentum which was recorded in China's 'wolf warrior' diplomacy after the world loudly began to talk about a possible lab leakage of the coronavirus from the Wuhan Institute of Virology in early 2020, it appears that the Chinese diplomatic corps was all braced up for aggressive propaganda campaigns. At the core of the strategy was to distract the world from dive bombing into the sensitive issue of either deliberate or accidental leakage of the virus from its lab. In hindsight, it would not be far from the truth to observe that the Chinese leadership had discussed all possible geopolitical flutters emanating from the marauding virus and China was ballsy about giving rise to as many other controversies as the world would not have expected on the trot!

Sacre bleu! China treated the pandemic as a new window of geopolitical and military opportunity for territorial expansionism - land, air, and sea! Riding a new doctrine of 'Pandemic Deterrence', it preferred to indulge in the theatrics of showboating its military prowess. It all began with the South China Sea. Though it happens to be an international maritime route, China laid its claim of ownership and its Coast Guard militias did not spare any chance to antagonise neighbours like the Philippines, Malaysia, Indonesia, and Japan, which disputed its claim. Its hostility towards Taiwan was much grimmer which nudged the Trump administration to dispatch its Naval fleet. Though China did fulminate against such an action of the US, the rising din of protests from its neighbouring countries had a bit of a sobering effect, and it did not further escalate its self-sabotaging misadventurism.

To further diversify the geopolitical planks of distraction for the largely domestic-bound attention of most countries, its army, PLA, triggered an incident of hand-combat on the Indian border and after losing a sizeable number of soldiers, it belligerently marched forward miles into the Indian territory. To give a taste of its own medicine to the enemy, India marshalled its military strength on the border and deployed the best of its modern fighter aircrafts. Even after many rounds of military and diplomatic-level parleys and also behind-the-stage diplomatic negotiations, the border stand-off stubbornly continues!

Even as military posturing on multiple-fronts kept gathering 'ornamental' steam, China decided to put its commitment given to the British government in the dustbin of history and suspended all civil liberties and enacted a National Security Law for Hong Kong. This created a state of chaos and exodus of foreign investments and also for professionals from Hong Kong. China did not relent and its wolf warrior diplomats continued to defend its sovereign right to govern the territory to the best of its desire and whims!

On the international trade front, since Australia cushioned the voice of America demanding an investigation into the origin of the coronavirus, China's sock-puppet diplomats openly warned that a demand for an investigation may prompt the Chinese to ask – ‘*Why should we drink Australian wine? Why eat Australian beef?*’, and it was not a hollow threat! China furiously reacted by imposing an anti-dumping duty of over 212 per cent on Australian wine. It also imposed tariff on many other items. Since China accounted for 40 per cent of Australian exports worth USD 40 billion, such arm-twisting was aimed at silencing its voice. But it did not happen! Australia continues to defend its sovereignty and also demands a fair probe into the origin of COVID-19. Meanwhile, China has shamelessly weaponised its trade policy and handed out a list of 14 items which are to be fixed if Australia is keen to improve its trade relations. Some of them are - retraction of the statement demanding a probe into the origin of the coronavirus; public statements supporting China's claim on Taiwan and Hong Kong; lifting the ban on Huawei's 5G technology in Australia; and no funding of anti-China research by the Australian Strategic Policy Institute!

In a nutshell, on one hand, China emerged as a rogue military power and on the other, its wolf warrior diplomats began to make veiled threats to their hosts across continents. Riding the partial success of Mr Xi Jinping's pet Belt and Road Initiative (BRI) among poor, helpless and politically strife-torn countries where BRI was morphed into different shades of diplomacy such as ‘Panda’ diplomacy; ‘Boatgun’ diplomacy; ‘Chequebook’ diplomacy; ‘shotgun’ diplomacy and many more; the diplomatic corps saw an opportunity to dethrone the US as *numero uno* superpower. What pumped them with such delusions was the Trump administration's sabbatical from geopolitical issues. It was largely because of the rising number of COVID-19 cases; elections in the pipeline; the sinking economy; and the rising tide of racial divide within America. For a brief period, China relished the thought that it could step into the shoes of world leader at its own will! But things began to change as soon as Mr Joe Biden took over the White House and had a *tete-a-tete* with his European allies sotto voce! The present and future scenarios are not going to be favourable to China with many countries sharing democratic values, joining hands, and working for a peaceful and stable world order!

Chapter 1 throws light on a veiled shift in China's military philosophy in view of changed geopolitical parameters; chronicles of Chinese hostile trade policy towards Australia and the sudden rise in military aggression against Taiwan; a well-mediated conspiracy to stab Mr Narendra Modi in his back and a border stand-off; the quick enactment of the National Security Law to purge dissenters and liquidation of civil liberties in Hong Kong; the misadventure in the South China Sea and sparring with all neighbours; and an attempt to create a ring of influence in India's backyard and a flurry of activities to grab the mantle of global leadership from America.

Chapter 2 provides a peep into the making of a new world order; ruthless political purge in China and sustained atrocities against Uighur Muslims; remorseless weaponisation of BRI to coerce poor countries into diplomatic servility; China

deliberately delaying the investment treaty with EU; national isolation vs global cooperation as Xi Jinping's new philosophy; and hefty bump to world warrior diplomacy against India.

Chapter 3 details the Chinese deceit and military subterfuge to pursue territorial expansionism; Hong Kongers deprived of basic liberties and incarceration without proper trial; aggressive shopping of sovereignty of poor countries; deliberate default in discharging obligations under the trade agreement with the US; keeping focus of the trade policy on de-industrialising trading partner economies; and the need for the Indian economy to gradually reduce dependency on China and inescapable lesson for New Delhi not to trust China!

Chapter 4 dwells on how Mr Donald Trump abdicates the throne of global leadership - something China was eyeing for long; instances of US-China naval stand-off; China hikes corporate tax rate to slow down the flight of investments from Hong Kong; UK, like America, also says nay to Huawei's 5G technology; and EU braces for war chest to ward off Chinese hostile takeover of companies and a new world order in the making where China may count on only Russia.

Chapter 5 goes back to history and finds that no international order lasts forever as America snatched the mantle of superpower from Britain after the First World War; the Security Council has become so dysfunctional that it failed take a decision on even an issue like COVID-19; the pandemic exposes the embedded principle of self-interest vs common interest; UN reform overdue to stymie predatory military adventurism like the one by China; the Security Council is ill-represented and its members are often saboteurs of global peace; how the Security Council should be reformed along with the overdue reform of UN bureaucracy and also the UN budget; and new funding formula needed to make the UN more meaningful and how the world is heading for a multi-polar status.

Chapter 6 deals with how China became the factory of the world and the global supply chain turned unidirectional; Trump's America First policy disrupts China-tethered supply chain; Trump's oral assault creates fear for MNCs which begin deliberating on shifting or creating additional factories to reduce their dependence on China; A good number of countries rush to reduce dependency on unreliable China; diversification of the global supply chain; a chance for India to attract capital shifting out of China; India needs to set up a Federal Manufacturing Zone in tandem with the states; India needs to align its FTAs and foreign policy for more desired outcome; and India needs to review its FTAs against value-addition, rules of origin, and method of verification and regionalism may dent multilateralism in the new world economic order.

Chapter 7 deals with China's fabulist military diplomacy with India; principles of risk-aversion in case of physical military assault; time for India to overhaul its foreign policy; Trump demonstrates open dislike for China; the South China Sea becomes an emotive issue for ASEAN members; chequebook diplomacy

boomerangs on China; India needs to lend heft to Look East Policy; and the politics behind the Chinese dam on the great Mekong River and how India should work with like-minded countries to fix China for the pandemic.

Chapter 8 hammers on the critical significance of backstage diplomacy which sometimes yields better results; narcissistic tendencies of Chinese diplomats who have, of late, turned their tongues acidic; unwarranted and assertive approach of Chinese diplomats at the UN; A new doctrine of etiquettes for Chinese diplomats, i.e. spare none and hit back; showboating about efficient handling of the pandemic because of a superior political system; and pandemic diplomacy to push exports of COVID-related items and BRI as a debt-trap and the US needs to pump in more resources to counter the evil diplomacy of China.



1

Geopolitical Kerfuffle - China, proven a regional bully, heading for ds/dt military status!*

THE raging COVID-19 pandemic may have tethered the attention of the world to domestic turfs, but it seems to have surfaced as a window of opportunity for China to lend wings to its irrepressible greed for territorial expansionism - land, air, and maritime! Cornered by the global finger-pointing about the suspected lab-based origin of the Wuhan virus, China - albeit a prey of its own '*kung fu*' virus in Trumpian lingo - seems to have nervously designed a new school of muscle-flexing security theory called the 'pandemic deterrence'. The pith and substance of this new military philosophy is to downplay its frailties and to undertake the showboating and theatrics of its military prowess!

Let me now piece together a few disconnected instances of China's military adventurism to cash in on opportunities arising from geopolitically pandemic-distracted world. After Taiwan played the role of a whistle-blower for the world on the coronavirus issue, China used its economic might and sock-puppet diplomats to create a smokescreen of propaganda against Taiwan. The WHO finally dropped Taiwan from its list of invitees for its Assembly Session. Australia joined the American voice seeking a probe into the origin of the Virus and invited invocation of a tariff wall of China. Several of its products have been subjected to high import duties.

In January itself, the Chinese President, Xi Jinping, exhorted his armed forces to beef up for battle. Obviously, he was referring to territorial sparring in the South China Sea and the rising tensions with the USA over trade and the independent status of Taiwan. Mr Xi again urged the Chinese Army to minimise COVID-19 fall-out on national security in the end of May. Given the fact that China is known to be a nation in thrall of its territorial expansion-based nationalism, Mr Xi's unencrypted message was hurriedly lapped up by the PLA Generals and Commanders in the Ladakh Sector on the Indian borders. A brazen conspiracy to stab India in the back was hatched with a reasonable bout of preparedness. PLA *jawans* had a free run on some of the fingers

* TIOL – COB (WEB) – 717 JUNE 25, 2020.

in the Galwan Valley and by the time the Indian Army, nonplussed by such a daredevil act, sussed out the situation, a violent skirmish was almost in the making! Although some rounds of talks did take place and a broad understanding for a *détente* was arrived at with a status quo ante provision, no element of deceit, chicanery, and subterfuge was factored in by India! This is what resulted in the premeditated violent jostling with improvised weapons such as iron rods and clubs. Though the Indian Army was unprepared for such a melee, it eventually scored over the prepared PLA - 20:40 dead!

Unfolding Chapter 2 of the 'pandemic deterrence', the Xi Government decided to liquidate the autonomous status of Hong Kong guaranteed till 2047 by an agreement with the British when they handed over Hong Kong to China in 1997. It has come up with a controversial Security Law to imprison pro-democracy dissidents in Hong Kong. Freedom of speech and other liberties of Hong Kongers are going to disappear in thin air as soon as the new law is notified. Given the future prospects of Hong Kong being altered to not better than Bantustan, the Trump administration has decided to withdraw trade benefits bestowed upon it. Yet another dimension to the on-going tiff was added when the US Congress approved sanctions against China for documented atrocities against Uighur Muslims in the Xinjiang region.

Mainland China always talks about reunifying Taiwan. To deter any sort of aggression against Taiwan, America generally parks one of its Naval Warships in the region. But, thanks to COVID-19, many officers on the aircraft carrier, Theodore Roosevelt got infected and the warship was docked in Guam base in the Philippines. China quickly grabbed this opportunity and steamed its own aircraft carrier through Miyako Strait between Taiwan and Japan! Claiming its sovereignty over the South China Sea, on 3 April, China's maritime *militia*, masquerading as a fishing flotilla, sank a Vietnamese fishing boat near Paracel islands. Barely a fortnight back, another one was rammed in the same area. In April and May, the Chinese Coastguards troubled a Malaysian drillship which provoked the USA and Australia to dispatch their warships. Reacting to China's pandemic-riding tactical gambit, America has parked three of its aircraft-carriers close to the South China Sea.

China has been festering disputes with virtually all its neighbours. It has not taken off its eyeballs from Thitu island of the Philippines, which it has repeatedly claimed as its own! Similarly, its excessive maritime greed has often pitted it against Japan for one of its islands. China has clashed with Vietnam, Malaysia, Indonesia, Brunei, and others for their sandbars, reefs, and atolls and has also succeeded in eating them up. Although it had committed to America in 2015 that it would not militarise islands in the South China Sea, it has built ports, bunkers, and runways. Much to the consternation of other littoral countries, China has set up an Air Identification Zone (AIZ). Although America angrily protested and its warplanes did fly across, passenger airplanes were advised to keep away - a tacit acceptance of China's bulldozing claim!

In a nutshell, China has increasingly emerged as a rogue military power with d³/dt³ fancy of dethroning America as *numero uno* superpower. Riding the tiger of economic success and flexing its muscles of huge forex reserves, Mr Xi seems to be seized of his illusory belief that the time is nigh for China to assume the role of world's leader. With Mr Trump, roiled by domestic racial and economic issues and pangs of the coronavirus, taking a sabbatical from the mantle of global leadership, Mr Xi believes that China can fit into the shoes at its own will! True, China has tasted an uninterrupted and long span of economic success to rise to the enviable status of being the world's factory and also a military giant, but Mr Xi seems to be oblivious of the accompanying obligations of the world's leader to promote an international order based on rule of law, fairness, equity, mutuality of respect, and peace. The mantle of global leadership is all about repudiation of temptation to territorial grabbing, back-stabbing, and diplomatic skulduggery. Such almost unworldly qualities are too far-fetched for Mr Xi, who seems to be in love with machete to be used not from front but behind! And the pain, clearly measurable from the wrinkles on the face of Prime Minister Modi, is a live example!

India today stands back-stabbed! This is despite the huge investment by Mr Modi in nourishing his personal rapport with Mr Xi. A bout of introspection over the recent chain of events may reveal that Mr Xi is relishing a frisson of schadenfreude at Mr Modi's misfortune! So, what should be India's future policy to deal with China? Clearly, there is a stark need for a new doctrine of military diplomacy to deal with China. The present 'wedge strategy' has not worked! It has neither checkmated Pakistan nor instilled respect in China's mind for India, which often said that the 21st century belongs to China and India! Mr Modi also needs to fathom that it is not the personal goodwill between two heads of States but the long-term dream of a country that shapes up inexorable turns in bilateral relations. For Mr Xi, Mr Modi may remain a good friend, but for China, being territorially grabby, is the backbone of its international military diplomacy. Till the time it needed support from ASEAN, it was good to all ASEAN members. Now, it has sparring differences with all of them as they need China more for their trade. History with India and others clearly reveals an unmistakable pearl of wisdom for Mr Modi - never fear military consequences of a neighbourhood bully, keep minimal trading relations and keep forging alliances with globally stabilising democratic political establishments! Although an agreement for disengagement of forces has been arrived at, do not trust and also do not compromise on the list of border activities which India is free to undertake as a sovereign nation. Such compromises in the past have given a moral edge to the PLA and a scar in the mind of the millennial generation about the bravery of our armed forces and the correctness of our foreign policy!

Prime Minister Modi does need to realise that protracted humming and hawing over China would do long-term harm to India's interests. Some good examples are China's influence over our SAARC members. China recently extended duty exemption benefit to over 800 tariff lines to Bangladesh. This is a clear attempt to

bring Bangladesh under its ring of influence around India. It did the same with Nepal. Although Nepal has lost a good-sized territory to China on its border, rather than protesting against such annexation, Nepal has done what China wanted it to do against India - put Indian territories on its map! The traditional relations of its bordering population with India are also turning bitter in Bihar and Uttar Pradesh!

The on-going momentum to minimise involvement of Chinese companies in critical sectors of the Indian economy would be a good strategy, but it should not be a blanket arm's length policy. Since Chinese companies do enjoy economies of scale and price advantages, the bilateral trade may continue for consumer goods with a clear policy emphasis to replace the same over five to ten years period. For sensitive and tech-infra sectors, it would always remain a good idea to keep Chinese companies away as China has always been accused of arm-twisting its companies to share sensitive data with the State and its intelligence agencies. Zoom is the latest to be accused of notwithstanding the fact that it is an American company with its key developers and servers located in China.

Burning Chinese goods on the streets may be a good conduit for a common Indian to vent anger but for the Government of India, there is a need for a well thought-long-term economic policy to regulate involvement of Chinese companies in non-sensitive sectors and also a definite plan to compete them out over a period of time! This is what most economies like EU and America are going to do unless there is a change in the political philosophy of perfidious China, which is certainly going to plough a lonely furrow in the future recovery of the global economy. A good swathe of FDI is bound to move out of its borders, including Hong Kong, and a period of economic downfall coupled with wobbly military paradigm has just set in for China. And it would get accelerated with the inevitable decoupling of the US economy post-polls in November 2020! I sincerely hope that Mr Modi and his team of security and foreign policy advisers would remain unfazed by the prevailing smouldering atmospherics and focus on laying down a robust security architecture to deal with China in the coming decades!



2

Post-COVID-19 – A new world order - '*Chini Kum*' if the eye is on rule-based stability!*

FOR humanity, abject social and economic miseries are piling up at a never-seen-before pace! As if the COVID-19 pandemic was not enough to denude this planet of its most gentrified species, Beijing has gone berserk, geopolitically and militarily too! The Chinese President, Xi Jinping, is palpably following the policy of killing a few chickens to frighten the monkeys! And he seems to be putting all his might behind such a policy at a time when the need for global solidarity to deal with the pandemic could not have been felt more acutely. COVID-19 has disproportionately devastated the global economy. To deal with the pandemic effectively, what is entailed more grimly is data-sharing and international cooperation among epidemiologists and virologists, but Mr Xi has orchestrated a new choice before the world - national isolation vs global cooperation! Although he is very fond of caroling about globalisation and multilateralism by promising some sops to the WHO, what he practices is dystopian political philosophy which guarantees an Orwellian future to the world!

Although the pandemic originated from China, and its opaque Communist Party regime has not yet meandered out of the radar of global suspicion, Mr Xi has done little to extinguish the embers of international rivalry. He has rather taken a series of controversial decisions to intensify the global antagonism and brought under serious scrutiny the credentials of China as a responsible global power with rising shares in key economies, which are viewed as engines of global growth. Only two days back, its rubber-stamp parliament vetted the new Security legislation for Hong Kong. By acquiring sweeping powers under the new law over the Hong Kong Government and also the courts, mainland China has virtually driven out scores of MNCs and financial juggernauts operating from the erstwhile British colony. So scared of the imminent political purge, that Mr Xi is fabled for, are the Hong Kongers that pro-democracy groups have hurriedly disbanded their outfits - what a birthday gift (1 July was the National Day) from a leadership which is literally in a haste to assume

* TIOL – COB (WEB) – 718 JULY 02, 2020.

the mantle of a global superpower! The United Kingdom, Japan, the EU, and America have voiced their concerns but the larger question is - should the world really be reduced to a mere spectator? Is it the beginning of a new world order led by a cupidity-stricken autocratic regime?

At home, Mr Xi is credited to have been running a sustained campaign for political purge. Since 2012, when he had grabbed the irresistible crown of the Communist Party, there are studies which indicate ruthless purge of liberals and moderates in the party and the number of people eliminated so far is guesstimated to be too eye-watering to believe - **about 1.5 million!** But if one goes by the American reports on cleansing of Uighur ethnic groups, which accounted for about 50% of the population of the Xinjiang province, about one million have been dumped into a new *gulag* (labour camps) - without trial! Their apparently 'sinful' crimes are - they pray too often to *Allah*; show excessive pride for their Turkic culture; and are stubborn about not watching State TV broadcast! The retribution ranges from making them excoriate Islam, shave off their beards, eat pork, and produce less children. A good number of their women were injected 'fluids', resulting in sterility. In contrast, the State encourages the Han Community to have more children!

Let us exit China's domestic turf and analyse Mr Xi's fund-rich stodgy Belt and Road Initiative (BRI). It is his pet project - the modern silk route. By definition, it is meant to boost Chinese trade across Asia, Africa, Europe, and Latin America, but in essence, it is meant to trick fund-starved countries into diplomatic servility. After COVID-19, BRI has dovetailed its muscles with 'pandemic' diplomacy, where China has sent some shipments of PPEs, masks, and drugs to some of them. It used its twin cards of BRI and medical shipments diplomacy to coerce some of the Latin American countries to go against the USA and derecognise Taiwan. Though Brazil and many others have termed such an attempt as an interference in their domestic affairs, smaller and vulnerable countries like Panama, El Salvador, and Dominican Republic have done it for the dangling carrots. Such sugarplums have been offered to many poor African countries as well. Mr Xi's global vision is to keep smaller and poor countries in his pocket so that they can be arm-twisted at a critical juncture when their votes, carrying equal vote weightage at multilateral forums, could be utilised to tilt the balance. It has indeed helped Mr Xi if one goes by the fact that four UN bodies, including the FAO, are headed by Chinese nationals today. This is Mr Xi's improvised style of expanding China's soft and hard powers in various geographical regions of the world.

Travelling back from Latin America to Europe, what can be clearly measured are the widespread misgivings about China's sudden assertiveness. Many EU members have always been suspicious of Mr Xi's ultimate motive to cause fissures between America and the EU, and then push his agenda of the EU's economic dependence on China. Though Mr Xi had promised an investment treaty with the EU, which recently held talks through video conferencing, even after seven years, China has not ceded even an inch to the EU. This basically means that the EU's companies are not free to

invest and get protection from the Communist Party's interference or sudden zig in economic policy! It has clearly frustrated the EU. Germany has openly turned hostile to China. Incidentally, Germany has taken over the mantle of EU presidency only yesterday and the World may now watch the EU closely for the next geo-economic move against China. The members of the UK Parliament have already set up a group to study rising temperature of Mr Xi's now measurable temperament!

This brings us to the fabled dragon-slaying toughness of Mr Donald Trump against China. If his former Security Adviser John Bolton is to be believed, although there exists cross-government keenness in the Capitol Hill for a harsher posture against China, Mr Trump's quirks towards China were found to be self-defeating and Panda-hugging! Although Mr Trump was reportedly in the know of how China games the American economy, he made toe-curling and flattering comments - Mr Xi, you are the 'greatest leader in Chinese history'! Mr Trump had his eyeballs set on the trade deal which was critical for winning his second term! Mr Trump shockingly pleaded for the 'first phase' of the trade deal but Mr Xi, being a hard and shrewd bargainer, kept the American President in the plodding lane! Mr Xi thus bought time for delaying American sanctions against delinquent Chinese companies, which were finally proscribed by the Federal Communication Commission. These were Huawei and ZTE. Only after Mr Trump realised that Mr Xi has put him on an iceberg, his tone assumed bellicosity. Mr Trump has finally dispatched three of his naval warships in the South China Sea. To a large extent, Mr Trump prima facie appears to have vacated the global leadership mantle for China by getting roiled in domestic politics and the pandemic. His NATO allies also found their feathers ruffled when America did not come to their rescue during the hard pandemic times! Post the November poll, the onus would probably be on Mr Joe Biden, the Democratic candidate, to piece together a new geo-economic front to show the right place to the totalitarian Communist Party of China.

Since Mr Trump blundered in weaponising China for his Presidential polls, it was construed as a retreat by America from the global leadership position. Facing acute pressure within the country after the pandemic killed, God knows how many, and the massive unemployment resulting from the slowing economy, Mr Xi began to demonstrate global aggression to distract the attention. Thus, he made a series of judgemental errors such as troubling boats and drill ships of neighbours in the South China Sea and also a face-off in the Galwan Valley. Though Mr Xi may be enjoying a wicked smile after his loyal army commander reported the annexation of certain strategic points from India, little does he know that New Delhi is mentally ready to give his army a befitting reply. He also knows that the Indian Mountain Divisions are known for their ferocity and intricate tactics. Indian fire power is no less devastating. But, having crossed the Rubicon, he had no choice but to indulge in sabre-rattling on the borders. To ratchet up pressure on New Delhi, he was expected to make use of China's long-fed stooge - the Islamic Republic of Pakistan. Though the Pak Army has indulged in some sort of showboating by deploying some of its divisions along

the Indian borders, the cause of real worry is China's ghastly design to push in Islamic Jihadis into various cities in India through porous borders along Nepal, Bangladesh, and Pakistan.

For New Delhi, the best choice available is to bide right time during the winter months and snatch back the territory illegally occupied by the PLA at opportune time. Till such a plan is executed, India should mobilise global opinion, including the UN, to isolate China at multilateral forums and lay bare the designs of its 'wolf warrior' diplomacy. India should rope in the EU and the ASEAN countries, which have spoken against Chinese designs in the South China Sea, Japan, Australia, and the USA for forging a powerful front. If Russia agrees, it should also be a part of such a front as China is no less a threat for Russia in the long-run. On the economic front, India has taken some right decisions like banning Chinese apps; debarring Chinese goods from government procurement, and critical government contracts. China needs to be economically encircled by big economies where it has acquired large shares. Mr Xi's aggression is, empirically speaking, linked to China's economic success erected over the cadavers of basic human rights of the poor Chinese labour force. If a new world order is to be constructed, major economies of the world have to come together and build a new global order minus the Communist Party-led China. This is feasible in the long-run even if it may look difficult in the near future. After all, global peace cannot be allowed to be jeopardised to kowtow the idiosyncrasies of a feckless autocrat!



3

How to dragoon the ‘Winged Dragon’? - Not eye-rolling, but long-term economic isolationism may!*

WITH the global death toll soaring close to five-and-a half lakh and still rising with no sign of its tapering off, COVID-19 has evidently established its credentials as an apocalyptic life-gobbler. What may appear to be running elbow-to-elbow with the coronavirus is the country of its origin - China. In terms of the demolition effect, there is palpably stark harmony in their goals! China has set its eyeballs on gobbling up all the democratic, liberal, and human values nourished by the civilisations so far, and it is more so because this is what it has been practicing as its political philosophy, punctuated by territorial expansionism and accompanied by the doctrine of nihilism! To realise such goals, all that are required to be integrated with the institution of its the Chinese political empire such as are chicanery, diplomatic deceits, Machiavellian politics, trade-related skulduggery, and military subterfuge. Interestingly, all such traits have amply been honed by its the President Xi Jinping! Being a victim of hubris, Mr Xi has thoughtfully opted to ignore the lessons of history that empires are inevitably born with expiry dates in their own wombs! Only civilisations survive the pangs of trying weathers! Let me now illustrate how Mr Xi has been unfolding all such traits during the COVID-19 times!

The bustling and financially flourishing city of Hong Kong, the main international gateway to the mainland Chinese market, is the first example. How to kill a commercially thriving megapolis is to be learnt from Mr Xi. In his severest assault on a liberal society post World War II, he overnight put about 7.5 million people, including 40,000 Indians, in an iron-clad cage by imposing a new national security law. All the liberties and freedoms the Hong Kongers were born with, were robbed by a hand demonstrating scary machete! As per the new legislation, drafted without any participation by the Hong Kong government, even throwing eggs at offices in protest will now be treated as subversive; calling for independence to be construed as secession and in some cases, trials may be done in mainland China by ‘special’ judges chosen by the political establishment. Though such a legislation has invited a

* TIOL – COB (WEB) – 719 JULY 09, 2020.

torrent of sanctions and lambasting from Western countries, China has simply shrugged them off! As per latest reports, a large number of Hong Kongers are planning to flee to friendly countries like the UK, Australia, and Taiwan and those who would stay back, may adopt the suicidal attitude – ‘if we burn, you burn with us’! Thus dies a hitherto envy to many key financial centres in the world!

The second example pertains to China’s extortive credit policy aimed at ‘shopping’ sovereignty of poor countries. One may recall Mr Narendra Modi’s initiative to organise a G-20 Group meeting on the pandemic issue in April. Though not much concrete result was achieved, the Group did agree to grant debt relief to 73 poor countries in Africa and other continents so that they could manage a fistful of resources to combat the pandemic. Though China was a party to it, none knew how it was going to ‘toy’ with its debt-relief diplomacy. Since China has always followed an opaque policy and has not joined the Paris Club of Government lenders, which coordinates debt waivers granted by its members and ensures that no member reaps benefits out of the generosity of another, it has always been a matter of speculation about the Chinese waiver terms. Though not much was known about the quantum of Chinese credits to poor countries, some incomplete studies by the World Bank indicate that China has pumped in over USD 100 billion in Africa alone, and such a credit is more than the combined credit of America, Britain, France, and Japan. Western countries have always voiced their concerns about the Chinese evil design to over-lend funds to poor countries so that they fail to service the debt and China pounces on the opportunity to extract its own pound of sovereign flesh from them! Myanmar and Sri Lanka in India’s neighbourhood are telling examples.

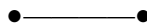
The third example is a bitter lesson learnt by the Trump administration which used its maximum persuasive and fawning skills to convince Mr Xi to buy a lot of American goods, including agricultural products. As per former security adviser John Bolton’s book, Mr Trump was keen on the first phase of the trade deal so that it could brighten his chances of re-election. Though China signed the deal in January, its imports from America are behind the schedule by miles. As per some reports, China has imported American energy goods worth less than USD 1 billion in the first five months against the annual target of USD 25 billion! Chinese imports of manufactured goods in the first five months are less than a quarter of the annual targets. Chinese imports of Trump’s favourite agri-goods are barely worth USD 8 billion out of the annual target of USD 37 billion. All such data clearly indicates that even after signing an agreement, China has an inherent systemic proclivity not to do what it promises or contracts for! Backpedalling is in the genes of the Communist Party of China! And such a behaviour of a trading partner would have significant lessons to be learnt by other countries which continue to be lured by China for their exports and future investments!

If a researcher sieves through the Chinese policies followed in the past decades, its underlying and hidden agenda of economic expansionism comes to surface in abundance! The Communist Party of China has always relied on its cheap labour-based manufacturing coupled with state subsidies and its evil design to de-

industrialise its trading partners. It has risen to the level of being called the world’s factory only by snatching away local jobs in many EU countries, America, and even India, which has over USD 50 billion of trade deficit out of the total trade size of USD 110 billion last fiscal! China’s predatory economic policy has been to cripple its trading partners by killing their manufacturing bases and deploying technology in critical sectors for much greater dependence. That is how its telecom giant, Huawei, has been nourished over the decades, to steal consumer data and spy on the rival States. Since data has become more precious than oil, Chinese tech and e-commerce companies have gone on a spree to gather as much consumer data as they can. And obviously, for dual purposes - marketing as well as snooping by the Chinese State agencies! The Trump administration realised it too late and the FCC has finally blacklisted them in the US. Since all Chinese companies are legally obligated to share their data with the State Intelligence Agencies, the principles of privacy are clearly buried six-feet-deep!

Let’s now move to our domestic turf. Though some sort of understanding is reported to have been inked to execute the disengagement of forward defence forces in the Ladakh region, the concept of ‘buffer zone’ on the Indian side of the Line of Actual Control (LAC) has evoked grim criticism of the Modi Government. Though there is no official statement on this issue, if it is true, it would certainly jeopardise the political capital of Mr Modi in India and also his global reputation. Galwan Valley face-off is certainly a premeditated advance by the PLA, which is under pressure to help Mr Xi project China as the only eminent claimant for the mantle of superpower from Asia. Though Mr Modi had a *tete-a-tete* with him and had also unfolded his vision of how 21st Century belongs to China and India, besotted China is clearly in no mood to share the hegemonic space with India and if it takes to backstabbing, he is quite nonchalant about it. Even if the sustained diplomatic haggling may finally lead to de-escalation tomorrow, India should never trust China - not only on the borders but also when it comes to future participation of Chinese companies in the Indian economy.

It is high time that the Government of India should come out with a long-term policy for the domestic companies to diminish their dependence on the Chinese economy in the next three years and if some sort of incentive is to be given, it must be provisioned for! Not only India, all major economies worldwide need to realise that the growing share of Chinese companies in their economies is bound to go wrong at some point in time! Therefore, to teach a lesson to China, all major economies should henceforth begin rolling back their investments and stymie imports from China! The only long-term solution to contain the winged Chinese Dragon is to make it run out of economic breath which the global market has provided it with in the past four decades! Once its economic muscles are enervated, its political and military heft would also stand significantly curtailed!



4

Post-COVID-19: A new Cold War in the making! China to play the role of a rogue state actor!*

FOR humanity, it is a time of abject misery! The ‘Wuhan’ virus has overrun the entire planet, including the Nordic island country of Iceland! The COVID-19-ravaged world is in deep trouble up to its neck! There are no clear-eyed signs of any tapering in the ferocity of the pathogen. Different studies by eminent research institutions and also the World Health Organisation (WHO) have regularly been cautioning against the yet-to-arrive apogee for the deadly virus. Close to 1.4 Crore people have already been infected and about 5.9 lakh dead, a large swath of them not even getting a bare minimum decent burial! The daily number of positive cases in most powerful and also most populous countries has been hitting a new crest, but what is palpably missing is the a global leadership! With Mr Trump religiously following the ‘**America First**’ policy, which does not go well with the global status of the US of being the only superpower, and is a major let down for the NATO and other allies, the pandemic sprang up a windfall opportunity for China to embrace the throne! It is not that China was not eyeing such a mantle, but it appears that COVID-19 prodded Mr Xi Jinping to take a plunge and that explains his brazen assertiveness in many regions, including Indian borders in Ladakh.

Immediately after the Trump administration dispatched its notice to the United Nations about its decision to withdraw from the WHO, its Director General, Tedros Adhanom Ghebreyesus, with tears in his eyes, asked at his press briefing – ‘*How difficult is it for humans to unite to fight a common enemy that is killing people indiscriminately?*’ Going by his regular statements on the pandemic increasingly getting worse, it is very clear that the world is heading in the direction of uncontrollable geo-economic chaos and benightedness!

What unfortunately adds to the pile-ups of human woes is the growing evidence of the autocratic China happily fishing in the troubled waters, literally! China has claimed the South China Sea as a part of its maritime assets! To scare away its smaller neighbours including Japan, it has deployed dozens of naval warships,

* TIOL – COB (WEB) – 720 JULY 16, 2020.

frigates, and nuclear submarines in the Indo-Pacific region. Piqued by the Chinese bellicosity to lock horns and threaten smaller countries, the Trump administration has also deployed a major pool of its naval assets in the region. America has also allowed Taiwan, which China claims as part of its mainland, to shop for some of its hi-tech defence equipment. This has further infuriated the Chinese leadership, which has been preparing to dethrone America from the mantle of Superpower for several decades. In quick response, China has imposed sanctions on the putative American supplier, Lockheed Martin.

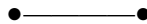
Grizzled China has also angrily reacted to the Trump administration for withdrawing the special status given to Hong Kong under the US laws after China tightened its chokehold on it through a special security legislation. It has promised retaliatory actions. The US has banned export of sensitive technologies to Hong Kong. An otherwise flourishing megapolis has overnight triggered fissures in the diplomatic relations with the West. The UK has offered residential status to 2.9 million Hong Kongers if they prefer to leave Hong Kong lock, stock, and barrel! Australia has also offered an immigration facility to about 30,000 Hong Kongers. Taiwan has also joined the growing bandwagon of countries espousing democratic and universal values. Apart from threatening all such nations, fearing brain drain of bankers and white-collar workers from Hong Kong, China yesterday increased the tax rate from 15% to 45%. This is to slow down the process of exodus from the former British island.

Apart from accusing China of breach of agreement with the British, the UK Prime Minister has announced his decision to throw out *numero uno* Chinese telecom giant Huawei from its 5G network. Though many experts may see it as a triumph for President Trump, who has been asking America's allies to ban Huawei's involvement in sensitive projects, the ground reality is that a similar view prevailed in the UK and also among many members of the European Union. EU has traditionally been wary of Chinese companies penetrating key projects and having serious security implications. It recently called for a war chest to stymie Chinese investors from taking over pandemic-crippled critical companies. The EU is aware of the devilish design of the Dragon, which has been investing in a major way in Europe, but always blocking its investment in China and often pricing out EU companies in the Chinese market by subsidising local companies. Though Germany is one of the key beneficiaries of the exports to China, there are not many Sinophiles in its top leadership. At one point in time, the former British Prime Minister, Cameron, was a Sinophile but the present generation of the Members of Parliament is highly sceptical about China's future design. With Germany rising to the top leadership of the EU, it is widely expected that the EU, in response to China's newly-demonstrated aggressiveness, may firm up a common diplomatic front to deal with China, perhaps selectively. Though Italy has fallen afoul to China's tricky BRI project, in the months to come, it may not fructify and the EU may drift again towards the US post-election in November.

Post COVID-19, the global geopolitical order is inevitably going to undergo a massive change. Very similar to what happened post Spanish Influenza in 1918, the League of Nations was set up to calm the boiling waters in international relations; followed by the Great Depression in 1929 and the World War II till 1944, resulting in the creation of the United Nations in 1945, the world is certainly heading for a new world order. Post COVID-19, one may clearly see a two-camp world - one led by China (anti-West) and the other horsed by America and supported by the EU, India, Brazil, Australia, Japan, and others espousing similar universal and democratic values.

A second round of Cold War is on the cards, impacting the economic well-being of humanity, particularly the descamisados. China, an empire-driven authoritarian economy, would try to rope in West-ostracised countries like Iran, which is more evident from the latest USD 25 billion economic partnership to be inked in the near future. Other supporters of China would be pygmies like Pakistan and other non-descript economies in Central Asia and even the Middle East. Russia is certainly going to be the only 'Gulliver' with China as it needs China more than China needs it. The Russian economy now largely depends on Chinese goods, and also for imports of its energy. Even its Central Bank has reduced dependence on the Dollar and increased its holding of the Yuan. Given the fact that Mr Putin is going to remain at the helm till 2036 after the recent amendment in the Constitution, it would be critical for the West camp to lure Russia to join the anti-China camp as Mr Putin knows it well that China is not a trustworthy friend and also has a running border dispute which may be flared up any time if the Chinese leadership may decide to do so.

Second, China has already begun to treat Russia as its loyal subordinate, which Mr Putin is certainly not finding much to his liking! If the new American President and the West Camp deal sensitively with Russia and offer tactful gains for its economy in the long-run, Mr Putin may change his mind as this is what Russian citizens have also been hankering for right from the days of Boris Yeltsin. Even if Russia manages to shift camp, China is likely to continue to behave like a rogue state actor, which would keep the world on tenterhooks and may throw economic prosperity into an uncertain zone. However, let us not undermine the potential of the rapidly-sprawling COVID-19, which alone can dump all assumptions into a cement mixer!



5

Post-COVID-19 - It is going to be multi-polar world, with India being one powerful pillar!*

HUMANITY today confronts the worst and also the most insidious enemy of the century - COVID-19. Some of the intractable problems which cast dark shadows on our planet now appear much closer and threatening to human habitation! Some of them are climate change, the pandemic, and the dangerously-growing geo-economic and military rivalry for the superpower status. True, no international order lasts for ever! Over decades, the balance of economic and military power swings, international systems fail to adapt, and the rot gets rooted! It happened after the Treaty of Versailles in 1919 collapsed under its own dead weight! All events that followed paved the way to just one destination - the graveyard of empires! Normally, the process of crowning from one prince to another ensues a bloody war but it was a shift sans a war in case of America, which snatched the crown from Britain. An exceptionally rare event has survived for more than a century!

The foundation bricks for a new epoch of a 'largely' peaceful international order were laid by two visionary political leaders. While World War II was raging, American President Franklin Roosevelt invited the British Prime Minister, Winston Churchill, to the White House and mooted the idea of a global body to ensure global peace and new economic order. Thus were born the two Bretton Woods institutions of the World Bank and the IMF. It was followed by the creation of the United Nations with 51 signatories in San Francisco in 1945. Over the decades, its membership has grown to 193 countries. But today, what has turned out to be appalling and despairing for the international comity of nations is its malign dysfunctionality! Lack of consensus among the five Permanent Members (P5) of the Security Council, even on the undisputed issue of a common enemy like the coronavirus, is no less than the last nail in the coffin of this most scrumptious global body, which seems to have run a full circle of the process of Götterdämmerung! Nothing could be more poignant and fretful than the fact that such a sorry and

* TIOL – COB (WEB) – 721 JULY 23, 2020.

uninspiring state of affairs prevails in its 75th year! Some of its leading veto-holding members have turned wolfish with stinking traits of a gangster-military-power!

The prevailing state of global affairs was aptly summed up by the UN Secretary General, Antonio Guterres, at a Nelson Mandela Foundation lecture recently, when he said that COVID-19 has revealed, like an X-ray, fissures in the fragile skeletons of the societies the world has built! He said that rich nations have failed to help the developing world and the pandemic has laid bare the tragic disconnect between self-interest and the common interest; and the stark gaps in governance structures and ethical frameworks. In the context of the pending reforms of the United Nations, he observed that *'the nations that came out on top more than seven decades ago have refused to contemplate the reforms needed to change power relations in international institutions ... The composition and voting rights in the United Nations Security Council and the boards of the Bretton Woods system are a case in point'*.

The UN Chief has clearly set the agenda points for a post-COVID-19 restructuring of the global body if it is destined to play any meaningful and stabilising role in the emerging new international order. COVID-19 is certainly a gigantic global crisis, but it is also a window of opportunity to construct a new world order where China-style predatory military adventurism is nipped in the bud. This can happen only if the United Nations is reformed with a sense of urgency and a new-avatar global body promotes global cooperation in scientific, economic, and also preventive military strikes against the errant!

To begin with, the Security Council should be the first target to overcome the taboo of a drastic reform. Going by the rapidly-emerging geopolitical indicators, the post-COVID-19 world is going to be multi-polar as America has clearly demonstrated boring fatigue for the superpower status! True to his words, and in contrast to Roosevelt and Truman, Trump, last September, told the UN that the future does not belong to globalists. It belongs to patriots, he added. His aversion and dislike for global bodies like the UN, the WHO, the WTO, and even allies like the NATO are by now clearly demonstrated. 'America first' has been his *mantra* and he has happily vacated the global leadership position which prodded China to rush in and scoop up the crown before any rival emerges on the scene! Though China's reckless military adventurism has resulted in equal and opposite reaction from a group of military powers led by the US; Japan, Australia, and India have joined the American Naval Strength in the South China Sea. Though the NATO has been silent so far, there are tale-tell signs of growing support for a new axis of power in the making. After the Hong Kong and Huawei episodes, the UK has strongly come out as non-aligned with China. German politicians, minus the shrewd and laconic Chancellor, have always been vocal against China's predatory economic policies. The EU has gone through the experience of how its interests have been cut short by the smirky China and Brazil is certainly not a Sinophile!

When the Security Council was created, it represented 22% of the members. Today, it represents only 8% of the members even after the expansion of the Council

in 1965. Though talks of reform and induction of new members have been in the air for a frustratingly long period of time, consensus always eluded the P5. For any reform to go through, as per the UN Charter, the support of 75% of the members and the P5 is needed. Since the P5, particularly China and Russia, have been enjoying unequal influence, they continued to dilly-dally on the reform agenda. It is more so because they have been leading saboteurs of international peace. Whenever India raised the issue of state-sponsored terrorism against Pakistan, the main issue was relegated to the back seat and China used its veto to scuttle the proposal backed by other members of the Council. In Syria, Russia was accused of using chemical weapons, but even such a misadventure and heinous crime against mankind was condoned by the Council - stretching the limit of its institutional sclerosis! In the past five years alone, Russia has used veto 14 times, and China 5 times. America has used it twice. Even on the issue of ceasing hostilities during the time of the coronavirus, murky politics was played and the supply of arms to Libyan militiamen continued unrestricted. China opting to become an aggressor against India in Ladakh is another example of how the P5 themselves suffer from the ailment of not having even scant respect for this so-called powerful global body.

It is high time that the representation of at least one nation from each continent is immediately accommodated in the new avatar Council. India is a natural claimant to the new slots in the expanded Council. Japan is another potential claimant from Asia. South Africa from Africa, Brazil from Latin America, and Germany from the EU are the other three. Apart from making it the P10, the second layer of members should also be considered to ringfence heartache. For instance, Italy from the EU, Nigeria from Africa, and Argentina from Latin America can be claimants for the next layer slots. Then comes the third layer of elected members on a rotation basis. Second, the veto system should be discarded and a weightage system should be explored. All objections from any members ought to be made rule-based and not to be recorded if they do not fit into the arc of rules and objectivity of facts. No member should be allowed to fantasise about unlimited influence on the decision-making in the Council. A multi-polar world, where India would be a key pillar, would largely be more harmoniously-aligned to ensure global peace and economic prosperity.

The other two key aspects of the global body which appear to be crying out aloud for reforms are - dismantling of the present structure of the UN bureaucracy and its annual budgets. The cushy jobs the UN offers, not on merit but on lobbying, often result in inefficient hiring of manpower, which dominates the cobwebs of bureaucracy. Second, the UN follows the corruption-breeding silos model of working. The Volcker Committee's report on the oil-for-food scheme for Iraq is not yet completely erased from the institutional hard disk. Overlapping agencies, which have suffered purposeless multiplicity, are another tangle. So inefficient is the UN bureaucracy that a good number of insiders have reported that it takes more than 250 days to fill even a middle-level opening in the system.

The UN budget is another area of inefficiency. It is funded largely by rich nations and they chip in on the basis of the size of their GDPs. This automatically excludes poor nations, but for the sake of representation, they do get a certain quota of personnel to be deputed to the UN agencies! The annual budget of the UN is about USD 300 billion, besides the budget for peace-keeping forces, an activity which is not yet a part of the original UN Charter. Although this is a welcome mushrooming of its intervention for global peace, it needs funds to discharge its avowed duty effectively. Most contributors tend to pay about 30% of their shares in the last quarter and thus, it runs out of cash during September, when its General Assembly annually meets. Besides, dependence on a few rich members' contribution tends to hammer at its basic tenet of neutrality!

A post-COVID-19 reform ought to design a new funding formula which should bring under its arc even poor nations so that they do not suffer from identity loss and erosion of national pride. If poor members are to be stopped from playing the role of a lackey to regional powers, a nominal sum is to be determined in the new innovative formula based on a certain GDP threshold. Levying one or two per cent tax on the global turnover of MNCs could be one possible long-term solution towards this most critical aspect of ensuring independence of the global body. Let's hope that the process of reform is accomplished in a time-bound manner and the reformed UN plays an active role in devising a new and stable world order of international relations, for posterity!



6

China-centric global supply chain corroding! India urgently needs to play with the clay of policy packages!*

SINCE the early 1990s, the engine of globalisation gathered eye-watering bouts of steam. Several multilateral organisations fuelled it further as efficient catalysts. During the course of its journey, the ‘behemoth’ also acquired digital powers, which further sharpened its teeth to bite deep into the physical boundaries of sovereign States! The wheels of capital (FDI) nimbly moved to all those geographical pockets which provided cheap, but not necessarily skilled, labour! MNCs from America and Europe aggressively streamed to them in spite of their ropey infrastructure. Most of the poor and emerging economies offered almost equally competitive ‘no environmental costs’ string for setting up large carbon-footprint factories (*a la* the present climate change crisis)! But what decided the winners were rapid structural and policy changes for different factors of production - land, labour, capital, technical knowhow, and an eco-system for new-age technology. Thus emerged China as the most agile, robust, and quick-footed country to grab an ‘unfairly’ large number of humongous factories built on the strength of its elephantine infrastructural transformation! It turned itself into ‘the factory of the world’ with almost 27% share of the global manufacturing output. In other words, the story of globalisation is a tantalising tale of a unidirectional supply chain!

Everything was going gung-ho for the glamorously dynamic motorcade of globalisation and supply chains till 2017. Then resonated a loud siren of **‘America First’!** This clearly sounded like a scary alarm for the predominantly China-centric global supply chain! Stung by the ‘scorpion of a large trade deficit’, the Trump administration ignited its trade war machine specialising in erecting tariff walls against goods and services imported from China. It was a tactical gambit for Mr Trump to disrupt the China-tethered supply chain and bring millions of jobs back to America. With the United States imposing high tariff on a large basket of Chinese goods, key trade negotiators from Beijing came to the negotiation table and some sort of patchy and duplicitous agreement was hammered out. Since China found itself at

* TIOL – COB (WEB) – 722 JULY 30, 2020.

the receiving end in this pact, its Orwellian President, Xi Jinping, had already built other 'dragon designs' in his cerebral factory! China splutteringly began to honour the conditions of the trade pact. Realising that legal-scrubbing would not help, the American trade and commerce department reported the same to its undiplomatic and jeering President.

What provided incendiaries to the already piqued and ready-to-pounce President was the stealthy grand entry of the coronavirus into America! With the 'Wuhan virus' rapaciously trampling down the health infrastructure in the city of New York, all hell broke loose! Trump administration launched a sustained oral assault against China and all such organisations which were seen acting cosy with Xi Jinping. All these geopolitical developments amounted to a tangible horror for the China-centric edifice of global supply chain! Even as the MNCs were evaluating the vulnerability of their supply chains, Mr Xi overlooked the economic costs of the diplomatic war and preferred to take a plunge into the multiple theatres of actual war. Obviously, he saw a slice of opportunity in the COVID-19-ravaged world to give wings to his unremitting lust for the throne of the global superpower! His well-instructed army took a walk into the undefined territory controlled by India. His naval aircraft carriers floated afar into the South China Sea to establish undisputed ownership!

All such misadventures of China have done a long-term and irreversible damage to the edifice of global supply chains. Realising the tactical error of suicidal dependence on the Chinese economy, even for the manufacture of essential drugs and other goods, many industrialised economies decided to offer subsidies to their private sectors for shifting their factories back home or to other East or South Asian countries. Japan announced a kitty of USD 2.2 billion to bankroll such decisions of its MNCs. As per the latest reports, Japan has approved a list of 87 companies, which have applied for subsidies for shifting their factories from China. Many have got paid for moving to Vietnam, Thailand, and other Asian countries.

Japan is not a loner in this sudden twist and turn! As per various international surveys of MNCs operating from China, their bosses are not only thinking of diversifying their supply chains by setting up additional factories either in America or Europe, but also shifting out of China. Depending on the nature of the product and the criticality of raw materials, a good number of them may take years to do so, but one long-term change is going to be the principle of setting up factories close to the consuming countries. The new supply chain matrix is expected to not only be shorter but also smarter. If the consumption bowl is America, it can be anywhere in Northern America, such as Mexico or Canada. If it is Europe, it can be any East Asian economy like Cambodia, Vietnam, or Thailand. As far as India goes, it is a huge consumption basket in itself and, going by the double-digit growth in the size of the middle class, it would remain an undiluted consumption basket for most foresighted MNCs. India is truly an attractive destination, not only to serve India, but also other Asian and African countries. Some of them may even service the EU from India. Another twist which the supply chain needs to go through is that some of the economies like the US, India, and

Australia have banned some China-made goods. This largely means that **to serve these markets, most MNCs require to set up factories outside of China**. Yet another factor which may espouse the cause of economics for shifting factories out of China is the eye-wateringly expensive warehousing costs. To cater to the North American markets, an MNC needs to set up inventory for a minimum period of 100 days. Such a cost can be saved by diversifying the supply chain and bringing factories close to the consumption markets.

This is where India can take advantage of the **existing supply chain being wrecked and a new supply chain in the making!** The two unavoidable policy decisions needed to attract FDI are - a long-term FDI policy intertwined with India's foreign policy. India needs to lay down its foreign policy based on its long-term geopolitical interests and then play with the clay to give shape to its FDI, industrial, and fiscal policies. What an investor looks for is the certainty in the macro-policy environment. If China is to be kept at an arm's length, our policy should be very clear about it. Let's club some more economies with China over a long-run perspective of at least 20 years and then embrace FDI in all sectors, including sensitive ones. I am confident that it would be a shoo-in policy framework for success.

The second step should be to set up Central or Federal Manufacturing Zones in close tandem with willing states in India. All such zones should be developed in terms of robust infrastructure and a single-window administrative approval for all empirical purposes. Such manufacturing zones may be put in a fiscal wrapper to make them more attractive. While doing so, India needs to focus on teething problems enveloping all the factors of production - land, labour, capital, and tech policy. Central and State policies for all these parameters should be laid down with a long-term perspective. Red tapism should be shredded to its bare skeletons so that it does not create bumps. True, these are gigantic challenges! But, if India wants to be a viable rival to China, it has no choice but to go for major reforms which should promise labour arbitrage, easy capital for domestic players, easy access to land and an innovation-friendly tech policy coupled with efficient and cost-effective logistical infrastructure to transport goods and raw materials.

What should go hand in hand with the foreign and FDI policies is our free trade agreements (FTAs). Rather than signing FTAs without keeping an eye on our manufacturing and exports strengths, it is better not to ink any such trade pact like the RCEP. Recently, the Indian Foreign Minister, Mr S Jaishankar, said that India has failed to take advantage of FTAs. India is rather a loser if an analysis of FTAs is done. The PMO has set up four inter-ministerial working groups to review our FTAs. In the past, India has largely treated FTAs as political junk food - superficially appetising but damaging in the long run! India urgently needs to lance the boil of foreign policy populism!

The key terminologies which need in-depth examination in these FTAs are - value-addition, rules of origin, and methods of verification. To achieve value-addition, rules of the game should be clear in terms of **the percentage of**

domestically-manufactured inputs and the percentage of imported inputs. Most of the ASEAN partners are taking undue advantage of this gaping hole. They import cheap components from China and assemble them to scale up to the threshold of prescribed value-addition and then export to India. The devastated Indian electronics industry is one good example of such policy loopholes! Second, the **margin of profit should logically not be a part of value-addition**, which is the extant case today. Third, the method of verification of value-addition and the rules of origin should be inbuilt into all FTAs as safeguards and also to provide a level-playing field to serious players. Too many cases of abuse of FTAs have been detected by the DRI and the Customs but Indian policy makers have failed to cut much ice and help the domestic industry.

In a nutshell, India has offered a huge consumption bowl to some of the trading partners on a platter without Indian exporters taking advantage of such trade pacts. A model FTA, very similar to the Bilateral Investment Protection Agreement (BIPA), should be put in place as India is keen to ink more FTAs with Britain, America, Australia, and the EU in the coming years. However, Mr Jaishankar is apt in his observation that India's engagement with multilateral entities need not be FTA-centric as the globe is turning protectionist and regionalism may substitute multilateralism in the new international order!



7

India-China faceoff - Do not keep quiet and take it on Chin – New Delhi needs to counter Beijing’s chequebook diplomacy!*

THE territorial faceoff between India and China in the treacherous mountains of the Himalayas continues to simmer! Though conventional reticence continues to be the key shibboleth of New Delhi’s de-escalation diplomacy, the prevailing disquiet can be measured from India’s riposte to propaganda-peddling statements of the Chinese Foreign Ministry. China recently claimed that the pullback by the PLA from all disputed forward points is complete. Retorting to such a well-calculated lie (no surprise, China being a compulsive fabulist), New Delhi laconically denied the statement and also ensured that not much information on annexation is unveiled to trigger political acrimony on the domestic turf!

Given that today, all major economies have developed risk-aversion for full-fledged wars, neither China nor India would like to be ‘**first**’ to be orchestrated as an aggressor at international fora! Against such a galling backdrop, there are limited options before India. One of them, which New Delhi appears to be robustly bracing for, is to zombify the PLA soldiers in the coming months of biting winter. Since the feisty Indian Army has had the experience of fighting enemies in frosty conditions, New Delhi is sanguine about Beijing running out of not only ‘ration’ but also rationale against post-COVID-19 tectonic shift in the geopolitical landscape!

When India’s External Affairs Minister, Mr S Jaishankar, was recently confronted with the question about the future of India-China relations, he commented that the world has a lot riding on India and China given their size and their impact, and they both need to find some sort of equilibrium or understanding! Mr Jaishankar is right, but his observation sounds more Delphic, and certainly not prophetic! Unfortunately, every shade of equilibrium with China would be shaky and out of kilter as it would have its roots in the totalitarian whims of Mr Xi Jinping, who is guided by a large basket of disorders such as megalomania, schizophrenia, narcissism, delusions.

* TIOL – COB (WEB) – 724 AUGUST 13, 2020.

hallucinations, and paranoia! Had China paid heed to its long-term national interests, it would not have chosen to quarantine the time-tested doctrine of co-existence as no country can have the luxury of choosing one's neighbours! Mr Xi has also discarded the words of wisdom flowing from Confucianism! As long as Mr Xi helms the Chinese military and political machineries, it would be of utter asininity for India to trust the hegemonic China! So, at least for a couple of decades, a harmonious bilateral relation with China needs to be kept in deep-freeze!

What India cautiously needs to do in the given rapidly-moving geopolitical plates across the world is to overhaul its foreign policy, not only in the context of India-China, but also with the like-minded democratic and other type of States. The hoary diplomacy of playing neutral is passé! It is more so if India is keen to groom an international image for itself as one of the military and economic pillars in the multi-polar new world order in the making! In fact, till the time India builds its economy and a technology-loaded firepower, which is an inescapable fate for New Delhi in the next two decades, it needs to establish clear-eyed fealty with the West, particularly with America.

As far as the Trump administration goes, it has taken a series of administrative and legislative measures to checkmate the devilish designs of China. Beginning with passing a new law on the human rights violation against Muslim minorities, banning telecom giants and other tech-driven companies on the grounds of national security, withdrawing the special status granted to Hong Kong, and shutting down the consulate in Houston, Mr Trump has literally demonstrated his dislike for China, which has come to be widely seen as the Frankenstein (as President Nixon once feared) by many putative institutions of strategic studies and also a large swathe of Americans. Two days back, the US also issued a travel ban on the CEO of the Hong Kong administration along with many other prominent persons. To reinforce the Obama-era spirit of 'freedom of navigation', Mr Trump also deployed two of his largest warships in the South China Sea, which is being illegally regulated by China.

Hegemony over the South China Sea is an emotive and Byzantine issue for many members of the ASEAN as well. This is where India may look for its second option to carve out a substantive role for building and pedalling its influence in South-East Asia against China. Though it is true that China's Border and Road Initiative (BRI)-riding diplomacy has taken deep roots in and stifling influence on the economies of many ASEAN members, including the chokeholds of Chinese diaspora, widely known as *huaren* in Mandarin (the mainland language), the political establishments in most member countries do nurse serious grudges against China's brazen attempt to rule over the entire South China Sea. It is also true that Chinese diplomats openly pedal their influence through ethnic Chinese settled in the ASEAN countries for centuries and appease them by providing business opportunities in mainland China, but with American warships anchoring close to their shorelines, many of them have openly come out decrying Chinese actions.

Vietnam and the Philippines are traditionally against China's territorial expansionist policies. In the recent months, Indonesia and Malaysia have also spoken against China's bulldozing approach. Some of the smaller members of the ASEAN, which initially welcomed the chequebook diplomacy of China and huge investments in SEZs, have now realised that Chinese SEZ developers have always given lucrative contracts to Chinese locals only and discriminated against natives even in hiring them. Various studies have indicated that all such Chinese investments have neither benefited the revenue kitties nor the local populace of these small economies. Disenchantment and dissention have become almost epidemic in many of them in the recent years. This is where Indian diplomats need to work and forge a common front against China in a large part of Asia. India needs to blunt the Chinese art of laundering distorted and fabricated narratives through media networks.

The Chinese practice is exploitative and colonial even in Myanmar. The local citizens are up in arms against discrimination by the new township developers near Yangon. India's 'Look East Policy', pedalled by Dr Manmohan Singh during the UPA era, needs to be pursued more vigorously if Mr Jaishankar is looking for some sort of fair equilibrium! What may come to India's aid is its recent request for revision of its FTA with the ASEAN. FTAs need to be carefully used as a tool to further India's geopolitical counter-measure strategies besides its economic interests.

What may further act as a diplomatic leaven for India is the boiling issue of China's unilateral policy to build multiple dams (Brahmaputra is also a victim) and dry up the great Mekong River, which runs through many member countries of the ASEAN. Mekong is the lifeline for close to 70 million people in Thailand, Laos, Cambodia, and Vietnam. Since China does not favour any river commission, every country is free to build dams. But others can build dams only if China releases the water. Today, China does so only on request of a partner country. Second, it opens the faucet only when the weather is already soggy. Mekong has emerged as a highly sensitive issue for many South-East Asian countries, and all such heartburns may help India in neutralising deep-entrenched economic interests of China in these regions. Though initial response of the ASEAN members may not be too heart-warming as many of them may feel like shrimps among the whales, India's patience and active diplomacy would fructify in the long-run!

Third, to counter China's caprice, India needs to partly fill the void created by the Trump administration, which has wrongly positioned America against China's misadventures. America has been harping on ideological conflict against Communist China, which aims at turning the entire world red! Rather than making it an ideological battle, Mr Xi Jinping needs to be painted as someone who is responsible for suppressing information on COVID-19, which has put the entire global economy in tatters. He is to be fixed for deliberately triggering the geopolitical fault line and using it to his advantage when the coronavirus is roiling the world. Mr Xi needs to be exposed for his bellicosity in the South China Sea and for his scant respect for the ruling of Hague-based International Tribunal on the UN Convention on the Law of

the Sea (UNCLOS). The global community needs to corner China for abuse of human rights. Mr Xi is to be subjected to global boycott for what he has done to the thriving island of Hong Kong in a flagrant breach of agreement with the UK. He is to be castigated for the persistent war threat to Taiwan. The need of the hour for Mr Trump was to take his Western and other allies in the same boat to push back Mr Xi, but he failed by making it a US-China Cold War! This has put many powerful countries on the fence, adopting the 'wait and watch' policy!

This is where the Indian Prime Minister, Mr Narendra Modi, can play a bridging role by roping in like-minded countries on these issues. Japan, Germany, Australia, New Zealand, the UK, France, Canada, and many others are willing to forge a common front against China's post-COVID-19 misadventures to reap undue benefits at the cost of global peace and also the global economy. This is how India can mobilise more active international support for its border bickering and isolate China internationally. Given the timely ascendancy of India at the WHO Executive Board, New Delhi can be shrewd in widening the scope of investigation into the issue of the origin of COVID-19 and use its position to India's favour. All possible levers ought to be pressed before India can really hope for a reset of Sino-India relations based on sustainable understanding!



8

India-China Faceoff - A peep into the tetchy shades of Chinese diplomacy!*

CONFLICT-RESOLUTION has a direct nexus with the efficiency of diplomacy! Diplomacy is a precious art of carrying negotiations between two nations tactfully and without hostility, to a mutually desirable outcome. Sometimes, when the official channel gets stalemated, back channels get activated as part of Track-II diplomacy (a term coined during the Cold War era). Track-II diplomacy has worked on many occasions in the past. One noteworthy example of Track-II diplomacy is the behind-the-stage dialogue between the ruling Whites and the African National Congress to end apartheid in South Africa. The entire event of negotiations took place in an English country house owned by a gold-mining firm, and it palpably produced the result the entire world wanted to talk about!

But nothing of this sort appears to be either deployed or may work in case of the on-going India-China border stand-off! With the bilateral relations being in an apparent freefall, the entire clan of Chinese diplomats appears to be in an exceedingly narcissistic and febrile mood! Although the world views the Chinese President Xi Jinping as highly aggressive and assertive, his army of sombre-suited diplomats has evidently left him behind by miles! The entire world knows that the Chinese troops have been camping in the Indian territories but even after 100 days, its New Delhi Ambassador, Sun Weidong, has cryptically stated that the 'onus is on India'. Undoubtedly, many experts may dismiss his statement as one intended to be a pistil of platitudes, but he is certainly not the 'lone wolf warrior' in the newly-nourished culture, which has enveloped the global chain of Chinese embassies and consulates!

Let me give examples of some more interesting outbursts of Chinese diplomats in the recent months. Responding to a critic of China's handling of the pandemic through Twitter on 16 February, the Consul-General in Kolkata tweeted, '*You speak in such a way that you look like part of the virus and you will be eradicated just like virus. Shame on you*'. Let me illustrate another example. A garrulous Ambassador to Sweden, during an interview on public radio in November last year, boasted, '*We treat our friends with fine wine, but for our enemies we have shotguns*'.

* TIOL – COB (WEB) – 725 AUGUST 20, 2020.

In the UN backrooms, the Chinese diplomats have, of late, begun to demonstrate their overt willingness to flex muscles and lock horns with their Western counterparts. On the human rights issue, Britain last year condemned China and issued a statement signed by 22 other countries including the US, urging for the UN's access to prison camps in Xinjiang. This prodded Chinese diplomats to coax or coerce several autocratic countries to sign a counter-statement praising China! This episode also involved many thrilling chapters on threats and reprisals. Probably, not aware of the maxim that revenge is a dish best eaten cold, the Chinese diplomats reportedly told their Austrian counterparts that if they support the British demand, their request for land to build a new embassy in Beijing may remain a pipe dream! In case of Albania, they simply put their bilateral event in Beijing in deep-freeze! They unmistakably bristle at any criticism of the Communist Party.

There are litanies of such anecdotes demonstrating 'Hugh Hefner' and 'Rambo' tendencies and unusual behavioural showboating by not only the latest crop of diplomats, but even the veterans unblushingly switching over to a newly-forceful brand of diplomacy. The underlying *leitmotif* is to quickly take umbrage, and hit back more aggressively! Historically speaking, Chinese diplomats were always a laconic, demure, languid, and highly-reserved community! Then what has changed? Two significant events may be underlined for the insalubrious change – (a) the ascension of Mr Xi Jinping for lifetime and (b) The debilitating impact of COVID-19 on China's competing powers!

Mr Xi strongly believes that the time has arrived for China to herald its claim to the global superpower mantle and also the superiority of the Chinese-brand of political system. As the COVID-19 outbreak had begun to spread to new destinations in the world, Mr Xi had convened a Politburo Standing Committee meeting on 3 February 2020 and discussed at length - how to manage publicity. Officials were told to launch all-round propaganda and showboat the Chinese edge in combating the pandemic. Though Twitter is banned in China and was a 'forbidden zone' a year back, there was a virtual rush among the diplomats to open accounts. The number swelled from a little over a dozen in 2018 to close to three digits now. The 'wolf warrior' diplomacy was rolled out to vilify and pillory the American soldiers for being the origin of the coronavirus rather than China. The 'fake news' diplomacy gnawingly worked for some time till the US retaliated angrily and demanded a probe into the origin of Wuhan virus (the WHO episode is an old story now).

If one analyses the colour of Chinese diplomacy in the recent past, one may end up being wide-eyed. Some of the popular shades being practiced by China are panda diplomacy, pandemic diplomacy, shotgun diplomacy, boatgun diplomacy, phishing diplomacy, and chequebook diplomacy or debt-trap diplomacy. Let me begin with panda diplomacy. All pandas originate in China. History tells us that China had gifted two pandas to the Japanese Empress in the 7th century. Pandas were always used to earn goodwill for China. But the neo-capitalist China uses panda as an economic instrument. In the 80s, China began giving them on rent - USD 50,000 per

month! Any offspring of such rented bears remained a Chinese asset. In the recent years, China started gifting pandas as part of trade pacts. In the case of Malaysia, as part of the deal in 2014, an eye-watering rent of USD 1 million per year was to be paid to China. But when the government changed in 2018, panda diplomacy melted as Malaysia decided to return them to China. In a nutshell, pandas are commercial tools for China.

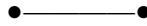
Let's now move to COVID-19 diplomacy. After the pandemic roiled many countries in Europe, Africa, and Latin America, China claimed that it had effectively ensnared the virus and began dispatching masks, PPEs, and other medical equipment as part of the pandemic diplomacy. Though it is another matter that a part of the cargo was found to be substandard and also the fact that commercial prices were extracted from the recipients, China also extracted a big thank you from the heads of States like Slovenia, Hungary, and some Latin American countries.

Sweden, which I have talked about in an earlier article, is a good example of shotgun diplomacy. Then comes boatgun diplomacy, which Chinese *militias* keep practicing against Japan, the Philippines, Vietnam, and Malaysia in the South China Sea. The Chinese forces in plain clothes masquerade as fishermen and venture into others' territorial waters for fishing (phishing is a new genre), backed by gunboats of coast guards! In recent months, they have sunk some of the vessels of littoral countries as China claims sole ownership of this part notwithstanding an adverse ruling on the Philippines' petition by Hague-based UN Tribunal. Phishing diplomacy is all about cyber-attacks, which Australia recently reported in a big way. If any country does not see eye to eye with China, its sophisticated army of cyber-soldiers launch assaults to bring the enemy on its knees! India has also come under such attacks but is yet to face an all-out assault!

Chequebook or debt-trap diplomacy has been clothed in Mr Xi's favourite scheme called Belt and Road Initiative (BRI). Although its stated objective is to develop infrastructure for a friendly country, its subtle goal is to weave a cobweb for trapping the recipient country into a back-breaking trap. Pakistan is a good example, where USD 60 billion is being invested in its economic corridor. Iran is likely to be the crowning jewel in the tally of China's victims with its USD 400 billion partnership agreement. The newly-elected Malaysian Government has recently cancelled its agreement for BRI project on the ground that it cannot afford it. Several African and Indo-Pacific countries like Papua New Guinea have already reported that they cannot service the huge debts given by China and they have petitioned to the IMF and the World Bank for a bail-out package. Using its economic success as a part of a diplomatic tool-box, China has ravaged the economies of many countries, which are close to embracing a debt-death!

Having talked about the different hues of Chinese diplomacy, what lesson is to be learnt by the competing countries like India, Australia, Japan, Germany, Britain, Canada, and even America? If the evil designs of China are to be effectively neutralised, more budget has to be allocated for opening up embassies and global

publicity. In contrast to the Trump administration, which has downsized America's budget for diplomacy, China has doubled it in the past one decade. China, last year, left behind America as the country with the highest number of embassies and consulates across the world, and China's investment appears to be paying tangible dividends. It has begun garnering votes of smaller countries, which are equal in the UN, and Chinese nationals now head **4 of 15 UN high-profile agencies**. It was about to capture the WIPO, but the democratically-ruled countries came together to defeat it. A collective pushback is the need of the hour! In recent years, the US has also lost the traditional edge as most Presidents opted for political appointees over career diplomats, who suffered more because of stagnation and fund-crunch. The lesson for India is to spend more on soft power diplomacy and also expand the size of its diplomatic community if Mr Narendra Modi is keen to play a more critical role in the newly-emerging geostrategic arena and also to avoid diplomatic trenches!



PART IV
THE FIRST WAVE -
A 'FIRE-SPITTING' DRAGON

Introduction

In the living memory of 100 years of world history of epidemics and pandemics, the Spanish Influenza of 1918 clearly stands out as one vengeful virus that had gobbled up over 40 million people on this planet! Immediately after the World War I, which also ended in 1918, it was largely seen as a 'Malthusian' theory in action, which offered no choice to mankind except enduring the scourge! COVID-19 also made an equally sinister entry into many geographical pockets across the globe. What was the quantum of damage it did to its country of origin was not known to other countries as China plugged all possible faucets of useful information for others. Very little and unstructured data was shared with the WHO. Most countries, caught unaware and wrong foot, relied on information trickling in dribs and drabs to design their preventive strategies.

For the rich economies, the dollar value of human life was strangely found to be lesser than the value of the economies, and that is why many of them did not opt for an immediate lockdown! A few being governed by hyper-rightist leaders saw a mere 'flu' in the satanic coronavirus! A few sensible ones made a beginning with a partial lockdown. Many opted to punch well below their economic and political weight! Only the poor and the obfuscated leadership preferred complete lockdown! In fact, they also had no choice as they were aware of their creaky health infrastructure; conspicuous absence of testing kits, PPE kits, ventilators, and even hospital beds.

Then unfolded the tale of the wildfire-like spread of the pandemic and the naked dance by the death god! Since the pathogen lacked in skills to make a distinction between the advanced and poor countries, it incidentally chose the rich countries and their mega cities with medically robust health systems. The satanic 'dance' of the virus could be gauged from the emerging statistics of galloping infections and death counts. The city of New York alone reported close to one lakh deaths and its health system collapsed along with the spilling mortuaries. Cemeteries ran out of space. Casket-makers ran out of raw materials. Some of the Latin American countries reported dead bodies being laid in the middle of busy roads, but local municipal authorities had no means of picking them up for disposal! It was literally an ugly pole dance of the death god!

Some of the countries followed a purely scientific epidemiological modelling of infections and officially opted to follow the concept of 'Herd Immunity'. Sweden was the first to do so. It kept its economy chugging even as its neighbours sealed their borders. Britain unofficially tried this model, but when the death rate soared and began to look politically scary, the ruling elites sensed chills in their spine and opted for lockdown restrictions. Germany earned some dividend because of its aggressive strategy of test, trace and isolate. Italy, Spain, Belgium, the Netherlands, and other

European countries were seen dawdling for long, and paid a huge price in terms of loss of precious lives and also severe damage to their economies. Brazil paid an eye-wateringly steep price for the buffoonery of calling the virus a 'fantasy'! Many East European political leaders also borrowed a leaf from Brazil and indulged in tin-hat nonsense!

In the Northern Hemisphere, particularly at home turf, the Prime Minister, Mr Narendra Modi, knew his strength and also India's systemic weaknesses! No testing kits; no PPE kits; limited sanitisers' stocks; scarce ventilators; forget about ICU beds, not even enough hospital beds (0.5 bed per 1000)! India was *Aatma Nirbhar* only in terms of medical and nursing trained hands! Thanks to its piddling budget allocation of barely 1.2% of the GDP for the health sector. Such a harrowing state of ground realities did not require any planning, except imposing a complete lockdown - and Mr Modi shrewdly made a good use of his unmatched popularity rating to convince people for such an unheard-of phenomenon of self-imposed 'house arrest'! Strangely, undisciplined masses, by and large, followed the guidelines, except for a few superspreader events.

Everything was going fine for Mr Modi, but for a Himalayan-size error to overlook the existence of a normally visible but statistically invisible population of migrant labourers. Since no prior notice was given nor any arrangement to freight them home was made, they began snaking out of the metros on foot, cycles, three-wheelers, and four-wheelers. An ocean of injustice was done to them in terms of their employers not paying their dues and also asking them to vacate their shanties. No food, no water, and no roof over head compelled them to take to highways and also railway tracks back home.

Physically tired and hungry, a large number of them fell asleep on the railway tracks with their fatigued soul and as many as 8700 were killed in various accidents involving freight trains! Oof! So shocking and skeleton-shaking! Rather than putting to use the idling trains parked in railway yards, the Central Government demonstrated the attitude of penny wise and pound foolish and asked the States to partly bear the burden of their transportation or utilise their bus fleets to take them home. They were literally dumped like food grain bags in the lorries, in government buses! It was a new high of insensitivity and remorselessness by governments elected and given oaths to be welfarist to their own people!

Then came the phase of a competitive race among the governments to unveil large-sized economic stimulus packages. The US took the baby step with a USD 2 trillion package! The UK, the EU, Japan, Singapore, and others ranged their packages between USD 20 billion to USD 99 billion. India also talked about a USD 20 billion package and the same was unveiled in many phases, but also put economists and market watchers to strain their domain expertise to decipher the actual kernel of the stimulus! Some procedural relief in terms of extension of due dates of income tax and GST was noisily granted, but the actual relief to shore up the working capital in the sinking economy was sorely missed!

Chapter 1 provides a window into the macabre pandemic of Spanish Influenza, whose origin is also not yet traced like the COVID-19; how *Janta* Curfew was morphed into a complete lockdown; no adequate heed was paid and the lockdown resulted in panic-buying of essential goods; a comparative look at the economic relief packages outside India and how Indian MSMEs badly need oxygen to stay afloat; procedural relief under various tax laws granted and a few words of caution from the Prime Minister for his Finance Minister working on mega relief package.

Chapter 2 deals with a spectacle where mankind appears to be heading for an apocalypse; how global leaders, enjoying status longer than the length of their neckties, fail to agree on naming the virus – the ‘Wuhan virus’ vs COVID-19; how New Yorkers begin decamping from hotspots to other states; Prime Minister Modi opts for lockdown as a tool to break the transmission of the pathogen; how a 72-hour notice to migrants could have minimised human tragedies; COVID-19 largely seen as a kinder killer than hunger for hungry migrants; and the introduction of the French concept of *Force Majeure*, for the first time in the Indian tax system.

Chapter 3 throws light on an early warning of the climate emergency was issued by 153 scientists; how the US was caught in the dilemma of shutdown vs keeping the economy open and how dollar value of life was gauged as lower than the dollar value of the economy, the same delaying the decision to impose restrictions; the UK and the EU appear to be shadowing the US in their lockdown approach; India uses lockdown as perhaps the best counter-offensive to curb infections; how Indian states, after a protracted battle, negotiate GST compensation and find a hike in RBI’s borrowing limits for states as of limited use and the need for the Indian Finance Minister to look for out-of-the-box ideas to provide cushion to the economy.

Chapter 4 details the gauntlet thrown by the vengeful virus to all epidemiological projections; although Germany manages to keep the fatality rate low by adopting the ‘test, trace, and isolate’ *mantra*, the UK ends up paying a high price by unofficially relying on the herd immunity theory; India fails to test but lockdown works for it; how migrants’ pain turns into a political bombshell for Mr Modi; how asymptomatic cases turn out to be a big risk for the US; how lockdown leads to the collapse of the Indian economy; and a list of GST measures required to shore up working capital of businesses in India.

Chapter 5 poses a question - is there any mitigation policy for the second wave?; how the pathogen turns out to be more ferocious for people with co-morbidities and how young Indian population may not be infected; the official herd immunity experiment by Sweden; need for vaccination strategy and how corruption eats away relief funds allocated to provide succour to migrants in India.

Chapter 6 highlights the impact of infodemic and rumour-mongering about an unmanageable peak of infections and how the Delhi Government takes the extreme step of reserving hospital beds only for Delhiites; Death counts skyrocket and mortuaries overflow - *Do Gaj Jamin* falls short; Delhi and Mumbai hospitals get

besieged by corona patients; Mumbai faces shortage of medical staff and how the government may utilise third year students of MBBS to overcome the paucity of trained hands; with governments caught napping, private hospitals overcharge patients and how the pandemic triggers an avalanche of mental health issues like depression and agoraphobia; and how people begin to take their own lives!



1

COVID-19 fall-out - Is the Prime Minister losing time to 'flatten the curve' of mounting economic miseries?*

THE history of pandemics, none knew it earlier, has shown a nasty proclivity to repeat itself at such an accelerated pace! Exactly 100 years ago, Spanish Influenza had threatened mankind with its vengeful spread across many continents. In a short span of time, it had leapt from a few countries to several dozens, including the USA. Having already suffered the war fatigue of World War I, which had just ended in 1918, mankind was seemingly not prepared to confront a 'Malthusian' vengeful virus. The count of victims simply soared from a dozen to three digits to four, and then finally, to millions! Most studies indicate that as many as 40 million people had perished or paid the price with their lives for the wrong doings of politicians, dictators, royals, *amirs*, and *maharajas* of that time!

The coronavirus (COVID-19), going by its pace of proliferation and the extraordinarily accelerated killing rate, has come to be construed as a virus family, having more of a dastardly instinct to hurt mankind than the member of its 1918-clan! Initially, it was also viewed as 'a little flu' to a 'fantasy' by some of the global leaders, but they have now realised its power to cripple any machinery supported by the best of the medical infrastructure and the most efficient group of health scientists. Its pulverising journey looks unstoppable even if all the powerful economies in the world join together their medical, scientific, economic, and political fortitude. Mankind can show its strength only in enduring this scourge! Till today, it has gobbled up to 21,200 human lives with 4.7 lakh confirmed cases. Fortunately, over 1.14 lakh people, initially infected, have recovered because of a much more advanced medical healthcare system as compared to that of 1918.

Back home, how is India doing on this front? Thankfully, the Indian political leadership and the medical bureaucracy is acutely aware of their stark limitations. The decision-makers knew from the word go that if COVID-19 is given the window

* TIOL – COB (WEB) – 704 MARCH 26, 2020.

to do what it has done to Europe, the USA, and some parts of Asia, leave aside the medical infrastructure - the number of hospitals, clinics, polyclinics, and R&D labs - the entire administrative apparatus would crumble. Since the suppression of its violent spread medically was not a choice available, the Prime Minister opted for mitigation by resorting to the lockdown method. Thanks to his popularity, his grim words of caution were taken seriously and the common man delightfully embraced 'Janta Curfew' for a day - to be precise, on a Sunday! Meanwhile, the Central Government managed to sensitise its state counterparts, ruled by different political parties, and a hurriedly-tailored time-schedule to impose a curfew under the IPC and state-wide shutdown was rolled out. As soon as a couple of states managed to do it almost successfully, the Prime Minister foresightedly did not lose time to address the nation for the second time and appeal for a state-enforced nationwide lockdown for three complete weeks.

Panic among the urbane populace was quite predictable - a tell-tale indicator of the persistent trust-deficit in state machineries! A major swathe rushed into hoarding and panic buying. Shopkeepers and sellers also made some quick bucks as this is what they are trained to do! Although the Central Government had asked the states not to loosen their grip over timely supplies of essential items, since it was an unprecedented emergency situation, they tried but could not mitigate the violent rush in procurement by the masses! If we leave aside these aberrations or lapses, India has indeed backstpped its defence frontiers between stages 2 and 3 of the pandemic. Although our tally of confirmed cases has also gone beyond 650, given the humongous size of the population, it is too paltry a number to be reckoned. The real and the grimmest challenge before the country is to ensure that the family of the coronavirus does not sneak through the defence walls created by us so far. The success of our defence would largely hinge on the collective will of the people to follow the lockdown in true spirit! The second uphill task before the state machineries is to mobilise all resources to provide basic public services and essential goods for three weeks, or even two more if needed! The success of the lockdown would also depend on the efficiency of our state machineries to smoothen the supply of essential food items. Default on part of any of the two parties would certainly result in mayhem of unprecedented nature - never seen before!

Even as the national mitigation strategy crescendoes to an all-India lockdown, its undesirable fall-out is the cessation of all economic activities. A huge price is to be paid to halt the spread of COVID-19. Worldwide, an economic mitigation package is being unfolded by the rich as well as the not-so-rich economies. The USA has announced a package worth USD 2 trillion. The UK and many European leaders have unveiled economic stimulus packages ranging between USD 20 billion to USD 99 billion. India is also stitching together an economic package in the range of USD 20 billion. It is the toughest time in the living memory of most global leaders and the Indian leadership is expected to match the scale of the setback with the size of the package to be unveiled, probably soon! The present time is so cruel that the Prime

Minister needs to rise above the fiscal jargons like revenue or fiscal deficits and cushion the wounds which would get hugely aggravated in the next one month. The focus of the economic package must be kept on providing the **much-needed survival kits to the MSMEs and even the trading communities.** If they perish, so would melt the chances of employment for the millions in the coming months! Though some bureaucrats may brag about the successful conduit of the DBT, such doles are neither sustainable nor do they add even a bit to the GDP. All such businesses and sectors, which promise a multiplier effect for the economy, must be financially and fiscally cushioned for long-term survival - a deflating reality in the inevitable recessionary future!

Meanwhile, the Union Finance Minister unfolded some cosmetic relief in terms of deferment of some of the statutory compliance obligations. These extensions may help a bit in the continuing period of the lockdown. The most significant relief of a substantive nature is the option to pay the GST for the months of March, April, and May by 30 June. Though the GSTR-3B option was given, for strange reasons, **GSTR-1 was excluded.** If a business entity is going to file for GSTR-1 every month and also load it with all the invoices, the entire homework and book-keeping is to be updated during this lockdown period. When the rationale of allowing such a relief is based on the continuing lockdown, which may be further stretched, the same rationale should have permitted the option to defer the filing of GSTR-1. Besides, the Finance Minister **should not have been guided by the scale of the turnover.** These benefits have been extended only to business entities that have turnovers smaller than Rs 5 crores. What about those having turnovers above Rs 5 crores? Are their offices not closed? Are they not adversely affected? During abnormal times, all business-doing entities should be treated equally rather than using artificial parameters to make an avoidable distinction.

Anyway, whatever relief has come, needs to be welcomed! But what puzzles me is that the exporting community has been left in the lurch. If the Government has not locked down exports, commercial flights, and ports, and also made Customs a 24×7 service as part of the essential services, was it not incumbent on the Finance Ministry to talk about speedy refund of IGST to exporters? Given the fact that the grimmest squeeze is on the working capital for all, a special drive should have been announced for exporters so that when their factories reopen after the lockdown, they can quickly brace for meeting the timelines of their foreign buyers. Second, the **due date for LUT RFD-11** should also have been extended till the end of April.

Though the Finance Minister did announce extension of time limits for issuance of notices, notifications, approval orders, and sanction orders; filing of appeals; and the furnishing of returns, statements, applications, reports, and any other documents for compliance under the GST laws, till 30 June 2020; but it is **not very clear whether the summons and the time limit to file replies to notices are also covered.** What about **audit and recovery proceedings?** When the Allahabad and Kerala High Courts granted a stay on all coercive methods used for recovery, the Government

strangely found time from COVID-19 battle to brief a senior law officer to assure the Apex Court that the Government is seized of the issue and steps would be taken soon! I wish that the Finance Minister could have touched this issue in her address to the nation and assured all taxpayers that no steps would be taken to harass any taxpayer during the neuron-gobbling COVID-19 time. This is a case of an opportunity lost for any Finance Minister to earn back a shard of trust from taxpayers!

I sincerely hope that no such cardinal errors would be afforded at the time of unfolding the National Economic Revival Package, which would truly aim at empowering the economy to battle the *tsunami*-in-the-making. To wade through this crisis, the nation clearly entails a two-pronged strategy - one for the poor and workers of the unorganised sectors, where the DBT conduit may be opted for, and the other for the organised sector, which would need to flatten the curve of misery for the millions of the ever-burgeoning middle class!



2

Lockdown - Down with hunger - Need for *langar*, fiscal too!*

PRESIDENT Trump, in his inimitable style and with an unmistakable tinge of scorn, calls it a 'Chinese virus'! COVID-19 has spread its 'satanic' wings leaving virtually no coordinates untouched on the global map at a petrifying pace! It has struck the USA and Europe with such bone-chilling ferocity that humanity appears to be pitiably looking for a shelter to save itself from extinction like many of the Biblical creatures! Going by the soaring graph of the death toll (47300 so far) and the active cases (galloping to a million), it may seem that mankind is debatably heading for an apocalypse!

Even as the rich, not-so-rich, aspiring-to-be-rich, and poor countries find themselves seated cheek by jowl in the same boat severely rocked by the pandemic, the mega geopolitical powers have literally been squabbling over the issue to label the outbreak as the 'Wuhan virus' - a descriptor China views as rude, offensive, and a sinister design to erode its image in the eyes of the comity of nations. Though the G-20 leaders did labour hard to present a different optic of global solidarity against the common enemy post-summit through video conferencing, nothing concrete has come out for the beleaguered pandemic-hit nations either to deal with the life-gobbling unstoppable virus or to rescue the crumbling global economy!

Since COVID-19 has no skills to make a distinction between a powerful and a not-so-powerful country, it set its eyes on the rich nations as its first choice for wildfire spread! The administrative and also the political response across the spectrum has been uniform, of course, after the characteristic and 'momentary' dithering - lockdown, partially or fully! Socio-economic consequences of a lockdown are seen to be almost uniform across the world. New Yorkers have been reported to be rashly motoring away from the most intense hotspot of the pandemic to any state which may promise them some succour! The administrative response from the neighbouring states of New York has been no different from what we see in India - cops were ordered to stop and seize vehicles with New York number plates!

* TIOL – COB (WEB) – 705 APRIL 02, 2020.

Let me now move back from the Northern Hemisphere to India. The Indian Prime Minister, Mr Narendra Modi - one of the first global leaders to do honest soul-searching and self-assessment of his strength, realistically, and intelligently accepting the virtue of the time-tested lockdown as an efficacious buffer to break the chain of transmission of the virus - first appealed for self-isolation for a day - the *Janta* Curfew. Having noticed the success of his appeal for a day, he felt hugely emboldened to go for a protracted three-week long lockdown and after a week of it, one may feel compelled to conclude that it is indeed bearing desirable fruits in containing the uncontrolled spread of the virus!

However, in hindsight, it seems that the key advisers of Mr Modi deprived him of the basics of all mega decisions which involve action and compliance on part of the public at large, i.e. notice prior to enforcement. Even though the lockdown is a measure taken in the interests of the public, giving a notice is not only a part of natural justice, but also a vital ingredient for greater success and an anodyne to possible chaos which ensued within 48 hours of the announcement. Had the Prime Minister given a 72 hours' notice and announced arrangements for the return of the **millions in transit** and also the migrant labourers, the huge scale of pain which was caused to the poor and have-nots, could have been stymied. The grim sight of migrant labourers snaking through the highways on foot or bicycles, bearing the overload of families of three or four, which evoked widespread criticism of the Government's action taken with good intent, could have been avoided. What touched the heart of the millions of locked down households watching TV at home was the plight of the poor and their small children going without food, but supporting village-tethering decisions of their parents who decided to walk back hundreds of kilometres to their states!

Such a painful consequence of the lockdown could perhaps have been managed better, even if not avoided totally, if the Central Government would have moved quickly, or even if they had overlooked their existence at the inception, and lined up a few dozens of idle trains to ferry them to their villages. Asking state Governments to arrange buses and literally dump them in large numbers when the central message of the lockdown was 'social distancing', did some mortal damage to the larger goal the Prime Minister had set out for the nation to achieve! What added salt to the wounds were some of the freaky incidents like dousing them with disinfectants and thousands going without food! I am shocked at how key planners in the Central Government could afford such apathy to the teeming millions who were given the first blow of bad luck when their employers did not pay their dues and second, told them brusquely - 'you are no longer wanted'! Nothing could be a bigger misfortune for a poor man/woman than to lose his/her job! Given the fact that India ranks 102 out of 117 countries in the Global Hunger Index 2019 and we have over 150 million migrant labourers who can barely afford two meals a day, COVID-19 is indeed, by all standards, a much kinder killer than acute hunger!

Let me now move from hunger to the fiscal *langar* announced by the Union Finance Minister to provide some relief during the lockdown period. By extending the statutory due dates for filing returns or revised returns under various direct and indirect tax laws, the Government has provided timely succour to the economy, and it is indeed praiseworthy. To give effect to various extensions of due dates, the Government has acquired necessary legal authority through an Ordinance issued on 31 March. The most glaringly noticeable amendment is Chapter VII – the insertion of a new Section 168A in the CGST Act, 2017, and the Explanation about the expression *force majeure*.

The term *force majeure*, a concept in French civil law, is of Napoleonic lineage. It is in direct conflict with the concept of ‘*pacta sunt servanda*’ (contracts/agreements must be honoured). It is widely followed in the common law system in the UK and the USA in the context of contract and insurance laws. It has been introduced, for the first time, in the Indian tax laws. Interestingly, it has been extended not only to ‘acts of god’ or natural calamities, but also to man-made calamities like war.

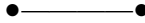
What certainly warrants a debate here is - where was the need for a new Section with a non-obstante clause? Is it that there are no provisions in the CGST Act to deal with any adverse situations arising out of the present lockdown? What about Section 148, which talks about special procedures for certain processes. It reads: ‘*The Government may, on the recommendations of the Council, and subject to such conditions and safeguards as may be prescribed, notify certain classes of registered persons, and the special procedures to be followed by such persons including those with regard to registration, furnishing of return, payment of tax, and administration of such persons*’. Probably, it is to be used only for certain classes of registered persons, and here is a situation where relief was to be granted to all assesseees! Then comes Section 172 – The Removal of Difficulties. Given the limitation of words used in this section, I guess it was construed as not adequate to grant relief under an extraordinary situation like COVID-19!

But then comes the larger question - How many months would states take to insert a parallel provision in their SGST Acts? Unless they insert a similar provision, would the Centre not be able to implement or notify the extensions? Section 50’s amendment may be viewed as a live case in hand!

A quick read of Section 168A also reveals that all such reliefs, already announced by the Union Finance Minister, should be done only on the recommendation of the GST Council. Since no Council meeting was called after 14 March, it was probably discussed through video-conferencing with some of the states’ Finance Ministers. For such extraordinary situations only, Article 279A of the Constitution talks about the appointment of a Vice-Chairman - one of the states’ Finance Ministers may be nominated or elected. Had there been a Vice-Chairman, he may have quickly constituted a committee with the Member Secretary as one of the members and could then have proceeded with such decisions. Such niceties are important to eliminate

chances of any accusing fingers being raised later and also in the interests of strained 'cooperative federalism'!

Anyway, let us welcome the bouquet of procedural reliefs and also the partly-substantive concessions in terms of reduction in interest rates and waiver of penalties and late fees. But I am sure, a much more substantive fiscal relief, notwithstanding the lack of fiscal policy freedom of the Government, has to be designed in the coming months to revive the economy and rescue it from the deepening recessionary crisis. I would like to suggest all such possible measures which the Union Finance Minister may like to consider for kickstarting the sinking economy, in my next article!



3

Lockdown - Life vs livelihood - Trade-off going to be ‘coronically’ painful, politically!*

FIRST fifty thousand, then seventy-five thousand, and now about to race beyond hundreds of thousands! No one sees the END of the soaring death curve on the global chart! The demonic ‘killer’ is literally on the prowl, ravaging human lives at a frightening pace! The intensity of the spread of COVID-19 and its propensity for ‘quick kill’ unveil a pattern of vengeance, never documented in the past by epidemiologist and virologist communities across the world! Such a phenomenon is to be attributed only to the fury of mother nature! Though there is a large room for multiple shades of opinion, it is worth recalling the warning of a global coalition of scientists from 153 countries. It was issued immediately after the Trump administration had, much to the consternation of the world, unilaterally decided to withdraw from the Paris Agreement on Climate Change in 2016.

The research paper, authored by Prof. William Ripple of the Oregon State University and co-signed by 11258 scientists, had so precisely forewarned that planet earth was facing a sort of ‘climate emergency’ and it may trigger ‘untold human suffering’ unless timely and drastic steps are taken! Going by how rudely COVID-19 is ill-treating mankind, Prof. Ripple’s forewarning has indeed turned out to be so providential! He had underlined in his paper that the warming climate was already taking a serious toll on human health, causing widespread hunger and illness that would grow exponentially worse! His concluding remark was - climate change is a colossal threat to human well-being! And unmistakably, we are experiencing the same today - no succour so far in sight!

For those who see the ‘coronic’ pandemic through the prism of religion as the ire of the creator or the keeper of the Universe, ‘craving’ or neoliberal capitalism is the origin of all human sufferings. Hinduism (*Upanishads*), and later even Buddhism, preached that suffering arises from the human life cycle and it emanates from failure to comply with the rules of nature - overlooking enlightenment! In fact, Buddhism explicitly teaches that pain is inescapable but suffering is optional! The crux of the

* TIOL – COB (WEB) – 706 APRIL 09, 2020.

philosophies preached by all religions is - nature is undoubtedly a manifestation of the divine and whenever activities of mankind cause bruises to it, nature has its own unfathomable method of carrying out the balancing act! COVID-19 is perhaps performing the task assigned to it by mother nature!

There is a miasma of despair not only in the poor and emerging economies but also the either side of the Atlantic! The most powerful and affluent economy, the USA, looks as desperate today as any other country! Given that lockdown is the sole effective 'medicine' for the raging contagion, the USA lost valuable time in weighing costs and benefits of such a decision. Though many experts may find flaws in the Trump administration's approach, given the size of the economy and the diktat of profit-tethered capital, taking a quick call was always fraught with life-time risks! True, no economy is built over the decades only to be shut down, which was the initial refrain of President Trump, but it is always a trade-off in real life - trade vs life!

Even as the White House Task Force kept itself busy working out the economic calculus of the shutdown, the coronavirus spread assumed 'coronic' proportions in multiple footprints in the United States. When New Yorkers were reportedly dying in dozens and its denizens got convinced that the dollar value of their lives is being seen as less than the value of the dollar, they began fanning out of the state which is perhaps the most high-octane hotspot for COVID-19 anywhere in the world! The New York Governor, Andrew Cuomo, took a diametrically opposite view to that of Trump, and explicitly said that he would not allow dollar value to be allocated to human life in NY. He began seeking supplies of N95 masks, PPEs, and ventilators from other states within the USA and outside too! Sooner than one expected, sanity and perplexity gripped Mr Trump, who had never even imagined the ballooning gravity triggered by the COVID-19 pathogen. The death toll in the USA has gone beyond 14,000 and the White House is helplessly expecting **deaths in the range of one lakh to two lakh!** The lockdown would continue at least till the mid of May as the infection curve is expected to reach its pinnacle only by 1 May.

It is not America alone which demonstrated an initial dithering to take a call on a shutdown. Most of the economies where fatalities have assumed scaring proportions, dawdled for long and then opted for a lockdown a bit late - the UK, Italy, Spain, France, the Netherlands, Belgium, Sweden, and many more as the trade-off between human life and the slow death of their economies debatably confounded them. Today, if one analyses the global scenario and the business statistics, they have lost both - thousands of precious lives as well as severe injuries to their economies.

In this background, coming back home, I would like to conclude that the Prime Minister Mr Narendra Modi has done well to go for an early lockdown. I am sure that political critics and hawks of the market economy may find fault with his decision, but a lockdown was, looking back, undoubtedly the most sensible thing to do. One may gratuitously comment that given the dilapidated state of India's public health system, this was the only choice for Mr Modi. True, but even if India had a

world class health infrastructure, the lockdown has proved to be the best counter-offensive against this unstoppable pathogen, and a live case is the USA. Given the fact that we have, as a nation, always allocated smidgen resources for public health (1.28% of the GDP) against 18% of the GDP by the USA and above 10% by most of the EU members, what Mr Modi is trying to do is to extract the *'maximum governance'* out of the health workers and other resources of the Centre and the States put together and we have so far done much better than a foreign analyst or the WHO may have expected us to do. Our health workers and doctors as frontline soldiers have certainly lived up to their Hippocratic oath. This is even after being pelted stones, dragged out of rented houses, and callously inadequate PPE. Some of them deserve kudos for their commitment as they managed to treat a positive patient in their rain-coats and motorcycle helmets. The PM has done well to quickly announce a special insurance package for them as it would not only assuage them, but also keep their tense families a bit less disgruntled!

India has entered into the most critical and tense period of two to three weeks. Though it is too early to talk about the reversal of the lockdown decision, the Union and the state Governments are under tremendous strain from different quarters to save the economy. Another strand of their strain is the rapidly-dwindling resources. Since economic activities are at a standstill, their tax revenue is drying up fast. Most of them have diverted funds from other heads to finance purchase of necessary medical equipment and to set up dedicated COVID-19 hospitals. Although the RBI has spiked their short-term borrowings limits, it is certainly not a sustainable method as it also means **debt-servicing costs**. A major swathe of the working population in the informal as well as formal sectors may end up exhausting their sparse savings. Business establishments have to prioritise their expenses - fixed costs followed by the variables which include salaries and other allowances. If businesses do not raise invoices, they do not receive payments from their buyers, and the transaction cycle is broken in the economy. The monetary policy of reducing repo rate has a severe limitation to help businesses in the present crisis scenario. Taking loans is generally the last resort and second, for small and micro businesses, it is not easy to obtain loans notwithstanding all the tall claims of easing of banking processes.

In this background, taking a call to withdraw the lockdown is going to be a grimly riskier political gamble for any government across the world! Life vs livelihood is a trillion-dollar question with no clear-cut answer. In this scenario, a ray of light may be borrowed from the Buddhist philosophy - **choose the middle path!** Partial exit and only necessary lockdown strategy may save the day for the political dispensation. As rightly decided by some of the state Governments, identification and sealing of hyper-infected districts and letting others gradually get back to the new normal is the need of the hour. Telangana's Chief Minister, who was the first to favour the extension of the lockdown, has said – *'We can revive the economy but not the dead. Human life is the most precious'*.

The Ministry of Health may identify virulent hotspots across the country; seal them and do aggressively what the WHO has prescribed - testing, testing and testing! Although testing is not our strength even today, but the early lockdown has certainly prepared our health system with reasonable scale of testing prowess. Such testing may be sustained if precious kits are wisely used. Mr Modi has appreciably activated a number of R&D centres and industries to reinforce the supply chain of medical equipment and drugs. As regards the partial opening of the economy, the Ministry of Health may identify certain big labour-intensive sub-sectors and also technology-intensive ones and prescribe social distancing guidelines along with the testing medical teams to be deployed at their corporate offices. Large business establishments may begin with 30% of their necessary employees and the same can be scaled up in the following weeks. Similarly, manufacturers can open the shutters and manage with 40% of their workers with strict adherence to the guidelines. **Sectoral approach would gradually set the wheels of the economy in motion.**

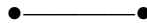
So far as the issue of economic stimulus goes, a special Task Force should be set up, involving representatives of the industry associations, economists, and some independent experts to work out a fiscal relief package like most of the economies have done. Malaysia is a good comparable which has hugely focussed on **saving their MSMEs**, which not only account for a good chunk of the economy, but also provide huge employment opportunities in the informal sector. They have granted waiver from taxes besides easy loans. The Union of India, notwithstanding its precarious revenue scenario, will have to come up with a fiscal package, which alone can sustain the recovery of the wheels of the economy.

Meanwhile, the Central Government has released the pending Rs 14000 crore from the compensation fund for the states for October and November early this week. It will have to soon arrange another tranche of Rs 34000 crore for December and January. Similarly, it has rightly decided to disburse the pending income tax, GST, and Customs refund amounting to Rs 18000 Crore. In addition to this, it would be more pragmatic if the Govt decides to go for auto-processing of refunds by systems in case of zero-rated supplies. In any case, Sec 54(6) of the CGST Act, 2017 permits refund up to 90% of the claims. Such a system would clear all the pendency amounting to over Rs 30,000 crore, which would enrich the much-starved working capital reserves of the MSMEs. And this can be done in a short span of the next 15 days.

Other measures which should be expeditiously taken prior to any support package for the economy are – (1) Suspension of Rule 36(4) and Rule 86A; (2) Suspension of Section 138E that puts restrictions on the generation of E-Way Bills; and (3) Instruction to field formations to put all Section 50 related notices on hold. Rules 36(4) and 86A were framed to block credit in case of any suspicion of fraud. It was largely a part of the revenue augmentation measures. Since it would be suicidal to think in terms of revenue augmentation measures when the time requires the Exchequer to liberally open its chest to revive the economy, all such rules should be

put in the suspension basket for a year! I would rather recommend that it would be wiser if the Government allows GST assesseees with a good track record **to avail DOUBLE the ITC available in their electronic credit ledger and the same can be adjusted over a period of six months.** Such ‘doubling’ of ITC allowed on the basis of ‘credentials’ may also help timely filing of GSTR-3B and payment of taxes in the GST kitty. Such a liberal and solid measure would go a long way in alleviating the pain of the taxpayers, who need not go to banks for borrowing money and make use of their ITC ledger to pay the GST. What may further help MSMEs is the insertion of one more column in the GSTR-3B seeking details of pending MSMEs’ payments and if the pendency is for more than three months, the ITC can be disallowed!

Crises generally warrant out of box innovations and ideas for speedy repair. Governments do need to move away from the traditional dogmas and also wisdom frozen in time warp. Faster innovations and hugging of new ideas would ensure speedy recovery out of the quagmire, which lurks realistically over the entire economy. In addition to partial lockdown, the Centre as well as the state Governments do need to **go on back foot and play the genuine role of a business enabler so that the process of repair is accomplished in a short span of time.** It is indeed a tough political choice for Mr Modi to choose between LIFE threatened by the Coronavirus and the livelihood being snatched away by the locked economy! I sincerely hope that the Prime Minister and his team of advisors would consider all these suggestions, including those coming from the opposition leaders, before taking a costly plunge!!



4

Running out of time to re-ignite the COVID-eaten economy!*

WHEN I was penning my last week's article, the COVID-19 global mortality figure had not peaked to 100,000. In exactly one week's time, the insidious pathogen has gobbled up 30,000 more precious human lives across the world! The statistics from the Northern Hemisphere are turning much uglier with each passing day! Deafening sounds of wailing sirens are being heard almost non-stop in many cities of glory as ambulances have been ferrying dead bodies to cemeteries. No last rites as loved ones can only watch live streaming. Space in such cemeteries now commands a premium! Though some of the nations, including the USA, have hazarded certain epidemiological models to project a possible deceleration in the deadly spread of the contagion, the daily medical bulletins tend to defy the credentials of all such scientific modelling. So evasive and subtle has been this enigmatic parasite, which swings into rapid-fire replication by residing inside the human cells which should normally be generating anti-body to combat external assault! Even as scientists continue to burn midnight oil to speed up epidemiological studies, COVID-19 has relocated its epicentre from Italy and Spain to the United Kingdom in Europe.

Very similar to his American counterpart, the UK Prime Minister also demonstrated laxity in devising his national strategy to deal with COVID-19. His Government's initial approach was to rely more on one of the epidemiological models of letting younger populations develop what is called '**herd immunity**'. There is a school of scientific thought which underlines that respiratory diseases cannot be controlled by merely social distancing and lockdowns. They have to be bravely dealt with by sticking to the regimen of normal life. True, people would get infected, but over a period of time, herds would develop immunity to its attack! Such a riskier method may have yielded positive results in case of low-intensity viruses, but COVID-19 owes its lineage to a much fiery clan and it soon spread like wildfire in many territories of the UK. Its deadliness can be gauged from the number of heads of states and Governments and other top-echelon officials buckling to its infection. The UK Prime Minister, Boris Johnson, is a living testimony to its fire-power!

* TIOL – COB (WEB) – 707 APRIL 16, 2020.

Even as it continues to wreak havoc in many developed countries, one notable exception which has emerged is Germany. Like many European nations, Germany also has more than 1.35 lakh cases but its low fatality rate has grabbed the eyeballs of governments across the world - only 3800 deaths! In terms of percentage, **it is less than 3.0**. In case of Italy and Spain it is about **13% and 10%** respectively. The global average is about 15%.

What may further widen eyes is their recovery/discharge rate. As against the tally of positive cases of 1.35 lakh, as high as 72600 infected patients went back home with a smile on their face! A whopping 54%! How did Germany manage it? What public health strategy did they follow to minimise mortality rate? Having experienced a low-intensity respiratory epidemic in the past like its many European neighbours, Germany had its meticulously-designed plan ready in its armoury. Although it also detected its first case in early March like the UK, it followed a strict but well-known formula - TTI (Test, Trace and Isolate). Given the fact that it spends about 11.5% of its GDP on healthcare, its public health infrastructure is as good as any that of other developed economy. It began to test aggressively but **what remained unique and central to its main strategy was to TRACE**. It focused more on tracing all such Germans who came in contact with the positive cases. Its federal political structure like that of India, **worked in sync** and went to the last mile for tracing every person who was viewed as a potential carrier. Today, the volume of its testing drive is close to 14 lakhs. What is more noteworthy here is - in terms of per million population, it works out to 16000 against 9400 in the USA.

A contrast may be analysed in the case of India. We have 12370 cases with 422 deaths and 1508 cured patients. This works out to 3.4% mortality rate and a little over **12% success rate** under the recovery head. The global average for recovery is about 25%. This shows the frailties of our public health system and poor spending patterns since independence. In terms of per million population, we rank nowhere with a measly number of 177 tests. But what has worked in our favour so far is the rapid-fire decision of the Prime Minister to go for ghost streets across the country – a complete lockdown! His decision has, there is enough evidence on records, successfully broken the gut-wrenching pace of the pathogen. Its wings were clipped quite early but for the missteps by a number of organisations and refuseniks.

In the rush of the decision-making, the issue of migrant labourers got overlooked and it has become a potential bombshell for the entire nation. Going by what happened in the beginning of the lockdown period, when thousands of them meandered through the highways to their villages and also a few thousands gathering at the Bandra Railway Station two days back to return to their home States, such abuse of the social distancing principle may cost the nation dearly! It has become a highly-sensitive issue seeking an immediate solution. Given that such a large number has become implacable as they are evidently not being taken care of in terms of food and mental comfort, the Modi Government should run a few dozens of trains and ferry them home after putting them through the drill of mandatory testing. It would

be more beneficial to the larger objective of locking down the economy to break the chain of transmission and bringing them back to their workplace once the heat significantly abates! In this process, the government agencies would also gather vital details of all such labourers who are critical hands for kick starting our factories again.

Another threat which COVID-19 poses before all the governments across the world is the latest research finding in the USA - **a large number of COVID-19 carriers may not reveal any symptoms. As high as 25%!** This clearly indicates that there are high chances of fatal errors even if testing is done today! Such carriers may be spreading the virus to others. Another study by Harvard scientists suggests that a one-time lockdown may not stop the ruthless march of the virus. A strict compliance of the social distancing principle may be required for one or two years to come! COVID-19 is likely to turn into a seasonal respiratory disease in the coming years!

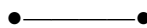
Let me now go back to the exit strategy of the Modi Government. Much to Mr Modi's credit, he has performed exceptionally well in terms of walking through the coal-seam fire! Given that politics is a contact sport, Mr Modi runs the risk of getting infected at meetings with his cabinet colleagues and top officials. Second, he carries the weight of history on his shoulders. Just one wrong move may adversely affect his political popularity! In such a backdrop, he has acute realisation of the fact that extending the lockdown and enforcing it with an iron hand may be as dire as the virus itself. He knows that immediate steps have to be taken to prevent the imminent collapse of the economy, which was already in the grip of recessionary virus. After the pandemic seeped through the Indian borders, foreign capital has run away from the Indian markets. Trade has come to a halt. Supply and demand curves have nosedived. All the sectors in the economy have to be reignited - **and it would cost him dearly!**

His fiscal team is lagging behind many other emerging economies in unveiling the fiscal stimulus to revive the economy. Some of the reliefs announced are also turning out to be too late. For instance, the EPFO granted an extension for PF deposit by a month. But it was too late for most compliant MSMEs who translated Mr Modi's plea for no salary-cut into action and also made the payment prior to the last date. Since the announcement was made too late yesterday, only the **non-compliant or genuinely troubled companies** would now be able to take the benefit. In the process, habitually-compliant entities may once again seek consolation in the oft-uttered sermon that compliance may buy you peace of mind but not 'working capital' when you need it the most!

Anyway, it is high time that the fiscal stimulus package is announced notwithstanding the severe revenue constraint being faced by both the Central as well as state Exchequers. It is crisis time and all crises warrant non-conventional measures to wriggle out of the whirlwind. Some of the steps which I can think of are:

- (1) All GST assesseees may be allowed to deposit only 50% of the tax liability and make use of the rest as working capital for six months and start paying it back to the Government **without interest** after six months. Such a measure would encourage assesseees to push their sales and raise as many invoices as they can, so that they collect higher amounts of GST and keep half of it to re-fuel their businesses with no hassle of EMIs or going through the drill of bank loans. Such a concession may be linked to an assessee's track record of almost-regular payments;
- (2) Either suspend E-Way Bills for at least six months or liberalise its enforcement. Given the fact that the lockdown period continues and trucks with essential and non-essential items are stuck on the highways, such a provision is not serving any practical purpose at this pandemic hour;
- (3) Follow what Rajasthan has done to incentivise the tourism, travel, and hotel industries, which have run out of oxygen cylinders and even ventilators may not lengthen their lives. The Rajasthan Government has announced a reimbursement of SGST payments made till 30 June. Ideally, the GST Council should take such a call for the entire country for at least 12 months;
- (4) Income tax holiday may be granted to certain mortally-bruised sectors like aviation, hospitality, retail, etc., for one year;
- (5) Higher depreciation under the I-T Act may be allowed on assets capitalised in the current and next fiscal year;
- (6) In identified labour-intensive sectors, higher deduction under the I-T Act may be allowed for certain employee-centric expenses.

In a nutshell, what I would like to suggest is that innovative tax concessions without looking at revenue's interests need to be offered at this hour of crisis of unprecedented scale. It is truly the Exchequer's turn to open up its chest liberally and do everything possible for the speedy healing of the economy. The growing army of the unemployed in the informal sector can be gainfully engaged only if Mr Modi and all the Chief Ministers of all the states find themselves in the same boat, not only for dealing with the contagion, but also doing the repair work. In this context, Mr Modi needs to undo the damage done by the MCA Circular, which has drawn a ***Laxman Rekha*** for the CSR expenditure by excluding the Chief Minister's Relief Fund. So far, the nation has seen harmonious coordination between the Centre and the states and such harmony is going to be the bedrock for future economy revival measures to be taken by both. I sincerely hope that the myopic view reflected through the MCA Circular is nipped in the bud and more concrete measures are taken without losing time in the pandemic-ravaged race!



5

COVID-19 - Ahh, oof and ouch!*

INDIA's tussle with the lethal COVID-19 has entered a very critical and decisive phase. Though India's death toll, as compared to that of other pandemic-flattened nations, may appear dwarfed, the actual number of positive cases per day has significantly leapfrogged in the last two weeks. By virtue of this eye-watering number, India has joined the 'unenviable' club of the top 10 nations, rudely treated by the pandemic as '*chèque en blanc*'!

In this backdrop, the shelf-life of Lockdown 4.0 is going to expire in the next 72 hours. Now, the most puzzling question is - what next? Is our Prime Minister Narendra Modi going to have a *tête-à-tête* with the nation again and bare all a well-deliberated and scientifically-designed strategy by noted epidemiologists of India and also of other countries, if any? Is he really going to embrace protocols of transparency like his counterparts in Western Europe or the USA and unmask the nitty-gritty of his roadmap for the country in the coming months? Does the Prime Minister have any mitigation strategy to grapple with the pandemic in case of a second wave? If the battle gets protracted, what strategy would India follow to goose the combat-fatigued 'corona warriors'?

Ahh! Going by the Prime Minister's latest decision to make the much-disputed *Aarogya Setu* Mobile App an open-source platform with 114 million downloads, it may be speculated, perhaps remotely, that a new era of transparency has dawned on India's battle against COVID-19. Having delegated a major swathe of the ground-level 'physical' combat warriors against the contagion to the states, the Union of India is perhaps eyeing an exclusive role of a scientific knowledge gatherer for effective mentoring of the states. It may be surmised that this was perhaps the reason for the Modi Government to bring the daily media briefing to a juddering halt!

Although it is true that the pandemic-crippled world is going to hell in a handbasket, Mr Modi has no choice but to showcase, once again, his extraordinary demagoguery to retain the trust of the nation in the narrative that India is not doing badly on the corona front! When the entire world is swimming in statistics, projections, infection doubling rates, and death tolls, it is indeed a prickly job for Mr Modi, who is expected to make sense out of fast-changing numbers on a daily basis! The nation, including India's main opposition political party, expects him to leave

* TIOL – COB (WEB) – 713 MAY 28, 2020.

the muddled scientific scenarios emerging out of various epidemiological models to the esoteric group of scientists and disclose his plans to steer India out of this hellacious quagmire.

One model which I fathom, having assiduously studied the various models being implemented by severely-affected countries, is the Swedish one. Unlike others, who continue to be humming and hawing over different models, Sweden has shown undiminished faith in the **'herd immunity' theory** - a classical school of epidemiology. The widely-adopted tool of lockdown finds no place in the framework suggested by it! The classical school treats COVID-19 as a respiratory disease like many of its clan which infected the world in the past, and in the absence of any vaccine or proven drugs, they infected millions who tended to develop immunity against their second waves. Going by the Modi Government's decision to permit the economy to tiptoe back to normalcy, it appears that India is willy nilly heading for the 'herd immunity' model! India has incrementally opened up air travel, train services, and also road transport partially. Commercial establishments and factories, even in red zones, are almost back on their feet! India has also reduced the quarantine period for the 'corona warriors' from 14 days to 7 days, and this is another solid indicator of a subtle shift towards the 'herd immunity' model. Although doctors have moved to the court against it, the Government knows that the pandemic has preyed on a large number of health workers and they would be in short supply at this hour of surging numbers if 14-day confinement is permitted!

If we go by the studies of corona deaths in the USA, the UK, Italy, Spain, and other EU countries, a large swathe of victims happened to belong to elderly populations with underlying co-morbid conditions such as diabetes, obesity, hypertension, and cancer. The Centre for Disease Control (CDC) in the USA has stated that above 80% of the victims were above 65. The number is 92% in the UK. Italy has the maximum oldest population in Europe - 23%, and all these demographic statistics unravel the mystery that COVID-19 is more virulent and lethal for older populations. Taking a leaf out of such studies, India's demography is dominated by young population. Our median age is about **29, unlike 38 in the US and 47 in Italy.** About 82% of Indians are below 50 and we have only about 10% elderly population. Such a demographic edge also explains the present low fatality rate, which has dipped from the earlier 3.3% to 2.8% - the lowest in the world! The global average is around 6.4%. The recovery rate has soared to almost 42%.

What further espouses such a model is the fuzzy stage of vaccine-testing. The fact that it would take a minimum of 18 months to come up with a safe vaccine and also the grim reality that the rich nations would be grabbing a large share of its production for their own citizens, India would necessarily find itself standing in the middle of the queue. Second, the distribution of vaccine in India would be another politically sensitive task - who should be inoculated first? Naturally, the corona warriors! But it would be naive to presume that there would be no duel between the corona warriors

and the political and financial ‘wolf warriors’! This would evidently mean that it would take locust years to trickle down to the poor migrant labourers!

Oof! It takes extra bouts of pain-filled emotions to talk about the issue of migrant labourers. COVID-19 only scared them, but the apathy and tokenism of our politico-bureaucratic system virtually sapped the soul out of their frail frames! Even many educated city-dwellers and representatives of the so-called neo-liberal civilisation played their venomous role as if they had a Faustian pact with the devil to drive the destitute out of their city frontiers. Even our highest judicial fora swallowed many heart-wrenching pills of sob stories before they swung into action against the apparent and basic **rights-snatching inaction of our system.** The mighty institution of the Indian State (the Executive) played the role of an enervated and intrinsically weakened apparatus and thus, failed to look after the weaklings! A pang of shame ought to trouble every Indian if one looks back and concludes that this is the institution we have built in the past 72 years! Truly, a lifeless institution to deal with millions of precious but poor lives!

Ouch! The luckless multitudes have almost reached home! So has the COVID-19 virus! Our hinterland was hitherto unaffected by the brutal virus. But it found friendly abode in the walking multitudes and has finally arrived at the peripheries of our villages. Though the States have quarantined the half-naked and half-fed migrants in schools and also provisioned funds for providing them with a pair of shoes, a towel, food, and some cash in hand, none reckoned the presence of another foe in our system - **the ‘karona’ virus of corruption.** I spoke to many responsible elderly persons in the villages and came to know that a major part of the funds provided to *Panchayat* office-bearers is being pocketed in connivance with local block development officers. The quality and the quantity of food at many places have been reported to be fit for consumption by non-complaining animals only! Generally starved of government funds, *Panchayat* officials seem to be eating out the money for migrants’ food like hungry wolves!

This is one of the reasons for quarantined labourers to indulge in brickbats with local officials or to rebel against the State fiats! A good number of them have decamped for their own homes. Cops chasing them or using lathis to bring them back to confinement may not be a sustainable solution. Ideally, states should build an army of contact tracing-scouts in each village. Physical contact tracers, rather than high-tech apps, would work better in this village eco-system. Some remuneration per positive case may generate employment for some of the migrants who can at least report to the officials about a suspected case and get payment credited to their *Jan Dhan* accounts. If community-transmission is to be stymied, India should learn from Germany and focus on low-tech contact tracers so that the surge in positive cases does not deluge our dilapidated and clunky public health system. In my understanding, the Centre and the States now simply need to set their eyes only on ensuring that the fragile and make-shift COVID-19 treatment centres do not get

decimated by the deluge! I sincerely hope that we, as a nation, sail through the present concatenation of crises, perhaps battle-scarred!

As the monsoon sets in over the Western state of Maharashtra in a weeks' time, Mumbai, which has recorded the highest number of COVID deaths, is sitting on a precipice, what with the threat of flooding or water logging and spurt in dengue, leptospirosis cases ready to add to the already fragile healthcare systems existing in the metropolis. One can only pray that the famous and indomitable spirit of Mumbai pulls it through!



6

Scary surge in ‘fire-spitting’ dragon - Policy therapists need to work on a ‘befitting reply’! *

AFTER Europe and America, it is now the turn of the Third World to face the wrath of the ‘fire-spitting’ dragon from Wuhan - COVID-19. Given the geopolitical reality that there is no ‘official’ Second World, the global tally of COVID-19 cases is now dominated by Brazil; the second being the USA (9.3 lakh); the third Russia (close to 5.5 lakh); and the fourth India, with over 3.67 lakh cases and over 12000 deaths. The pandemic has blanketed virtually the entire expanse of India - mega cities like Mumbai, Chennai, Ahmedabad, Delhi, Pune, and Jaipur, in particular. India has witnessed a belligerent surge in fresh infections in the recent weeks, but health advisors to the Central Government are of the opinion that the cliff is still far away! A shade of schizophrenia was recently noticed when Delhi Government’s decision to reserve beds for Delhiites only, was binned by the LG, and some bellicose politicians uttered that Delhi may record over 5.5 lakh case by the end of July! Though none has credible studies to predict a realistic peak-month, there is a fragile consensus in favour of August! Such a time-frame may be surmised to be a possibility if one goes by the ICMR studies, rebutting any speculation of community transmission in India so far!

Even as the crest of the contagion continues to be a chimera and a clear-eyed appraisal of India’s preparedness is fraught with a raft of accuracy risks, the reports from ground zero reveal that the public health system has already begun to buckle. If one goes by the recent *obiter dicta* of the Supreme Court of India in the Dr Arushi Jain case, our public health infrastructure has visibly collapsed, months before the coronavirus dances its way to its crescendo! The Three-Judge Bench poignantly noted the ‘deplorable’ conditions of hospitals treating COVID-19 patients, in particular, the LNJP Hospital. Newspapers are replete with instances of patients being treated with dead bodies left uncared for on beds abutting the patient-beds, in lobbies, and in waiting areas! Visuals of mortuaries, struck by a deluge, and dead bodies overflowing or being stacked on each other, have become a common and

* TIOL – COB (WEB) – 716 JUNE 18, 2020.

disturbing spectacle! Municipal authorities have been quoted citing how big cities have run out of burial space! Non-availability of graveyards has become so acute that people with dead bodies of their loved ones, who may have succumbed to other ailments or have died natural deaths, have to run from pillar to post to find '*do gaz jamin*'! The saga remains equally traumatic for cemeteries and crematoriums! Though there are detailed guidelines from the Ministry of Health, their compliance is more in flagrant violations!

Let us move away from the dead to the living ones! Undoubtedly, the Governments are labouring hard to ramp up capacities, but the flare-up is so steep that new patients are not able to access treatment. Hospitals are full; hotlines notified have turned dumb, and testing takes several days. The situation is especially grim in the epicenters - Mumbai and Delhi! Close to 100% beds are occupied! The depth of the calamity was obviously not measured by either the Centre or the states! Now, to curb the surge in new cases, an ingenuous method has been adopted by many - that is to test less! Such a thinking resonated even in the White House when President Trump was reported caroling – '*If we stop testing right now, we'd have very few cases, if any*'.

To build capacity, States have begun to convert stadiums, hotels, banquet halls and railway coaches into isolation facilities. Lack of healthcare infrastructure is fathomable as the Central as well as state Governments in the past did not treat public health as a priority area. Only about 1.2 per cent of the GDP was spent on it. As a result, India accounts for only 0.5 beds per 1000 people as compared to 3.2 beds in Italy. COVID-19 is an additional burden!

Besides the lack of beds, more acute is turning out to be the dearth of medical staff and supporting health workers. Mumbai recently took a contingent of medical staff on a loan basis from Kerala. India has about 12 lakh registered allopathic doctors - many left India and a good number of them have also retired. Close to 10 lakh are available for service and it works out to be a 1:1400 ratio, against the WHO-prescribed ratio of 1:1000. India has 1.7 nurses per 1000 people against the WHO-prescribed ratio of 3:1000. The shortage is also due to the uneven rural-urban distribution. In this backdrop, our 'corona warriors' are very scarce and precious. Since the battle against COVID-19 was beguiled quite early as soon as the lockdown commenced, a large number of them appear to be falling to exhaustion and fatigue. Shockingly, a large number of them have also fallen victim to the contagion for lack of PPEs, coveralls, and other negligence. Though no regular updates are available on what percentage of them have got infected and many of them may have also demised, according to the International Council of Nurses, about 6% of the confirmed cases involve health workers. Going by this percentage, 6% of 3.6 lakh cases in India works out to be 21000. A good number of healthcare workers have also died of COVID-19.

Now the question is - how should India gear up to confront the peak-surge in the coming weeks? Even if India manages to build make-shift care centres, who would

supervise and care for the patients? One solution could be to deploy third year and fourth year MBBS students for basic care at such centres. In first three or four years, they are trained enough to ensure basic treatment under supervision of full-fledged doctors. These students may be given deemed passed benefits after one or two years, but with retro effect so that they do not lose their academic years. Such a measure may go a long way in ramping up medical staff requirements in hard-hit districts.

Undoubtedly, the nation needs to take care of the most valuable resource in the war against the coronavirus. They need to be protected and their motivation sustained to win this war. But unfortunately, some doctors had to resort to the PIL where the Apex Court nicely exhorted – *‘You do not dissatisfy soldiers during a war. So, travel the extra mile to make the corona warriors feel secure’*. There cannot be a clearer message for the political leadership and the bureaucracy, which have failed to pay their salaries. Worse, they have also reduced them!

In contrast to the pathetic conditions of doctors and other health workers, we have five-star luxury hospitals which have no fear of regulations and they brazenly practice the principle of buccaneering! First, they are selective in choosing patients based on the size of one’s purse! Second, they collect exorbitantly high charges for beds, nursing, ICU beds, and ventilators! States have failed the citizens in this critical hour when both the rich and the poor are fighting a common enemy! Although some states have issued orders directing obstreperous private hospitals to display charges, the compliance is more in violation! A good number of doctors have also resented against such conduct, but nothing changes in practice! Given the widespread fear of COVID-19, most patients needing consultation for their persistent illness have been opting for tele-consultation, but private hospitals seem to be profiteering even from such cheap and tech-based options. They are charging more than a physical visit fee!

Before I conclude this article, I would like to talk about the soaring number of coronavirus patients in the tax departments. Recently, a promotee IRS officer in Delhi committed suicide as the fear of Corona mercilessly overpowered his stressed mind. Ironically, his is not an exceptional case! Besides the growing number of COVID-19 patients, many from the Settlement Commission of Income Tax, a large number of officers in the department have been going through stress disorders and depression. They need active counselling. And this is where I recommend, the Directorates of HRD in both the Revenue Boards and the states’ GST departments should come forward and organise some webinars to help overcome such fear. The grantees of the Revenue Boards in the North Block need to play the role of a therapist and be creative in organising online sessions for thousands of their field officials, who do need such cushions to overcome the debilitating effect of the coronavirus fear!

I sincerely hope that Prime Minister Modi and the states’ Chief Ministers would move away from the head-in-sand strategy and craft realistic rescue packages for both COVID-19 patients as well as the economy. Strangely, the lockdown has been lifted but because of the recent spikes in infections, the citizens have opted for self-

imposed confinement. In the initial weeks, some desperate businesses had lifted shutters but they are down again after a few positive cases were found in their premises or vicinity. If such a grim situation is allowed to persist, what were seen as green shoots by Mr Modi, which he talked about with the CMs earlier this week, may finally turn out to be a recipe for economic sclerosis. Unless the people and businessmen see a clear sign of tapering off of infections, the economy would not be back on rail! Second, for containment of the ravaging virus, a unified nationwide strategy is the need of the hour! At the moment, unity is seen only in confusion!



PART V
NEVER-LIKE-BEFORE - DEEP SCARS RUN
THROUGH THE GLOBAL ECONOMY

Introduction

The 'death merchant' from Wuhan is metaphorically a double-mouthed 'snake' - And each mouth specialises in devouring its prey remorselessly! One gobbles up human lives and the other wallops economies! All policy and administrative measures to slow down its pace of 'spitting fire' behaviour by resorting to lockdown tend to transfer its ferocity to the 'second mouth' to ravage economies. Oof! **Invasive lockdown vs rising economic toll** - it is hardly a choice! But there is no other escape route out of this once-in-a-century crisis! For the political leadership across the globe, the choice for some, such as the US, the UK, Germany, and France was to prioritise their economies as the dollar value of human life was estimated to be less than the dollar value of the economy! And that is why they dawdled in imposing lockdown curbs, even partial ones! For others, particularly the populous ones, the choice was a bit grimmer and also double whammy - first, their poor population was politically and legally more awakened and second, they also had to run highly fragile economies with limited jobs in their organised sectors. Such an iffy situation was universal for the political hegemonies in all the countries and none had any tested formula to escape trials and travails. Each economy had to survive or collapse on the political acumen and policy foresight of its ruling elites!

A spurt in the flurry of repeated lockdowns across the continents brought the global economy to a sputtering halt! The global supply chain was rendered a serious body blow. Manufacturing of non-essential goods was extraordinarily upended. The services sector got completely snarled as people preferred 'house arrest' to save their lives. Geopolitical hostility towards China, the factory of the world (accounting for 27% of the global output), further damaged manufacturing as MNCs and even local companies cripplingly depended on China for the supply of critical raw materials as part of their supply chain arrangements. Worse, even the pharma sectors in many countries downed their shutters as supplies from China were stymied during the initial months. Many economies had amended their foreign trade policies to look inwards!

During the first phase of the lockdowns, dozens of countries realised that they would soon run out of even essential medicines and other drugs unless international trade faucets are reopened. The disruption of supply chain, coupled with lockdown restrictions completely decoupled the consumer demand, which simply nosedived to a new nadir. Energy consumption significantly dipped. Some of fragile sectors like tourism, hotels and restaurants, and civil aviation lost no time in confronting extinction from business. The IMF, the World Bank, and the ADB quickly came out with their depressing projections - how economies across the world were on their way of shrivelling significantly. The ADB underlined that COVID-19 may eat up the

global GDP by 0.1-0.4% with financial losses swelling up to a maximum of USD 350 billion. China and other emerging Asian economies would be hit grievously. Indian tourism may suffer a dip in revenue - USD 250 million in the worst-case scenario. The IMF had already carved out a war chest of USD 50 billion in its rapid-disbursing emergency kitty.

The erosion of the global GDP is further corroborated by a fleeting glance at the data gathered by the International Labour Organisation (ILO). Globally, the loss of working hours in 2020 translated into both employment losses and a shrinkage in working hours for the employed ones. Loss of job was the highest in the US and the lowest in Europe and Central Asia, where furlough scheme was announced to cushion workers. In total, about 114 million jobs were lost as compared to 2019. Employment losses were highest among women - about 5%. Such job loss was attributable to the pervasive lockdown across the globe. The global labour income in 2020 was estimated to be down by 8.3%, which amounted to USD 3.7 trillion or 4.4% of the global GDP - which shrank by over USD 10 trillion. In India, the unemployment rate swelled by over 7% during 2020 – the highest level in last three decades. According to CMIE, the joblessness in India further rose from 6.62% in January 2021 to 7.97% in April 2021. Let me also illustrate the distress and horror of unemployment of millions of Indian migrant labourers who were denied their dues by their employers and were forced to walk back home thousands of kilometres. As many as 8700 lost their lives in various accidents on railway tracks alone - too early for them to go through the cycle of 'hatches, matches, and dispatches' in lives! Some of them cycled such distances with their families and little assets packed in rickety bags. A good number of them were also confined to shanties and had no freedom to go home. It was done with the sanction of the local Governments, which were keen to revive economic activities - a dimly cooked official measure!

The erosion of economic activities, coupled with relief measures costing over USD 10 trillion across the world, hollowed out the coffers of the Governments across the world. In rich economies, such economic stimuli enabled businesses to revive fast and cushioned consumer demands and that is how the economies of the US and the UK have regained their pre-pandemic growth momentum. A good number of economies in the EU have managed to stay afloat positive. However, the baleful impact on the low- and middle-income economies has been more severe. So far as India goes, its economy was already stuck in a recessionary pickle prior to COVID-19. The pandemic has done a great deal of damage. Battling the pandemic has further emptied the Central and state Exchequers. With a massive decline in the divisible poor revenue such as the GST and income tax, the states depended more on their third largest source of revenue - tax on liquor. So acutely desperate were their finances that even before the businesses could be unlocked, the states unlocked liquor shops for 'intoxicating' tax mop-up. Many of them also levied COVID fee or cess to shore up their collections.

What exacerbated the crunch time for the Central Government was the compulsion to announce some sort of relief package which came in the form of several tranches of credit relief measures targeted at MSMEs, NBFCs, real estate, DISCOMs, and contractors. Loan moratorium was offered, but since the Government had no wiggle room to offer tax benefits, no relief was offered to revive consumer demand. Thus, the global economy largely suffered double blows of disruption of the global supply chain and a major contraction in consumer demand. Such a phenomenon got further aggravated during the second wave of the pandemic, when the prolonged lockdown was accepted as the only effective short-term 'tool kit' to contain the pathogen. Though vaccination has picked up pace in many countries, an air of uncertainty hangs in balance over how long this pandemic may last!

Chapter 1 deals with how the pandemic made serious dent into manufacturing, exports and the global supply chain; how lockdowns resulted in drying up of footfalls in malls and markets and a major slump in consumer demand; how COVID-19 further bruised the jitters-loaded business sentiments and ended up inducing an accelerated slowdown; to what extent the pandemic hurt the global economy and how many countries stitched tax relief measures to leg up their economies; and how the GST Council in India failed to rise to the occasion.

Chapter 2 highlights the paucity of drugs and pharma products and other COVID-related items which nudged the Governments to keep extending the lockdowns, but none realised that a lockdown is no vaccine; how the tsunami of hunger, family trauma, and physical pain, struck the cutting-edge hands of the economy - millions of migrant labourers were left by the system to fend for themselves; unfolding of the economic relief package aimed at small businesses which were dying faster and resulting in increased joblessness in the economy; and how only procedural relief in the tax domain was offered by the Government as a short-term boost to consumer demand!

Chapter 3 touches the issue of rapid weaponisation of lockdowns across the world vs atomised existence of citizens; how the Central Government passed the buck to the states for transportation of millions of labourers stranded in various cities across India; global howling for tracing the origin of the virus finally led to a trade war and fresh geopolitical grouping; how Chinese President, Xi Jinping, pacified the WHO by making tall promises; India unveiled a Rs 20 lakh crore economic relief package which was hailed as paper money by critics; and the Government finally demolished the wall of distinction between goods and services for MSMEs, but no parallel changes made under the GST having two distinctive thresholds for exemption for goods and services.

Chapter 4 provides a peep into the rising death toll worldwide and how Sweden pays an abnormally high price for its Herd Immunity experiment; how America's decision to exit the WHO turns out to be a major blowback for the spirit of global cooperation, never needed more!; how joblessness and an epidemic of depression and other mental disorders further deepen the racial divide and hurt the US economy;

how migrant labourers were left unattended to tryst with violent destiny - a major setback for the economy; how India unofficially tries its hand with the herd immunity experiment; and the Indian Prime Minister elaborately talks about the supply side of the economy, but keeps shtum on the demand side even though the consumers' sentiment remains at low ebb.

Chapter 5 illustrates how the twin disrupters, climate change and technological advancement, ride each other during the pandemic and how working remotely turns voguish across many sectors in the economy; a look back at the journey of institution of office starting with the East India Company setting up world's first office in London; and how tech giants transform modern offices as second home for employees and how WFH puts at stake the future of commercial office space worth USD 31 trillion; how it turns a full circle for offices and remotely working tech renders offices haunted castles and WFH likely to persist even after vaccination, when the pandemic becomes passé; why India should not have rushed through the new labour code when the concept of employment is undergoing a massive change, giving a boost to Gig Economy; and how working remotely may trigger fresh taxing rights brawl across the world.

Chapter 6 deals with the annual jamboree of the Union Budget 2021 - whether wintry or hot-wired?; whether India's dream of achieving the USD 5 trillion milestone remains unbruised despite the pandemic; how badly India needs to invest in modern technologies, inventions, and innovation to help swing the economy in a new orbit of growth and why smartphones and social media need to be treated only as cosmetic changes; a peep into the piddling investment of India in the R&D Sector; need for transformative invention by India; and how China leads the pack in robotics in the world.

Chapter 7 deals with India's rising fiscal deficit, what is not to be done and what the Union Finance Minister should do to make it a never-before budget in 100 years; what the Government can do to nurse the COVID-bruised wounds of the economy; need for fiscal sops for R&D in red hot sub-sectors and mega investment in the semiconductor sector; contours of worry for the Govt as the share of direct taxes as a percentage of the GDP dips, giving rise to income inequality in the economy; and what is to be done to provide a hefty bump to consumer demand in the economy including some GST-related amendments.

Chapter 8 praises the Union Budget and gives full credit to the Finance Minister for her mature proposals and ability to deal with hot-button issues; a massive budget allocation of Rs 50,000 crore for the National Research Foundation; welcome fund allocation for the digital payments sector; how China leads the world in the digital innovation sector; how the Government has failed the Deep Ocean Mission by earmarking low priority though COVID cess was dyked but other cesses imposed in the budget; and how the two dispute settlement bodies - the AAR and the Settlement Commission - were wolfed and the working of the ITAT made faceless.

Chapter 9 provides a glimpse of how Nature has begun to pay mankind in its own coin in terms of COVID-19 scourge, heatwaves, floods, wildfires and other types of natural disasters in the past two years; Against such a backdrop, the global economic recovery appears to be caught in crosshairs in the race between the virus and the vaccine; how the priority to jab own citizens first led to inward-looking policy shift in most countries; how consumer retail sales picked up momentum as soon as vaccination peaked and restrictions were loosened in the US and the UK who also run the risk of overheating of their economies and the growth may not sustain after the withdrawal of economic stimulus; how the Third Wave of Delta-led infections may derail the process of economic recovery not only in the front-running countries but also the EU and Japan; how over 50% of global recovery hinges on the double-engine of the US and China but there are tell-tale indicators of a rising ex-factory prices of goods coupled with a jump in the logistics costs; How the deteriorating cracks in Sino-America trade relations may further derail the comeback process of Global GDP; how the Indian growth story had begun paling even before the COVID-19 wrecked the ship in 2020 and what is needed to revive the economy is to clear the traditional ‘political fog’ and take bold economic reforms and why geopolitical leaders need to join hands together to navigate the world out of the present hot water!



1

Macabre COVID-19 - Should GST Council brace up for Relief Package?*

FOR the Revenue, the March is a make-or-break month. It is conventionally the last chance to catch up with zonal shortfalls in tax collections! The issue has seemingly assumed greater importance this fiscal year because huge deficits have been lurking in the backroom calculations in the North Block. Second, the Union Finance Minister has clearly put her bet on the *Vivad se Vishwas* Scheme to garner tangibly substantive revenue before 31 March! Similarly, for the GST, the hardworking Revenue Secretary has apparently pierced through the thick walls of intricacies relating to revenue mobilisation and is keen to garner close to Rs 1.25 lakh crore in the current month! Accordingly, he had prodded the revenue satraps to 'oil' the collection machinery well in advance! All these painstaking measures were planned notwithstanding the unmistakable signs of tumbling economic statistics on all fronts! Bravo - at least, for hoping against hope! Not leaving any stone unturned! Doing whatever is at his disposal!

Then arrives at the Indian shores the 'death merchant' from Wuhan, China - the coronavirus (COVID-19). In less than two weeks, it has caused extraordinary damage to the recovery prospects of the Indian economy. Apart from disrupting the global supply chain, it has seriously dented even the Indian manufacturing sector and its already-limping exports. Though the Commerce Minister was bold enough to say with aplomb that India is largely insulated from the ghastly impact of COVID-19, it is indeed too early to dismiss it. The Customs has already been recording a negative growth in imports (dipping IGST collections are an irrefutable proof) for the past few months. It may get exacerbated as China has, in the recent years, laddered to the top of the tally of key exporting partners for India. A good number of Multinational Enterprises (MNEs) which operate in India, predominantly depend on the supply of critical components from China as part of their global supply chain arrangements!

If we leave aside the woes of supply chain and the manufacturing sector, for some time at least, COVID-19 has assaulted us where it hurts the most! The retail demand curve! A quick visit to usually bustling markets and glamorous malls, which normally find it difficult to cope with evening footfalls, may portray a hugely gloomy

* TIOL – COB (WEB) – 702 MARCH 12, 2020.

picture. Retailers can be seen unpacking their wares and then packing them in a familiar rhythm, a characteristic of the Keynesian economic philosophy! As advised by the Ministry of Health, people have fortunately paid heed, perhaps for the first time in India, to detailed guidelines on how to keep oneself protected from the contagion. So far as urban India goes, in most of the cities which have reported positive cases of the coronavirus, inhabitants have preferred to remain indoors! A good number of organisations from identifiable sectors have given work from home to their employees in frisson of fear! Since travelling and socialisation also figure prominently on the 'Don'ts List', the sectors connected with these activities such as airlines, transport, restaurants, etc., are on irreversible path of macabre dent to their sales turnover!

So far as the conflagration of the pestilence goes, India has woken up a bit late like many other countries, but has done exceedingly well to its credit in containing it. Less than three-digit suspected cases are no mean achievement! Full credit goes to the duo of the Prime Minister and the Health Minister, who have been working tirelessly. They have managed to sensitise the state machineries and also carved out 46 facilities for its testing. India has done equally well in taking care of its stranded citizens in Wuhan, Japan, and Iran. But time has certainly not come to rest on these laurels! This is just the beginning of the battle and a war is in the offing. As a nation, we cannot afford lapses, as there is enough tell-tale evidence on COVID-19's macabre effect on human lives!

Let us presume that India, as a country, effectively manages to block the entry of COVID-19 at its entry points (except for a few dozen stray cases), even then we cannot wish away the blow being rendered to the economy in various ways. Even if we ignore the spinning and gyrating behaviours of the stock markets, the mortal blow to our exports, our consumers' demand, the manufacturing, and the diversion of funds to the health sector are bound to further exacerbate the prevailing recessionary trends. We are a vital part of the global economy. When as many as 105 countries are presently in the grip of this deadly virus, how can we expect ourselves not to be dented by the disease-induced slowdown in the global economy. One immediate impact would be the tight squeeze on the working capital in the economy. This can be inferred from the overnight decision of the Federal Reserve to reduce the interest rate by 0.5%. Going by the wildfire-like spread of the disease, one may expect another cut in the interest rates by the Federal Reserve very soon! The RBI may take a cue from it and also from the Bank of England, which have cut interest rates for the first time since 2016 yesterday, to mollify the blow of the coronavirus. But going by the jitters-loaded business sentiments in India, it may not help much! The working capital problem, globally speaking, hurts MSMEs more. Even in India, MSMEs account for a greater share of exports. Even if they manage to ship their consignments, they may see delays in receiving their exports proceeds. Another connected problem with the present swirling of economic crisis is the possible

deflationary phenomenon, which may surface if the fear of COVID-19 lingers for months and the consumer demand suffers a more serious mortal blow!

Though it is too early to assess the impact of the pestilence on the global economy, some of the multilateral agencies have come out with their initial estimates. The ADB says that COVID-19 may eat up the global GDP by 0.1-0.4%, with financial losses swelling up to a maximum of USD 350 billion. China and other emerging Asian economies would be hit grievously. Indian tourism may suffer a dip in revenue - USD 250 million in the worst-case scenario. The IMF has already carved out a war chest of USD 50 billion in its rapid-disbursing emergency kitty. The World Bank has advised countries to brace for the serious impact of this global health crisis. Some of the countries have begun to provide tax reliefs and subsidies to most vulnerable segments of the economy. Many countries are deliberating to offer relief in pay-roll tax and cash subsidies to small firms which may not survive the deathblow of this outbreak as their financial health on account of the prevailing recession, has already been hollowed out!

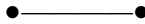
In this background, what should the GST Council, which is meeting coming Saturday (14 March) in New Delhi, do to help the economy? I am confident that there is no agenda item in relation to the impact of the lurking health disaster, which may cost billions to India. I personally feel that since the most unnerving aspect of this COVID-19 outbreak is the uncertainty - neither politicians nor medical experts know how long it will last. Or how many victims may satiate its appetite. It is important for the GST Council to rise above the ructions relating to compensation and finalise a possible GST Relief Package for the economy if the COVID-19 contagion becomes far messier than one may predict today. Such a package is not going to be out of fashion for India. The UK had its budget day yesterday, and its Chancellor has come out with a stimulus package worth USD 39 billion to beat the impact of COVID-19. The European Central Bank is meeting today and it may follow suit - the Fed rate cut.

Ideally, even for the *Vivad se Vishwas* Scheme, the back-breaking pressure on potential cases should be softened as the economy is heading for a much serious cash crunch in the coming months. Second, some of the MNCs may not be able to have their foreign parents on the same page as most of the elite economies are experiencing a partial or complete lockdown phenomenon. Even if the head offices of some of them may be open, the decision-makers may be seized of measures to be taken to deal with COVID-19 rather than a dispute resolution scheme in India.

In the interest of the economy, both the Revenue Boards need to go slow on the taxpayers, except against tax cheats and also corrections in distortions like inverted duty structure, so that the industry could cope with the uncertainties arising from the pandemic, officially declared by the WHO yesterday night. Even for the Central and state Governments, the coronavirus offers perhaps the toughest time in the recent history as its contagion can be much faster and macabre than some of the known pandemics in human history. Not long ago, between 1918-1920, the Spanish

Influenza infected over 500 million people and close to 100 million deaths were reported! Even smallpox accounted for close to 500 million deaths in the 20th century. The global medical history cannot forget the devastating pandemic of Black Death, which killed close to 200 million people in the 14th Century. If one looks for a more macabre impact of pandemics, the infamous Plague breezed through the Roman Empire in the 6th century and killed close to 50 million people - almost half of the world's population at that time.

So, the message from the history of pandemics is that every country needs to prepare itself to cope with the prevention of such outbreaks which do not only kill people, but also devastate the economy. Though the modern medical infrastructure is capable of handling such outbreaks more effectively, losing thousands of precious lives within a few racing weeks like many countries such as Iran, South Korea, Italy, USA, and Spain, may prove to be politically unnerving. To deal with its predicament, one may entail war-like preparations and a chest of resources! Let us hope that India manages to contain this deadly merchant of death right at the doorstep!



2

Invasive lockdown vs mounting economic toll - How to mask the risk!*

MILLIONS of Indians watched Prime Minister Narendra Modi's address to the Nation on Tuesday night. An intuitive analysis of his mind, if one goes by the content in his speech, may reveal that he finds himself sandwiched in an acutely conflicting situation - **Invasive lockdown vs rising economic toll!** Indeed, such an iffy situation is universal for the political hegemony in all such countries, which have clamped lockdown to stymie the rapid spread of the COVID-19 pathogen. Though Mr Modi did announce one more phase of lockdown for India, commencing from Monday, he also underlined that it would have strikingly different contours! This explicitly points out three realistic assumptions - First, realisation has dawned on Mr Modi that a successful lockdown can only be defined as an act to push the inevitable to a future date. Lockdowns or different phases of lockdown do not contain any 'tissues' of miracle to prevail over the pandemic! They only provides the cushion of much-needed time to batten down the hatches to face the ugly consequences of the contagion, and also to prepare the citizens for an imperative experience of terrible horror! Mr Modi did share a glimpse of India's ill-preparedness to grapple with COVID-19 - No domestic production of PPEs, limited number of N95 masks, and a bunch of dysfunctional ventilators! In other words, even for all these basic medical consumables, India had to rely on imports. The initial containers of imported but quality-compromised goods also taught him a bitter lesson - be self-reliant (*Aatma Nirbhar*) if a crisis has to be grappled effectively! This explains to us his announcement of the *Aatma Nirbhar Bharat* Mission!

The second assumption which can be safely made is that having spoken to an array of heads of governments in the past 50 days and also getting to know what best science can offer today to contain the virus, he seemed firmly convinced that the coronavirus is going to stay with us and staying at home during the lockdown is no 'vaccine'! COVID-19 is by far most unpredictable respiratory virus. Many scientists have found it more aggressive than the Spanish Influenza of 1918. The bottom-line is - it is so new to the world that very little is known about it! So, the best antidote is social distancing and the willingness on part of common man to mask the risk!

* TIOL – COB (WEB) – 711 MAY 14, 2020.

Though there is a virtual rush among global pharma giants to develop a vaccine - right from Pfizer, Johnson, Cipla, Serum Institute, and many others, numbering about 70, the minimum timeline ranges between 12 to 24 months! Above all, even if a vaccine is successfully tested and manufactured, at least two-thirds of the humanity (about 570 crore people) across the world would like to be inoculated. This clearly indicates that the first takers of such a vaccine would be the rich societies or at least high net worth individuals and the politicians! This would mean that a common earthling would have to wait for four to five years! This is what prompted Mr Modi to incentivise *Ayush* treatment of COVID patients and also issue an advisory for the common Indians to focus on immuno-strength!

The third assumption is the rising economic toll in the country. And it has earned subtle wrinkles on his forehead! On one hand, despite all concerted efforts, the doubling rate of infection in India appears to be going through yo-yo syndrome! It peaked to 12 days, deteriorated to 10.2 days, and is rising again! Even after most Indians have largely complied with the *diktat* of the lockdown order, the contagion looks unstoppable - Close to 80,000 cases! It seems to have convinced Mr Modi that the effect of COVID-19 is a toxic mix - it kills people and also causes death of small businesses. Further extension of the suffocating lockdown would not only cause an avalanche of deaths from other morbid diseases but also joblessness, hunger and contraction of the economy. One obvious question which may be bothering him is - how much suffering is he willing to accept to get back to some form of normality sooner rather than later?

So, what may be cooking up in his mind? If he goes by what advanced countries in the Northern Hemisphere are doing, then the wishes of some of the states' Chief Ministers may be honoured when the next MHA order is issued! Even the White House coronavirus task force expert, Anthony S Fauci, favours continuation of lockdown in America, as he fears that opening of the economy may lead to multiple outbreaks. Second, a comeback of the stubborn virus cannot be ruled out if the examples of Wuhan, Germany, and South Korea are reckoned with! In contrast to the lockdown option is the Swedish model where minimal lockdown was self-enforced by the people and the Government allowed citizens to continue with the normal business activities, including restaurants and night clubs, and hoped that its public health system would cope with the rise in the number of cases. In the process, the Government expected people **to develop some level of immunity** against the virus. And if it happens, it would also **wall off the second wave of the virus** - a long-term solution, indeed! Undoubtedly, Sweden seems to be paying a very high price for this 'herd immunity' experiment (Over 3500 deaths and over 28000 cases) as it has documented a high mortality rate in terms of per million population. But, going by the limitation of science and also the constraint of mortally denting the economy, it is worth an experiment, notwithstanding its quixotic nature. I am convinced that Mr Modi is perhaps going for a similar choice where the graph of positive cases would be rising, but the economy would learn to run within the new sets of harsh

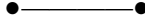
limitations! In other words, the much-expected MHA order is likely to be minimalist in its scope and effect!

Let me now broach the most painful issue of migrant labourers, which falls under the broad head 'demography' - one of the five pillars the Prime Minister talked about for the path forward *Aatma Nirbhar* approach. In his speech, Mr Modi did make a passing reference of their penance and sacrifice! I wish that as head of the 'family' India is, he should have demonstrated more humility and tendered an apology for not being able to protect them from the *tsunami* of hunger, family trauma, and physical pain. It is understandable that their existence was mistakenly overlooked by our behemoth bureaucracy, but even after the live telecast of their mounting miseries, the Central Government could not prevail over the states to adopt more humane approach in, if not feeding them, at least transporting them home before they took to railway tracks and highways. A large swathe wanted to stay put and wait for the economic activities to resume, but their very basic necessities - two meals a day - were not fulfilled. This evidently shows the missing element of compassion and philanthropy, which any administrative apparatus in a welfarist State by a written Constitution ought to have if its *raison d'être* is public service and the resolve to reach the last person in the last mile! If the trust between the State and its poor citizens is lost, how would Mr Modi reap the demographic dividend to make India *Aatma Nirbhar!*

As announced by Mr Modi in his speech, the Union Finance Minister yesterday revealed the first tranche of her economic repair package for the MSMEs, NBFCs, Mutual Funds, Housing Finance, Real Estate, DISCOMs, and Contractors. A large number of measures are about liquidity and procedural in nature, but vital to give relief to businesses. As expected, the Finance Minister unfolded a large chest of Rs 300000 crore collateral-free loans for the MSMEs. With a 12-month moratorium and a 4-year tenure, it is likely to be a substantive relief. Let us wait for the final notification as the devil is generally in the detail! With loans and some relief in terms of lesser contribution to the EPFO, some MSMEs may manage to once again stand on their feet! Most other measures are largely procedural and futuristic as removal of distinction between manufacturing and services in the new definition of 'MSME' may not mean much to a dying business in the immediate future!

On the fiscal front, going by the tightly-held fist of the Finance Minister, it is clear that the Government's fiscal health is precarious. Second, the lurking and growing fiscal deficit is a serious cause of concern in the policy corridors! In this backdrop, the FM announced a 25% reduction in the TDS and TCS rates across the board till 31 March 2021. The Minister also said that this measure alone would give Rs 50,000 crore in the hands of consumers and may boost demand in the economy. But what the Finance Minister did not say is that a mere reduction in the TDS rate does not add even a smidgen of income in the hands of all such taxpayers who are **under obligation to pay advance tax**. True, some taxpayers who are generally close to the taxable threshold, may have some cash in their bank accounts, but a large number

may not benefit from such a measure - which at best cannot be described as a 'give-away'! Let us wait and watch for a series of announcements the Finance Minister is expected to make for many other sectors of the economy. I sincerely hope that her future package would be substantive in effect and not only in words!



3

COVID-19 - Economic stimulus - Supply vs demand - A cause *célèbre!**

EVEN after almost five months of Armageddon, humanity continues to play a helpless victim of the soul-devouring COVID-19. The global tally of positive cases has gone beyond 50 lakh and over 3.3 lakh deaths have been reported. But the end of the pandemic seems beyond the horizon of human and scientific eyes too! The much talked about ‘weaponised’ lockdown as an efficacious tool to break the back of the literally boneless but not spineless virus has also finally come a cropper as humanity has palpably developed a fatigue and acute aversion against atomised existence! Though pernicious lockdowns prevail in many countries as they continue to witness a surge in daily dose of positive cases, there has been a growing trend of angry remonstrations against stay-at-home orders. In the United States of America, protesters owing allegiance to fringe rightist groups and cajoled by President Trump’s tweets to ‘liberate’ their states, have been resorting to what has come to be described as ‘zoom-bombings’ and disruption of government activities. Sensing symptoms of a rising well of frustration and boredom, some countries like South Korea, Germany, and Lebanon did ease restrictions but were forced to reimpose the same as the enigmatic virus decided to revisit them at a short interval!

Taking a leaf from global wisdom and sensing widespread visceral fear of losing livelihoods among millions of Indians, the Prime Minister, Mr Narendra Modi, albeit did extend the lockdown but also lifted curbs on movement of people, opening of markets, and resumption of economic activities. Stung by his Government’s failure to prevent the migrant labourers’ issue from escalating into a political brawl at the national-level and extensive media coverage of their worsening miseries eventually stigmatising his global reputation as a keen administrator, he delegated zoning discretions to the states along with other decision-making powers. Though the Centre could have handled the migrants’ issue more effectively, initial flimflamming to pass the buck to the states did not work in his favour - it literally became a cause *célèbre*. He thus left it to the states to micro-manage transport of migrants of their own respective territories! Short on cash and also because of the initial hesitancy arising from administrative morass, many states appeared to be floundering on this issue.

* TIOL – COB (WEB) – 712 MAY 21, 2020.

They willy nilly got involved in ferrying them only after a thread of tragedies struck the migrants in terms of road accidents, train mowing over sleeping souls, and pregnant women either giving birth on highways or losing their new-borns!

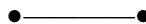
Even as India continued to grapple with the ex ante flare-up in the number of positive cases, some geopolitical developments on international level grabbed the attention of Mr Modi. A shrill voice originating from Australia and the USA for an impartial investigation into the origin of the pandemic and the tortious complicity of China in not following transparency protocol in sharing timely information, earned support from over 100 nations. Predictably, China reacted angrily and also took punitive trade measures against Australian exports of beef, barley, and beer. Cornered on the home turf about the ill-managing of the pandemic and in an urgent need for a scapegoat, President Trump orchestrated support for such a probe. India also joined the growing bandwagon. Riled by such a demand, China resorted to some histrionics and belligerent military posturing on the Indian borders and also the South China Sea (The USA openly sided with India yesterday night). The demand for an independent and impartial investigation preceded the World Health Assembly (WHA) meeting which was boycotted by President Trump, who accused China of perfidy and the WHO being hand-in-glove with China. The American representative, unwilling to swim with the prevalent international currents of opinion, simply parroted what Mr Trump threatened in terms of completely freezing financial aid to the global health body. When Russia, the EU, and others also supported the WHA Resolution, China 'impressively' changed its track and extended support to the Resolution. It also managed to influence the Draft of the Resolution, which focused more on international cooperation to deal with the pandemic. The call for impartial investigation became a secondary issue and the draft also dropped China's name.

On his part, Xi Jinping extended support to the Resolution, offered USD 2 billion aid to fight the pandemic in Africa and elsewhere, and expressed willingness to cooperate in an independent investigation. A master-stroke was played by the Machiavellian when he promised that if a vaccine is developed by China, it would be a global public good and be shared (the USA has not yet committed so). He also called on countries to support the critical work being done by the WHO. His emollient conduct against the inimical global opinion was hailed as a fine exemplar of surreal diplomacy. China also managed to confine the WHO investigation to the contours of the zoonotic source of the virus and the route of introduction to the human population. This literally becomes a technical and scientific probe rather than fixing China's accountability for initial equivocation and deceit in sharing data. Meanwhile, India has been elected as the Chairman of the WHO Executive Board and it will have a greater role to play in designing the canvas of the investigation in the coming months!

Back home, to cushion the adverse impact of the pandemic on the Indian economy, the Union Finance Minister, Ms Nirmala Sitharaman, unveiled a Rs 2000000 crore package announced by the Prime Minister in five tranches. When the Prime Minister announced the package size as 10% of the GDP, most experts

were seen splitting their hair - how will Mr Modi do so when his government is perennially confronting huge revenue and fiscal deficits? But the Finance Minister has done it! True, one may find many gaping holes in her announcements and part of the package may be seen as paper money, but the fact remains that some bold policy overtures have been made to address the SUPPLY side of the problem. A good number of positive reforms have also been announced. For the weaklings in the MSME sector, oodles of capital have been earmarked. All these measures would certainly help but, alas, only in the long-run! No enterprises would be availing fresh credit from banks, notwithstanding the guarantee given by the Government, unless it regains its strength to service a new debt. The need of the hour is to get access to own 'liquid' which is tax refund - either IGST, ITC, or Income Tax. The artificial circuit breaker of Rs 5 lakh tends to deprive thousands of taxpayers of their refunds amounting more than Rs 5 lakh. Second, cash support is a widely accepted recipe for immediate help in times of crisis of the present proportion. Most economies, which have announced packages for their economies, have necessarily earmarked cash support for small businesses. The protracted lockdown has already shuttered chances of survival for over 30 per cent of small businesses. If they are permanently shut, it has a direct nexus with the employment market. Besides, the FM seems to have forgotten to announce fiscal concessions for the demand side. I strongly feel that an equal amount of weightage should have been designed for the Supply as well as Demand sides. Even if India manages to revamp and cement the cracks in the supply conduits, the missing demand would be felt more acutely! I sincerely hope that the Finance Minister would look into this aspect.

Before I conclude this article, I would like to draw the attention of the GST Council towards some of the necessary amendments required in view of the announcements made by the Finance Minister. Ms Sitharaman has demolished the wall between goods and services for the MSME sector. She has also raised the turnover and investment thresholds for micro, small & medium enterprises. These changes for the MSMEs would entail parallel changes in the GST threshold limits, exemption limits, audit threshold, and the limit for the Composition Schemes. Besides, if agri goods are to be e-marketed by marginal farmers, Section 24(ix) of the CGST Act, 2017 is to be amended as one would require registration under GST for supplying goods or services through e-commerce platforms. If business enterprises dealing in agri products, educational and health services, NGOs, and petrol pumps are to be saved from the pain of audit under GST as their major supply is exempt, the definition of 'aggregate turnover' is to be amended to exclude exempted turnover from the purview of aggregate turnover. On the taxation front, I am sure, many more such amendments would be required for passing on the full extent of benefits detailed by the Finance Minister to the businesses. I do hope that in the coming weeks, the GST Council would take a comprehensive gander at all such consequential and time-sensitive reliefs!



4

Indian Economy in the ICU! - Like COVID-19, 'vaccine' missing to bring it back to life!*

THE global tally of COVID-19 positive cases has gone beyond 65 lakhs and over 3.88 lakh direct deaths have been reported! There is evidently no let-up in its ferocity and virulence in the past four months. Only the epicentre has shifted to Latin America and South Asia. Going by the spiralling regional death toll, it may be inferred that Latin Americans, including the young population, are mysteriously and easily falling prey to the lethal virus. Though the number of daily deaths has, of late, been fluctuating in case of the USA, it cannot be safely said that the ferocity of the virus has abated! A similar scenario tends to prevail even in the UK – with 40,000 deaths so far! Navigating to the Scandinavian region, Sweden seems to have paid a steep price by losing close to 4500 human lives for a paltry tally of 40,000 positive cases! In the South Asian region, India helms the tally with over two lakh infected cases with over 6000 deaths.

Though concerted efforts are being made in many countries to develop an antidote, scientists have hitherto failed to crack the coronavirus code. Science, historically speaking, always lags behind such a pandemic as it depends on reliable data, infection rates in different geographies, virulence index, and different strains of the rapidly-mutating virus! I am confident that science would, in the due course of time, find a long-term solution, perhaps a magic bullet - but it does not carry any magic spells in its womb! This is perhaps one of the stark reasons why a good number of epidemiologists and virologists tend to be firming up their opinions about the fact that there are realistic chances that COVID-19 may never go away! What tends to leg up such a proposition are the flare-ups in the recent weeks, even in countries which had initially managed to suppress it. Stamping it out completely may take decades. In addition, it may entail long-range thinking, scientific endeavours, and international cooperation. To top it all, besides time and money, it may require a strong political will! Unfortunately for humanity, the existing geopolitical rivalry has rendered political will a scarce commodity! One good example is the official

* TIOL – COB (WEB) – 714 JUNE 04, 2020.

announcement of the Trump administration to withdraw its membership from the WHO - the single competent and putative health coordinator to forge consensus on scientific methods to grapple with the pathogen. At a time when all powerful and resource-rich countries should have joined their hands together to combat the searing scourge, the political chasm has widened and global unity stands awfully fractured!

Though there are multiple unpalatable side effects of the coronavirus on the economy, socio-political lives, and the mental health of the ensnared population, what has emerged as an arguable fall-out is the intensity in the recent violence seen in over 40 cities in America! True, the spark for the racial tinderbox was a homicide of an African-American, George Floyd, by the police in Minnesota, but such grim racial disparities have existed in America for decades. Some experts believe that with the COVID-19-sponsored lockdown eating away more than 40 million jobs and a greater share of frontline jobs manned by the people belonging to the African-American communities, frustration, depression, and economic trauma had crescendoed to a new high. Finding no respite coming their way, most jobless Americans were perhaps waiting for an incendiary cause to take to the streets, and they found it in 'I can't breathe' – the last feeble utterances of the African-American victim of police brutality. Badly bruised by the shutdown, perhaps the minority community also did not receive a fair share of the federal relief announced by the Trump administration. Some surveys have indicated that as compared to the Whites, more than 40% African American business owners had to wind up their businesses. The shutdown simply further eroded their wealth, which is estimated to be barely 4% of the national wealth for a population which is about 13% of the American population.

Back home in India, our Central and state Governments are, as of now, lucky not to confront such chaos and outrage by the millions of poor and have-nots who were subjected to untold miseries. All they wanted and demanded during sporadic protests was State-facilitated reverse migration. Cursed with ignorance of their fundamental and also human rights, they bothered neither the landlords of their shanties nor the State's agencies for food and water. They simply stepped out of their dungeons and took shelter under trees and flyovers, hoping against hope that they would find a mode of transport for their homeward journey. A large number of them trusted their frail legs to transport them home, but many flailed on scorching pitched highways and railway tracks and had a **tryst with their violent destiny**. Some loosely-compiled data reveals that at least 251 migrant workers died while trying to run away from instant joblessness, hunger and homelessness! It is said that **if you are poor, ill fate does not stop chasing you!** By the time they reached their home towns, either by 'Shramik trains', road transport, or on foot, they were simply dumped in ill-managed quarantine camps. Going by the data of some of the labour-exporting states, it can now be safely said that they were subjected to the '**Singapore Syndrome**' as they proved to be a scrumptious prey for the dormitory-loving coronavirus. The recent uptick in the number of positive cases has been attributed to the home-

returned migrants. Though most ill-financed and ill-equipped state machineries tried to at least save their lives, the latest word from many of these states is that they have stopped quarantining such migrants as the unlocking process has been rolled out in India. Initially, these States were also gathering details of such migrants and if their skills were suited for a specific industry, but the sheer number has been found so humongous that such an exercise has also been binned. Worse, buckling under the pressure, a good number of the states have now decided to conduct COVID-19 tests only if one is admitted to hospitals. The Delhi Government has decided not to test asymptomatic cases!

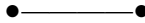
Such a state of affairs is an **unannounced admission of community-transmission** of the virus! Though ICMR scientists may be seen uselessly struggling to further procrastinate the official acknowledgement of such a stage of transmission, the daily numbers of cases in the recent days, close to 9000, go to prove that India is going through the most difficult phase of the pandemic. Given the fact that India has thousands of dormitories in its cities, the infection curve is going to further shoot up. Most experts believe that we are likely to see our peak by the end of June or the mid of July, when we are likely to be the number one country in terms of the highest number of positive cases. The only saving grace is our high recovery rate - over 48%. Given that a high virus-load is being found in a very few cases, most patients are turning out to be mild cases, being discharged in a few days. Our fatality rate is also fortunately the lowest - about 2.8%. About 50% of the dead are above 60, and thus, the only lesson which must not be forgotten is to protect the elderly in the family.

Since the economy is to be saved before it is truly too late, India has swung in the **direction of ‘Herd Immunity’**. Though the advisors to the Government have not uttered a word on such a direction, going by the multitudes of trends and facts on the ground, every young Indian is now warranted to get infected at least once and develop anti-bodies to the virus. If offices are resumed, malls are re-opened, hotels and restaurants are declared operational, and a shadow of the normal, hectic life is to be achieved, there is no escape from such an infection for any Indian now! Whether you are in the Government or the Private Sector, a student, or in an NGO; **we, as a nation, are heading for mass infection** at the community-level. Who survives? Obviously, in the words of Charles Darwin - only the fittest! If you have ‘pugnacious’ immuno-resources in your body, you can chase away the virus after battling it out within your body (Governments cannot help). Once you emerge triumphant, you can afford to be insouciant to a second, or even a third wave, as projected by many scientists.

In this grim and nerve-rattling backdrop, the tattered health of the economy has to be improved by innovative adaptation to a new ‘normal’! While addressing the CII, the Prime Minister said that his government would bring back the lost growth to India. But how? He reportedly said that his trust in India’s capabilities and crisis management; talent and technology; innovation and intellect; and farmers, MSMEs, and entrepreneurs makes him confident of ‘dragging’ the growth back on rail! He

further listed five *mantras* - Intent, Inclusion, Investment, Infrastructure, and Innovation. I do trust his words but what drags a pall of despair is the **missing elusive 'DEMAND'**! All the five mantras the PM has suggested would facilitate, smoothen, and goose the SUPPLY CHAIN whereas the dire need of the hour is the Demand!

Consumers' sentiment has ebbed to such a low that the animal of DEMAND seems to be resting in a 'bunker'! If it has to be cajoled out of the 'pathological' hole, more moolah is to be made available in the hands of consumers. Direct Benefit Transfer (DBT) has its own limitations to prop up demand of certain basic goods of necessities. If the economy is to be resuscitated, holistically, the fiscal purse has to be loosened before the scent of the monetary policy 'perfumes' vanishes in thin air! Shying away from putting more money in the hands of the taxpayers, whom PM never fails to thank for their honest contribution, is the only sure-footed way out of the present crisis before our growth rate hits nadir!



5

COVID-19 and digital technologies eat up the romance of 'OFFICE' and also the sovereignty to levy taxes!*

THE twin inexorable disrupters which seem to have entered into a parlous contract for all that the modern societies have achieved in the past 100 years are - climate change and technological progress. Their twin impacts can chillingly be felt like a tornado, devastating the advanced and prosperous world first, but eventually blowing through the poor and developing countries too. Worse, no government appears to be prepared for it. A quick analysis of a series of unseen events in the time-zone of the last six months tends to reveal that both the disrupters are riding each other, to render maximum fatal blows to the ways modern societies have been conducting their societal, economic and political businesses. A large number of unshakable practices, customs, habits, and also institutions of governance have begun yielding space to new etiquettes, bureaucratic mores, business methods, and professional habits! The COVID-19 pandemic is just one of the weapons of destructive nature, having its origin in the rapidly swirling process of climate change. Firmly riding the dragon of the pandemic, ironically originating from a country known as the land of dragons, technological changes have completely altered the course and the place of business, including that of the Governments.

A new age for a momentum-gathering digital revolution seems to have dawned during the pandemic times. Though many digital tools for remote-working, such as Cisco WebEx, Microsoft Teams Meeting, and Zoom, were in vogue for almost a decade, barely a fraction of employers as well as employees used to make use of them. As per a study, barely three per cent of the American workers used to avail the work from home option prior to the pandemic. However, COVID-19 has unrecognisably changed the mindsets of both; the employers, including governments and local bodies, and the workforce, who has adapted to the pandemic-induced ground realities and is not keen to go back to office. Tellingly, the institution of office has fallen victim of the twin disrupters.

* TIOL – COB (WEB) – 714 JUNE 04, 2020.

The story of our 'character' called 'OFFICE' can be traced back to 1822, when the East India Company in London had set up one of world's first offices. A profiteer by character, the Company had set up a sprawling office, which its employees naturally found exciting and enthralling! Though the empire of the Company was dismantled after the First War of Independence in 1857, the empire of the unique institution of OFFICE transformed the world in the periods that followed. As corporate persons grew into giants operating businesses in many continents, they began to build large multi-storeyed offices to house thousands of employees. So did the regulators and the Governments, which were required to provide various statutory and utility services besides levying taxes on various types of transactions. With modern architecture arriving at the global platform with a bang and many MNCs making abnormal profits, it predictably resolved that office redesign was worth the candle!

Thus, a scary race among MNCs got underway, which changed the skyline of mega-cities in a few decades. Such a race was ignited again when the tech MNCs arrived at the global landscape and changed the modular and horizontal workspace to such an extent that the workplace literally became a second home for a good number of employees. The offices began offering the luxury of sumptuous food canteens, indoor games, outdoor games, swimming pools, and gyms equipped with modern machines. Redeveloping, redesigning and terraforming spacious and colourful office premises began to mirror the ballooned brand equity of tech firms and swollen iconic identities of their key faces! Even after the economic meltdown in 2008, a good number of technology MNCs threw away their umbrellas in a rainstorm because their abnormal 'tax-avoided' profits sheltered in tax havens were not getting wet! Looking at the global trend, a larger number of real estate behemoths also joined the bandwagon, hugely investing in commercial properties and the rental business. It evidently turned the real estate market into a nonsensical world full of profit-driven hallucinogens!

Then arrived the 'ghost' of COVID-19 early this year – and the entire world began to dance to its tunes! Only two days back, the British Prime Minister, Boris Johnson, who was recently heard cajoling the workforce to resume office, announced a complete shutdown for six months as the second wave of the pandemic hit the UK. Several Governments in the EU are also sitting on the edge to do the same if early signs of a revisit by COVID-19 are detected. All such lockdowns have backbreakingly cost the businesses. The future of commercial offices, worth USD 31 trillion, hangs in balance or may be described as heading for the doomsday scenario! Since offices and social distancing do not go hand in hand, the attraction of going to offices has faded away for a large chunk of the workforce worldwide. According to a study conducted prior to the announcement of the second lockdown, two-thirds of the Britons preferred to work from home, at least for few more months - against 20% British men who find it tough to work from home, only 13% women do so! A similar study finds that 74% of the workforce now goes to offices, but only half report for five days a week in Germany. The picture is not very different even in India too!

Thanks to the pandemic, offices have been reduced to 'haunted castles' guarded by a few stunningly-bored *chowkidars*. Mass adoption of technologies which has upended white-collar work (tech firms like Zoom and WebEx have acquired 300 million new users in the recent months) has rendered a mortal blow to the institution of OFFICE which may now be run only as the relic of the 20th century! Undoubtedly, a large number of office-goers do miss the camaraderie and warmth of conversations near loos or tea joints, but they do admit that their productivity during work from home has registered an uptick. They are also happy about saving commuting time and the open scolding by managers and bosses. However, what the younger lots miss the most about their offices is its side-effect - **office romance!** As per an American study conducted by Stanford University, the phenomenon of office romance has been on the slide since even before the pandemic hit the world. In 1995, 19% people found their soul-mates at work. By 2017, it nosedived to 11%. With offices gone, it would soon hit the bottom! But everything is not lost - online dating has thrived more during the lockdowns!

The larger question is - will the institution of 'office' come back to life after the vaccine is discovered? As per experts, vaccines would be available only by the middle of next year and their distribution to the masses may take a couple of years. In this backdrop, remote-working may cement its place in the minds of employers, who may save on expenses by vacating rental premises; and also of the employees, who may now be fully settled in their home environment, soaked in the new work culture. A good number of employees have also earmarked space for working purpose if they can afford and are rapidly feeling cosy about the forced change. Some of the big tech giants have already drawn a roadmap to have almost 90% of their workforce working remotely in the next few years. Even if a fresh life is injected in the institution of office, it would largely be a place of work for those who cannot afford designating a separate place of work at home or are singles suffering from the contagion of boredom!

In this changed eco-system where the pandemic and the digital technologies are found to be no respecters of established conventions, I strongly feel that the Modi Government should not have rushed into passing the new labour codes. Although a vanishingly small welfare provision has been made for gig workers in the economy, ideally, a new Committee of experts should have been set up to analyse the structural changes taking place during the pandemic and their repercussions on the welfare provisions for the workers. Since the matrix of hiring or contract is going to change drastically for a large number of employers, the labour codes across the world have been rewritten very quickly. With offices and permanent places of business growing thin and on the verge of completely vanishing, it would certainly have serious implications for the taxation laws, including the GST.

Given the fact that the digital tax on e-commerce continues to be an unresolved battle among the rich and also between the rich and the poor countries, the new changes triggered by digital technologies and the comatose stage of permanent

establishment may open a new vista of taxing-rights-skirmishes. The sovereign powers to levy taxes to punitive levels on capital and skilled labour are **no longer going to be limitless**, as both are going to be highly mobile in the new eco-system. Similarly, the tendency of politicians to regularly raise minimum wages to please their constituencies may also get constrained as employers will have the freedom to substitute labour by new technologies. Innovation is the elixir of unstoppable progress - and it raises productivity and per capita income over a period of time, which in turn spurs demand in the economy. Any attempt by any Government to indulge in a 'lovers' quarrels' with innovation and technologies may leave the country behind with the outdated rhythms of the countryside! Some of the recent tech-driven changes introduced in the Indian tax system, such as *Turant* Customs and the Faceless Assessment Scheme, are imitable innovations in close harmony with the changing habits of the taxpayers and the Modi Government deserves plaudits for the same!



6

Union Budget in the zoonotic shadow of COVID-19 - Whether wintry or hot-wired?*

IN the year 2020, the corona family of viruses simply unleashed cascades of human miseries! It was indeed the year of crying pain originating from the COVID-19-sponsored burning of numbed ambitions of millions into ashes! Against such a galling and appalling backdrop, the Union Finance Minister, Ms Nirmala Sitharaman, is scheduled to uncork her third Budget Speech on 1 February 2021 – and the world is going to gauge the display of her fecund imagination and also her skills to showboat the art of fiscal alchemy! Is it instead going to be the wintry demonstration of the dark arts of political marketing, the delusions of grandeur yoked to the barnstorming budget speech, or a conventional approach laced with boilerplate fiscal language; or would she simply speak in riddles and lay the documents on the floor of the House? Is it going to be a stick-in-the-eye of the taxpayers? Obviously, the choice is parked in her court and she is intelligent enough to use a heady cocktail of algorithms humming away in the noisy background of the House! She would certainly not forfeit such a rare opportunity to contain the stress hormone of the economy and would prefer fading away towards obscurity!

Though the pandemic has harshly clobbered the economy and the shrilling screams for financial and fiscal sops continue to take a serious toll on the Finance Minister's sleep cycle, full marks may go to the Modi Government for not letting its dream of a USD 5 trillion economy go through any degree of ossification! And to pursue it, COVID-19 has indeed put it in the catbird seat to do things transformationally! The Finance Minister simply needs to supplant her last year's slogan of 'Aspirational India' by a more meaningful 'Rebooting of Innovative India' mission for hot-wired progress!

Leaving behind the consternation and the damages, the Modi Government needs to transform the present adversity into an opportunity to brood differently and do things with a tangible difference! Only a few decades back, after World War II, the American economy did things differently and put all its 'investment' eggs in the

* TIOL – COB (WEB) – 747 JANUARY 21, 2021.

basket of innovation - electrification and combustion engines. These new technological changes enhanced its economic productivity to such a level that it jumped from an agrarian to industrial society, significantly raising the living standards of the ordinary Americans. Though the modern car and railroads did propel its growth in the past, future productivity cannot be taken for granted unless huge investments are made in new industries driven by technology. True, smartphones and social media have originated from America, but they are cosmetic inventions and cannot substantially fuel productivity in the economy. What is needed today are inventions which can be quickly scaled up to the mass-level and the same may also help upgrade the growth orbit of an economy.

What I expect from the looming budget is to make an earth-shaking announcement of a startling fund allocation for Research and Development - innovation, invention, and technological discoveries. If India is to be thrown into a higher orbit of economic growth, the Central Government is better equipped to create a new culture of innovation and its quick diffusion through the economy. Even if our R&D efforts fail to come up with mass-friendly inventions, we should be eyeing applications and technological escalation of existing scientific tools to be widely adopted by the masses for buoying up productivity in our economic activities. Digital payment platforms are only facilitations which marginally soar up efficiency - the nation needs innovation at the fundamental level to join the esoteric club of high-growth societies. Some of these areas can be robotics, artificial intelligence, synthetic biology, hydrogen, climate change, green energy, rapid decarbonisation, and many more. Indian R&D endeavours have to be oriented towards new areas of technology which alone would fuel productivity and growth and help India corner a decent chunk of the global market. If the Prime Minister wants India to become one of the top-ranking economies in the world, then innovation and investment of eye-watering amounts of money are the only proven ladder to climb up!

What India (both the public and the private sectors) invests today in R&D is barely USD 16 billion annually. Though the government spending has gone up in the recent years, at the economy level, it stagnates at barely 0.7 per cent of the GDP. Even at the cost of some of the Centrally-funded welfare schemes, the government needs to push the allocation to two per cent in the next three years. For doing so, it needs to partner with the States and also provide long-term fiscal and financial support to the private sector, which has so far shown preference for humming and hawing. Large private sector enterprises need to realise that their honeymoon with easy and large profits may not survive for long unless they begin investing in R&D with or without Government support. By importing new technology and technical knowhow, the India Inc. may survive, but cannot hope to make a fat profit and compete the global goliaths in the long-run! It would be better if the Government lists out certain focus areas of innovations, including the ones which may enable it to eradicate poverty and malnutrition. Such a measure would prevent thinning out of the resources in multiple research projects and tangible results may be reaped early in the

emerging areas. It would not be a bad idea if the Government restricts the CSR expenditure of the India Inc. to the focus areas identified as national missions!

A word of caution for the Government - All scientific research papers published in national or global journals are not inventions. Unless such papers establish a strong link with the technology-in-use in the economy, they are not worth the salt! For instance, xerography was invented in 1937 but it was commercially exploited only in 1950 and it transformed the global canvas of business. A recent example is the discovery of 'Messenger RNA' which provided the platform for manufacturing the vaccine for COVID-19. Such inventions have transformative potential, which can provide solutions to many more terminal diseases. In brief, India needs to believe that the present innovation system needs a rebooting to grow and compete in the post-COVID-19 world.

One area which is going to see an enormous scale of automation is the production floor worldwide. With the reshoring production, the wholesale, retail, and service sector processes are in for billion-dollar automation. Robots are going to be the cynosure for all such investments. China, which spends more than the US as a percentage of its GDP on R&D, today leads in the manufacturing of robots. It is going to corner over 40% of the global sales of robots, worth USD 45 billion. In 2019, China published more high-octane research papers than America in over 80% of 30 'hot' research fields. Japan and the EU are now trying to catch up with China. Some of the mega global corporations, such as Amazon, have spent USD 36 billion on R&D during the pandemic. Sticking to electric vehicles, Tesla's CEO, Elon Musk, created wealth worth USD 84 billion during the pandemic and has become the richest man in the world today - thanks to his technological innovation. So, the message emerging out of all these tales is that if India has to compete at the global level and enhance the living standards of its citizens in the coming decades, all the forms of Government need to create a culture of R&D and invest in the same so that even MSMEs and poverty-stricken households can achieve the 'escape velocity' of growth for a longer period of survival. It is true that all the stake-holders in the country need to do it for a greater impact, but the Central Government need not forget that everybody's business is generally nobody's business! Second, the Government also needs to make our anti-trust regulations much stricter so that the spirit of competition is not diluted. Third, to ensure a quicker spread of newfound technologies and inventions throughout the economy, it is more pragmatic to keep an intelligently-designed loose IPR regime as large corporations have a tendency to monopolise and garner outlandishly embarrassing sums of profits at the cost of consumers!

Let me now swirl to my second expectation from the Budget 2021. Given the ever-widening gulf of fiscal deficit - thanks to the coronavirus, the Government needs to garner extra revenue to bankroll the on-going vaccination programmes in the country. If a population of 30 crore is to be vaccinated, it is indeed going to cost a bomb! Such a scary economics indeed makes the imposition of COVID CESS a 'happening' reality, but it should only be on the base value of goods or services!

Though the industry would prefer it to be CENVARIABLE so that cascading could be avoided, but CESS is, in principle, not allowed as Input Tax Credit! Otherwise, it would defeat the very purpose for which it may be collected.

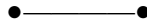
However, what ought to be done is to announce the year of its grandfathering. A sunset clause with no option for extension may erase the mental space which is often occupied by nightmares about indefinite survival of such Cesses! It has happened with a rare exception in the past! Anyway, there is no dearth of a good example, too! Recently, Kerala's Finance Minister stated on the floor of the House that one per cent Flood Cess on GST shall not be allowed to exist beyond 30 June 2021. It is being phased out as per the earlier announcement and has been widely hailed by the industry.

If the individual taxpayers are also going to be subjected to the new levy for better compliance in FY 2021-22, the Finance Minister needs to save them from the cuss of unaffordable health costs. The threshold of medical claim does warrant an upward revision to at least Rs 50,000. Similarly, the cap of Rs two lakh on interest expenditure incurred on the repayment of home loans also calls for an easing of the iron grip. Any extent of relaxation would also oxygenate the real estate sector, which has been gasping for easy breath for too long! If horrid yells of commuters are to be avoided, the transport allowance has also been crying for a new threshold for too long! If the possible allegation of democratic naivety is to be avoided, then the Modi Government should also announce fund allocation in sync with the enormity of the challenges being faced by the Indian Health Sector. The corona family of viruses has taught us expensive and traumatic lessons and our budget makers should not forget them right in the middle of the pandemic!

One of my fervent appeals to the Finance Minister is that broad policy contours should be announced for the tax administrators to work in harmony with various other organised stakeholders in the economy, such as the media, chambers or associations of businesses, and academia and research institutions. In a liberal society, where an elected Government works for the people, the agents of the tax governance system should have measured freedom to interact with the civil society and also articulate the rationale behind policy changes. A healthy democratic tradition has been in place for decades, where senior policy makers are cordially invited to explain the jibber-jabber of policy changes in simple language and help create an eco-system of trust for better compliance.

However, the recent Office Memorandum issued by the Revenue Headquarters, centralising the permission-granting authority for attending public seminars or webinars, seems to be screaming that taxmen invited by the private sector entities is a case of 'democratic overload' on our system! The outgoing Revenue Secretary is known for his penchant for devising policy 'battering-ram' in tax procedures, and the recent orders issued by the CBDT and the CBIC appear to be an extension of the same propensity, marred by the low-trust syndrome! Ideally, like the Citizen's Charter, the Finance Minister should leave no space for future Revenue Secretaries to

stifle the breathing pipe of freedom of his junior colleagues, who are no less capable and experienced to lend careful voices while articulating tax policy changes. Centralisation of authority to grant permission to accept invitations from the private sector exemplifies a canyon of missing trust in one's own system and it goes against the image of any democratically-elected Government. I sincerely hope that the Finance Minister and the Modi Government would leave no stone unturned to make Budget 2021 an innovative and a creative piece of policy papers, nicely wrapped in the fabrics of freedom and liberty; and no bureaucrat, no matter how high or mighty one may be, is to be allowed to indulge in illiberalism and declinism of healthy conventions!



7

Budget 2021 - Can Nirmala Sitharaman afford to be FM on ‘steroids’?*

FOR India, the ticking time-bomb of the coronavirus has, in the recent weeks, turned fainter and we may, hopefully soon, need a stethoscope to hear its souffle! Our severely bruised health system is no longer under torrent of fresh caseload - and it has enabled our frontline workers to keep the pedal to the metal for speedy national vaccination programme. Although it is fraught with risk to say that it may not take a twirly turn in the coming weeks, on the economic front, it has literally hoovered up India’s all key macro indicators, which have suffered vertiginous drops with a loud thud! With the revenue mop-up nosediving to a new nadir, the virus of fiscal deficit never had it so good - inching close to 8% of the GDP, which in itself has plunged into the uncharted territory of a growth ‘sinkhole’! In short, money is short for the Union Finance Minister, Ms Nirmala Sitharaman, whose ‘thali’ of miseries is undebatably full to the brim! Against such an eye-watering amount of pressure on the stress hormone, most budgeteers may be expected to suffer from a bout of cortical atrophy! But Ms Sitharaman, going by her public appearances, looks poised and phlegmatic! Intriguingly, she appears to be cock-a-hoop at the threads of her homework!

At the CII Partnership Summit 2020, the Finance Minister recently hinted at a ‘never before’ like Union Budget in the last 100 years! Her selection of the expression ‘never before’ has been extensively ‘peeled’ by sharp legal minds. Some noted economists have speculated that the Finance Minister may do a Houdini to escape from the sinking economic vineyard! Is she really going to produce a rabbit out of her hat? Has the Finance Minister found the magical formula to place her finger in a hole in a tricky dyke? Has she really got a clue to exit out of the shoehorned fiscal space? Or, is she simply delighted about twisting many industry inputs into a good yarn and the economy would soon see plenty of strong threads in her budget proposals? Without raising taxes, would she be able to pick up the gauntlet of turning the economy upside down? Or, she would prefer sticking to a proven political formula for an abstruse budget speech! Is it possible that it may turn

* TIOL – COB (WEB) – 748 JANUARY 28, 2021.

out to be so good a budget that would make industry and trade would pirouette in delight and make a bow to her! Let us hold our breath for 100 more hours!

However, I am, of course, expecting a *coup de maître!* A good number of us may see a Finance Minister on ‘steroids’! Now that the *halwa* ceremony is over and the budget documents are almost ‘printed’ (it is going to be paperless this time except for a few hundred copies for our Parliamentarians), it would be an exercise in futility to make any fresh suggestions. But I do not mind weaving my wishes which may see a glimpse of their mirror-image on Monday! I genuinely hope that it is not going to be a meretricious Finance Bill! With reform skin-deep in the Namo Government *a la* farm bills, the Union Finance Minister would not settle for less than a putsch – and I guess, it may perhaps be her last chance! Even if it is not going to be a crowd-pleasing package, she would certainly make a serious bid to nurse the raw wounds inflicted by the pandemic! She is likely to propose a welter of measures to inoculate the economy from the devastating effects of COVID-19! To slay the monster of the coronavirus, I am sure, she is not going to brandish a peashooter.

One of the first proposals I would like to hear is about the abnormally large fund allocation under the R&D head bookended by fiscal sops. Concrete policy measures are required to transform R&D into a thriving industry in the economy. The present trend of R&D being done in our universities has a very pale link with the innovation sector, which could scale up new technologies to the mass-level. India has certain ‘red hot’ sub-sectors which need to be harnessed so that they grow into globally competitive sectors. One good example is the making of microchips. Since their invention in 1958, over a trillion chips are annually manufactured today. With artificial intelligence and data-crunching registering galloping growth worldwide, it has become as precious as gems. For instance, an electric car uses over 3000 chips. Its annual global sales have gone beyond USD 450 billion. It has acquired so much power that its paucity has halted car production-lines worldwide. To be precise, if India is looking for a major role at a global level, these microchips of nano-meters have the potential to further exacerbate the geopolitical fault lines. It is going to be one of the key deciders of global power for a country in the next few years! Its cutting-edge power can be measured by the fact that its market capitalisation has zoomed beyond USD 4 trillion during the pandemic!

Interestingly, about 90 per cent of the semiconductor companies which manufacture chips have set up their R&D shops in India. This sector alone brings USD 2.5 billion in revenue to India. It is above USD 20 billion including electronic products. India’s consumption of semiconductors was worth USD 21 billion in 2019, and it is growing at over a 15 per cent rate. Taking all these facts into reckoning, the Government has notified a production-linked incentive scheme worth Rs 150000 crore for new players setting up manufacturing facilities in India. Though such a policy measure deserves plaudits, they are only peripheral and incremental in approach! What needs to be done is to earmark not less than USD 10 billion for spurring the young data-crunchers to set up a gaggle of chip start-ups. They would

automatically lure FDI and would, in less than 10 years, grow into corporate goliaths. India also needs to set up dedicated R&D centres of excellence with a mandate to churn out popular innovations. Such centres would be more economical and efficacious than tasking existing universities and engineering institutes to lead from the front. A few 'Catapult Programmes' need to be designed to involve a mixture of businesses, universities, and government investments with a focus on applied research rather than new scientific insights and theories. Inventions originating from such Centres would also be beyond the reach of protectionist tool-kits being deployed by a good number of economies today.

My second wish is to see desperate measures to arrest the horrific slide in the direct tax-to-GDP ratio in the past two fiscals. It had cluffed close to six per cent in FY 2018-19, leaving the indirect taxes miles behind. It was indeed a tale-tell sign of effective capping of soaring income inequality in the society. Every progressive Exchequer eyes a greater share of income tax in its revenue kitty. However, it has unfortunately taken a U-turn and slumped to 5% in FY 2019-20 and has now plummeted to 3.7 per cent, of course, provisionally, for FY 2020-21! Such a trend, after massive computerisation and faceless assessment, portends serious sickness in our system. Worse, it also means greater reliance on indirect tax levies - a retrograde form of taxation. The Finance Minister certainly needs different strings to her bow to make a difference.

What adds to the cup of woes of the Finance Minister is the terrible binary choice of shedding the skein of austerity for the posterity and going for fiscal loosening to perk up consumption, which alone can yield greater indirect tax revenue. Willy-nilly, this is the right prescription to pull the economy out of the deepening quagmire, where the pandemic has been a shock for both - the supply and demand. Supply chain dyke is often transitory in nature and it should be left to the market forces. However, juicing up consumption entails 'large stomach' to afford the splurge, which pure economists may find missing in the case of Ms Sitharaman. They may largely be factually correct, but the Finance Minister is also acutely aware that it is a once in a 100-year scenario and she should ideally not come in the way if the coronavirus also devours the fiscal prudence of the Government for a couple of years to come! Loosening the purse-strings has become an inescapable scenario to reverse the nosediving demand curve in the economy. It is a conundrum for the Finance Minister, but she should remember that her predecessors were lucky to deal only with domestic crises while she has to deal with a global crisis triggered by the pandemic. She should not look for precedence to snake her way through, and let the fiscal deficit yawn for some more years!

If we talk about the consumption bowl and indirect taxes, how can we leave out GST, which accounts for a major swathe of revenue. Strangely, the annual convention of holding a GST Council meeting prior to the Union Budget has been given a short shrift this time! Before I speculate WHY, a clear implication is going to be a case of missing opportunity to push through the much-needed legislative

changes in the GST, which stands 'mucked up'. Though the Law Committee has approved many amendments in the GST laws, since the Council has not approved them, they cannot be made a part of the Finance Bill. A view may be taken that the GIC may vet them, but it would be an affront to the collective wisdom of the State Finance Ministers. The only way out available to the Finance Minister is to chair a Council meeting post-budget and table a supplementary bill annexed to the Finance Bill for approved amendments.

Now, the larger question is - why did the Finance Minister decide to keep the annual tradition at an arm's length when she was determined to present a 'never before' budget? Does it have something to do with the doctrine of realpolitik? It seems that the Finance Minister has forgotten that good economics generally goes hand-in-hand with good politics and vice-versa. Going by the spirit of cooperative federalism, not holding a Council's meeting is poor politics, which can yield only poor economics! How? If the Finance Minister is going to announce the levy of COVID Cess, hopefully only on rich individual taxpayers and imported goods, she is going to miss the same for GST. Had she taken into confidence the Council Members, she could have made an announcement on the floor of the House. Anyway, I do wish the Finance Minister good luck for her BEST which may remain the BEST of the Budget Speeches for several years, if not another 100 years!



8

Budget injects multiple doses of ‘steroid’ - Sitharaman telegrams she can now ‘walk alone’!

VERY much like the pandemic’s daily caseload, the febrile atmosphere of the Union Budget is also ebbing away except for coddling tax firms and consultants. The nationwide opinion on the budget proposals is that the Finance Minister, Ms Nirmala Sitharaman, has indeed pepper-sprayed her friggling critics! Though the annual budget of the Union Government is largely a political statement of the ruling party, but it disproportionately brings laurels as well as whiplash to the budget presenter, depending on the size of the population its proposals tend to please or cause gut-churning for! So far as Budget 2021 goes, Ms Nirmala Sitharaman has indeed come out of it as a confident and sassy reformist. Scathingly rebutting a damnable vessel of doubts about India’s dalliance with economic reforms coupled with a gold rush seen in the first decade of the millennium, she has telegraphed a clear-eyed message to the world at large that she can now ‘walk alone’!

In my last two Columns, I had also gently thrown a gauntlet on whether she would choose to be a **FM on ‘steroid’** - and I sotto voce admit that she has not only picked up the gauntlet, but has also proved to be a budget presenter on ‘multiple doses of steroid’! Aha! Full marks to her budget-making crew! Her entire team has proved that if there is a political will festooned with a clear-eyed vision path, they cannot only deliver, but deliver spectacularly! Going by the large and deep buckets of reforms, it seemingly appears that she has truly busted a gut to lock horns with the all-round galactic challenges and a tempest of economic recession. Ms Sitharaman, of course, bookended by the PMO, has tried to deal with all hot-button issues originating either during the pandemic or the pre-COVID-19 era! Like bees to a honeypot, she seems to have rushed to corral many of the macroeconomic indicators threatening to go completely out of shape!

Let me begin with the least talked about turf of Innovation and R&D. Since it is a backbone-fleshing activity, it naturally remains in the ‘back’ of limelight. It hogs media flashlights only when new inventions are translated into a tangible economic

* TIOL – COB (WEB) – 749 FEBRUARY 04, 2021.

vineyard. In other words, all the investments made today are tomorrow's promising headlines - of course, not all of them, as many projects fail to bear any fruits. But the 'tablet-holding' Finance Minister has not acted shy of taking such risks. A whopping Rs 50,000 crore has been earmarked for the earlier announced National Research Foundation. This sum is to be spent on identified national-priority thrust areas - obviously, artificial intelligence, robotics, synthetic biology, mini satellites, and many other emerging hot technology areas would figure in the final list.

However, one area which has rightly been identified as the sunrise industry is the digital mode of payment sector. Rs 1500 crore have been allocated to be disbursed as financial incentive. India has pragmatically switched over to digital census and Rs 3768 crore have been earmarked for the mammoth exercise. Pumping more resources in the digital space and creating an eco-system for digital entrepreneurs in the country has become a compulsion as India's hostile neighbour, China, has indeed raced ahead close to the mantle of a **Digital Superpower**. Although container-loaded ships will continue to plough the oceans, what is going to dominate the world economy are the data flows. The pandemic has further accelerated the entry of the global economy into the digital age. Many economies, which are keen on dominating the future geopolitical turf, are already in this digital race. The EU is obviously a laggard and continues to trash-talk about 'digital sovereignty', which confuses many countries today. Unless a new definition is assiduously worded to define 'digital sovereignty' apart from data privacy laws, it goes against the spirit of the new digital age. Having admitted its slothful approach to the digital race, the EU has recently proposed to the US for a joint trade and digital technology council to work together. India should also forge a similar digital alliance with the US, the UK, and other like-minded countries so that it does not fall behind in the race in building its own digital infrastructure and new technologies. After all, digital taxation is round the corner and a huge chunk of revenue may come to the kitty once the OECD manages to thaw the ice over the issue by the middle of 2021.

The Finance Minister has also budgeted a sum of Rs 4000 Crore for the Deep Ocean Mission over a period of five years. Going by the dwarfed allocation, which is nothing but risible, it can be inferred that our understanding of huge natural resources locked in the seabed of our ocean is yet to be fathomed well! India has 2,200,000 sq.km. of Exclusive Economic Zone, which is not yet fully 'googled'. As per one survey, the Central Indian Ocean Basin has huge reserves of polymetallic nodules (PMN) of iron and manganese hydroxide. Science has projected that a mere 10% of recovery of that can meet India's soaring energy needs for next 100 years! Given the grim climate change scenario and a stepped-up drive to decarbonise, it would be worth investing more money into our oceans as their tangible results certainly do not lie oceans away!

Let me now turn to some of the fiscal proposals which are to be examined in the backdrop of her pandemic-period realisation that how dangerous it was to take her foot off the pedal of extra spending. Thanks to the family of the coronavirus, which

demonstrated to the Government the scarring effect of underspending on health and avoidably playing the catch-up game with communicable diseases, she had to recycle her frustrations into pragmatic fiscal proposals – and she seems to have done it by putting a velvet glove on her iron fist! Finally, embracing the oft-jettisoned principle of ‘Exempt, Exempt and Tax’ (EET) from the present ‘Exempt, Exempt and Exempt’ (EEE) regime, the Finance Minister has proposed to tax contribution above Rs 2.5 lakh annually to the PF and ULIP Schemes operated by some insurance service providers. Although many beneficial amendments to taxpayers have been proposed, it would have been unfair to expect from her that she would act parsimonious about tossing out some of the court rulings given in favour of taxpayers, such as goodwill and depreciation under Section 32 of the Income Tax Act, 1961; slump sale; delayed deposit of employee’s contribution to PF; and transfer of capital assets or money to a partner or AOP on dissolution or reconstruction. The Budget proposes to plug loopholes in various provisions, and indeed, generously gives away tax sops to various sectors which would woo foreign investors. Perhaps the biggest change the Finance Minister proposed in the Finance Bill was that there would be no change in the tax rates! Oof! The capital market heaved a sigh of relief and clearly swanned away to a new high!

Given the pandemic-induced odds stacked against the Finance Minister, an economy-wide expectation was that nothing can dyke the levy of COVID Cess! Though no such Cess across the canvas has been imposed, a new variant of ‘COVID Cess’ - Agriculture Infrastructure Development Cess (AIDC), has been levied on certain specified goods imported into India. While deciding this levy, the Finance Minister has intelligently calibrated the basic customs duty (BCD) so that it is not seen as a step towards protectionism, which has become the order of the day, worldwide! Although protectionism, like the federal Government’s procurement of goods ‘Made in America’, in today’s world of globalisation, is like putting horse farriers at the dawn of the electric car age - but a good number of economies have been cherishing such corrosive indulgence into designing non-tariff barriers! However, the Finance Minister has not missed the window to snugly lend impetus to ‘Make in India’ Mission by raising tariff on many goods which may unfairly compete with the domestic industry.

This brings me to the much-talked retrospective amendments in the GST laws. Though the canyon of perceptions between the industry and revenue is widening over what should be done to get rid of the sad humming by the community of consultants and also taxpayers, the Finance Minister has gone ahead with several amendments - some of them are also beneficial to the taxpayers, such as Section 50 relating to interest payment on ITC available in the electronic credit ledger. However, high-decibel huffing and puffing can be heard over the mandatory condition of allowing ITC only if the suppliers have uploaded invoices and filed their GSTR-1. The rationale behind such an amendment is to deal with the high-density gallery of rogue businessmen, who have been indulging in the fake invoice racket with gay abandon!

The GSTN has apparently reported to the Government that there is a starkly huge mismatch between GSTR-3B and GSTR-1 and in a good number of cases, GSTR-1 is filed, but GSTR-3B is missing. Indeed, it is a case of a serious compliance lapse, where fraudsters have been poking directly in the eye of revenue and causing the darkening shadow of punitive compliance burden on even the compliant taxpayers. Though the industry has its own reasons to cry foul, but the Revenue being in the catbird seat, has more reasons to be ruthless in its policy approach!

On the flip side, to reduce litigation, the Finance Minister has gone for many administrative measures which may prove to be counter-productive in the months to come! She has wolfed down on institutions like Income Tax Settlement Commission and Authority for Advance Ruling, and morphed them into bureaucracy-driven forums which do not enjoy high impartiality indices in the eyes of taxpayers. Though the intent of the Finance Minister appears to be to cap the growing number of litigations, administratively, she has not realised that the same modern-day tax pharaohs are the prolific factories of litigation! The Budget has also announced a faceless tribunal (Oho! she probably means virtual) for income tax. It is indeed a new concept and would take years to stabilise with serious technical and legal glitches, initially! Overall, the Finance Minister has lived to the salt of the earth by not resorting to bursts of belt-tightening and going for a sort of gladiatorial detente with vexingly robust challenges. She might be seen low on structural reform, but high on spending, which would aid the Indian economy's long-term prospects!



9

Global economy in a COVID-induced coma - India needs to clear 'political fog' and take bold decisions^{*}

IN the years 2020 and 2021 thus far, nature has been exceptionally unkind to mankind. Or, should I say our world has been too unkind to Nature in the past few decades and Nature has simply paid us in the same coin - wham! Our murderous negligence has brought on us one of the Nature's most despicable viruses - the COVID-19. We are also beleaguered with different shades of Nature's cuss such as the broiling heatwaves in large parts of the world, repetitive hurricanes, hellish wildfires and now, devouring lightnings, heavy mudslides, colossal landslides and 'oceanic' floods! Our unflappably reckless method of development and sustained culture of climate denialism have tangibly been transforming this planet into an uninhabitable gas and virus chamber! The COVID-19 pandemic, in particular, has so far been the most remorseless killer of human lives. It is a deadly double-whammy - it kills both - lives and livelihoods!

In this backdrop I intend to analyse the debatable prospects of the global economic recovery with an eye on the Indian economy. The chances of economic recovery are unfortunately squashed in a race between the virus and the vaccination! Rapid inoculation is one of the silver bullets to beat back the pandemic and go back to full-fledged opening of the economy. The second one is the mountain-size of the economic stimulus packages which obviously, even many rich countries cannot afford to sustain over a longish horizon of time! Before I dwell on this aspect let me provide a glimpse of the exacerbating divide between the jabs and the jab-nots. Though a slice of inequality in vaccine availability was always predictable but a wide gulf was not! Strangely, as soon as the virus hit the planet, most countries curled their lips and jumped out of the ship of multilateralism like a scalded cat! And they instantly changed the headwind of trade and international cooperation towards protectionism tinged with ultra-nationalism! Such a malady became more accentuated after the advent of COVID-19 vaccines. Developed countries

* TIOL – COB (WEB) – 773 JULY 22, 2021.

overbooked the order-books of oligarchic manufacturers and simply overlooked the needs of have-nots!

Though the jab-nots may bemoan such inward-looking policy but the jabs-countries' dalliances of convenience and prioritisation of their own citizens have paid them handsome dividends. Let's take the case of the USA and the United Kingdom - two front-runners in vaccination who also matter for speedy recovery of the global economy. Both the countries rolled out vaccination in a huff! Though their efforts were stalled miles before their volubly mentioned milestones of 70% of population thanks to a large swathe of anti-vaxxers and their sustained disinformation campaigns on social media but inoculation of still a sizeable number enabled them to ease lockdown restrictions within a few months. Relaxation in curbs helped their economies to find feet quickly. Private investments picked up pace to such an extent that the capex index has become unmatched - close to 200 per cent growth in the case of the US. Thanks to over USD six trillion economic stimulus package out of the global total of USD 16 trillion so far, American consumers never felt short of cash and sat over oodles of money during the pandemic. As soon as the economy was reopened, the retail consumer sales grew in double-digit and may continue till September when the federal doles would expire.

The two fateful consequences the US economy may confront in the coming quarters are - a) Rise in inflation due to overheating of the economy; and b) Possible petering out of the growth story on withdrawal of the stimulus. Thanks to heavy lifting being done by the Biden Administration, the US economy grew by more than 4% in the first quarter and economists have projected that it may turn out to be over 6% in the second quarter. The US never had it so good even prior to the economic meltdown in 2007-09! Post-second quarter is fraught with the twin dangers of lapsing of stimulus cheques and a meteoric rise in infections caused by the Delta variant. The fact that the masks are back on the face in many parts of the US, whether the local governments would again resort to lockdown, is to be watched closely to project how the economy would do in H2? As regards the inflation as a potential risk - shrugged off by the Treasury thus far, the supply-side constraints are tell-tale and may further worsen with hefty spike in the logistics costs. With acute shortage of critical raw materials right from steel to semiconductors, the prices of most products are under stress. The retail prices have already jumped by two-digit and my see further uptick unless logistics bottlenecks between China and the US are sorted out soon.

In the case of the UK, the economy has picked up a tangible semblance of pace after vaccination went into overdrive. Surveys have revealed that as many as 14 sectors of the economy have registered robust growth in the June month. However, parallel to vaccination have also risen infections of the Delta variant which forced the Boris Johnson Government to persist with restrictions till July 19. Though curbs have been eased but most Britons prefer self-imposed restrictions as a New Wave has triggered nervous fluttering in parts of the country! Given the scale of frauds being reported with respect to various business support schemes floated by the Government

and their imminent expiry dates, a sustained recovery is fraught with high risks. 'Pingdemic' has also emerged as one of key factors for manpower shortages in the reopened offices. As soon as UK Health Secretary tested positive, Mr Boris Johnson himself was pinged by the Govt App to quarantine himself. Over five lakh people were pinged in the first week of July alone.

Similarly, for the EU, which has been playing see-saw game with the virus, a shade of normalcy is yet to be fully restored. Though German industrial hubs are abuzz with production activities but the IMF projects that it would take minimum three years for the bloc to get back to its pre-COVID level. What may further derail its recovery is another round of infections and sluggish vaccination drives. A flicker of recovery was logged when the third largest economy in the world, Japan, reported over 48% growth in its exports - demand for cars from the US and chip-making equipment from China. With emergency in force in Tokyo, Japan pins its hope on external sector for early revival.

A glimmer of bright hope for early recovery of the global economy may be gossiped about if analysts strictly go by the two-engine theory. The lorry of global output largely hinges on the prospects of two economies - China and the US. China, in the past five years, accounted for one-third of the global output and one-fifth by the USA. A bit over 50% of the global GDP hinges on speedy recovery of these two economies, and fortunately, they appear to be on the right path. But there are many caveats! Chinese factories have also slowed down. There has been double-digit spike in the ex-factory prices of most Chinese goods. Then the container cost has tripled in the last 12 months as logistics industry did not make fresh investments due to the pandemic. Thirdly, the Communist Party of China has, of late, demonstrated jitters about the rise of powerful tech companies and it has begun to clip their wings on one or the other 'hoey' ground. The fact that the digital economy now accounts for 40% of China's GDP, any crackdown on tech tsars may hurt the economy in a big way!

The graph of serious risk appears to be zooming up with the widening of cracks in the Sino-America economic relationship. In view of China's aggressive geopolitical actions and stifling of democracy in Hong Kong, the Biden Administration has sharpened its economic and diplomatic horns against China. Ransomware is just the latest dimension being added to make it more hurting. With the US joining hands with the EU and other developed countries to isolate China, which it richly deserves, there runs a deep current of risk of further aggravating the crisis of the global supply chain. China is the largest trading partner for 64 countries against 38 for the US as per the IMF trade data. If Chinese goods are subjected to higher tariff or the supply line gets disrupted, it may ramp up pressure on retail inflation which is a real danger for most economies which have printed money to bankroll their economic stimulus packages. The asset price would obviously soar like the housing rent in the US.

What are the realistic chances of an early recovery for India? India's growth story has been fading since 2016. Private investments have been on the slide since 2018. The COVID-19-induced lockdowns have broken its economic spinal cord - it has

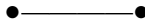
shrunk by 7.3 per cent, much higher than any other big Asian economy. With little economic activities and asphyxiating pressure on revenue, the government's spending has shrivelled to 16.3% of GDP as against 17.8% in the previous fiscal. States' investments in new projects are down by 42 per cent. Even critical projects have turned boondoggle! With little savings, households have begun mortgaging their jewellery which has soared beyond 80 per cent. Household debt has surged from 32.5% to over 37% last fiscal. Millions of small businesses have shut down. All India Mobile Retailers Association says close to 40,000 shops have downed their shutters. Two-wheeler markets have plummeted to sales recorded in 2014! Anecdotal evidence corroborates that the economic well-being has turned precariously toxic for the millions in the hinterland.

The Governments in India are cash-starved as they need funds to run hospitals, offices, purchase of drugs and vaccines. The Federal Government scaled to its 'fiscal cliff' even before it could offer any dose of concessions to taxpayers so that fresh vigour could be injected in consumer demands. That is why the Union Finance Minister has been over-emphasising on multiple credit lines schemes. The bank credit offtake has been tepid and is also being pocketed as suppliers have no matching demands in the economy! The June month retail sale has been barely half of what it was two years back! The IMF says that the loss of income in the emerging economies has been above 20% against 11% in the developed economies. Against the wilted demand coupled with lack of resources, the Federal Government has been hiking excise duty on petroleum products which continues to feed pressure on wholesale and retail inflation curves.

What is needed for a magical reversal of fate is an overdose of economic reforms for efficient reallocation of resources and reskilling of employable manpower. India has failed to take advantage of creation of a parallel global supply chain being steadily built by the advanced economies. Notwithstanding all the wrongs and baloney being attributed to the Dragon, **Mainland China attracted USD 163 billion FDI in the pandemic-wrecked 2020**. As soon as it threw open its capital markets to global finance, over USD 900 billion were invested by the rich economies. This is all because China offers business opportunities with little costs to foreign capital. If India has to reap benefits of the new international economic order in the making and also its own 'demographic dividends', it has certainly not run out of choice. It just needs to clear traditional 'political fog' and take bold decisions at both federal and State-level if 8% growth story is expected to stage a comeback!

In a nutshell, early recovery trends being reported by a few developed economies augur well for the recovery of global GDP, much better than what we saw during the economic meltdown in 2008 but such a trend is fraught with high risk from the coma-inducing pandemic. Unless poor countries are also vaccinated by 2022, no economy is safe and can afford for itself an unhindered recovery path. The world needs to pool resources to manufacture as many billions of vaccines as possible and jab every arm jostling around in the markets or work places. The key global political

leaders need to keep an eye on key macro indicators like interest rates, inflation, job creation and credit off-take to ensure smooth recovery path. A good number of low-and-middle income countries would require emergency rescue tools to stymie them from crawling back into the quagmire of debt-chokehold. Though geopolitical uncertainties would continue to hover over the world but economic recovery can be safely navigated if all like-minded 'hands' are joined together! For the recession-struck India, pandemic has proved to be the Coup de grâce for its economy! I sincerely hope that it is not 'Mission Impossible' for the political leadership to reverse the cycle of slowbalisation and long-term economic scarring! Time to get out of hot water!



PART VI
INDIA'S DESPERATE FISCAL RESPONSE TO
CUSHION TAXPAYERS

Introduction

Taxes are consequences of economic activities. Since the pandemic has eaten up a large swathe of economies across the world, the fiscal health of virtually all the economies has run into a ticklish pickle! If the tax and non-tax revenue shrivels, it adversely affects a gaggle of welfare schemes tethered to help vulnerable sections of the societies. With finances in doldrums during the pandemic, a large percentage of the poor sections, which were lifted above the poverty line in the past, have unfortunately slipped on the pole and gone back to the point from where they had started their vertical mobility journey! The pandemic has shrunk the size of the middle class in India by 32 million and pushed back over 230 million Indians below the poverty line, washing away hard work of decades of anti-poverty developmental programmes, funded by multilateral agencies and the Governments in India. The World Bank has estimated that the pandemic has taken a grim toll on the poor in 74 of the poorest countries. COVID-19 is likely to throw another 60 million people into utter penury.

In this backdrop, the Indian Prime Minister, Mr Narendra Modi, is also palpably caught in the same universal cobweb! Mr Modi is all at sea as it would cost him trillions of rupees to resuscitate the devastated economy. More poignantly, he realises that his government does not have enough wherewithal either to revitalise the creaky public health system or to design an awe-inspiring economic stimulus package! The gargantuan challenge for the Modi Government is going to be the mobilisation of resources to do both - combatting COVID-19 and oxygenating the economy! Deficit-financing is indeed one of the options as suggested by most economists, but it is a **double-edged sword!** Before resorting to deficit-financing, its time-frame must be kept in mind as it is an **extreme cure for a state of depression.** It was indiscriminately used during the Great Depression in 1929, but its side-effects were later found to be equally baleful!

Import duty is the only choice where certain goodies may be hand-picked for duty hikes. One of them could be liquor. Presently, the WTO-bound rate of 150% is levied on the import of bulk and bottled alcoholic beverages. Bulk liquor is imported into India in tankers or drums for blending with local spirits, and premium scotch whisky is manufactured. By following ad valorem duty structure, the Customs presently earns less than Rs 1000 crore revenue from import of bulk scotch whisky to the tune of 2.85 crore litres of pure alcohol per annum. By simply supplanting ad valorem by **specific duty rates** of Rs 1000 per litre on bulk alcohol and Rs 1500 on bottled alcohol, the CBIC can contribute a few thousand crores of extra revenue to the kitty. But such a measure entails political will and is fraught with risk of irking the EU

countries. India is also trying hard to negotiate its FTA with the EU for the past several years and the EU is one of India's key trading partners.

Like the Central Government, the state Exchequers have also suffered the 'knock-on effect'! Though all the stakeholders of the GST Council managed to find a long-term solution to the deepening crisis of GST Compensation - thanks to the timely intervention by the PMO - such a solution has its roots in loans from the RBI, which are to be repaid over the years extending beyond 2022. The plummeting trend of revenue in the divisible pool and also the GST monthly collections prodded the states to turn towards their third-largest source of revenue - liquor. VAT on petroleum products is their second-largest source. As soon as the MHA eased the lockdown protocols, shutters of liquor shops were upped in most states. As expected, thirsty consumers left behind all the COVID-appropriate behaviours which were given generous coverage by the media and this led to a war cry for the online option with a home delivery facility! Anyway, some states did try to cash in on the unquenchable thirst of the buyers and levied COVID Fee or Cess to mop up extra moolah - and this indeed made fiscal sense as SGST is unlikely to fetch much revenue in view of the speedy evaporation of economic activities in the economy.

Taking a cue from the states, the Central Government has also decided to mop up additional revenue to the tune of over Rs 150000 crore by hiking the excise duty on petrol and diesel. This hike is going to be absorbed by the Oil marketing companies, which have benefited from the recent fluctuation in the international price of crude oil in 2020. In the current fiscal (2021), where consumers are witness to a ruthless chain of spike in prices of petro goods, the revenue mop-up may exceed Rs 200000 crore. On the GST front, a gaggle of amendments in the rules to block input tax credit (ITC) if suppliers of a taxpayer fail to upload invoices in GSTR-1, have shored up GST collections in the recent months. Second, an iron-fisted enforcement drive against fake invoice syndicates has also enabled the Revenue to pluck some low-hanging fruits! However, some of the amendments approved by the GST Council, such as in Section 50, where interest is to be paid on net rather than gross basis, will go a long way in cushioning the adversely-affected taxpayers. I wish that the GST Council could have done a bit more for the industry despite the cramped wiggle room it has in terms of its own revenue requirements, but it would not be fair to find fault with it. When it came to reducing the tax rates on COVID-related drugs, equipment, and kits, the Group of Ministers recently tamped down the rates from 28% and 18% to 5% till the end of September.

On the procedural front, the Central Government granted many concessions, such as reducing TDS/TCS rates and extension of return-filing dates and last dates for depositing payments under the special amnesty schemes to minimise tax litigation. Similarly, on the GST front, the GST Council granted waiver of late fee, reduction in penalty, removal of audit provision for less than Rs 5 crore turnover, extension of due dates for GSTR-9 and, of course, special drives for refund to exporters and accumulated ITC in the books. During the second wave of the pandemic, the

Government was caught on the wrong foot when the policy makers levied 12% IGST on the import of gifted oxygen concentrators where the Delhi HC came down heavily on the government and suggested the need for bending the statutory provisions to survive the challenging times faced by the people. A good number of states' Finance Ministers also demanded so and thus the GoM was set up and a great deal of tax concessions was granted in the 44th meeting of the GST Council. Given the fact that the marauder COVID-19 is not yet over, the metabolism of India's fiscal health is likely to remain slow and brittle for years to come!

Chapter 1 deals with the spectre of shrinking multilateralism and the onset of inward-looking policy notwithstanding the fact that COVID-19 is a global crisis and needs to be fought together and multilateralism is a better-suited tool to deal with it; how the GST Council failed to capitalise on opportunities to soften the blow to the economy; ideally, the GST Council should have offered a moratorium on interest payment under Section 50 of the CGST Act 2017; thankfully, the Council scraps the new GST return formats and raises the GSTR-9C to grant relief to small taxpayers below the Rs 5 crore threshold; and ITC is to be allowed only if suppliers upload invoices in GSTR-1.

Chapter 2 analyses lockdown as the only vaccine to prevent the pandemic from transmission but it also eats away the livelihood of the poor in the economy; how the Prime Minister, Mr Narendra Modi, finds himself in crosshairs of his inability to revitalise the public health system for lack of resources and also revive the economy; should India go for deficit-financing - a double-edged sword; need to play fiscal tools tactfully to mobilise the much-needed resources; specific duty rate in place of ad valorem rate on imported liquor is a good option to raise revenue; how COVID Cess lurks in the air and as rightly advised by a group of young IRS officers on the basis of a study, imposing surcharge on foreign companies having PE or BO in India can help, but the Government disproportionately reacts to the study.

Chapter 3 highlights the free-run of the coronavirus, pulverising economies, preferably of the rich world as if it was familiar with the geopolitical matrix; how ultra-rightist leadership in Brazil scornfully treats it as a 'little flu' and 'fantasy'; with COVID-19 devouring funds of the states, demand for Central assistance gathers noise; cornered by a fund deficit, states ask Railways to charge migrants being ferried home as a special measure; some states compel migrants to stay back so that economic projects do not come to a standstill; with bankruptcy staring in the eyes, many states open up liquor shops and also levy COVID fee to garner extra revenue; and the Central Government also joins the race to hike excise duty on petroleum products to mop up additional revenue.

Chapter 4 provides a peep into how the ferocious spread of the virus overwhelms healthcare systems world over and how the WHO goofs up in assessing no infection from asymptomatic cases; India initiates unlocking as the economy gets battered; infections race like the US and hospitals beds command premium; and with not much

support coming from the Governments, MSMEs look for oxygen cylinders and a raft of measures which the GST Council is required to take save the economy.

Chapter 5 deals with the extraordinary phenomenon of raining deaths, but India demonstrates high sensitivity threshold; how a fresh surge in infections threatens the financial engines of the economy and the humming factories with economic activities; how unlocking buoys up business sentiments which are reflected by rising net direct tax and GST collections; huge threat to second engine of the economy - the services sector; how some of dispute resolution schemes record gorilla success but taxpayers need extra time to pay reconciled taxes; and SMEs call for extra attention as they inch closer to extinction points.

Chapter 6 deals with how the high-octane virus continues its chokehold and ability to trigger pogrom and economists pick up pencil to computer, not the cost of living but the cost of dying; Governments fail to remove choke points as caucus of technocrats takes the Union Finance Minister for a ride; the Delhi High Court rules a healthy life is guaranteed under Article 21 of the Constitution and how taxation ought to bend to the will of times of calamities; as the Executive retreats, judicial overreach welcome by people; how the Government collects taxes on goods imported for free distribution as people die of lack of oxygen, but the GST Fitment Committee plays the card - death and taxes are certain; and why the GST Council should allow ITC on goods supplied under CSR.



1

Shrinkonomics - The GST Council forfeits the chance to race ahead of COVID-19!*

GLOBALISATION has proliferated material well-being for humanity since the second half of the 19th Century. The process of globalisation necessarily gave birth to the evolution of many multilateral organisations on the international horizon. The ground rules were laid down to regulate development in various spheres of human activities. These rules were complied with and also brazenly flouted or conveniently used for geo-political interests, based on the economic and financial might of a country. This resulted in pile-ups of distortions and smacked of arrogance in one's own self-nourished regulators. Then came the meltdown in 2008, which changed the headwinds of the globalisation-friendly policies. Most economies began to look inwards and raised the height of protectionist walls. A good number of multilateral institutions fell in disuse. This, in more than one way, came to be construed as the 'supposed demise' of multilateralism. Such a premise was further fortified when a trade war got underway between two mighty economies. Taking a cue from them, almost all emerging economies worth their salt, began to focus more on domestic manufacturing and gave a short shrift to the agents of globalisation!

Even as the general governmental approach towards globalisation continues to be muddled today, almost worldwide, a mega human tragedy announced its advent on the international horizon - COVID-19! Most opulent countries thought that such a contagion was not for them! Even though a good number of health experts in the USA, and also the WHO, kept on issuing alerts, the US President did not believe so! He did it only when dozens of deaths were reported within miles of the White House! By the time the realisation dawned that it was lurking close home, many rich economies began reporting death tolls peaking beyond three digits. The WHO soon declared it a pandemic and now, the global view is that such a dastardly curse may prove to be too expensive for mankind unless it is dealt with together by pooling economic, scientific, and medical resources on war footing! Even the mightiest of economies have come down on their knees and have begun to realise the usefulness

* TIOL – COB (WEB) – 703 MARCH 19, 2020.

of multilateralism in many areas of human activities. They have accepted that COVID-19 is the negative aspect of globalisation and since it is a global problem, there has to be a global solution to fight it!

Back home, a multilateral body, the GST Council, met in New Delhi last week. Prior to the Council's scheduled meeting, I had suggested the initiation of a possible GST Relief Package to soften the blow of COVID-19 in the article titled Macabre COVID-19 - Should the GST Council brace for a Relief Package?. I had expected the Council to undertake at least the preliminary round of discussions on possible measures to deal with bone-chilling economic fall-out of COVID-19. Had it done so, it would have crescendoed to a level of being a **foresighted and forward-looking recommendatory body**, but it evidently missed the opportunities to discuss measures much ahead of an inevitability in the pipeline! I am sure that within numbered days, the Council would meet again to grant a Relief Package in a hurry once COVID-19 ravages the foundations of many sectors of the domestic economy. Some of the sectors which are visibly shaken and partly pulverised are civil aviation, tour and travel, restaurants and hotels, and offline services of varied nature. This is in addition to the serious disruptions in the global supply chain. If the havoc being wrecked by the coronavirus continues for some more weeks and the third stage of the pandemic hits India, we need to be prepared as a nation to pay a huge price in terms of loss of jobs and economic and financial activities. In short, we, along with the global economy, are heading for a protracted period of 'shrinkonomics', which further compounds the delicate health of the global economy! It would also be an acid test for the political forces to maintain stability in the country.

Though the GST Council did not discuss the fall-outs of COVID-19 as its members perhaps saw it too distant for their eyeballs, the Council did take a slew of taxpayer-friendly decisions. It rightly decided to make Section 50 of the CGST Act, 2017 operational with retrospective effect. It has put an end to the singeing issue of interest liability on gross vs net basis. However, the GSTN needs to remember that the same issue may crop up again unless it operationalises the part payment utility on an immediate basis. Second, the policy makers, while making the amendment to Section 50, also need to insert a new proviso to ensure that the defaulting assesseees while discharging their past period liabilities do not make use of freshly-accumulated ITC as this would result in loss of cash revenue for the Exchequer. Third, in hundreds of cases, the Revenue has collected taxes on gross liability basis and in such cases, a refund drive should be undertaken to help assesseees already confronting a working capital crunch in the economy - or, interest may be credited to their e-ledger. Given the lethal blow the COVID-19 has rendered particularly to the MSMEs, the GST Council needs to take a call on offering moratorium on payment of interest liability for at least 90 days. This can be one of the relief measures which may be considered.

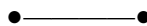
I am indeed particularly happy with some of the decisions of the Council, which I have been debating argumentatively - such as guillotining of the new GST Return, raising of the threshold for GSTR-9C, and more comforting treatment for higher compliance. With Mr Nandan Nilekani's suggestion of incremental change in the

return being accepted by the Council, it is explicitly clear that the new Return, which was to be operational from 1 April, may be put on the chopping block! Second, it is certainly a wiser decision to in-build invoice-matching columns within the GSTR-1 and GSTR-3B architecture as most assesseees have become comfortable with these returns. The concern of ITC misuse can be addressed by incorporating a couple of tables within these returns. With the new return almost gone, the new Section 43A will not be required to be made operational. If this Section become otiose, Rule 36(4) would also become redundant after an amendment in Section 16(2), approved by the Council, is notified in the foreseeable future.

It is learnt that the Council has approved amendments in the GST laws and one of them is relating to Section 16(2), where curbs are going to be imposed on ITC availment if the supplier fails to file GSTR-1. In that scenario, a rule like 36(4), which proposes partial restrictions on ITC, may come in conflict with outright prohibition to be prescribed by the new amendment. Though the press releases issued after the Council's meeting have not specified the details of these amendments, as they are likely to be presented in the Parliament in the form of a Bill during the ongoing Budget Session, it is expected that some of the amendments are likely to be relating to some of the observations made in the recent High Court orders.

One such judicial decision is the case of Kushal Ltd (2019-TIOL-2943-HC-AHM-GST) where the Gujarat High Court found that the provisional attachment of bank accounts was not in harmony with the provisions of Section 83 as the proceedings u/s 67 were not pending and pursuant to search, no proceedings under any of the other sections mentioned in Section 83 were initiated in this case. So, the gaps in these provisions are going to be cured. Another amendment flows from the Gujarat High Court decision in the case of Synergy Fertilchem (2019-TIOL-2950-HC-AHM-GST). The Law Committee views that certain inconsistencies between Sections 129 and 130 are to be cured and Section 129 is to be made independent of Section 130. Also, a penalty alone can be sufficient to deal with e-Way Bill violation cases.

Apart from these legislative changes, certain amendments are going to be made in the Rules such as 86, 89, and 96B. These changes are going to be largely oriented towards protecting Revenue's interests. As demanded by the industry, let's hope that the drafts would be made available for public feedback before they are notified. Such an approach would earn the trust of the assesseees and would also reduce avoidable litigation, which has become synonymous with GST today. I sincerely hope that in days to come, the GST Council would leave no stone unturned to focus more on lesser litigation and greater voluntary compliance! I also hope that the GST Council would meet earlier than most industry and trade experts expect it to and come up with a relief package much before it becomes all doom and gloom for the economy, thanks to COVID-19!



2

COVID-19 - 'FORCE' – The CBDT has not ONLY handled badly, it has handled exceptionally badly!*

COVID-19 has turned out to be a ferocious zombie overrunning the entire planet. It feeds on human lives and seems to have an insatiable hunger - over 2.28 lakh deaths so far! With no vaccine and sure-footed medical treatment in sight, lockdown continues to be the best human response to slow down its inexorable spread. But strangely, it has also assumed a dubious public perception! Lockdown - the temporary 'medicine' to keep the coronavirus at an arm's length - has also come to be perceived as a 'virus' eating away the livelihood of millions of poor and low-income families! True, lockdown has virtually shut down the economies across continents and most Governments are undergoing bouts of anxiety to decide when and how much they should open up the economy so that the broken transmission pipeline of COVID-19 could be sustained effectively!

The Indian Prime Minister, Mr Narendra Modi, is also palpably caught in the same universal cobweb! Even after two lockdowns, the spectre of the community-level spread of the pathogen, resulting in unstoppable deaths, does not look diminished! It is undoubtedly going to be the most monumentally sensitive decision taken by him in his entire political career! He knows for sure that he is slightly late in paying heed to the locked economy! He also knows that it would cost him trillions to resuscitate the devastated economy. More acutely, he realises that his government does not have enough wherewithal either to revitalise the rickety public health system or to design an awe-inspiring economic stimulus package! Such an inference can safely be made not only from the exorbitant delay in announcing the much-awaited subsidies or support packages like other emerging economies, but also from the pre-COVID-19 revenue deficit projections!

The coming weeks may turn politically ugly for the Central Government once the state satraps become more vocal in seeking Central assistance to fight the pandemic and also to fund their state expenditure. Some of the States may give a go-by to political niceties and may demand immediate release of the compensation committed

* TIOL – COB (WEB) – 709 APRIL 30, 2020.

under the GST. Given the precarious health of revenue collections prior to the lockdown and the doctrine of impossibility to collect even a fistful post-lockdown, the gigantic challenge for the Modi Government is going to be the mobilisation of resources to do both - combatting COVID-19 and resuscitating the economy! Deficit-financing is indeed one of the options as suggested by most economists, but it is a **double-edged sword!** Before resorting to deficit-financing, its time-frame must be kept in mind as it is an **extreme cure for a state of depression**. It was richly used during the Great Depression in 1929, but its side-effects were later found to be equally harmful!

Second, deficit-financing can, at the best, be a short-term measure. Another measure in the short-run can be - reshuffling of moolah from one kitty to another! In other words, money allocated under different heads may be transferred to the emergency pool. But the long-term solution lies in tactfully playing the fiscal tools. On the indirect tax side, the Government has very limited choice. The GST canvas is not to be touched, as very soon, the government may have to grant a GST holiday to certain sectors for their quick revival.

Import duty is the only choice where certain goodies may be hand-picked. One of them could be liquor. Presently, the WTO bound rate of 150% is levied on bulk and bottled alcoholic beverages. Bulk liquor is imported into India in tankers or drums for blending with local spirits and premium scotch whisky is manufactured. By following ad valorem duty structure, the Customs earns less than Rs 1000 crore in revenue from imported bulk scotch whisky to the tune of 2.85 crore litres of pure alcohol per annum. By simply supplanting ad valorem rates by **specific duty rates** of Rs 1000 per litre on bulk alcohol and Rs 1500 on bottled alcohol, the CBIC can contribute a few thousand crores of extra revenue to the kitty.

This brings me to a study which trended on Twitter and later invited the ire of the top brass in the Ministry of Finance. This study called 'Fiscal Options & Response to COVID-19 Epidemic' (FORCE) was done by young and well-qualified IRS officers of 2015 to 2019 batches under the tutelage of senior office-bearers of the IRS Association. FORCE is a very comprehensive and meaty study done in a short span of time. Due credit must be given to the talent pool of the Income Tax Department for coordinating and working from home with over 40 others, and then coming out with a sectoral relief package which may prove to be an effective palliative for oxygen-deficit sectors like MSMEs, tourism, and others. Given the ground reality that these officers have minimal field exposure and virtually no experience to cope with real-life lobbying or political chicanery, they came up with all sorts of new taxes which the Government of the day may decide as per its own political constituency-driven comforts!

Apart from a couple of recommendations to bring back wealth tax and inheritance tax from the burial ground (the Government has the discretion to reject them), **most of their recommendations do make pronounced sense**. They have suggested the Section 37 deduction, which Corporate India has always been demanding. Since the

Government is keen to protect jobs of migrant labourers and also ensure that the cash-starved business enterprises feel encouraged to help the Government in doing so, the Study recommends that companies may be permitted for a year or two to spend their CSR funds to pay salaries to their non-managerial staff. Second, to motivate companies undertaking COVID relief works, they may be allowed deduction for CSR expenditure for one or two fiscals. They have rightly upheld the spirit of fiscal federalism enshrined in our Constitution by suggesting that like PM Cares, the Chief Minister Relief Fund should also be permitted to receive CSR Funds.

Another recommendation is to levy COVID Cess of 4%. Such a possibility is never ruled out by any business enterprise when they talk in private. It has been lurking in the air ever since the first lockdown was announced. If not today, the Government will have to go for it, perhaps tomorrow! Even state Governments may make use of it by collecting more revenue from liquor. I am very confident that it is going to be notified sooner than one may expect! The only error, perhaps, which the Study has made, is to suggest such a levy on the direct tax side. It would be fiscally more sagacious to levy it on goods and services - the indirect tax side. The sole reason is - the immediate challenge for the Government is to give a boost to demand in the economy, and for doing so, people need more money in their purses to spend. Once they spend, most Governments prefer collecting taxes indirectly. And thus, it may mobilise additional revenue.

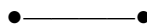
On the international taxation front, the study has made a few recommendations, such as a spike in the surcharge applicable on higher-income foreign companies having a BO or PE in India and an improvised version of the BEPS, called the Base Erosion Anti-Abuse Tax (BEAT). Even if the CBDT finds it unpalatable and may decide to ignore it, the continuing lockdown may create a new spiral of contentious issues relating to Place of Effective Management (PoEM) and Home Office PE. The CBDT needs to, like many other economies, quickly come up with detailed guidance to address uncertainty.

There are many more good recommendations and sectoral analyses to design relief packages to revive the economy and also to not add salt to the wounds of the common man. But unfortunately, the IRS Association made a tactical error in terms of its timing to make it public. Corona times are painful for most citizens who are scooped up in their abodes. A large swathe is experiencing the side-effects of the doctrine of frustration, anxiety, tension, and depression! When they saw a study suggesting a hike in the tax rates, their reaction was predictably sparring. What added fuel to the fire was a distorted and unconvincing analysis of technical recommendations by a senior political journalist who force-clothed the study with political and ideological moorings!

All these developments provoked the top brass in the North Block. What was shocking for me was their disproportionately exaggerated reaction. It was known to the common taxpayers that the study was done by the IRS Association and it was **not**

a Government document. But, without giving any credit to the normally-rich common sense of the most common men, the North Block top brass resorted to aggressive and technical rebuttal, such as no permission was sought for such a study; officers did not seek permission before going public in the violation of CCS rules, etc. This is what happens when the rulers show aggression and alacrity in reacting to every tweet on Twitter! I did expect more gravity from the North Block in terms of extinguishing the fire rather than putting *ghee* into it by ordering an inquiry and issuing charge-sheets. Without analysing the long-term fall-out of such actions by the CBDT on the minds of young officers who are going to be key decision makers for India of tomorrow, the CBDT Chairman abdicated his role as the head of the IRS family! He should have taken the Finance Minister in confidence and mildly chided the Association and its Members, not only for the study but also about the ill-timing and premature circulation. But, by taking harsh punitive measures, he has transmitted a loud and clear message that he is a retired officer on contract with the Government and is not keen to be at the helm of the IRS family! Worse, by issuing charge-sheets against the three senior IRS officers associated with the Association within 24 hours after the Finance Minister tweeted, the CBDT's Chairman's action has reinforced the public perception that **if the Board is an interested party, it can deliver**, or, it is equally capable of ensuring that a large number of CVC jurisdiction and non-CVC jurisdiction cases may gather multiple layers of dust in its Directorate!

Third, this Report nowhere makes reference to any findings or recommendations which may be seen in conflict with the extant Government policies. The study has not commented on the present fiscal policy in India. It has only elaborated the rationale for its recommendations and their benefits. One may agree or disagree with the same but dubbing it as being one in direct confrontation with the Government policy is a true lie! Divesting the three senior IRS officers of their charge on immediate basis is a case of disproportionate retribution theory! This is more so when the IRS covering letter clearly states that 'the CBDT has sought feedback from our field formations across India on the ideas for revival across various sectors of the economy'. When the Chairman is in the know of the fact that the Board has encouraged officers to suggest new ideas, very similar to what the Prime Minister loves to talk about more often than not, then where is the question of unsolicited report? Besides, sharing new ideas and studies with the powers that be are the bedrock of democratic values. Merely because they are coming from serving officers, they do not lose their substance, and the settled judicial views do favour them in expressed words. I sincerely hope that the Prime Minister and the Finance Minister would be more magnanimous in letting go the IRS officers for their slight indiscretion, if any, and also patting them for a good and timely study, which the Government may make use of in future!



3

The COVID-19 riding ‘liquor carrier’ gets ‘inTAXicated’!

THE novel coronavirus (nCOVID-19) scourge continues to ravage the world! And the entire global community has hitherto found no clue how to wall off people from the impact of its high-intensity tide spawning countless human, social and economic sufferings. At its freewheeling pace, the stubborn virus keeps choosing different geographical and climatic zones for its globe-trotting, misery-spawning journey! Commencing its march from Wuhan, it had a ‘picnicking’ time in Western Europe; it then swam across the Atlantic to pulverise the rodomontading politicians and put to toughest test the finest medical and scientific knowledge available on the planet! Having ‘almost done’ its cruel job in the mightiest country in the world, the virus, which seems to be too familiar with the geopolitical matrix in the real world, has now hit Kremlin with a mighty splash! Though President Putin may seek solace in the low death toll against the soaring graph of positive cases (over 1.66 lakh till last night) and also, to an extent, scoring over the best from the EU bloc, Germany; the consequential lockdown may prove to be too devastating for his fragile economy!

Parallel to visiting Moscow, some of the COVID-19 clan ‘members’ preferred to say hello to the Brazilian President who had described COVID-19 as a ‘fantasy’ and ‘a little flu’! Though the pandemic has gobbled up about 8000 humans and infected close to 1.2 lakh Brazilians, President Bolsonaro, an ex-military and rightist-nationalist politician, is reported to have commented on the rising curve of positive cases with a shrug - ‘Sorry, some will die’! His quotes may sound very similar to that of the occupant in the White House who was recently reported to be patting the back of state Governors for having ignored the White House Guidelines in the race to reopen the economy! Many states went ahead in loosening the restrictions and social distancing guidelines notwithstanding the fact that they woefully fell short of the thresholds set by the Trump administration!

Back home in India, the scenario is no less grim and angsty! If we trace the Indian response to mitigate the impact of the pandemic, Prime Minister Modi started off remarkably well! The hurried lockdown, followed by its second phase, did create a vacuum for the ‘hurricane’ – and the pause gave reasonably good time to the

* TIOL – COB (WEB) – 710 MAY 07, 2020.

Ministry of Health to hunker down to the uphill task and also motivate the medical and scientific communities to rise to the occasion. The pharma industry also braced to speed up research for a vaccine! The spread of the virus, notwithstanding the fact that it was 'ably' assisted by some super-spreaders, was tardy and well-thwarted. India achieved a praiseworthy doubling rate of positive cases from the global experts.

Then came the third phase of the lockdown, in the form of an MHA executive order. The absence of the Prime Minister, who had twice addressed the Nation for the past lockdowns, was a bit bewildering even for veteran South Block pundits! At the critical juncture of the third lockdown, which meant a sharp rise in the graph of domestic violence and child abuse cases and also a shadow pandemic of mental disorder such as depression, anxiety, substance abuse, and suicide, the Nation indeed needed a few words of motivation from the Prime Minister. Most Indians are complying with the norms of lockdown but also a significant swathe of Indians is suffering on account of their addiction and economic miseries! Most experts took the view that his absence may be attributed to something 'unknown' which may have transpired between the Centre and the states during the video conference with the Chief Ministers, and the common surmise about the 'unknown' is the demand of the states for Central assistance to continue the combat against COVID-19 and insistence of some states to obtain mandates for reopening liquor shops! Another demand of some of the states was to allow stranded migrant workers to go home - and the states wanted the Centre to bear the cost.

Finally, a Central plan was made in tandem with the states, where the Union of India agreed to bear 85% of the cost and the rest was to be paid by the states concerned to the Indian Railways. Some of the states did the same and a few dozens of trains did smoothly ferry them home with the necessary quarantine protocol at the state-end. But some of the states, suffering from acute fund crunch, insisted on Railways charging the travellers for their tickets. So heartless! As if the poor labourers had not confronted enough brunt of misfortune, the Railways came up with a 'rescue' rationale that if tickets were not priced, there would have been a stampede of free travellers! Bihar, in particular, came under scathing attack from the opposition parties which decided to cash in on the misery of labourers and offered to pay for their tickets. Then came a bit delayed announcement that the state would bear the costs and would also dole out an extra sum of Rs 500 per person!

Even as political chicanery was ascendant on the issue of ferrying migrant labourers home, some States were given an earful about how the economy would reopen post-lockdown if migrant workers are transported home! Desperate to kick start economic activities which have hit nadir, one of the BJP-ruled states, Karnataka, took the decision to cancel trains and force-stay them wherever hapless workers are parked today! Nothing can be a more sordid demonstration of people-unfriendly and inhuman politics than this (economic package does not dilute the sin). How can a Government take such a decision in flagrant infraction of not only natural principles of justice, but also guaranteed Constitutional rights? I personally feel that the Union

of India should step in quickly to protect the dignity and Constitutional liberty of labourers before high-decibel squealing voices are heard! Millions of stranded labourers, deprived of their legally-earned wages, are living in extreme penury and represent ‘punished souls’ for no fault of theirs except for the fault of being poor! I clearly see it as a deserving case for suo moto cognizance by the Apex Court.

This brings me to the issue of state Exchequers going ‘almost bankrupt’! Even before the MHA officially loosened the restrictions w.e.f. 4 May, some of the states had openly talked about opening liquor shops. Again, very much like the issue of migrant labourers, no homework was done by the states except for ‘feeling good’ about the lucre enriching their kitties from 4 May! Their administrative experience should definitely have taught them one or two lessons about possible psychological responses of liquor cognoscenti! Unlocked after almost six weeks, the minimum the liquor management bureaucracy should have expected was to ensure reasonable compliance with social distancing and mandatory masks, apart from limiting the number of people standing in the snaking queue. Second, they should have announced in no unclear words that the opening of shops was not temporary. If one goes by the jostling crowds, my fear is that **India may take more weeks to flatten the curve.** For the fault of a few thousands, the entire nation and the economy may end up paying a higher price as COVID-19 is not going to go away anywhere as it has developed the ‘taste of the blood’! We must save ourselves from falling prey to the pathogen. Second, the states should have kept liquor in the essential supply category rather than applying the taxation principle of treating it as demerit or sin good! If supplying liquor by the states is a legal activity, how is that consuming liquor, which leads to ‘dependence’, becomes dispensable good! Online sale of liquor as one of essential items would go a long way in mitigating this problem as our battle against COVID-19 is a protracted one!

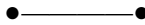
Let me now move away from the tale of the fall guy, the common man, demonstrating unquenchable thirst for liquor! As soon as the states saw long queues at their state-run shops, they saw a golden opportunity to collect extra moolah from the desperate crowd and notified what I had discussed in my last article on ‘FORCE’ - The COVID Cess or Fee! When the state coffers are diminished and badly need oodles of cash, who cares of niceties and political etiquettes about the prevailing crisis. A number of states hiked the MRP by over 70% and many called it COVID Fee! Nagaland was the first in imposing COVID Cess on petrol and diesel last Thursday. Since no state has talked about how long this additional levy would last, it is certainly going to be a permanent feature!

Liquor is the third largest source of revenue for states after SGST and VAT. Apart from State Excise Duty, many states also levy VAT on liquor. In addition, states also levy brewery fees, brand registration fee, import fee, export fee, permit fee, vend fee, licence fee for wholesale distributor, licence fee for warehousing and retail outlets, and licence fee for bars in five-star hotels, clubs, and standalone bars, and many more. Between 15% to 40% of the state revenue comes from liquor. Their last fiscal

collection was above Rs 250000 crore. If a 70% hike in MRP is sustained for a year, one may guesstimate huge revenue for the states. This indeed makes fiscal sense as SGST is unlikely to fetch much revenue this fiscal in view of the evaporation of economic activities in the economy.

Taking a cue from the states, the Central Government also decided to mop up additional revenue to the tune of over Rs 150000 crore by hiking excise duty on petrol and diesel. This hike is going to be absorbed by the Oil marketing companies, which have benefited from the recent fluctuation in the international price of crude oil. The next commodity which may enrich the Exchequer is imported liquor, where specific duty in place of ad valorem may enhance its revenue collections by at least five times. This would also eliminate the deep-rooted practice of **under-invoicing and manipulation of valuation** of bulk and bottled liquors.

Going by the fact that the Union of India has not yet announced any fiscal package either for the MSMEs or the industry at large, it is a clear sign that the Modi Government's finances are in rickety condition. Though printing extra currencies through the RBI for deficit-financing is an inevitably inescapable option, I would not be surprised if it goes for COVID CESS sooner than one may expect and may also make use of many of the recommendations made in the IRS Association Report! Perhaps, in the coming days we may have a Central Government Covid Cess and a state Government COVID Cess, both running simultaneously!



4

COVID-19-battered economy – Will the GST Council open the faucet of fiscal relief?*

MICROBES are known for their scant respect for geographical borders! Going by the aggressive surge of more than one lakh new cases per day, festooned with a soaring death curve at the global level, the COVID-19 pandemic remains far from any crest! In the last seven days, the global tally has swollen by close to NINE lakhs! Clearly, the outbreaks are too overwhelming for healthcare systems worldwide! The contagion canvas is too horrid, particularly for the poor countries which have now begun to account for three quarters of the daily number - fewer hospitals and trained doctors and nurses; scarce testing kits; and resources on ‘ventilators’ to purchase ventilators, PPEs and masks! The script is almost ready for running out of body bags and abandoning the dead on the streets like Ecuador! But affluent countries may do much to assist. A few can simply cater supplies such as testing kits and PPEs. Others can rise above their ‘wolf diplomacy’ and provide necessary financial help to combat the otherwise almost invincible virus!

In this terrifying backdrop, the most trustworthy global health agency, the World Health Organisation (WHO) seems to be going through a pejorative cycle of Götterdämmerung! The global body has, in the recent months, issued several statements in a perfunctory spirit and later walked back! Let’s consider what it said earlier this week - Asymptomatic COVID-19 patients largely do not infect others! This was interpreted worldwide as a hint to keep masks at an arm’s length! When its assertion was pilloried by critics, it fumbled and quickly retracted and stated that a lot remains unknown about the asymptomatic spread. It also noted that some studies have suggested that as high as 41% of transmission may be attributed to asymptomatic patients!

Two more such public fumbles may be traced back to the WHO, when it had stated that COVID-19 is not spread from human to human! It was early in March. After a few weeks, it goofed up again when it said that positive cases do not get protective anti-bodies! All such public utterances have come to be seen as nothing

* TIOL – COB (WEB) – 715 JUNE 11, 2020.

less than seppuku by such a trusted global body. A series of fumbles have certainly lowered its gravitas at a time when the international communities, particularly poor countries, rely on its pandemic-related advisories. India being the Chairman of the WHO Executive Board, does need to heed to all such *faux pas* and may drum up views for removal of its top brass in the coming months! Such a move would also cement the cracks pointed out by the Trump administration and arrest its decay. At this juncture, there is no choice and the global community needs to strengthen the WHO *faute de mieux*.

Back home in India, the unlocking process was rolled out at a time when the virus had begun to spread at a worrying rate in a number of states. The daily number of positive cases has skyrocketed to the numbers being reported by the countries which are almost through with their peak-surge. Ideally, India should have continued with the lockdown for at least six more weeks to swim through the projected flare-up, but the calamitous economic cost has forced it to confront a raft of political and health risks. The Central and state Governments are certainly in the know of the horrific projections for the coming weeks and also the woeful inadequacy of the public health infrastructure - but it is also true that our Governments have run out of necessary wherewithal and the economy has got unrecognisably battered!

Caught between the devil and deep sea, India has taken a plunge into the classical theory of 'Herd Immunity'! The number of positive cases is certainly more than what is being reported as too many new cases are being spurned for lack of beds. Looking at massive crowds moving like ice floes on streets, the Indian tally may leave behind by miles even the USA – and the unmistakable indicators are what the Delhi Chief Minister said the other day - COVID-19 beds are being black-marketed at a premium in private hospitals! If this is the state of affairs in early June, how scary the scenario is going to be in the coming weeks may be beyond the imagination of many!

The Modi Government has apparently taken such a risk to rescue the economy from falling down the cliff! Such a decision may be supported by wider constituencies, but it would be fruitful only if some overt fiscal measures are taken to prevent the rapid perishing of MSMEs - about 40% are almost asphyxiated! Neither the Central nor the state Governments have opened their fiscal faucets so far! Perhaps, a beginning may be in the offing for unleashing of fiscal stimulus as the GST Council is scheduled to meet on Friday through video conferencing. Though it is learnt that there are not many substantive agenda items and it is being largely organised to comply with the Business Rules of the Council – a mandatory quarterly meeting, I sincerely hope that the State Finance Ministers would not forfeit yet another opportunity to convince the Centre to grant some tax rate benefits, particularly to seriously-thrashed sectors like tourism, aviation, restaurants, construction, medical devices and many more. The minimum one expects from the Council is:

Defer GST payment for three months:

- GST (net payable in cash) may be permitted to be deferred for three months.
- No interest should be charged on the net cash (Gross liability minus ITC) for three months.
- After three months, the Government may start getting regular revenue in cash as the taxes of three months prior shall become payable, and thus, the entire cycle is only deferred.
- Many customers have defaulted or postponed bill payments due to business closures or general breakdown in corporate payment cycles, job losses, etc. Therefore, in such instances, the GST should be levied on actual payments received from customers and not on invoices raised so that the suppliers do not have to pay GST on delayed payments or defaults which are on the rise during the pandemic.

Allow ITC on goods donated as part of CSR during COVID-19:

- Donations made by businesses in view of the pandemic should not require reversal of ITC paid on supply of such items.
- As per Section 17(5)(h) of the CGST Act 2017, input tax credit shall not be available on the goods lost, stolen, destroyed, written off, or disposed of by way of gift or free samples.

Avoid GST on salaries of hired manpower:

- The Ministry of Corporate Affairs has clarified that Payment of salaries or wages in normal circumstances is a contractual and statutory obligation of the company. Similarly, payment of salaries or wages to employees and workers even during the lockdown period is a moral obligation of the employers, as they have no alternate source of employment or livelihood during this period.
- Several industries take a large part of their manpower on a contract basis through manpower supply agencies. This manpower is not on the payrolls of the industry. As on date, the industry pays GST towards such service to the Agency. The industry ends up paying GST @ 18% on the value of services which includes (a) wages or salaries, (b) statutorily mandated benefits such as PF, ESIS, etc., and (c) the commission or service charges to the Agency.

Permit ITC on immovable goods if a new unit is set up:

- In the last few years, companies around the world, which have made China their factory, have either shifted out of the country or are mulling over the idea. The outbreak of Coronavirus from China will only accelerate the

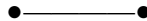
flight of the companies to India and Southeast Asian nations. India should become a preferred manufacturing alternative to China to attract a set-up of new manufacturing facilities.

- Section 17(5)(d) specifically disallows credit in respect of construction of an immovable property on one's own account including when such goods or services are used in the course of furtherance of business.
- Allow credit for setting up of the factories; keep Section 17 (5)(d) of the CGST Act, which denies ITC related to the construction of immovable property in abeyance for one year.

Go slow on enforcement - All preventive measures notified in last six months should be put on hold:

- Blocked credit under Rule 86A may be released. It gives a lot of liquidity.
- E-Way bills may be waived during the recovery of the economy during the COVID period.
- No GST audit for one year.
- Do not ask for value of like goods at the time of export.

I strongly believe that even if the Council gives its nod for 50% of these suggestions, it would go a long way in reinforcing the trust of the businesses in the seriousness of the Governments to revive the economy. Exceptional time needs exceptional action. And COVID-19 has created such an exceptional pitfall from which only a powerful 'recovery van' can pull the economy out!



5

The pandemic tightening its ironclad embrace again - Revenue back to dancing on a greasy pole!*

SO, we are back to square one! A bright twinkle of hope was born when science had lab-produced the coronavirus vaccine in a record-smashing time span! But it seems it is too premature for the world to wriggle out of the pandemic's ironclad embrace! The profusion of promises in the form of new vaccines, new life-saving treatments, and innovative relief packages by the Governments across the world appears to be woefully inadequate to stymie the rising loss of precious lives! It is literally raining deaths, again! Oof! Over 10,000 a day! For India, we are back to the viciously terrifying numeric of three digits - Over 275 a day! Over 50,000 new cases, again! Although I had profusely talked about how India cannot wish away the return of the second tempest, but the crippling virus has come back at a shocking pace! Thankfully for India, it is thus far not an explosively virulent mutant albeit the Ministry of Health has detected a 'double mutant variant' in 18 states!

So, one possible view that prevails in the country is that unlike in the US, Brazil and the EU, where it has turned into an unstoppable carrier of genocide (for suicide and massacres, humans are themselves capable enough *a la* Atlanta and Colorado gunfire tragedies), the pathogen is not so cruel to Indians! It is only in hundreds against thousands in the West! It may be true that we have turned thick-skinned to human losses in a few hundred, are stubbornly unmoved by deaths, or perhaps, have raised our sensitivity threshold so high that it is yet to unnerve our Freudian indices!

But, what about our economic well-being? Is it not true that our psychological threshold for economic comforts is too low? With a large swathe of our vulnerable population rapidly slipping on the greasy pole of per capita income as the spooked economy has eaten away their measly jobs, is it not going to derail the pace of our economic recovery? With Maharashtra reporting over 60 per cent of India's total daily caseload, is it not going to cease the 'financial engine' of the Indian economy? Are we not heading for a confidence-sapping pause? Is it too early to say that the pandemic may not succeed in yanking the re-ignited engine of the Indian economy?

* TIOL – COB (WEB) – 756 MARCH 25, 2021.

If the economy is once again going to stray from the script authored by the Union Finance Minister, the financial health of the Central as well as state Exchequers may once again head for a trolley of problems! After the pandemic squeezing the economy to its bare bones, the macro parameters have, in the last four months, begun to look up! Although some key variables may be seen vacillating, the PMI clocked above 57 in January and February. The pace of shop-floor activities was measured to be the quickest in the past nine years and almost all factories were heard humming! A flurry of activities also clocked abnormal rise in input inventories. As the pandemic plagued international demand, it was largely found to be a domestic-led rise.

Although demand may record a back-and-forth trend, it has so far been pretty robust for the tax collectors - and such a finding clearly comes out of the advance tax payments on 15 March, and also the GST monthly revenue statistics! The 4th instalment of advance tax has afforded the much-needed cylinder of oxygen for the Union Finance Minister and the Revenue tsars nesting in the North Block. The net direct tax collections have finally turned positive even after the liberal loosening of the refund purse. The hiatus in tax mop-up is now down to four per cent from 13 per cent on 15 December. Eye-wateringly large corporate earnings also imply that there would be more jobs created in the coming months, as it would kickstart the drowsy cycle of domestic investments.

So far as the production of goods goes, it is indeed a remarkable resurgence. However, goods represent just one engine of growth. The second engine - services - is yet to turn twinkle-toed. The pandemic has hugely soaked up its growth-friendly gases and it would take months to turn its crosshairs on full recovery. In this backdrop, my fiscal nous indicates that the second surge of the pandemic may grievously bruise both the engines again - and that would indeed be a scenario divebombed by a gaggle of misfortunes for the Revenue! No amount of fiscal wizardry would work! If our manufacturing sector once again collapses in its cocoon, it would clobber all the efforts of the Revenue to meet its slippery targets! A whacking time may roll out for the field officials, who would have no choice but to dragoon the taxpayers into unrealistic cycles of tax payments, ITC blockage, and litigation.

Litigation has been an unmitigated nemesis for the Indian tax system. Although a heavy jab of credit ought to be given to the Modi Government for taking a broil of measures to reduce the number of appeals filed by the Revenue and triggering *en masse* withdrawal of low-tax effect cases from courts, the faucet of fresh barrel of supply is not yet plugged. To unlock revenue from the rising silos of tax arrears, the Government had come out with two dispute resolution schemes – the *Vivad Se Vishwas Scheme* (VsV) on the direct tax side, and the *Sabka Vishwas Legacy Dispute Resolution Scheme* (SVLDRS) on indirect tax side. Both the schemes have proven 'gorilla' success for the Exchequer. What may add a bit more fiscal flab to them is a bit extra breathing time to deposit the settled amount till 30 April if the declaration is made on 31 March. Since there are conflicting instructions from the Board, the trade and industry are a bit bewildered.

On the SVLDRS front, this scheme ended and an extended window to pay tax was provided till 30 June 2020. This was the peak of the ruinous pandemic period and a good number of declarants failed to mobilise resources to make the deposits. As per the CBIC's letter dated 14 July 2020, a sum of Rs 3972 crore from about 24,000 ARNs was pending realisation as on 1 July 2020. These are SVLDRS-3 cases where an intimation was telegraphed to deposit the tax. Ideally, given the need for resources to fund the on-going vaccination campaign, and also the objective of the scheme to reduce mounting litigation, the Union Finance Minister should open a new window to deal with this unusual fiscal whodunnit and pocket this neat sum of Rs 4000 crore when every penny counts for the nation today!

Any semblance of rule-based intransigence or rabidly stringent rules to debar these small businesses to settle their disputes would go against the words of the Prime Minister, who knows very well just how difficult it is for small businesses to survive today. Besides, a clear-eyed message coming from the number of declarations made under the scheme is that the 'dinosaurs' of the industry have simply let it go and the keen takers have been small and medium-sized enterprises which continue to crave for hand-holding when the pandemic seems hell-bent on deepening the craters in the economy! I sincerely hope that the Union Finance Minister would not prefer getting caught or hamstrung by rules when the taxpayers, freighted with legacy disputes, are keen to pay the pending taxes and start with a clean slate!



6

COVID-19 - Choking off the breathing pipe - Delay in 'oxygenating' the Fiscal Policy tightens chokehold!*

INDIA is in a state of utter physical and mental exhaustion - tired and bedraggled! Eye-watering amounts of aches and pain have spared none! The high-octane COVID-19, which began to grow like bamboo shoots after rains, has largely succeeded in firing a taser to incapacitate the life of the entire nation! We have been witness to a series of harrowing scenes of tragedies in the recent weeks- a very stiff chokehold on our normal life! With the daily caseload of the radioactive contagion still staying afloat above two lakhs, it continues to choke our breathing pipe! The genius loci across the entire territory are none but Hades, the Greek god of death, and interestingly, the son of Cronus! Tut-tut, over 4000 dying on a daily basis! The number is toxic and steeply mountainous if we go by unofficial figures! Not less than a carnage is being reported from rural India, where hospitals are almost non-existent!

With the left-in-the-lurch bread-earners gone, pillars of kitchen smoke are missing in thousands of households across the country as the lethal virus has literally entombed their homes! The cost of living, a popular jargon for economists worldwide, has lost its meaning, hopefully temporarily, in India! What has become voguish is the cost of dying, which a large number of poor families cannot afford and have no choice but to 'submit' the dead bodies of their loved ones to the holy river Ganges! For those who can afford a decent burial, a gaggle of gravediggers and funeral service providers have diligently been burning midnight 'pyres' for the past two months.

On their parts, the Central and the state Governments claim to be doing everything with a stone in the shoe, but the prominent faces extolled for their panjandrum in the power corridors have been held by their collars for not doing anything for the elimination of 'choke' points! None of the 'tools' devised by the Governments appear to be having a tangible bite in the spiralling number of fresh cases! People have been accusing the Governments of plumbing to an unfathomable depth of political and administrative cowardice and not doing anything in public weal! Amidst

* TIOL – COB (WEB) – 765 MAY 27, 2021.

a lengthening thread of pain points, one of the 'can't breathe' sparring points has been the levy of IGST on import of oxygen concentrators. Truly speaking, the levy of GST and Customs duty on a wide range of drugs, medical devices, and personal protective kits, amid the rising death toll, have come to symbolise insensitivity and remorselessness of the tawdry political elites!

Against such a soaring 'pillar' of stigma and po-faced policy approach, the expression 'tax' itself has become a cause célèbre. Though the Union Finance Minister may gift herself a few moments of solace by believing that this is political dirt-digging, it is certainly more than politics - it's about life, which no power on this planet can give but can certainly help save it! This is where the Ministry of Finance, in particular the CBIC, has been morphed into a *dramatis persona*! Had the Finance Minister consulted beyond the caucus of technocrats - who are trained to mouth inputs to garner more and more taxes; or heard the deafening din being made by the common people, a timely political wisdom would have parachuted to save the day at least for the Ministry of Finance! No political elite, honest to one's profession of competitive politics of governance, would have strained one's auditory nerves to hear such anti-people suggestions even sotto voce!

Before I talk about the scheduled virtual GST Council meeting tomorrow and what may, in all probability, transpire there, it would be more contextual to first dwell on the latest Delhi High Court decision (2021-TIOL-1168-HC-DEL-CUS) in the case of import of oxygen concentrator by an individual combating the lethal pathogen for unimpeded breath! Hearing the petition of the 85-year-old individual importer, who was gifted an oxygen concentrator by his nephew residing abroad, the Bench noted that albeit tax does not ordinarily recognise equity, it ought to bent to its will in times of calamity (any taker in the Ministry of Finance or the GST Council?) Linking it to a healthy and dignified life as guaranteed under Article 21 of the Constitution, the High Court underlines that the approach needs to change in times of war and pandemic. While tossing out the CBIC Notification No 30/2021 as illegal and partisan, the Bench found that the levy of IGST on the individual importer runs afoul of Article 14 of the Constitution too. In a nutshell, the present time is so acutely traumatic that even the interpretation of a taxing provision needs to mirror the grief of prevailing times, which threatens to disrupt the social order. In his letter to the Union Finance Minister, Mr Manpreet Singh Badal, the Finance Minister of Punjab, aptly sums it up as a case of excessive delegation of legislative powers to officials and also a disconnect between the tax administration and the judiciary.

I am sure that such a court order may be viewed in some quarter of the Executive as a case of judicial overreach or stepping on the toes of the Government, but when the Executive turns thick-skinned and insulates itself from distress and bleeding of the society at large, the buck inevitably passes on to another pillar of the system, the judiciary, to bridge the void, voila! Ordinarily, the elected Executive should be more responsive to pain of the people getting tetchy, but in the case of IGST, the policy-makers are being seen as having chortle over cappuccino in the North Block! The

Finance Minister has a moral and constitutional duty to find out where her trusted team of technocrats goofed up and proved themselves to be whippersnappers!

The first Notification 28/2021 was issued on 24 April, exempting more than a dozen of COVID-19 related items from Basic Customs Duty and Health Cess, but a conscious decision was taken to collect IGST! Then popped up a query from an individual importer about the levy of IGST, which was mechanically answered as 28% tax rate. This was apparently seen as a smack in the face of the deepening crisis in the country, and it created a crotchety and high-decibel controversy. Many grizzled politicians and civil society leaders across India felt scorned, appalled and aghast at such a tax rate when the nation is paying the huge cost of excessive timidity of the Government! This prodded the North Block to issue a face-saving Notification 30/2021 on 1 May where a concessional rate of 12% was offered in case of individual importers. Like a scalded cat, they also issued a detailed FAQ on import of various medical equipment. The essence of all these notifications and FAQ is that no IGST is to be paid if imported free of cost for free distribution as a part of COVID-19 relief through NGOs and other agencies. This flabbergasted the nation again as such a policy ill-treats the gesture of Indian 'persons', including corporates that paid to buy COVID-related supplies from foreign suppliers for free distribution in India albeit the objective of free supply by foreign countries or NGOs and Indian entities importing such supplies against payment remain the same - free distribution in India!

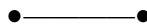
The issue was taken up by the Fitment Committee in the last week of April, but the bulldozing caucus managed to slam-dunk the sane voices and prevailed on the winning rationale that if an Indian importer can pay for such relief supplies, they can also afford to pay tax, ouch! Indeed, it has been a timeless fiscal approach of our policy makers to dragoon taxpayers into paying for the work which should have been done by the Government. Wah-wah! Let the nation pay an additional cost for the Government's failure to save 'melting' souls! This is a shining example of how a simple issue of helping haplessly dying Indians can be morphed into a fiendishly complicated fiscal challenge! Even as the rigidity of our *babudom* prevails, here comes the Delhi High Court order tossing out the Notification granting concessional rate, which inadvertently takes us back to 28% IGST rate till it is further reduced or exempted. This has created a more piquant situation for the desperate importers, whose oxygen concentrators are piling up at Customs stations for lack of quick clarifications! The bitten-off Customs has, in the latest ad hoc exemption notification, further parachuted in many conditions if COVID-related supplies are imported by different categories of importers.

The issue of reducing GST rates on various medical items and drugs needed for the treatment of COVID-19 infected patients is likely to dominate the virtual deliberations tomorrow at the GST Council meeting, which is strangely taking place after a little over seven months. Such a wide canyon of time may itself become a sparring issue for some finger-wagging state Finance Ministers, who have been demanding election for the post of Vice-Chairman of the Council. If they are going

to jaw-jaw over tax rates, normal PPE kits, masks, sanitisers, oximeters, and other common items should also be included for concessional rates. Many states, including Punjab, have written to the Centre for such concessions. West Bengal's Finance Minister has written to the Council Chairperson to go the extra mile and, in no uncertain words, jockeyed for exemption or make zero-rated taxation for many as items as she can do to help relieve the pain of COVID-19 patients. For the Customs, the Centre alone can do it and it should not duck or glower at such demands being made repeatedly by the states and also by the civil society leaders.

The second issue which is bound to come up is that of compensation for the fiscal 2021-22, which is to be debated and finalised like the previous year - a messy conundrum, genetically! If time permits, the Council may also take up a few recommendations of the Law Committee, such as notifying the beneficial amendment made in Section 50 vide the Finance Act, 2021; exemption to Government departments from the issue of e-invoice, and rationalisation of late fee. Some of the other issues could be the long-pending pain of GST on ENA; conversion of monthly to quarterly payment under the QRMP scheme; some GSTN issues, and also perhaps some court directions given to the Council. However, I expect that non-fiscal flimflam may cut the jaw-jaw short and some important issues may be pushed to the next meeting!

If the state Ministers and the Union Finance Minister are serious about COVID-19 related concessions to be passed on to taxpayers, they need to be twinkle-toed about allowing ITC on free distribution done under CSR, and even without CSR by amending Section 17(5) of the CGST Act 2017. Denying ITC amounts to discrimination and a slap in the face when the Indian corporates deserve plaudits for holding hands of the needy. I know that an amendment or insertion of a proviso in this Section may take time, but the Removal of Difficulty Rules u/s 172 may prove to come handy if the Council decides so. The Council also needs to unsnarl the logjam over the demand for GST exemption to vaccines as the onus falls on the states to source them directly from the manufacturers. Ideally, it should be made zero-rated so that the ITC chain is not upended; and in case of imports, refunds should be considered. The objective of the Council should be to sow signs of recovery and hope and support to the gaslit nation, which is finding it difficult to clutch at sanity while dealing with the swelling pandemic purgatories. I sincerely hope that the missing thinking cap would be back to the key decision-makers at this critical time!



PART VII
VEXATIOUS VACCINATION –
JABS VS JAB-NOTS

Introduction

The world has lost millions of people in its war against the clan of coronaviruses. In addition, the world economy has also suffered like never before in 100 years - and the only redeemer is vaccination. The history of vaccinology and virology reveals that it takes years, if not decades now, to develop efficacious vaccines. Beginning with Edward Jenner's innovations in 1796, it took two centuries to develop an effective vaccine for smallpox. Only from the middle of the 20th century did the pace gather momentum and deliverance in the form of a small glass vial came much faster for several diseases – but not all!

Humanity is lucky and will always remain indebted to science for developing an efficacious vaccine for COVID-19 in a record time period of 10 months. Of course, a major part of the laurel goes to the generations of scientists, who had tirelessly worked on genome sequencing projects after SARS-1 and MERS walloped certain parts of the world in 2003. Since the COVID-19 pathogen comes from the same clan and genomic data was readily available, it saved precious time to begin research on the actual vaccine development. What further proved handy is the messenger RNA technology already developed by America's Defence Advanced Research Projects Agency (DARPA). The technical knowhow platform was also almost cooked for a stable take-off!

In this backdrop, the first two runners - Pfizer and Moderna - deserve plaudits for coming with over 90% effective vaccines. What made them twinkle-footed or provided an extra pair of feet was the ballsy risk-taking appetite shown by the political leadership, not only in the US, but also in many other countries. Governments across the globe took huge risks and pumped in funds at the vaccine development stage. For instance, the Trump administration doled out USD 2.5 billion for Moderna; India invested in Bharat Biotech and other vaccines; and Russia did it for Sputnik. Notwithstanding the generous contributions by the Governments, all such sums put in together for vaccine development across the world may look piddling against the USD 10 trillion economic stimuli packages unveiled so far. Had a good fraction of this sum been made available for rapid vaccine development, manufacture, and distribution, the world would have avoided dawdling precious time on designing export restrictions on raw materials needed for vaccine manufacture; export of vaccine to needy countries; vaccine nationalism; vaccine diplomacy; and geopolitical churning over who is to be donated first and on basis of what criteria?

Driven by geopolitical rapacity to beat the Western countries, China strangely took a headlong plunge into vaccine diplomacy even before it could inoculate its own highly vulnerable population. Or, one may even see a pernicious design in its diplomatic somersault as all its vaccines were supplied to the Middle Eastern and

Latin American countries even before their third phase trial was done! A motive to use people outside China as guinea pigs can also be attributed. In fact, this was one of the prime reasons for Brazil to reject its supplies. The story of vaccine nationalism is equally repugnant as not caring for others, the most richest nations overbooked the limited production for their own citizens - leaving minimal quantity for the COVAX. The quantum of overbooking can be gauged from the fact that the US went for three doses per citizen; Canada for 10 jabs per citizen; Australia for 5 doses; and the EU no less than their comparable.

India turns out to be a unique case, as despite being the largest manufacturer of vaccines, it messed up its vaccination drive by not doing proper homework! India ended up donating and exporting over 600 million doses to 76 countries, and finally ran short of enough stock piles to sustain the domestic pace of vaccination. This muddied the political waters as allegations from opposition-ruled states began flying thick. Shallow policy of delegating sourcing of vaccines by the states led to instances where manufacturers were threatened! Finally, a good sense prevailed and the erstwhile centralised policy was restored, leaving 25% of the stocks for the private hospitals to source from manufacturers. A wise decision was taken to cap the MRP of all the vaccines available in India as too many instances of fleecing were reported.

Even as vaccination picks up momentum in many parts of the world, a parallel system of intensive research on a generation of antibodies in the vaccinated and unvaccinated but infected by the virus, and switching of vaccines should be undertaken in right earnest. Answers to some of the issues, like determining the threshold for anti-bodies where the virus infection is neutralised and the number of jabs required by people who have survived the cycle of infection, are to be found out. What about people who consume immunosuppressant medicines? Will the vaccine work? There are several questions which go unanswered today and timely scientific answers would certainly help save vaccines, which may be used to vaccinated the unvaccinated! Given the large world population and the fact that a large number of poor countries cannot afford vaccines, the rich world will have to donate or fund vaccination till the last man is done with. Second, the new variants pose a new set of challenges to the on-going vaccination drives as some of the preliminary studies have indicated that vaccines' efficacy is partly neutralised by them. This calls for boosters and perhaps, several rounds of boosters to defenestrate the virus out of the mother planet, perhaps in the space junkyard!

Chapter 1 looks into the history of vaccine development, the time taken and how modern technology has revolutionised the entire field of vaccinology including a shift from DNA-based to mRNA platform; since the present pandemic is a once-in-a-century visitor, there was no supply chain in place to distribute the vaccines; how China rushes in to roll out unfinished and semi-tried vaccines by compromising on the safety of people; how a scramble for initial stocks of vaccines led by vaccine nationalism deprived poor countries of their fair share; and how just a fraction of

global stimulus package of USD 10 trillion may have expedited vaccine development and lent efficiency to global distribution channel.

Chapter 2 touches the emotive issues of people dying and mortuaries overflowing with body bags; severe impact on the global economy, leading to almost 8% shrinkage in the global output; thanks to overambitious economic stimulus package, how the debt to GDP ratio soars in many countries; though vaccine is declared as a global public good, none talks about the resources for its manufacture and distribution; Global Justice Network appeals for mobilising resources by preventing tax avoidance by MNCs and how to gather extra resources by levying COVID Cess on companies which have profited during the pandemic; taxing the huge wealth parked in tax havens; and what world leaders can do against difficult circumstances.

Chapter 3 deals with the good news coming from Pfizer and Moderna seeking emergency authorisation in the US to roll out their vaccines; how such a development triggered a race among the rich nations to grant approval to the vaccines ahead of others and the UK and the US finally roll out vaccination with Pfizer product; driven by *Aatma Nirbhar* the doctrine, India eyes February 2021 to roll out programmes with its own home-grown vaccines and deciding against Pfizer for two reasons - high cost and logistical challenges as cryogenic containers were required to store Pfizer vaccines; and details of how mRNA vaccines work in the human body.

Chapter 4 provides a peep into the window of nationwide joy after the first jab is administered in the US; for lack of reliable data, Brazil defers the launch of Chinese vaccine; though Germany is home for key research done for Pfizer vaccine, it fails to lay its hand on initial stocks; frontline workers and 80-plus population given priority for vaccination; Anti-vaxxers indulge in rumour-mongering, such as Bill Gates keen on embedding microchips and the WHO warns against an infodemic; how much vaccination is needed for the breakthrough of herd immunity of a country; and how political elites can help persuade anti-vaxxers for vaccination.

Chapter 5 deals with how a new variant devastates UK after it rolls out vaccination; what the virus does once it enters the host; need for vaccine cargo protocol and how demand for vaccine accompaniments such as needle, vials, etc skyrocket by 49% in first half of 2020; how many countries put restrictions on the export of vaccine inputs; global regulators ring alarm bells about international trading in fake vaccines and the steps required to be taken; the problem closely linked to increased hospitalisation is the disposal of medical waste and Customs needs to be on alert in this regard; and what Indian Customs needs to do to facilitate import of vaccines.

Chapter 6 deals with how even advanced countries turn out to be vaccine dawdlers and how the Trump administration fails to accelerate jabbing programmes; the EU stands out among the rich economies as a vaccine laggard even as the UK variant of the virus causes havoc; a new variant from South Africa is detected and is found to

be as transmissible as the UK variant; animal reservoir traced as the origin of the UK variant by researchers; how genomic information already available in the genome bank helped vaccine developers; and India finally announces vaccination to defuse the political time bomb!

Chapter 7 elaborates on how the new surge in infections amounts to a carnage against the poor who fail to get any medical help; how lockdown was seen as a tool meant only for rich countries; experts take the view that the only two effective measures against COVID-19 are lockdown and accelerated vaccination - the latter as a long-term solution and the former as a short-term preventive tool; given the lack of research, the virus continues to have an edge over science as vaccination protection may be for a limited period; though vaccines trigger certain side-effects which halted drives in many countries, the benefits outweigh the risks; how Bhutan manages to vaccinate 85% of its population within a week; and how vaccines cause more side-effects in women *vis-a-vis* men.

Chapter 8 highlights how the West prefers to focus on domestic turfs rather than joining the race whistled by China and Russia in the shape of vaccine diplomacy; What guidelines were followed by the US to donate its surplus stock of vaccines - the doctrine of physical proximity and how India miscalculated its domestic requirement and ended up exporting and donating a large part of its stockpile; India goes for a new vaccination policy but politics would continue to roil it in the coming months on various grounds; Vaccine doses may be saved if political leaders follow science; researchers find that people infected by the virus may not need more than one jab for producing enough antibodies; though two-jab vaccine is equally good in producing antibodies, but protection may last longer in case of people who have survived infection and gotten vaccinated as memory B cells reside in the bone marrow; though science is yet to discover how long the protection would last, antibodies generated by vaccines would be good enough to deal with new variants; and switching of vaccines perform better.



1

COVID-19: Deliverance in small glass vial coming but geopolitics needs to be ‘vaccinated’ first!*

THE History of vaccinology, virology, and epidemiology clearly establishes that science has always been a laggard! Quite naturally! Because it takes years to collect data, design experiments, conduct several phases of human trials, and verify final results! However, going by a stream of good news pouring out with details of the very high efficacy of COVID-19 vaccines with manageable side-effects *a la* Moderna’s and Pfizer’s initial trial findings and the same being greeted globally with whoops of joy, the historical myth seems to have been buried. Evidently, the global scientific community has prolifically learnt from their sluggish responses to outbreaks in the past! That is how humanity is barely a few weeks away from deliverance in the form of a small glass vial!

The coronavirus has devoured more than a million precious lives and rampaged the global economy to a crippling degree. The pandemic is barely one-year-old, but it has literally fatigued frontline workers, policy makers, political leadership, and the common man, who have begun to demonstrate precarious side effects in the form of mass mental illness and widespread suicide. The only glimmer of hope is an effective vaccine against the fast-mutating pathogen and scientists globally, in blazing display of bravura, seem to have delivered it within a record time! It has never happened in the past! What has made it possible is the combination of tech-enabled pharma companies and strong political leadership opting for risky investments in the research and development of vaccines!

For instance, the Trump administration, which recently suffered a huge political blow on account of the marauding pandemic, had pumped in USD 2.5 billion in the hugely risky R&D by the biotechnology firm Moderna, which has claimed 95% efficacy for its vaccine last Monday. Moderna’s claim has come back-to-back with Pfizer making a promising claim of 90% effectiveness for its vaccine - both following the mRNA route. Unlike in the past when vaccines used to be based on the

* TIOL – COB (WEB) – 738 NOVEMBER 19, 2020.

virus particles or inactivated strains, COVID-19 vaccines are starkly different - based on viral genomes - and it has worked faster with greater efficacy!

There are as many as 170 vaccine candidates across the world. India alone has 22 such candidates, which are at different stages of development. In the next four months, there is going to be unfolding of similar news at an interval of every 10 days. Availability of two-jab-vaccines has become a *fait accompli*. Although the real challenge for most developers is going to be the storage at room temperature and to ensure effectiveness not only in protecting the vaccinated person, but also in stymieing further infection from the immunised person. I am sure that the global scientific community would succeed in answering all such hitherto quizzical questions in the coming months. However, what may constitute a much grimmer and testy challenge for the world is the conspicuous absence of a time-tested supply chain of proven credentials for its equitable distribution and acute possibility of ‘vaccine nationalism’, coupled with the churlish ‘vaccine diplomacy’!

Let’s consider some of the recent missteps of China, which has given a short shrift to long-standing rules in order to race ahead in distributing COVID-19 vaccines to win over Middle Eastern countries. Even before clinical trials are wrapped up, China has gone for mass roll-out of vaccines. The Chinese company Sinopharm has provided doses of vaccines to the UAE. It has gone for its phase 3 trial in many West Asian countries like Egypt, Jordan, Bahrain, and others. China is apparently hoping that if its vaccine turns out to be safe and effective, it would be able to expand its geopolitical influence before the West comes up with their own vaccines and donate them to low-income countries. If the trial fails, it would extract huge human costs, but it would not be of Chinese nationals! A stinking piece of vaccine diplomacy, indeed! Smelling it in time, Brazil has cancelled the phase 3 trial of Chinese vaccines.

Let me now switch to ‘vaccine nationalism’ being practised with a heavy dose of hawkishness and solipsism by some rich countries. Though COVID-19 is a worldwide crisis, leaving none unaffected, but there is already a scramble among the affluent countries to corner a major share of the first lot of stocks in the making. A good number of such countries are yet to join the WHO-led global initiative called COVAX. It is a global alliance of rich and low-income countries for funding development and distribution of vaccines. However, affluent countries are seemingly pursuing a predatory policy at the cost of poor countries, and have managed to corner over 50% of vaccines in the making through Advance Market Commitments (AMC). Obviously, a canyon would initially exist between what is needed and what is going to be manufactured! America, which has not joined COVAX, has pre-ordered about one billion vaccines from six most promising vaccine makers. This amounts to three doses per American. Canada has booked orders - 10 jabs per citizen. Australia has gone for five jabs per citizen. Russia has also not joined COVAX. Though the EU has boarded the COVAX bus, many of its members have also gone for bilateral arrangements and pre-booked vaccines in millions.

In other words, what is going to be left for the COVAX facility is barely 500 million jabs- and it is to be equitably distributed among as many as 180 countries. As per the COVAX policy, it would first provide sufficient jabs for 3% of the population of each member country, so that Corona warriors could be immunised first. Depending on the availability of remaining stocks, more may be allocated for a maximum of 20% of the population of each country. One of the major challenges COVAX is facing today is the fund crunch. It has so far garnered barely USD 5 billion, whereas it needs over USD 50 billion to pre-order sufficient stocks and also hard-negotiate the price as a bulk buyer. It is learnt that it has already achieved the USD 3 rate per jab.

Strangely, economic stimuli worth over USD 10 trillion have been spent to deal with the pernicious impact of the pandemic so far but the affluent countries have failed to bankroll the development of vaccines, requiring funds to the tune of USD 100 billion. Take the case of Pfizer. It invested its own funds of USD 2 billion to develop the vaccine. Had the rich countries come together to apportion the risk of R&D, these drug makers would perhaps have come out much faster with not only vaccines, but also other drugs to treat critical patients. Second, gargantuan investment is entailed to expand the manufacturing capacities so that there is enough for at least half of the world population. Going by the present manufacturing infrastructure, a major swathe of which is available in India, not even 30% of the global population can be immunised by the end of 2021!

Finally comes the insuperable challenge of global logistics to transport the vaccines to over six billion people. Storage of vaccines, coupled with mountains of needles and vials is going to be a Herculean task, which would not only hinder the speed of distribution, but would also lead to wastage if enough freezers are not made available. It is going to be an unparalleled global supply chain which has to be built with care and minimum politics to ensure fair distribution of vials. It would also depend on the type of vaccines which may require ultra-cold freezers or normal temperature freezers. Adequate supply of syringes, needles and glass vials is going to be a dinosaurian problem which cannot be solved on the hoof! An associated problem which global political leadership may have to deal with in future is going to be the hoarding of vaccines by the ‘Shylocks’ in the industry. Such a problem may get exacerbated if hoarders earn the backing of kleptocratic political forces in poor countries.

Back home in India, things may not look up too bright! Though India’s vaccine manufacturing capacity is unmatched in the world and is vital for producing billions of doses, it is also going to confront one of the most politically-fractious tasks ahead. As many as 22 vaccine candidates (the Central Government has invested in many of them) are beavering away at various stages of development. At least four of them have entered into phase 3 trial. India may expect its indigenously-developed vaccines by March 2021. However, the painful period would roll out only after vaccines are available on the plate. India would receive a piddling share from the COVAX facility

and may manufacture indigenously-developed vaccines in millions, but by all optimistic yardsticks, it may not be able to immunise more than one-fourth of its population by the end of 2021. It would take at least 30-36 months for India to provide twin jabs to its entire population.

The scenario is going to be much grimmer and grotesque for low-income countries, which will have to wait for the surplus stored by the rich countries but not needed by their citizens. Once they donate generously or fund through the COVAX facility along with a smarter expansion in the global supply chain, COVID-19 may be banished from the planet. Till the time it is eradicated from all the corners of the world, no country, no matter how affluent one may be, can be expected to have a fireball in place against future mutation of the mutation-loving corona family of viruses! I sincerely hope that affluent countries are in the know of such a reality and may rise above the plank of vaccine nationalism and do everything to vapourise the virus, leaving no trace of it on our planet!



2

COVID-19: Funding of the Global Vaccination Mission - Time to take the gilt off tax havens' gingerbread!*

EVEN after almost a year, the monster of COVID-19 continues to be on the loose causing as much carnage as possible. It has gobbled up more than 1.4 million people with over 60 million caseloads across the world. All efforts to keep its bristling and 'fast-mutating' temper on leash have come a cropper! It has desensitised and fatigued not only the corona warriors and people in general, but also the political leadership worldwide! That is how we often see the gory and ugly spectacle of ill-treatment being meted out to hapless victims of the pandemic and their cadavers sprawling bare in the middle of busy streets in many countries! Visuals of dead bodies spilling out of mortuaries and crematoriums being deluged are replete on the idiot-box - and they have literally blunted the sanity and sensibility of legions of people either holed up in their flats or locked out in their abodes, waiting for the news relating to early salvation!

On the global economic front, its impact has been too seismic to be precisely measured by any Richter Scale! The lockdowns imposed to trammel the pandemic have resulted in a labour market implosion in which close to 600 million jobs have melted down, at least for the next few years! As per IMF forecasts, the global output would shrink by eight per cent by the end of 2020. A quick comparison reveals that the 2009 recession had contracted the global output only by 0.1 per cent and the Spanish flu in 1918 only by 5%. It is indeed too tricky to estimate the breadth and the depth of the damage done so far by COVID-19! Some studies indicate that the pandemic has already pushed close to 100 million people into extreme poverty - a jump of 17%! Some reports suggest that as high as 10% of the Americans have given serious thought to committing suicide! Starved of resources to deal with the horrific consequences of the pandemic, many low-income economies like Ghana have begun to sell most of their future gold royalties! Many pandemic-bruised countries have dispensed with any semblance of pretence of being an emerging economy!

* TIOL – COB (WEB) – 739 NOVEMBER 26, 2020.

Undoubtedly, a large number of governments, particularly in the rich world, have intervened to batten down the economy with obese economic packages. Globally, economic stimuli worth more than USD 10 trillion have been unfolded as a last-gasp effort to support furloughed employees and drowning corporations. Thanks to the newly-found financial activism, Central Banks across the world have soaked up government debts amounting to trillions of dollars and lowered interest rates - close to zero in many countries! It has predictably enhanced the public debt-to-GDP ratio of all economies to not only unprecedented, but also unmanageable levels! Succinctly put, the pandemic has literally beggared governments across the world! Such a grotesque impasse would have been avoided had any heed been paid to the World Bank 2013 Report, which had estimated an annual cost of USD 3.4 billion to build a robust pandemic prevention apparatus!

Now, the unfathomable question is - with the border-hopping pandemic swirling into second and third waves in a large part of the globe and the Governments bracing up for ruthlessly diminished tax revenues for the foreseeable future, how will the world finance not only the on-going health expenses and, perhaps, the need for more fiscal spigots, but also the cost of vaccines to be rolled out soon? What makes the task more daunting and extravagantly expensive is the recent acknowledgement of the vaccine-in-the-making by G-20 countries as a **'global public good'**! If it is so, the entire drill of vaccination may be expected to be funded by Governments across the world and it would further escalate public spending. The history of Government spending, which began with 5% of the GDP in the 1600s, shows that it has peaked close to 38% till last year for the advanced countries. If low-income countries are also going to bear the costs, they would certainly need more resources than the ones provided in the form of debts either by the IMF, the World Bank, the rich countries, or the piddling donations. Though the sword of 'hysteresis' (easy to jack up government spending but difficult to push it down) would hang over for longer period of time, the pandemic has created a situation where all Governments are caught between two stools!

If the IMF and the WB do not have enough to lend, where would the additional resources come from? Is there any 'magic money tree' on this planet? It is going to be more piquantly tricky for 30 African countries which have, as per the latest OECD studies, witnessed festering stagnation in their tax-to-GDP ratio at 16.5% for the fifth consecutive year! As per the State of Tax Justice 2020, a report tailored by the Tax Justice Network, Governments globally lose over USD 427 billion annually on account of corporate tax abuse and private tax evasion - and this sum represents the salary of 34 million nurses - one nurse's annual salary every second. The estimated magnitude of tax avoidance amounts to 8% of the health budgets of rich countries and over 50% for low-income economies. The report also pins down developed economies, blaming them for 98% of all tax losses! The Report has evidently faulted the extant international tax system, which needs to be reprogrammed to prioritise equality over the whims of the wealthiest. The Report emphasises that tax revenues

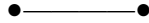
should arise in the same place where the underlying economic activity takes place. It underlines that *'... profits generated by workers and consumers in a country should be taxed in that country where the health needs of those workers and consumers arise, not in a tax haven where the corporation only exists as a rented mailbox. The pandemic highlights the moral bankruptcy of allowing value to be captured far from where it is generated'*.

The Tax Justice Network Report further recommends that the additional tax revenues should be garnered above all from those who have profited during COVID times, not from their own ingenuity or hard work, but from sheer luck that enables them to benefit from the unprecedented state interventions in the economy. Huge profits have accrued to e-platforms like Amazon, because most of their physical competitors have been shut down on account of lockdowns. It has strongly recommended a new levy of 'Excess Profit Tax'; 'Wealth Tax', and also UN Tax Convention in place of grandiose failure of the OECD to stymie the culture of base erosion and profit shifting!

Another cunning but doable solution to garner additional resources to fund the global vaccination mission can be, if G20 forges unanimity over it, the funds parked in tax havens. As per various studies, offshore financial centres (OFCs) are sleeping over embarrassingly cushy piles of over USD 36 trillion in gold, securities, and cash. They are the Cayman Islands, the Isle of Man, Hong Kong, Switzerland, Luxembourg, Lichtenstein, Ireland, Singapore, Panama, and many others. The Tax Justice Network puts finger at the US as the second-most complicit economy after the Cayman Islands in helping wealthy individuals to skulk their assets. Ironically, America is one of the most vehemently pandemic hit countries today. Though it is home to capitalism, it does need additional resources to put back the economy on rail. Interestingly, its new President, Joe Biden, is also keen to reset not only the domestic politics and foreign policy, but also the global tax system. For decades, the OFCs have been instrumental in providing sinister shelter to MNC's profits and individuals' wealth from taxation. MNCs have enabled their shareholders to pocket trillions of untaxed dollars and have aggravated income inequality in the world. The time has indeed come for the G20 to take the gilt off their gingerbread.

COVID-19 has indeed imposed a new economic reality on the world. The pandemic risks have been ossifying economies. This is the most delicately sensitive epoch in the history where humanity entails all Governments to come together and form an iron fist strong enough to punch holes in the politically scraggy body of tax havens and make them pay for their sins and distortions in the world financial order by funding the global vaccination mission! It is perhaps the most opportune time to punch into the UK's Spider Web blameworthy for 29% of the global corporate tax loss. For long, the world has tolerated these tax havens and huge responsibility now rests on the shoulders of key global leaders to ensure that the tax havens are subjected to embrace their apocalyptic end! Any dilly-dallying today may leave

irreparable scars on the global economy for a long time to come! The global leaders also need to guard against the spectre of vaccine apartheid, which looms large over the horizon if one looks at the present status of the cobwebbed geopolitical order marred by divisive wedge!



3

Corona vaccine with maximum efficacy may ONLY ‘sleepwalk’ in India!*

IT is a racy time for the coronavirus - it killed close to 2300 Americans yesterday and took the global death toll close to 1.5 million! So is also the case with vaccine manufacturers, drug regulators, and global political leaders. All appear to be not only sprinting against the clock, but also among themselves to score a bout of political capital! They also seem to be following notably two planks - ‘It takes two to tango’ and ‘It takes many to ‘tangle’! Most vaccine developers and manufacturers have rested their scientific endeavours on the first plank - close and active cooperation. That is how they have attained between 60% to 95% efficacy for their vaccines during trials. Once their products are almost-ready, they have switched to the second plank - a mad scramble to launch their vaccines ahead of others. At least two of them - Pfizer and Moderna - have rushed to seek approval from drug regulators in the USA, the UK and the EU for emergency authorisation.

For the global political leaders who were so far drumming up smelly rhetoric like ‘Vaccine Diplomacy’ and ‘Vaccine Nationalism’, it is time to switch lanes and coin a new phrase - ‘Regulatory Nationalism’! Irked and stunned by the British Government’s move to be the first to grant approval to Pfizer’s ultra-cold vaccine and roll it out any day by next week, the outgoing Trump administration is learnt to have summoned the FDA Chief and cajoled him to speed up the process of approval - and it is likely to be done by 10 December 2020. Though the onus of the safety and side-effects of any new drug rests with drug regulators and in case of any mishappening, regulators alone are required to own up the noxious consequences, so frustratingly desperate have become the political leaders that they do not mind scoring a point over others even at the cost of ‘unknown’ side-effects. With the two sprinting vaccine developers filing papers early this week, the EU Regulator has also joined the race. China and Russia qualify as two exemplary ‘sprinters’ who began the race even before their vaccine developers could run the ‘full track’ of the three-phase-trial and any safety papers and detailed scientific papers could be filed with their regulators! But it did not deter them from crowing about their leads in the tight race!

* TIOL – COB (WEB) – 740 DECEMBER 03, 2020.

The scary and flat-footed trend of jumping ahead the queue is quite redolent of a 100-meter race in the Olympics, where many sprinters run a high risk of tripping and stumbling. Here, even an ounce of tripping would cost a nation in terms of a large swathe of population not willing to go for vaccination! One may tend to think that it is a remote possibility or exaggerated fear, but different polls and surveys have revealed that only 64% of the Americans are keen to be vaccinated as against 79% of the British. One survey indicates that only one-third of the American nurses are keen to take the vaccine. Legions of people across the world are sceptical about the safety and tend to believe that in order to rush the vaccination to arrest the rising death toll, regulators may also cut corners to grant approval under political pressure. No such surveys have been conducted in India, but a large-size population may not volunteer even if the Government may provide it free of cost! Therefore, most governments would require their local Press to convince the public that the regulators have done due diligence and made good decisions!

Though the Oxford-AstraZeneca duo was the first from the UK to come out with their trial results, the Boris Johnson Government has placed orders for 40 million doses of Pfizer's mRNA vaccine, known as BNT162b2. As the British Regulator has given a green signal, supplies costing a pretty penny, would roll out from Pfizer's plant in Belgium. The Government has asked its healthcare workers to be action-ready with details of high-risk groups to be vaccinated first. Similarly, the US has launched a mission called 'Operation Warp Speed'. Its chief recently said that about 20 million Americans would be inoculated by December-end! The two suppliers - Pfizer and Moderna, have stated that they can provide about 60 million doses per month from January 2021. As part of its distribution strategy, America is first going to vaccinate doctors, nurses and essential workers such policemen, teachers, and bus drivers; and then care-home residents and people with high-risk - and the same is going to be replicated in almost all countries with some doses of hyphenation!

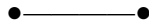
What about developing countries, including India? Which vaccine might they go for? India is also bracing with preparations for a quick roll-out as soon as it gets the first vaccine. The Indian Prime Minister, Mr Narendra Modi, last week visited plants of three of the most prospective developers out of 22 and shared his inputs with the Vaccine Distribution Task Force. India is expecting its **first vaccine post regulatory compliance in the second half of January or early February in 2021.** Bangladesh is eyeing February. Pakistan is also eyeing but its popping eyes are not yet fixated on a specific one as it has very high expectations from mainland China! Most developing countries and COVAX member countries are pinning high hopes on the Oxford-AstraZeneca vaccine being manufactured by the Serum Institute of India.

Why not Pfizer or Moderna vaccines? The two compelling reasons are - astronomical price and cumbersome logistics requirements. Serum Institute's vaccine is going to be cheap and affordable. However, as compared to 95% efficacy of Pfizer and Moderna, it would have barely 62% efficacy - and that is why is it cost-effective. As per experts, **efficacy above 50% is a good enough shield against the virus.**

Second, most low-income countries may not go for 100% vaccination of their population. Indian authorities have also indicated that the Modi Government may go for only 65% vaccine coverage rate and it is believed to be enough to build the dam of immunity!

What is delaying the manufacturing of Serum Institute's vaccine is the alleged adverse reaction in some cases. One 40-year-old Indian who had volunteered to participate in its third phase trial, is believed to have suffered a shade of 'neurological and psychological' symptoms. The complaints are being looked into and the drug regulator would also come into action once its approval is sought for emergency authorisation. A good number of people across world also fear that these vaccines may trigger autoimmune reactions or may perform worse in some groups! A good chunk also fear that mRNA vaccines may alter their DNA! Such fears have their **origins in the infodemic**, which has assumed menacing proportions worldwide.

How does the current crop of mRNA vaccines, developed in a record time, work? Once inside the human body, it directs cells to produce a strand of the virus - the spike protein which prime the immune system and then breaks down. mRNA are natural components of human cells, which are made and extinguished every day. The intrinsic instability of mRNA is the reason for Pfizer's vaccine to be stored at minus 70 degrees Celsius. Moderna's vaccine needs only minus 20 degrees Celsius. However, Serum Institute's vaccine may be stored at refrigerator's temperature and can easily be transported. It is more manageable in countries having rickety storage infrastructure. Let us hope that the first lot of vaccines, whichever rolls out first, succeeds in stalling the 'grim reaper's surge within surge', which has not only flattened economies, but has also given a snivelling experience to billions of people!



4

COVID-19 - Anti-vaxxers having a *'quarantini'* time!*

THE coronavirus continues its aggressive and long-stride march, undeterred and unvanquished! It has consumed close to 1.65 million human lives. Though science-doubters may continue to see only intriguing layers of darkness about the future, full credit goes to science for a historic chase of the pandemic by developing an efficacious and safe vaccine. Jabbing of frontline healthcare workers in the UK and America is an unmistakable sign of the beginning of the end of the 'Coronapocalypse'! Emergency use of at least two vaccines has been authorised in the developed world. The first jab in the USA to a nursing staffer last Monday turned out to be a national event, celebrated with a frenzy of joy, optimism, and also '*quarantini*'. Though clouds of misgivings continue to hang over the efficacy and safety of vaccines developed by Russia and China, the kernel of the argument is that no report of baleful effects of the vaccine has come out so far! It may also be attributed to the iron-grip control over the mass media in both the countries. Second, vaccine nationalism also has a role to play in suppressing adverse reports even by independent media!

Such inferences can be drawn from harsh observations made by political leaders against the Chinese vaccine named CoronaVac, developed by Sinovac Biotech Ltd. The Brazilian President recently cast his doubts openly. Brazil's drug regulator, Anvisa, has underlined that though the Chinese vaccine is being used for emergencies since June, the Chinese guidelines for granting such authorisation continue to be opaque. Brazil was earlier hoping to roll out a vaccination drive in January, but since China has not shared scientific data with its regulator, it is being deferred. In contrast, the UAE has granted emergency use approval to the Chinese vaccine and has stated that interim analysis of the data from the phase 3 trial has determined its efficacy to be 86%.

Even as several pharma elites are about to contribute to the bucket of efficacious vax, a virtual rush to roll out vaccines can be seen among many rich countries. The Canadian Prime Minister recently said that Canada is about to receive about 2.5 lakh doses of the Pfizer vaccine and the same are going to be administered to frontline

* TIOL – COB (WEB) – 742 DECEMBER 17, 2020.

workers by the end of the year. However, albeit Pfizer developers are from Germany, Germans may have to go without shopping for gifts and singing in churches this Christmas. New pandemic-centric regulations have come into force and all the markets are largely shuttered.

In a nutshell, most of the developed and emerging economies would be rolling out vaccination programmes in the next 100 days and the first beneficiaries are going to be the healthcare workers, but a major chunk of female frontline workers may also be excluded on various grounds. It is true that about 70% of healthcare workers worldwide are women, but many countries like the UK and Russia have excluded those who are breastfeeding or pregnant as no clinical trial was conducted on such samples as part of their initial trials. In the UK, priority has been assigned to 80-plus citizens over healthcare workers. In the USA, the President-elect has indicated that teachers may get priority after frontline workers so that schools could be reopened!

Even as the world is excited about vaccination, a new strand of 'info virus' calls for immediate tackling, in particular in the rich world. The WHO had, in February itself, forewarned about this new 'epidemic' which goes hand in hand with the pandemic and is known as an infodemic! Though many experts may not find it unusual as a similar phenomenon was recorded during the bubonic plague, the fundamental difference lies in the 21st century medium of Internet. The world is very closely connected today and any item of fakery gets circulated much faster. During the plague era, fake news used to be about getting cured by sitting in a sewer or ingesting arsenic. In today's scientific era, many political leaders have proven German philosopher Max Weber right - politics and science do not mix! And the proof of the unhappy marriage is the widely talked-about cure suggested by the outgoing American President, Donald Trump - drinking of bleach or injection of disinfectant! The rumour that drinking methanol cures COVID-19, killed more than 700 people in Iran. Even in a highly educated society like the British, arsonists carried out close to 85 attacks on phone towers based on social media misinformation that COVID-19 is spread by 5G transmitters! Even today, 'Covidiot' continue to mask the truth that masks keep you safe!

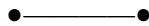
Though the world has successfully dealt with many poppycock rumours so far, the toughest phase has come now at the stage of vaccination. And, regrettably, fabulists appear to be winning! Strangely, the great scientific gift the vaccine is for humanity, also has a political colour! As per some surveys in the USA, as high as 44% of the Republicans believe that Microsoft supremo Bill Gates is keen to use COVID-19 vaccines to implant microchips in people and 19% of the Democrats also agree! A good chunk of French and Dutch believe that the virus is a biological weapon! As compared to countries like India where, the vaccine may have wider acceptance, the affluent societies are hugely buffeted by avid fearmongering - and anti-vaxxer groups seem to be having cranky giggles!

Noted American expert, Dr Anthony Fauci, has admitted that there is widespread scepticism about vaccines in the country. To achieve herd immunity, the globally-

accepted view about the vaccination threshold is above 70% of the population. In a hard-hit country like America, it may be between 75% to 80% - and it may be realised within a time-frame of 12 months. It can be longer for more populous countries like India, which need to innovate in a big way. Vaccination woes may differ from community to community. For instance, it may be tribal populations in poor countries and people of colour in America. What is more shocking is the recent finding of a survey in America is that 29% of the healthcare workers are not willing to get vaccinated even if the vaccine is safe and free!

India, which is on the cusp of granting approval to Pfizer vaccine and many others in the pipeline, may also confront similar vaccine-hesitancy among its frontline workers. If the economy on the path of recovery is to be injected a fresh booster, India also needs to give priority to the large population of essential workers like plumbers, vegetable vendors, fire-fighters, and many others who oil the wheels of economy for faster growth. Though the Governments in India may expect sharp elbowing for the vaccines in the initial roll-out, resistance to ‘sleeves up’ among many critical communities may not be underestimated.

It is true that Governments across the world do need to deal with vaccine-doubters, but too much focus on such elements may fuel the paranoia by providing ammunition. Ideally, global leaders and czars of businesses should step forward to get themselves vaccinated live so that greater confidence is infused about the safety and efficacy of the jab. Initially, it may be a Faustian choice for a large chunk of the population in the developing world, but it would soon become a bogeyman if fearmongering is not paid adequate attention by the vaccination strategists! It would indeed be more arduous to deal with hare-brained theories in today’s world as public institutions have largely suffered erosion of trust!



5

Vaccine Cargo - Customs needs to gird up loins for tricky challenges on the cards!*

COVID-19 is just one of the grim reminders that human life is fragile and humanity is destined to go through the samsaric cycle of despair and hope! Ravaged by the ‘gluttonous’ virus, a flicker of hope for loosening of its stranglehold on humanity was born when the global scientific community rifled through its genome sequences and developed efficacious vaccines in record time. Great Britain was the first to roll out vaccination programmes. But it seems that the virus had better ideas about its vulnerable underbelly! Even before the UK could heave a sigh of relief or relish a sense of being an enviable winner, a new variant of the virus was detected and found to be 70% more transmissible. Though the WHO and other health experts are of the view that there is so far not much reason for alarm, but no country, in the midst of surging infections, seems to have been left with any appetite for risk and thus, not only the UK’s neighbours in the EU, but even distantly-situated friendly nations shuttered their skies for flights originating from London. Even its Prime Minister, Boris Johnson, who was earlier on the cusp of saying boo to the ‘marauder’ virus, did not find better measures than to impose fresh lockdown and messy travel restrictions.

The WHO Chief, Tedros, like many other experts, says that virus variants are common. But unlike its cousins, the coronavirus RNA (ribonucleic acid) is sneaky and cunningly parasitic. Once it enters human body, it behaves like cowardly hijackers of any terrorist outfit in the world. The hijacked cells become its factories, reading the virus’s RNA and producing viral protein to compromise the immune system. The virus xeroxes new copies of itself and penetrates into more parts of the human body. It spreads to other humans by way of saliva, sweat and other bodily fluids. The virus, following the Swiss Army knife approach, changes and mutates in response to drugs. Theoretically, vaccines are to be created each time a new variant comes to light. In this backdrop, it is indeed too early to conclude that vaccines being administered in many countries may be equally effective for the new strand. The new UK variant has already put its foot on new possible homes for itself - Australia,

* TIOL – COB (WEB) – 743 DECEMBER 24, 2020.

Denmark and the Netherlands. A fortune may be saved if Pfizer and Moderna vaccines are not neutralised by it.

Even as the bitter winter surge continues to crest in many parts of the world, the good news is that shipments of Pfizer vaccine have begun landing in many countries. After Singapore, India is likely to be the second Asian nation to welcome the much-awaited cargo at the IGI Airport. All eyes are agog for the first lot of jabs. The AstraZenca vaccine is also about to be approved. Special protocols are being put in place. Since Pfizer's vaccine needs ultra-cold freezers for its storage and also has a short shelf life, a chain of cold storage is being created in many parts of the world. In few weeks, as many as 42 more vaccines, which are at the clinical evaluation stage, would be ready for international shipments and cross-border movement. Over 160 more vaccines are in the pre-clinical evaluation stage. In other words, all these vaccines would be corralling the global supply chain in 2021. The global vaccine production capacity is likely to spike to five million doses per month by January 2021. The USA alone is targeting distribution of 300 million doses in a few months. The WHO Covax is eyeing the distribution of two billion doses by the end of 2021. Cross-border vaccine distribution poses the greatest challenge for multiple agencies engaged in border management across the world.

What adds to the burden of border management agencies are the supplies of key vaccine accompaniments such as needles, vials, and syringes apart from other diagnostic equipment. The WTO trade data reveals that the global exports of some critical raw materials for vaccine production, such as amino acid phenols, lecithins, sterols, acyclic amides, and others soared by 49% in the first six months of 2020 to reach close to USD 16 billion in value. Given that the pharma industry largely relies on third parties for quality active ingredients, packaging materials, machinery, and equipment, ensuring an unbroken supply chain is key to the targeted vaccine production in the coming years.

Thankfully, multilateral agencies like the WCO, the WHO, the WTO and the WIPO have put their heads together to compile several guidance notes for the agencies engaged in international trade and border management on the issues relating to the pandemic. The WTO has also expressed its concerns about export prohibitions and restrictions notified by 43 countries and six non-WTO members on COVID-19 related medical goods or devices. It is a trifling question that Customs authorities need to put in play expeditious clearance for approved vaccines and other materials along with electronic pre-arrival documentation facilities. To ensure quicker clearance of such vaccines, the Customs needs to design special procedures with post-clearance audit option so that valuable time is not lost for time-sensitive vaccines with limited shelf life. It also needs to have a proper communication framework to involve health regulators and other stakeholders. Cold chain integrity will be an uphill, but desirable task. Ideally, all countries should notify import duty exemption for the vaccines and reduced tariff for other necessary medical devices. Since a large number of poor and developing countries may not afford brand new

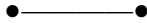
cold chain equipment, trade policy is to be simplified to facilitate import of reusable cold storage containers and boxes. If a country can afford, lesser duty should be charged on them. The licensing regime for COVID-related imports should be eased for a couple of years to expedite production and distribution of vaccines.

One of the stiffest challenges of border management is to deal with counterfeit goods. It would be naive to rule out the possibility of fake vaccines. Organised crime groups have been reaping benefits of the pandemic-related heightened demands for medicines, PPE kits, and other equipment. INTERPOL has sounded Customs authorities across the world. As soon as a scramble for vaccines begins in poor countries, such criminal syndicates would be joining the bogie of suppliers, who would also be counterfeiting trademarks of famed vaccine developers. To counter them at the border and in the domestic market, enforcement agencies will have to pull up their socks. Any indication of lacking the belly for a fight would amount to pulling up a boner which would puncture the confidence of the people in the vaccines. In this case, international exchange of information about seizures and offences may keep countries well-informed to take combative measures.

Another associated issue linked to the pandemic, but highly likely to escape the attention of Customs authorities, is the cross-border disposal of medical waste. There have already been spikes in the quantum of pandemic-related medical waste. It would leap manifolds once vaccination programmes are rolled out. Given the infectious nature of such waste and also such items which have expired, are contaminated or are no longer needed, have to be carefully disposed of as they are equally hazardous for the planet, which is also on look out for a vaccine! Since a good number of countries may not have modern incinerators or other infrastructure, there is bound to be international trade for disposal and recycling of such goods. This is where racketeers may resort to misdeclaration and paper manipulation. Trade in waste is regulated by multilateral environment pacts such as the Basel Convention. What makes such trade highly profitable is the fact that a major swathe of two billion tonnes of solid waste generated by cities across the world is contracted for disposal outside borders. After the outbreak of the pandemic, some of the cities have registered huge increases. Hubei reported a 370% rise in medical waste. Populous cities like Manila and Jakarta produce an extra 200 tonnes of waste every day! A good amount of global waste goes into recycling, and this is where serious hazard lies and Customs will have an important role to play.

So far as India goes, the CBIC has not come out with a detailed protocol or guidance note for import or even export of Indian vaccines, which may involve land routes for shipment to neighbouring countries in the SAARC. The Modi Government is yet to notify exemption to imported vaccines, waiver or reduction in airport or port charges, special cargo clearance procedures, waiver from testing and inspection, waiver from metrological provisions, advance paperwork, and coordination of shipment information from production site to vaccination site. Ideally, the COVID Task Force should go for a deeper pivot and set up a dedicated panel of officials from

various ministries so that valuable time is not lost and highly the perishable-vaccine is not wasted. Though India has indeed done well in terms of managing the contagion, in the fog of misunderstanding at the operational level known for gloomier listening habits, vaccination drives may get messed up! Since last-minute decisions are genetically prone to panic, it may further get aggravated as India lacks in world class cold-chain and last-mile health infrastructure! India also needs to set up a market surveillance mechanism to monitor markets to nobble counterfeit COVID-related drugs and vaccines besides protecting IPRs of developers.



6

Vaccination before new variants turn radioactive! - India does well – The EU turns dawdler!*

FORTUNES continue to oscillate for the planet! Caught between the roaring surge in the latest round robin of the pandemic and a laggard vaccination schedule, mankind, literally short of oxygen, appears to be lying full-length on a sofa! Science has dutifully done its eye-popping job to swiftly vaccinate the vanishing tribes of senior citizens, but politicians and health workers appear to be making it a gothic horror plot across the global canvas! Leave aside the poor countries, as they, in any case, cannot afford vaccines at the current price, even the rich world, which has crowded the pre-order books of the vaccine manufacturers, is turning out to be a vaccine dawdler! America and the EU, the *primus inter pares*, have pre-booked millions of vaccine doses, but they ironically continue to be ‘gourmandised’ by the ‘starved’ virus!

The awfully sorry state of affairs has reached such a stage that the Los Angeles County administrators early this week directed ambulance crews to ration oxygen and say no to patients with minimal survival chances! Why so? This is to ease pressure on overwhelmed hospitals, which have cliffed to a point of crisis. Los Angeles ICUs and emergency wards are swarmed with patients who got infected over the Thanksgiving festival. The Christmas surge is yet to arrive! And the US continues to report over two lakhs daily cases coupled with over 3000 deaths. America has procured enough doses of vaccines, but the Trump administration has failed America not only in preventing the entry of the virus but also accelerating the jabbing programmes! And the prize for buffoonery goes to Mr Trump! At the present inoculation rate, America would take several months to jab even 30% of its population, leave aside the threshold being talked about for attaining herd immunity!

The spectre of horror is more horrific across the Atlantic in the European Union. A blanket of hopelessness prevails across the continent, notwithstanding the fact that the first vaccine manufacturer hails from Germany and some of the East European countries have procured vaccines from Russia. The EU has begun reporting more

* TIOL – COB (WEB) – 745 JANUARY 07, 2021.

deaths than America and over one lakh daily caseload. As compared to Israel, which has jabbed close to 15% of its total population and may run out of stocks in a few weeks, and the UK & America, which have vaccinated close to 2% of their populations, the EU has turned out to be a global vaccine laggard - about 0.5% in Germany and a few thousands in France and the Netherlands. The delay may be attributed to a motley of factors such as excessive time consumed by the European Medicines Agency (EMA) to grant approval to the Pfizer vaccine. Though the European Commission in Brussels did well to shop vaccines for the entire bloc and also used its heft to drive down the price, but penny-pinching wasted precious time - and the roll-out of jabbing got delayed. The EU has procured over two billion doses, but the blame game between the politicians and health officials continues to buffet precious lives. In contrast, the exit-bruised Britain has stolen a march and also reaped some tangible benefits by granting quick approval to Pfizer and AstraZeneca vaccines. Britain, caught in the cobweb of soaring infections and the travails of Brexit, has so far shown impressive needlework!

One of the reasons for the abnormally ferocious surge of the pathogen in the EU is the widespread presence of the new UK variant of the coronavirus, which has winged to more than 30 countries in less than three weeks. Though the new variant may currently account for a low percentage of daily caseloads, it is widely feared that a surge within a surge is on the cards as the new variant is 50% to 70% more transmissible and fresh cases may already have been seeded all over Europe. Although no evidence has so far been discovered about whether it is more deadly or vaccine-resistant, its ability to mutate faster and spread quicker is widely acknowledged - and it is likely to substitute the earlier aged variant within a few weeks.

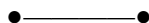
As per evolutionary biologists, viruses also age and lose ferocity. Even such viruses which cause us normal cold today, may have been as aggressive as COVID-19 and later moderated in their old age! Like the UK variant, South Africa has also reported a new variant, which is no less contagious. Both the new variants tend to travel a predicted path and may survive for longer periods of time. Only good about these two new mutations are that they do not 'punish' people who have already suffered a bout of coronavirus and also tend to 'salute' and skip vaccinated people.

A genomic study has found that the UK variant is substantially different from the original virus. And these differences lie in the protein by which the virus latches itself to its cellular prey and in the gene for spike. It has also been found that it is similar to the one which had afflicted Mink in Denmark in November - an indicator of an animal reservoir of the mutating virus. The mutations of the South African variant have been found to be only in the spike's receptor-binding space. The bigger fear is that these variants have a propensity to treat fragile immune systems of infected persons as their cosy incubators for further mutation! This indeed gives our scientists a glimpse of the rapid evolution of these two variants, which may behave differently and may also spread at more impressive pace!

Scientists have also expressed their views that humanity was lucky to have had tools to deal with COVID-19 as the coronavirus is almost identical to the SARS virus, which devastated Hong Kong in 2003, and the MERS virus of 2012. Since the scientific community already had genetic information in advance it, helped in quickly devising formulae for vaccine development and testing. That is how the world has got the first COVID-19 vaccine in less than a year. However, they fear that the world may not be so lucky the next time unless investments are pumped into a global vaccine technology platform. Since even common viruses like influenza and viral strains cost the global economy over USD 25 billion annually, even a modest investment of USD three billion annually over a period of five years would keep the world prepared to cope with any unexpected pandemic in the coming future. Such a platform is also much needed to develop vaccines for the rapidly-mutating coronavirus in the coming months.

Back home, India is on the cusp of launching inoculation programmes. Though some doubters from the opposition political parties have displayed tantrums and expressed concerns over the home-grown products, it was in any case a political time-bomb to further delay vaccination. Many countries in Asia and Europe have already sourced half-tested vaccines to neutralise adverse political fall-out. Besides, it was critical for the Aatmanirbhar Bharat-slogan-driven Government to come up with quick announcements about indigenously-developed or manufactured vaccines. Going by the global experience, and also the limited purchasing power of the Central Government, it would be more desirable to administer the first jab to as many Indians as possible, as a dark shadow originating from unknown behaviour of the new variants does loom large and none knows when it may turn radioactive! India cannot hope not to see another round of hurricane of infections in the coming months. It is almost certain! The current caseload is down and this is the right time for India to jab as many people as possible so that fatality rate could be minimised. I guess that such was the rationale for the Government to approve even half-tested home-grown vaccines, which have not yet published their efficacy data. Second, it is certainly not a scornful idea to use not-fully-tested vaccines only for restricted and ‘in clinical trial mode’ to save vanishing souls!

Before concluding the article, I would also like to raise an alarm in the interest of the *vox populi* in India about the fake websites making offers for out-of-turn vaccination. Scammers are on the job, worldwide! INTERPOL and FBI from the US have issued warnings about fake cures and special arrangements for vaccines. Different types of frauds have come to the notice of authorities, such as emails being sent to offer special entry in kinds of secret lists for quick vaccine access and robocallers masking as Government agencies. Such frauds are going to be in large numbers in India as average Indians tend to grab such offers being made by strangers and are also willing to pay any price! I sincerely hope that the Central and state Governments, and also our specialised cyber cops, take timely measures to nip such scams in the bud!



7

The pandemic turns into ‘Kalashnikov’ - A pogrom against the poor!*

THE pandemic, in its latest *avataar*, has turned into *aatish (fire)* - a dastardly ‘multi-barrelled Kalashnikov’! Eight consecutive weeks of soaring cases (now peaking to over **eight lakhs** a day), and five weeks of rising deaths (over **13000** per day)! Oof, it is simply a pogrom against the poor, irrespective of the race! Statistically speaking, the African-Americans and the Latinos have died in greater number than the Whites in the US. The higher percentage of deaths has less to do with the race and more with their economic conditions! In Asia, people living in slums and unplanned urban enclaves with poor civic facilities have disparagingly suffered more! Almost-similar is the case in the European bloc. With the virus, hitching a feudal ride on freshly-mutated variants, literally going ballistic in many pockets of the globe, the ruling political elites find themselves parked in a state of utter chaos and befuddlement! With deaths in hundreds, many have willy-nilly gone for another round of lockdown - once again decidedly upending the recovery process of the economy-in-tatters!

Interestingly, lockdown, which was widely resorted to by all nations during the first phase of the pandemic, has rapidly graduated into a costly tool which only an affluent country can afford today! For instance, many rich EU countries such as Germany, France, and Italy have gone for the ‘shut down’ option after they failed to effectively deal with the fault lines exposed by the fresh tidal wave of infections. Britain did the same, but with a shrewd tact of deeply-meditated strategy - vaccinate as many as its National Health Service personnel could jab - and the dividend is on record for peer-reviews. A study released by the Public Health England claims that vaccine roll-out at a rapid pace prevented over 10,000 deaths of people above 60 by the end of March. The Report underlines that over 15 million doses were given to persons aged 60 and above by the end of March, and it **prevented 10400 deaths**, largely among those aged above 80.

Going by the nuggets of experience and wisdom gathered by public health administrations worldwide, the twin strategies which may, with a reasonable degree of efficacy, militate against the tornado of fresh transmissions are - temporary shutdown and vaccination at a pugnacious scale! The UK did it and the Boris

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Johnson Government has circumspectly reopened the economy again. The EU countries could barely hang on to just one of the two imperatives - the lockdown - and the ruling elites are heading for raucous political donnybrooks! Their political capital has suffered serious blows and they now face gnarly poll prospects where elections are due in the coming months - Germany and France. Vaccination drives in the EU continue to progress at a lethargic pace for a raft of reasons, including messy procurement and oops-tinged mongering about some of the vaccines!

What about the poor and developing countries? Having seen the harrowingly damaging implications for their economies in 2020, lockdown as a choice is clearly a rudely ruled out option! They cannot afford to pauperise their citizens nor their own treasuries. Many continue to reel under the fusilladed fiscal health stemming from the first phase of lockdown! The scenario in India is no different. With the Centre leaving the corona turf to be managed by the fiscally-ailing state Governments, they are unhesitatingly loath to go for complete lockdown. So, there is clearly an urgent political need to create a facade of restrictions as the citizens find themselves caught in the pincer-like grip of skyrocketing infections. India is leading the global count with 1.99 lakh cases with over a thousand deaths. Hundreds of people are getting infected every minute. Hospitals and ICUs, including private ones, have been spilling over with the infected, and hand-holding is evidently conspicuous by absence! many States have honed the art of merely making their tongues wag!

Vaccine is, undoubtedly, an effective speed-breaker for the rapid infectivity, but certainly not when the transmission is racing at a breakneck pace! Irrespective of its harmful implications on the economy and the tax revenue, lockdown for a couple of weeks is the only instrument available to break the chain - or, an inevitable consequence would be to pay the price in terms of hundreds of precious lives. By launching 'Tika Utsav' to speed up vaccination is a welcome piece of history (two cheers for India), but it must be noted that vaccine takes time to work whereas the nerve-wracking crisis is to contain the transmission. The scariest aspect of the rapid transmission of infection is that it necessarily results in 'lab space' for the virus to mutate and come up with new variants. For instance, one study finds that Brazil's P1 variant is rapidly mutating and may soon become more life-gobbling! Another recent study conducted in Israel reveals that the Pfizer vaccine was less effective against the South African variant, which was found to be *mayassar* (present) even among the people who had been **jabbed twice!**

Second, going by the number of new variants and double-mutants being detected and studied by researchers, most vaccines are likely to be effective for a brief period of six to eight months, only! Apparently, it is a race between science and the virus, where the latter has an upper hand! Given the prickly scenario, it is just going to be too expensive and undoable for poor and developing economies to offer free vaccine doses for several years. The day is not too far when the Governments will have to unapologetically allow retail sale, once enough production capacity is ramped up. Most vaccine manufacturers have been pumping in eye-watering number of

investments to enhance their capacities, but it would take years. What may alleviate the piquant situation is the **waiver of Intellectual Property rights** by the countries where vaccines have been developed such as the US, the UK, India, Russia and Germany. As per the WHO, close to 800 million does have been administered across the world. A major swathe of the globe is still *mahroom* (unvaccinated) and the COVAX is committed to corner a major part of future production for the poor nations.

What appears to be hurting the COVAX’s efforts is the propensity of the rich countries to gazump a large amount of future production at higher prices. Some of them, including the USA, would soon have a surplus stock and it is going to pose a pretty ‘embarrassing’ challenge to the Biden diplomacy to win back its allies and large-scale goodwill among the developing nations. *Justajoo* (longing) for vaccine is equally potent among the rich allies of the US, as well as the poor African nations! The second aspect which is hurting the greater cause is the unpredictable side-effects, like blood-clotting. After AstraZeneca, J&J vaccine has suffered a serious reversal of its good fate when the US paused its distribution on receiving complaints of serious blood-clotting in the brain. Clearly, the benefits outweigh the side-effects, but stern actions by Governments have tilted the balance in favour of hesitancy lobbies, which resort to mendacious agitprop to shame some of the vaccines! What is shockingly surprising is the latest statement of the China’s Centre for Disease Control, which expressed concern over the efficacy of the the Sinovac vaccine! Ouch! Such a statement was destined to be censored with deafening howls and the Xi leadership did not disappoint the world!

Another pernicious side-effect of the vaccine is found to be gender-discriminatory! Research has indicated that vaccines have impacted women more adversely than men. The CDCP of the US has found that women vaccinated with the first dose reported higher side effects such as fatigue and dizziness. However, no study has been done on the the effects of vaccines on menstrual cycles – but if one goes by comments on the social media, vaccines do upset the cycles and causes irregular periods and heavier menstruation!

Oops! Sorry, every side-effect of COVID-19 is not detrimental! One of the key beneficiaries of the pandemic is the cosmetic surgery industry, which appears to be relishing a Zoom-driven growth. With Zoom conferencing dominating the office life of most professionals during the pandemic, a good number of men and women have been opting for facelift and slimming procedures. The pandemic has robustly legged up 10% growth to the cosmetic surgery industry in the US; close to 20% in France, and about 14% in Hong Kong. **India is no exception!** Normally, Christmas used to be the ritualistic season for men and women to go for noses, eyelids, ‘love handles’, liposuction and skin rejuvenations, but it has become a continuous process during the pandemic. Unlike in the past, men now account for 4 in 10 who are spending handsomely to turn more handsome and glamorously virile!

The parable of vaccination would be incomplete if I fail to talk about our tiny but 'happiest' neighbour Bhutan *a la* its metric of gross happiness index for its GDP! It was the first country among the 80 so far which have generously been gifted vaccines by India. The Prime Minister gifted vaccines in January, but Bhutan consulted Buddhist monks and waited for two months to find an auspicious date to vaccinate its eight lakh citizens - and it has recently jabbed 85% of its population in seven days! What does it mean? An unmistakable transmission of signal for India is not to delay the 'second dose' of the gift as the one-month gap would soon be over! Though the Bhutanese signals are well decoded by New Delhi, going by the kerfuffle over the dearth of vaccines in most states where the pandemic is performing scary pole dance, it is likely to be a bit delayed gift for Bhutan, despite vaccine diplomacy being a top priority of the Modi Government!



8

COVID-19 Vaccines - Antibody threshold not known yet - Infected may not need a second jab!*

ACROSS the globe, a simmering debate over COVID-19 vaccine manufacture, procurement, and distribution has roiled the tectonic plates of geopolitical equilibrium, already under strain over the issue of the origin of the virus. Yes, vaccine is the only redeemer for the countries stuck in an 'infectious' pickle! A few early 'birds', which managed to stay ahead in the race with a countable number of 'participants', also used the scarce commodity to bolster their precipitously falling geopolitical image. Strangely, vaccine diplomacy was prioritised over the domestic needs and was also showcased to market the so-called superiority of a particular political system! Second, it also became a gauge for the scientific prowess of a country! Shockingly, they began to ship even unfinished vaccines (prior to phase 3 of clinical trials) to coddling autocrats and others! China and Russia had an uncontested run as the US, the UK and the EU preferred to focus first on their domestic turfs, followed by donation or sale of the surplus, if any! In fact, the Biden administration has made a beginning by donating 80 million doses of AstraZeneca vaccine, which is yet to be approved in the US. It has also richly contributed to the COVAX kitty so that it could meet its two billion doses target by the end of the year.

One interesting fact which has emerged from the US donation policy is the grant of priority to the neighbouring countries if America is to keep the virus away from its fences. This makes sense and also promotes bonhomie with the troubling neighbours who are being persuaded to stymie the unstoppable stream of ocean of migrants. Incidentally, India also fell in the geopolitical trap and joined the race by keeping an eye on China as well as its enhanced global standing in the recent years! It donated and exported as huge a quantity as 600 million doses to 76 countries under its 'Vaccine-Maitri' Initiative. Such a decision certainly brought laurels for India and the Prime Minister, Mr Narendra Modi, but for the record death count during the second wave of the pandemic, when the much-needed momentum in vaccination was sorely missed, Mr Modi was held by his natty collar for letting the people down by resorting to short-sighted and self-sabotaging vaccination export policy. A constant

* TIOL – COB (WEB) – 767 JUNE 10, 2021.

poke in the eye of the opposition parties! The spiralling death count also enabled Mr Modi's critics to accuse him of deriving joy out of the orgy of sadism! Many called it one of the dumbest policies!

What pumped more ammunition in the growing din of criticism of Mr Modi was the dearth of vaccine stocks in most of the states, which arrested the pace of vaccination to an unpalatable halt! Aha! A case of vaccine delusion! The Modi Government was simply, simply wrong when it came to donating and exporting such an eye-watering stock - and believe me, the bitter vaccine controversy was not hanging by a fragile thread, which would get suspended merely because Mr Modi has agreed to make a fig leaf amendment in the vaccination policy and offer a 'free lunch' to the states! As the days roll out, the political waters would get much muddier and stinkier! The next bout of tussling is largely going to revolve around the conspiratorial allocation of a particular brand of vaccine, which may be questioned without a blink and a thought about how the image of a home-grown vaccine, such as Biological-E may be smeared in such political slugfest! Second, since all the required quantities would practically not be available in all the months to come, let us not rule out the hurling of allegations, like BJP-ruled states being favoured or given priority over opposition-ruled states! The copious wiggle room for revenue loss to vaccine manufacturers and also private hospitals, as service charge is capped at Rs 150, may give rise to more controversies!

Only recently, when the Central Government notified the lengthening of the time gap between the two jabs of the Covishield vaccine, quick came the lambast that the vaccination regimen is being mended only to conceal the embarrassing shortage of stocks, which have wrongly been exported or donated abroad! Such allegations, coupled with a lengthy fall from grace during the second wave of the pandemic, rudely nudged Mr Modi to match the drumbeats of the opposition by announcing a centralised vaccination policy. I personally favoured such a policy, not to be wannabee America, but purely based on the wisdom of elementary economics and also fundamentals of best management practices!

Given the limited resources available with the deficit-walloped Central Government and also the time element involved in the manufacture of such large quantities, the vaccination task force should ideally be driven by the findings of science. Traditionally, science has been a laggard in finding solutions, but it is certainly and fortunately not so in case of COVID-19. Apart from developing mRNA and DNA-based vaccines, various studies have established that the vaccination of people already infected by the pathogen may be delayed as infection itself profusely produces enough anti-bodies to ward off fresh infections. What does vaccine do in the human body? Vaccines mimic natural infections sans making people sick. It has been found in an American research that if people previously infected receive vaccines later, they may enjoy **durable protection**. It has been detected that the robust immune cells reside in the bone marrow of people who were infected with the virus or were vaccinated. Such cells retain a memory of the virus and may generate

antibodies whenever needed. Such memory B cells also continue to mature and become stronger for at least 12 months after initial infection.

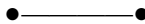
For how long such immunity would last? May be a year or a life time! - there is no clear finding yet, but protection is certainly not going to be short-lived. Another interesting finding of such studies is that a high percentage of people who have recovered from the coronavirus infection and were later inoculated, will not need booster doses. However, vaccinated people, who never fell prey to infections, would perhaps need more shots. In short, people who have experienced the virus, develop more robust anti-bodies than the ones who are simply vaccinated, but vaccination also provides similar protection. Studies have found out that memory B cells, triggered by infection and fortified by vaccination, are so potent that they thwart even variants of the virus, nixing any need for booster doses - a further saving of the scarce vaccine which may help poor and heavily populated countries to provide the first jab to as many as possible!

As regards the antibody level, which was found to be waning after a few months of vaccination and people fretting about it after a test, the studies have concluded that the decrease of antibodies in blood is a good sign! If blood is lumbered with high quantity of antibodies to every virus the body is infected with, it would morph it into a thick and viscous sludge. The actual protection comes from the memory B cells taking up residence in bone marrow. A natural corollary that arises here is - how much antibodies after vaccination are good to protect from future infection? Only a smattering of clues is available so far! The world needs to wait for some more months before researchers come up with a sure-footed answer. Therefore, the message being driven home here is that people need not split their hair or rush to labs for antibody tests after getting vaccinated, as it would not help until a threshold of antibody is arrived at.

What about mixing and matching of vaccines? Some patients in Uttar Pradesh recently reported mixing of vaccines and the same was treated as human error. Although the Indian protocol plays shy on this issue, various studies in the US, the UK, and other countries have indicated that switching vaccines may strengthen boosters. What about protection from new variants like Alpha and Delta? A few studies, which are yet to be peer-reviewed, have suggested that thankfully, all the vaccines developed so far are not completely neutralised by the new variants, but their effectiveness is partly eroded. This means that vaccinated people would not get severely sick even if infected. A similar study done by AIIMS and NCDC has found that the 'Delta' variant can infect people even after both the jabs of Covaxin and Covishield have been administered. However, humanity faces a big risk from the rapidly mutating virus, which has shown a tendency to be more virulent and transmissible with new variants. Though mutation is a regular phenomenon in viruses, and many do not evolve beyond a point, but a few, depending on the support from the host, turn more virulent and carry a dose of misanthropy!

In a nutshell, our Task Force on Vaccination needs to keep updating its policy guidelines as and when new scientific findings are available after being peer-reviewed, as such regular updating may help save precious vaccines for the unvaccinated rather than using them as second jabs which are not needed, particularly in case of people who have survived the infection. India has reported 2.9 Crore people as infected. If we minus the total deaths, it still makes a whopping number who may not require a second jab and the same can be utilised to vaccinate the vulnerable population in the country or even in other countries through COVAX.

Second, as India prepares for a massive drive from 21 June, the policy makers also need to work on a strategy to persuade a large population of anti-vaxxers. They may be incentivised in some ways. The Tamil Nadu Government has recently offered many goods including a scooter in lottery for such people - and it has worked! The White House recently endorsed free beer, free childcare, and access to premium subscription of dating apps! California is offering a huge lottery prize and also cash incentives. India cannot afford such expensive sops, but some sort of sops are needed as education and hand-wringing alone would not be enough to overcome such socio-economic bottlenecks! A good option to pole-vault the number is to involve all MPs, MLAs, and local influential persons so that anti-vaxxers' trust is earned back. Unless timely attention is paid, anti-vaxxers may constitute a large swathe of population and the vaccination graph may not soar beyond a kink!



PART VIII

**THE SECOND WAVE - POLE DANCE BY THE NEW
VARIANTS AND DEATH GODS!**

Introduction

The second wave was a swamping, marooning, and walloping experience! Though injections (vaccination) rolled out in some parts of the world, infections simply left them behind by furlongs and the ferocity of the mutated virus proved to be more fatal than the Russian rifle 'Kalashnikov'! Though the pandemic assumed Himalayan proportions with a smile of Lucifer in a short span of time and many countries in the Northern Hemisphere were sucked into its gale-force, the political leadership in many countries kept opposing complete lockdown. The Trump administration stands tall on this count. Ignoring COVID-19's ability to sow chaos and inject economic and political instability, Mr Trump never had the virus containment as one of his key poll planks and, it also did not dent his poll prospects, sacré bleu! Six out of 10 American voters who supported Mr Trump favoured his call for keeping the economy open. Mr Biden, in contrast, made the pandemic a grim referendum against him but it did not turn out to be so! Doubtless, it proved to be a kick in his teeth, but certainly not a 'tooth-uprooting' blow! A similar trend was recorded in all those countries which were ruled by ultra-rightist-nationalist leaders such as Brazil and Hungary.

Strangely, even before the world could successfully bend the curve of infections during the first wave, the fresh surge seen in many parts of Europe, Latin America and North America was described as the second and third waves. I had argued at that time that ideally, to make a clear-eyed distinction for the purpose of research, data-crunching, clinical treatment, vaccine development, and also policy-making, the world needs to eke-name it as COVID-21! Unlike the previous variants of COVID-19, the transmissibility of the COVID-21 mutated variants was highly incendiary, and so is their ability to torpedo human lives! In fact, the second wave in India or other parts of the world is a bundle of tales originating from a gaggle of new variants – the UK variant being traced to the 'Mink' variant in Denmark, the South African variant, the Brazilian variant, the double-mutant variant (later called as the Indian variant), and many more. Scientists have detected over 50 such variants, but only a few were tagged as 'variants of concern'!

The UK variant was found to be 70% more transmissible than the original coronavirus, and it was later traced that it had its origin in the furry beast called mink, which is farmed for luxury exports. Scared Danish scientists called it the 'Cluster Five' variant, as it contained multiple mutations. Similarly, the South African variant was also found to be highly virulent. The Brazilian variant later turned to be more infectious. Even as genomic sequencing continued to study their abilities to do damage and escape vaccines, India reported a new variant - a cocktail of the UK and South African variants – a double-mutant. Thankfully, wisdom

dawned on the WHO, which finally came out with a new system of nomenclature for common conversation purposes such as Alpha, Beta, and Delta. However, it retained the scientific names, such as B.1.617.2 for the Delta variant of the Indian origin. Going by the vengeful surge in infections in India, a new variant has been detected and it has been named Delta Plus - it may turn out to be deadlier than the Delta variant! Greater spread of the virus, geographically, enables it to mutate faster and some of the successful mutations proved to be mothers of highly virulent variants. Therefore, preventing wider spread of infections is one of key *mantras* to stymie any chance which may be availed by the virus to come up with new variants.

A peep into the changing population landscape in different parts of the world reveals that the era of darkness reigns supreme in the Amazonian part of the globe! Brazil tops the table of death counts and would, at the present pace, surpass the American tally much sooner! Its rickety healthcare infrastructure has almost caved in! Its morgues and crematoriums have run out of shelf space! The entire nation is in the bone-crushing grip of the twin expressions of 'holocaust' and 'holocough'! The society, at large, appears to be paying colossal price for having a highly-pilloried President, who has consistently been dismissive of the virus and has an unmeme-able propensity to demonstrate comical traits!

What about North America? The rising tableau of pain is a sock to the gut of even the strongest homo sapiens! The pandemic continues to scorch the earth in the US. During a virtual White House health briefing recently, the Director of the Centres for Disease Control and Prevention admitted her '*recurring feeling of impending doom*'! What about India? The daily surge in fresh caseloads had assumed apocalyptic proportions. More than four lakh cases with over 4000 fresh deaths! The Indian health system in which huge funds were pumped in only in 2020, has virtually collapsed! It has literally run out of oxygen! People are simply dying in the laps of frontline warriors! Worse, for the dead, the crematoriums have also run out of 'carbon' - no logs are available to burn the bodies! In a nutshell, *ruhaniyat* (soulfulness) of the Indian care system has glaringly been missing during the second wave! India had simply dropped all its 'balaclava helmets', not only to revive the economy, but also to conduct state elections and some mega religious jamborees! The political leadership at the Centre as well as the states preferred to make electoral fortunes, leaving no part of mind space for public health safety! All the gung-ho generated during the first phase of lockdown to save lives of common citizens quietly vanished in the smoky air during the second wave!

It is not that there were no scientific projections or a smattering of clues about the tsunami-like tide which was in the making for India. It is just that all such horrifying forewarnings were given an indecent burial in official files and the second wave came with the force of no less than an 'endgame' for India. Hospitals ran out of ICD and normal beds; no oxygen; no oxygen concentrators even in the market; dysfunctional oxygen plants; acute paucity of critical drugs; and an equally acute dearth of trained medical personnel dominated the spectacle across the country. In

short, India fumbled and tumbled in dealing with the second wave and paid huge costs of excessive timidity in locking horns with the pathogen, which performed a naked pole dance of deaths - countless in number! Much later, the Modi Government woke up to the scary realities and tried hard to contain the surge with a measure of success!

Chapter 1 highlights how containment of infections during the second wave was not treated as worth a poll plank by Mr Trump and his gamble indeed did pay him well with 6 out of 10 Americans voting for him on economic ground; how holiday-crazy travellers triggered the second wave of infections and the EU had no choice but to go for a second round of shutdown; with the Mink variant in Denmark being traced as the source of the highly transmissible UK variant, an executive order was issued to cull all infected ones in thousands and scientists find a new variant called the 'Cluster Five' variant; Finland relies on the sniffing power of dogs to detect COVID-19 infected travellers at airports; and then comes the good news about the deliverance in small glass vials - 90% effectiveness of Pfizer vaccine during clinical trials.

Chapter 2 underlines the need for common nomenclature for easy reference and data-crunching by scientists in place of first and second waves; time has come to eke-name COVID-19 as COVID-21 for better understanding of its impact assessment; genomic sequencing in India leads to the discovery of a double-mutant variant in Maharashtra; how Latin America finds itself caught between a holocaust and a holocough as infections assume tsunami proportions in many countries; the abnormal surge in infections prompt the White House to talk about the impending doom in America; how speedy vaccination comes to be seen as the only effective tool to curb the unstoppable surge; and lack of consensus among virologists about when the pandemic would come to an end.

Chapter 3 paints the bone-chilling canvas of body bags tumbling out of mortuaries as hospitals across India gasp for oxygen; how the Darwinian theory plays out full-length in India after all guards were dropped for state polls and religious jamboree; India opens the vaccination door for the age group 18 to 44, but asks states to procure vaccines on their own; though the virus continued to trample people under its feet, many states turn ambitious to manage with partial shutdown on weekends; how one of leading chambers of commerce goofs up by urging governments to not to go for lockdown and by default puts a premium not on human lives, but economic gains; and how the paucity of drugs and oxygen triggers complete collapse of Government as well as private sector health systems.

Chapter 4 deals with the naked dance of death gods as tsunami-like contagion scales a new high in India and people running helter-skelter look for shelter but none available; as infections peak to a new crest, many states abandon testing and turn eyeballs to manipulate death data; taking advantage of the market economy, how moneyed consumers walk away with scarcely-available oxygen cylinders at the cost of the poor; and how the vaccination onus shifted to the states is not discharged, but a

political game of accusations and counter-accusations roll out, however, everything is not lost if the most popular politician, Mr Modi, takes charge of the steering wheel!

Chapter 5 provides graphic details of how the author managed to hand-combat the real virus but was never sure whether the virus was beaten as uncertainties continue about post-covid syndrome; the author witnesses worst civilian catastrophe as the Centre and states feud and pass the bucks in the eye of the rising death curve; the author details his tryst with the real virus, perhaps, a part of his destiny; how the author gathered first-hand experience of lack of PPE kits, testing kits, and critical drugs during the quarantine period; the author also illustrates an eye-witness account of non-availability of ICU beds and oxygen cylinders and how his colleague succumbed to paucity of oxygen cylinders; and talks at length about the various post-COVID syndromes and precautions to be taken.

Chapter 6 dwells on how rapacity for political powers results in fierce poll battles at the cost of human lives which are already under threat from the insatiable thirst of virus for human blood; shockingly, the Ministry of Finance reminds the taxpayers that death and tax are always certain; as citizens gasp for breath, policy makers levy taxes on imported oxygen concentrators - even if gifted free of cost by their kin; silence of political leadership in such circumstances smacks of complicity; having suffered poll debacle, the Central Government goes on backfoot in managing the pandemic; the Centre-funded project of genome sequencing gets truncated and partially takes-off at the cost of losing timely insights; and how IPR waiver demand of India and South Africa, later supported by the US, may help availability of vaccines in poor countries.

Chapter 7 takes a cue from the early warning system for weather-related natural disasters and hammers the need for developing a pandemic forecasting system; explains how natural disasters now kill less but causes more economic damage; goes into the history of evolution of an early warning system which made a modest beginning in 1860, and got polished over the decades; AI-driven biology outclasses old meteorology and our scientists are capable for putting building blocks in place to develop the architecture of a Pandemic Forecasting System to prevent future epidemics and pandemics and save the world from heaps of miseries; given that the WHO is not fit for executing this project, a separate independent council needs to be set up by the global leadership; all that needs to be done is to map all known and also unknown viruses in the world and the WHO Hub, supported by Germany and the UK, needs to work on predicting the future waves of COVID-19.



1

Second Wave – The coronavirus ‘winks’ at febrile minks but the canine sniffs it out!*

SEEMINGLY fond of the rapidly-changing its epicentre, the coronavirus, in its new *avatar* of the second wave is back in large parts of the Northern Hemisphere. Having sown chaos and injected economic and political instability in many countries, it seems to have donned hats of many hues! For the Trump administration, its second wave was a *fait accompli* and that is why its containment was never made a key plank of his poll strategy! Shockingly, though close to 2.5 lakh Americans have lost lives since March with the caseload crossing the 10 million-mark, Mr Trump’s cockamamie approach to deal with the swelling devastation caused by the pandemic did not hurt him as much as the Democrats may have projected prior to the polls!

For the President-elect Joe Biden, the handling of the pandemic was no less than a grim referendum against Mr Trump, but it did not turn out to be so! Doubtless, it proved to be a kick in his teeth but certainly not a ‘tooth-uprooting’ kick! As per various surveys of issues impacting the mood of the voters, the pandemic accounted for barely 20% weightage. The most dominant issue that tilted legions of voters in favour of Mr Trump was the economic uprooting. Six out of ten Americans who voted for Mr Trump are reported to have been swayed by his decision of not to locking down the economy and protecting the evaporating jobs for the common Americans. Most voters, writhing in acute pain of financial distress, believed Mr Trump, who called his Democratic rival a ‘shutdown candidate’ and the political race turned to be too precariously narrow!

Though the message from America for political leaders in other parts of the world is not to shut down the economy as the ‘Halloween-ed’ face of financial misery is scarier for most than the fast-mutating coronavirus! I am sure that such a clear-eyed message will not be overlooked in most developing countries like India, but the prosperous ones, swamped by the second wave, seem to have come to such a *passé* that their hospitals and ICUs are once again almost-marooned by the abnormal rise in the caseloads! A good number of European countries once again lead the world in

* TIOL – COB (WEB) – 737 NOVEMBER 12, 2020.

rates of fresh infection and rising death toll - **4000 daily deaths with close to three lakh fresh cases!** Dejected and ashen-faced political heads in as many as 20 EU countries have announced that they have no choice but to shut down the economies. Curfews and lockdowns of myriad types have been enforced in Europe. Even Germany, which had excelled many in its peer groups during the first wave as being the bellwether for model behaviour to keep the virus at an arm's length, is reported to be struggling. Its well-honed method of contact-tracing has come a cropper as against the abnormal rate of fresh cases - and most EU members blame the second wave to holiday-crazy travellers and sports buffs.

Even as European leaders appear to be bracing for disaster, Denmark has reported a 'Mink variant' of mutated strand of the virus. Denmark has about 15 million minks in its farms. Its farming is lucrative for luxury exports. The Netherlands and Spain had earlier reported such infection. Danish authorities fear that the new variant has already infected dozens of citizens and the vaccine in the making worldwide may not be effective to cure the new variant. As a result, the Danish Prime Minister first decided to put the entire mink population to guillotine, but the decision was later amended to cull only those which are infected and may infect humans. In the most affected state, military personnel are reported to have gone for mass culling - very similar to the bird flu era! However, Danish scientists are more concerned about a new variant called '**Cluster Five**' which contains four mutations together. Lab tests have found that human antibodies which fight against the popular variant of COVID-19 are not effective against Cluster Five!

As the furry beast is being culled in Denmark, its neighbouring country, Finland, has launched an innovative pilot programme to raise a battalion of COVID-19-sniffing dogs to be deployed at airports and hospitals. During the trial run, voluntary canine tests have delivered stunning results within 10 seconds. The UAE has also rolled out a similar pilot project at Dubai airport. The US is also planning a similar project. Researchers have underlined that the dogs have been used to detect cancer and other health problems in the past as changes in health do alter the way people smell! Initial findings have revealed that dogs are much better at spotting COVID-19 infection than PCR and antibody tests. They can also detect people who are not yet PCR positive and may turn so after a week!

Although humanity continues to be trampled by the rogue pathogen, good news was reported by Pfizer - its vaccine has achieved 90% efficacy! The much-awaited piece of news skyrocketed through the roof the capital market indices across the world - all bottled energy in the bourses was uncorked to achieve new peaks! It is indeed very good news, but the first-generation vaccine pits the world against a thicket of distributional challenges. First, it has to be kept ultra-cold. Second, it warrants two jabs within a gap of three weeks. Third, it is still being tested on ethnically varied groups and the trial is not yet over. The results are based on interim analysis. What the world needs is a vaccine kept closer to room temperature. Moreover, it is not yet clear whether this vaccine also prevents a vaccinated person

from spreading the virus. What about its long-term effect? There are many questions which go unanswered at this stage. However, in the coming six months, more such good news would be tumbling out of various labs and pharma companies and a day of annihilation of the contagion would also come soon!

Meanwhile, India seems to have reined in the virus albeit Delhi has not! Delhi’s health infrastructure has been creaking with over 8000 new cases being reported. It is speculated that Delhi is caught in the vortex of the third wave of the virus. Whether it would also spread to other states and the graph of caseloads would once again shoot up, is to be seen in the coming weeks. It is being speculated that the virus spreads much faster in cold weather conditions. However, **there is no scientific evidence to suggest so.** The transmission of the infection in cold weather is faster perhaps because viruses survive on surfaces and in the air for longer periods of time and people tend to spend more time indoors. Thus, it may be construed that it is the influence of weather on people’s behaviour that may spread the virus rather than on the virus itself! Against this backdrop, I sincerely hope that India is not going to be caught in the surging storm of the second wave as it would indeed be a head-spinning catastrophe for the limping-back economy!



2

‘Pole Dance’ by the corona clan – Human life sandwiched between ‘Holocaust’ and ‘Holocough’!*

Hey up! We are now fully sucked into the gale-force of second wave! Yes, the pandemic has assumed mastodontic proportions with a Lucifer smile, in less than four weeks! But, is it not a misnomer to call it the second wave when we did not succeed in completely bending the curve of the previous one? The cyclic scroungers, legged up by a gaggle of restrictive measures, had indeed ebbed to a large extent (below 10K daily caseload) a few weeks back, but it had never crashed to a point of extinction! Elsewhere in the world such as America, Latin America and Europe, experts have been describing the recent tidal surge in infections as the third and fourth waves, but the bottom-line is - the first wave itself never significantly abated! The contagion followed a loop-model - peaked and dipped, perhaps only to rest and gather more steam for another surge to a new crescendo!

Likewise, when genome-sequencing has irrefutably established that the mysterious virus has rapidly mutated and too many variants are now digging at the root of human life, should we still call it COVID-19? Perhaps not! Ideally, to make a clear-eyed distinction for the purpose of research, data-crunching, clinical treatment, vaccine development and also policy-making, the world needs to eke-name it as COVID-21! Unlike the previous variants of COVID-19, the transmissibility of COVID-21 mutated variants is highly incendiary. So is their ability to torpedo human lives! This is how the global tally of daily caseload has been skyrocketing by more than six lakh and the ghost of death has been dancing around the five-digit of 10,000, daily! No different is the ghastly scenario in India. It has alarmingly spiralled beyond 700 deaths daily! Ouch! A little more than half in Maharashtra alone! Why?

Like many other continents, the virulent British and South African variants have unnervingly spread in many pockets of India *a la* the recent sero survey in Punjab. *Sacré bleu!* The actual damage stems from what the Ministry of Health has described as a ‘double-mutant’ variant! It is indeed our own indigenous contribution to the variant-affluent coronavirus clan! Even as experts brace to fathom the actual nature

* TIOL – COB (WEB) – 758 APRIL 08, 2021.

of the pathogen, it has been inferred that it confers immune-escape ability punctuated with torrid infectivity! Haplessly looking at the upwardly shooting Eucalyptus-like graph of daily caseload, India is, beyond the pale of doubt, in for a much-protracted battle tilted in favour of the corona family! The on-going poll fever would certainly cushion febrile 'pole dance' by the virus in the coming weeks! Though analogists may find that the contagion is killing less people in India than America, the EU, and Latin America, it is largely because it has relatively youthful population and it is indeed difficult for the pathogen to hitch a frequent ride! Second, previous exposure to the pathogen may also have a role!

Let us now fly across continents from South Asia to Latin America! Going by the number of cases in Brazil, Argentina, Peru, Colombia and Chile, it may be unalterably concluded that the era of darkness reigns supreme in the Amazonian part of the globe! Brazil tops the table of death counts and would, at the present pace, surpass the American tally much sooner! Its rickety healthcare infrastructure has almost caved in! Its morgues and crematoriums have run out of shelf space! The entire nation is in the bone-crushing grip of the twin expressions of 'holocaust' and 'holocough'! The society, at large, appears to be paying a colossal price for having a highly-pilloried President, who has consistently been dismissive of the virus and has an unmemorable propensity to demonstrate comical traits! Chile has incidentally turned out to be a super spreader even after vaccinating one-third of its 18 million population. Highly transmissible variants of the UK and Brazil have taken firm roots here. The grim scenario is no different in other Latin American countries.

What about North America? The rising tableau of pain is a sock to the gut of even the strongest homo sapien! The pandemic continues to scorch the earth in the US. During a virtual White House health briefing recently, the Director of the Centres for Disease Control and Prevention, admitted her *'recurring feeling of impending doom'*! Notwithstanding the highest number of jabbing, infections have again begun to zoom up. But, more than the pandemic, what appears to have killed Americans in almost equal proportions to COVID-19 in 2020, are the weirdly strange side-effects of the coronavirus! They are road accidents and opioid abuse! Though the pandemic meant lesser traffic on the road, it also amounted to a rare chance to drive recklessly! Deaths per mile driven leapfrogged by 24% - biggest spike since 1924! Similarly, death from overdoses of opioid cliffed to a new high during the pandemic. As normal life came to a standstill, deaths from synthetic opioids rose by 52% in 2020!

The prevailing global scenario is that infections have rapidly outpaced injections, voila! Though there is no imminent end to the corona-sponsored animus towards humanity, vaccination appears to be the only bankable 'carbon sink' for the soaring transmission of infections! And India is not far behind - close to 90 million jabs administered thus far. All the countries such as the UK, Israel, the US, and some tiny entities, which have rushed their vaccination drives, appear to be finding some degree of solace from the present raging infections. The contagion appears to be troubling less if a country has jabbed a good swathe of its population. For instance,

the entire EU is caught in utter befuddlement on the issue of vaccination! Going by the tremors of fear running through a large part of the EU and its messy vaccination strategy, it could not save itself from grim blushes! A fractured vaccination strategy lagging behind the new surge across the continent has freighted it back to the initial days of the pandemic, where deaths had become more routine than the treatment. The AstraZeneca vaccine, which was initially decided not to be jabbed to senior citizens, is now being administered only to the elderly as younger people have reported blood-clotting. Though the European Medicines Agency does admit that its benefits outweigh the risks or side effects, long term damage is already done! Anti-vaxxers across the bloc have done the damage - much higher degree of hesitancy has been reported in Germany and France.

Even as vaccination has emerged as the most effective race against the virus, but just too many nations, rich as well as poor, appear to be losing it for multiple reasons. Some for lack of access! Many despite plenty of access! Oof! When would this pandemic end? Medical historians have not much clues to tell us anything definitive. Even today, there is no consensus when the 1918 pandemic ended and how? Different schools suggest that the world population acquired herd immunity over the years; others say that the mutated virus gradually became defanged! Many say that pandemics fade away rather than burn out! If we rely on the data of smallpox, one of many scary pandemics which was actually beaten back by human efforts, it may take years. It had actually consumed 13-long-years of global vaccination campaigns to defeat smallpox. If this is what the history has to offer us, let us all pray and religiously practise the ‘*Do Gaj Doori*’ mantra if the ‘vermin’ is to be completely ‘unmasked’!



3

Pandemic - The killer curve - India runs out of oxygen and 'carbon' too!*

ONLY a couple of months back, the wings of the pandemic appeared grimly clipped in India. But how can a situation can go completely out of hand is another extreme we find ourselves deeply drenched in! The daily surge in fresh caseloads has assumed apocalyptic proportions - more than three lakh cases with over 2000 fresh deaths! This is when a large number of cases are going unreported and the count of death is happily undercounted! The rising killer curve of infections in rural India appears to be being ignored, perhaps deliberately! The Indian health system, in which huge funds were pumped in only a few months back, has virtually collapsed! It has literally run out of oxygen! People are simply dying in the laps of frontline warriors! Worse, for the dead, the crematoriums have also run out of 'carbon' - no logs available to burn the bodies! In a nutshell, *ruhaniyat* (soulfulness) of the Indian care system has glaringly been missing!

A strange paucity of oxygen and carbon have left the space to be occupied by the theories of the great Charles Darwin - only the fittest may survive this phase of the pandemic! Dubbing the extant conditions as 'almost war-like', Rajya Sabha MP, Sanjay Raut, has called for special a session of Parliament! He says no beds, no oxygen, and no vaccines as well! Total chaos! He has called for at least two days' session of Parliament to discuss the pandemic devastating the country!

It is certainly not the case that the Central Government or the states were not expecting the second wave which had resulted in deaths at catastrophic scale in many parts of the world (14000 fresh deaths counted with close to nine lakh cases in the last 24 hours on global scale). India had simply dropped all its guards, not only to revive the economy, but also to conduct state elections and some mega religious jamborees! The political leadership at the Centre as well as the states preferred to make electoral fortunes, leaving no part of mind space for public health safety! All the gung-ho generated during the first phase of the lockdown to the save lives of common citizens quietly vanished in smoky air! The Central Government increasingly transferred the burden of pandemic management to the states and just focussed on vaccination - one of its poll promises made in the past. Having donated

* TIOL – COB (WEB) – 760 APRIL 22, 2021.

an eye-watering quantity of doses as part of vaccine diplomacy to over 80 countries, it rolled out jabbing with limited stocks at a glacial pace. Soon, many states reported precarious depletion of their stocks, particularly against their campaigns launched in response to the rising tidal wave of fresh infections.

As soon as the states, which were caught in the whirlwind of rising infections, reported burgeoning infections among the younger age groups of the population, the Centre pounced on the opportunity to throw the window open for above 18 from 1 May, but also asked the states to unilaterally negotiate the price of vaccines with manufacturers and source them directly. This was probably done to seal the canister of vaccine controversies and also to save on Central Government's resources. What appears to have irked the states is the fact that even as the Centre has been purchasing the vaccines for Rs 150 apiece, the states are expected to cough up Rs 400 apiece and Rs 600 apiece in the open market. Ideally, the Centre should have negotiated a uniform price for all the states and also put in place measures to prevent black-marketing of vaccines in the open market. The fact that both the key vaccine manufacturers have also inked international contracts and they would have to meet such obligations, it is less speculative that the supply would remain short for several months to come.

Let me now go back to the raging debate on whether states should go for lockdown to break the chain of transmission and minimise the rising toll of death. Though many health experts are not in favour of lockdown on economic grounds, but one fact which scientifically stands established and cannot be denied is that if the combustible transmission is not defused, the coronavirus clan has the intrinsic ability to mutate rapidly and each mutant emerges on the horizon with its own potency to kill and transmit. In this backdrop, the Governments have limited choice not to do so. However, some of them are experimenting with the weekend model to succeed in breaking the chain. So much faith the UP Government has got in this model that it questioned the wisdom of the Allahabad HC which asked it to order lockdown in five of the biggest cities of the state and the Apex Court finally sided with it. Delhi also started with the weekend model but when it did not work, it has gone for a week-long shutdown. Mumbai also seems to have given up and may soon go for complete lockdown.

Even as most states continue to toy with the idea of partial vs complete lockdown, the FICCI has written to all the states not to go for lockdown at all! In fact, its president has gone to the extent of urging states not to go for even partial lockdown as it may trigger a downward spiral for the economy! Though the FICCI may be right in its assessment from a business perspective, going by the rising death toll in the country, making such an appeal tends to thieve the premium a human life is expected to carry in every civilised society. No chamber of business should cheapen the loss of life and attach a premium to economic gains above it! It is true that the pandemic-battered economy would undergo another round of upending but at the moment, human lives ought to be saved at all costs! It is equally bitter that millions of migrant

labourers would suffer another round of uprooting and economic destitution, but saving life has to be a non-negotiable tentacle of the states' obligations towards their citizens!

One of the critical inputs for saving lives is the availability of oxygen cylinders. Many States have pilloried the Central leadership of playing favouritism over supply of the same. Delhi's Chief Minister has regularly been crying hoarse over missing supplies. Rajasthan has accused the Centre of discrimination, claiming while a 1200 metric tonne oxygen was being supplied to Gujarat, it has got only 124 metric tonnes. Unlike the first phase, the Centre has taken over all medical oxygen generator plants and distribution networks. Though the Indian Railways has introduced special trains to supply oxygen cylinders, given the acute pressure on hospitals and a large number of COVID patients being put on ventilators, the present quantity of supply has turned woefully inadequate. Similarly, some of the critical medicines and injections like Remdesivir have also run out of stocks. The second phase of the pandemic would clearly go down in history as one of the infamously ill-managed health challenges triggering visceral fear across the nation! Po-faced family members of COVID patients do hope that all the three pillars of democracy would soon work in unison and take meaty measures to bring the country back on rail! I sincerely hope that the present hiccups would soon be a thing of the past!



4

Marauder pandemic now heads beyond the goosebumps threshold!*

RIDING double-mutant and, also perhaps, triple-mutant, the second wave of the pandemic seems to have swung into ‘endgame’ mode for India! With the political leadership clearly demonstrating its inclination for the poll and *Kumbh* management in place of pandemic management, India long back deserted or got itself delinked from the world of science and humanitarian data projections of COVID-19 infections. Going by the ferocity of the new waves elsewhere in the world, many studies had projected a *tsunami*-like contagion resulting in gory pile-ups of dead bodies unless timely measures were put in place in India. However, strangely and nail-bitingly, all such forewarnings were given an indecent burial while dusting up the final strategy! And the consequences are here for all to analyse the script of a horror movie unfolding naked dance of deaths on a daily basis.

India has consistently been scaling up new scary peaks - 3.8 lakh new cases with over 3600 fresh deaths in the last 24 hours! Oof! There is no shelter for Indians to hide from the lunatic marauder the virus has turned into! Going by the abnormal spread and penetration of the pathogen, a stage seems to have come where people living in posh multi-storey condominiums, bungalows, middle-class houses, slums, or even makeshift houses on pavements can no longer afford to behave like ostriches. Given the projection of over five lakh cases by the middle of May, the virus is literally going to chase uninfected people even to the periphery of their bedrooms and claim its ‘meaty’ victims!

Though the daily official data of fresh infections and fresh deaths are big enough to stir chills down one’s spine, experts suggest that the Indian catastrophe is much bigger than what is being officially painted! The actual caseload could be anywhere between 10 or even 20 times higher and the number of deaths far too many to even imagine - since states count a death as COVID-related only if it is preceded by a confirmed test report. Given the fact that the national testing efforts have fumbled and all big players in the private sector are woefully handicapped to meet the sudden spike in online demand for immediate testing, it is taking almost a week for home collection. Meanwhile, frail human skeletons tend to ‘melt’! I am witness to one such

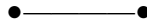
* TIOL – COB (WEB) – 761 APRIL 29, 2021.

incident in TIOL backyard, where my colleague developed initial cough and cold and even before the testing agency could send its representative, our colleague showed signs of gasping for oxygen. Given the 'carbonised' state of oxygen supply in the country, his co-morbidity did not permit him to stand on his two legs - and he simply perished even before anything our health infrastructure could do for him! If this is the scenario in our posh metros, one may not be blamed for making sketchy projections based on fragmented and rudimentary data collected from unconnected hinterlands across the country! Politics obviously plays a nasty role here as states ruled by different political parties have a vested interest to keep their official medical bulletin 'emaciated'!

Let me now move beyond the testing fiasco. Our visits to hospitals and oxygen suppliers depict a bone-chilling tale of horror. A serpentine queue of oxygen-seekers, a few riding posh sedan vehicles, but each begging for a few ounces of the life-supporting gas, first showcased the reality of the pandemic being a status-breaker in our society! But it was a short-lived equality-sponsoring mirage! Deep-pockets soon broke away from the queue and trousered long cylinders, many in surplus, and sprinted back to their loved ones! Chafing at such distribution by less-moneyed did not matter as this is how free market forces behave when there is a crunch of a particular commodity in the market. Though the Centre has taken many measures to bolster the supply to the starved states by running the Oxygen Express Service and even deploying IAF planes to airlift oxygen tankers, for thousands of lesser mortals parked in hospitals, it was too late as their official status changed from oxygen seekers to funeral pyre claimants. Even in the crematoriums, long waiting and queues have been reported. As a stop-gap arrangement, pavements outside such funeral places are being converted to deal with piles of body bags!

Moving away from the gory nitty-gritty emerging from the theatre of actions on ground zero, India's vaccine strategy, which once looked solid and on right track, is now a shambles! Shortages are now everywhere. The Centre, by February, had tied down supplies barely for three per cent of India's population. Serum Institute of India, the largest vax manufacturer in the world, has not been able to ramp up its production capacity for lack of funds or delayed access to funds. As a result, it has also defaulted in meeting its commitment to the UK, the EU and the Covax. Anyway, whatever stocks are available today, rather than jabbing people based on the age factor, a simple mid-course correction in strategy should be to identify 'super spreaders', who also constitute the necessary hands for keeping the wheels of economy moving. Now that lakhs of migrant workers have moved back to UP, Orisha, West Bengal, Bihar, and Assam, and have also freighted the virus to rural villages, these states should be given extra supply from the Central quota to launch a special drive to trace and jab them - and once the present wave loses steam and the workers once again roll up their baggage to go back to the cities, a sort of vaccine certificate indicating one dose or two doses should be made mandatory for their travel back or re-joining their workplaces.

Undoubtedly, India has fumbled and tumbled in dealing with the second wave and has also paid huge costs of excessive timidity in locking horns with the pathogen but everything is not yet lost. Mr Modi does command tremendous clout among the people. His party helms both the Houses of Parliament and runs most state Governments. This is the moment for Mr Modi to make use of all his influence and take charge of the strategy to deal with the carnage which looks unstoppable today! If key components of strategy are left to the States, they would essentially do politics, which would in turn produce mendacious feeds for the media and that would finally further puncture the morale of the citizens in the mighty institutions India has built over the decades to protect people and their health! I am still hopeful of a bellyful good news if no more time is lost!



5

COVID-19 - Did I really BEAT the virus? It was a scary combat!*

IT is more than all-engulfing, heart-stopping, gut-wrenching, and soul-piercing! The tornado of the second wave is ruthlessly squeezing lives out of thousands of ordinary Indians, who find no help coming their way either from the governments or even from the abodes of divine forces! In my five and half decades of not-so-short life, I have not witnessed such an awfully pathetic state of utter '*Bebasi for Insaniyat*' (helplessness of humanity)! Lives in thousands being trampled to death; alarms literally blaring but our *rahnumaas* (saviours) have slept through the alarm and left the people to deal with the nightmare on their own! Probably because they are left with no more rabbits in their hats!

Our entire political system, healthcare system, and the society at large have turned sphinx-like to the growing ocean of human suffering! The present health, economic and political tragedy is perhaps the worst civilian catastrophe in post-Independence history where hospitals have to ironically knock at the doors of courts for oxygen cylinders to save their dying patients! State Governments have been showboating frayed tempers over the Central Government and ludicrously feuding and passing the buck over the supply of scarce oxygen! Even as families are seen freighting their corona-beleaguered patients from one hospital to another and literally begging for oxygen bowls - elixir of life for the moment, our system is seen indulging in self-congratulations, chest-thumping, and soundbites! Our political leadership at the Centre and the states has rudely booed the life-saving needs of the common citizens and shamelessly opted for 'covid hubris'! The pandemic has shown us the darkest days of modern India, which has painstakingly built many institutions but all failed the citizens at the crunch time!

I personally have a year-old association with the coronavirus clan! Even before the virus had made a 'natty' appearance outside China, I had developed a weird fealty to it as a subject for keen tracking! Although it had just sneaked into Indian frontiers through the air route, I had scripted my first piece on its severe economic impact and what the then-scheduled GST Council could have done to prepare the economy to grapple with the unseen and insidious pathogen. As the lockdown ensued

* TIOL – COB (WEB) – 762 MAY 06, 2021.

and the full-blown dance of the contagion began to roil the economy, the pauperised and traumatised ocean of migrant labourers and the humanity at large, I stuck to the thread of evolution of the virus across the globe and how the new mutants may ultimately land up in India with our skies being kept open for ‘bubbled’ travels.

I was indeed coasting along well with the coronavirus subject and was also keen to share my insights gathered from a trolley of scientific research papers, containment strategies developed by different countries, and the making of the vaccines as a durable solution till destiny mandated my tryst with the REAL virus - the hair-raising spiky balls! Like most Indians I also used to mask the risk prosaically - using surgical masks and sanitising frequently! In hindsight, the first instance of dropping my guard may be recalled when my driver was coughing and I mistook the same for his perennial susceptibility to seasonal cough and cold! Sat with a colleague in the car heading for office, AC-cooled, but the indoor air frequently borrowing infected supplies of corona-tinged cough, turned us ill in less than a 30 minutes’ drive! My colleague quickly slipped into the cough mode and by evening, I developed a very high fever - 103 degrees. Baffled and half-convinced that it may be the beginning of a corona period for us, we took to standard paracetamols and Azithromycin 500 mg tablets.

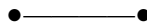
The next morning was disquieting and sparked a feeling of some sort of dark clouds gathering over our heads! I took a quick call for a proper RT-PCR test. Unaware of the ground reality that most private agencies have already fallen prey to the rising severity of the pandemic and are not able to provide any service because of their depleted workforce, I tried different agencies, including a few greenhorns. One of them came for the testing but without PPE and proper skirting of his face. This was the first indicator of basic safeguard kits running out of stock in the economy - so much for our advance planning for a new tidal wave! Given the huge pressure these agencies have of late come under, we were promised reports in five days! We had no choice but to continue with the medication and consult a physician. I did get in touch with multiple friends from the medical fraternity who prescribed medicines such as Dolo, Ivermectin 12mg, Zincovit, Vit C 500mg, Tab Fabiflu 400mg and of course, Azithromycin. My colleague next day opted to shift to his kin’s place so that proper isolation protocol could be followed.

I was cruising well except for the high fever, which was weakening my body but not the spirit! Then came the spine-chilling news that the oxygen level of my colleague had nosedived to the 40s and there was no bed available in any hospital in the NCR. What about oxygen? No question of getting even an ounce of it? A few frantic calls to well-connected friends fructified in arranging a bed with an oxygen cylinder in a Delhi Government hospital. His oxygen level soared beyond 70 the next morning! But it did not mean any respite for us as we knew that he would need an ICU bed with a ventilator, more because he was diabetic. Some laborious efforts got him an ICU bed, but 150 km away from Delhi in a medical college. Then ensued the second round of leg work to find an ambulance with an oxygen cylinder. We finally

managed one by the evening and shipped him to the medical college. Oof! Even before he could cross Ghaziabad, the news came that he ran out of breath and we continued to stare into abyss of pain for hours!

Such a tragedy, coupled with high fever, did alarm me for a few hours! But then, I decided to firm up my mind and fight this battle with all the vim and vigour I had at my command. It was a delicate psychological hand-combat against the unseen enemy! Fortunately, the oxygen level was not flirting with me too rudely! However, high fever and rapid enfeebling of the skeletons was a growing area of concern for me, my family, and my friends. Most insisted that I should find a bed, which I did, but it turned out to be the 10th day of the infection and as soon as I got admitted, my fever was gone and my oxygen level was found to be too inspiring for the doctors to permit me further stay in the hospital - and I vacated my bed for more severe cases queuing up. Then began my drill of a whole range of medical tests such as HRCT, IL-6, D-Dimer, CRP, and may more. Findings of all these reports put me on steroids (Medrol 16mg) for five days, tapering the same for the next six days. However, so much for the tall claim of being the arsenal of pharmacy of the world, it was a highly avoidable and debilitating search for Medrol. Tireless googling and a compassion-filled chemist finally parted with half of what I needed and left my brain-engine ignited for the other half. Shocking!

Now comes the post-Covid syndrome, which is still an evolving piece of medical evidence. However, some studies done in the Britain have confirmed that it turns out to be a chronic fatigue syndrome in many cases. Its lingering gifts are severe breathlessness, fatigue, and brain fog! Researchers have traced the ancestors of the coronavirus which had killed over 10 lakh people in 1890s and was misnamed as the 'Russian Flu'! Post-recovery, it necessarily causes lethargy for many months. The British researchers have noted that the long COVID cases do suffer a chronic autoimmune disorder and may cause lingering damage to some tissues caused by the infection. The US has earmarked USD 1.5 billion funds to conduct studies into the post-recovery syndrome. In India, Kerala also follows a model of counselling people for early recovery and other states need to emulate it! Till the time our scientists come up with definite answers to the long-arching questions about the long-term health implications of COVID-19 and lance the boil of uncertainties over new fingerprints of change, it would continue to cause excessive angst in thousands of post-recovery cases. In such a backdrop, it would indeed be premature to conclude that I had dumb luck on my side and I really managed to beat the pathogen!



6

COVID-19 - Glands of human emotions going dry but the 'shirtless' *Siyaasat* continues!*

WHAT we are witnessing today is the panoply of human tragedies of Shakespearean proportions! During the pandemic, the social media is also undergoing a cataclysmic character change. It has willy-nilly turned into a pulse-pumping medical bulletins of rising tide of beseeching cries for help; never-ending anecdotes of health trauma; uncontrollable grief of bereaved families; a display of callousness by the *Sarkari* machineries and even the hospitals, venting of fury against the political system; bitter tales of crises of trust; unseen shades of extortion and human greed, the macabre spectacle of COVID-ravaged human bodies being scornfully dumped into rivers as families and even governments cannot afford the costs of their decent burial; and also the shameless crowing about heroic efforts being made by Governments to tide over the crisis! Indeed, a spine-chilling display of shirtless *siyaasat* (politics) at the cost of human life - perhaps, unparalleled in human history because of its horridly gargantuan scale!

My last fortnight was inundated with frantic calls for oxygen cylinders, hospital beds and plea to connect with a helping hand in the medical fraternity. I initially thought that it was the end of the cruellest and eerily mind-numbing period of my life! Then ensues an abyss of time filled with unbearable grief, queasiness, and wild-west kind of abuse and neglect where my acquaintances in social and professional life were found leaving this planet faster than I could keep track of their counts! Oof, no end to the soul-crushing shocks! Stoicism being thrust upon me! The gigantic load of the terrifying tales of untold human suffering virtually sucked dry all the 'tears' of hitherto known human emotions snared in various human glands like millions of others! All these tales emphatically register in our mind how fragile and perishable have become our lives in the ever-expanding brolly-shaped spread of the pandemic and our elected governments largely keeping shtum, weird indeed!

However, the tale of tariff on imported oxygen concentrators and other life-saving medical devices constitutes a different shade of the story, where our tax bureaucracy

* TIOL – COB (WEB) – 763 MAY 13, 2021.

believes that life is not as fragile as the faucets of revenue collections are! As against the rising mountain of COVID-19 related deaths, the policy makers have literally once again proven the age-old proverb that very similar to death, tax is no less certain! I always mistook that our policy-makers are also, like us, human beings made of skeletons, flesh, and blood vessels! But they have made me skin off the layer of my deep-rooted folly - they are only 'living beings' snared in the majestic corridors built of red sandstone by Sir Edwin Lutyens - and very true to the property of red sandstone, they are 'fine grained', rough, tough, and have propensity for low absorption! Indians are dying in thousands but their pain fails to affect them because of the 'low absorption' property borrowed from red sandstone! Stone me! Their stone-cold approach towards fiscal administration is not about leaving any stone unturned to buoy up revenue, but about robotic mindset cast in stone!

Although the onus to exempt from tax solely lies with the political leadership, our fiscal machinery is also duty bound to sensitise and alter the folly-inducing mindset of the political bosses - not to impose 12% IGST when exemption from basic customs duty and Cesses has been granted. The fact that a flurry of import of such concentrators is only to save fast-evaporating lives and, second, it is certainly not a regular import item, there was no question of any dent being made into regular revenue projections. More importantly, how can an elected Government even think of revenue when it knows that such imports are coerced by the pandemic, and citizens are resorting to such imports only because our Governments have failed to save lives - putting a premium on breath! All praise for MNCs, Indian corporates, and charitable bodies, who made quick overtures where the Government burnt its humanitarian bridges with the people and paid for imported concentrators and distributed them for free! Why is it necessary for the Government to mandate that the import consignments have to be donated overseas or ought to be free of cost if exemption is to be availed? Why should Indian 'persons' be discounted or not counted on for such donations? If Indian entities are buying and then distributing free to the states and charitable hospitals, where is the febrile rationale for the Government to tax the device which prevents an event turning the ill into corpses? The Delhi High Court is seized of the issue and if any stately grace is left in our system, it should not wait for the court to direct it to grant IGST waiver!

So far as vaccines are concerned, I am unconvincingly willing to buy the much-orchestrated GST explainer shared by the Union Finance Minister where ITC holds the counter-key to the rising demand for GST exemption by the states. However, when no ITC is available on 12% IGST paid on oxygen concentrators, why should a popular Government risk mirroring insensitivity and being deprived of any fealty to the concept of public interests? At this hour of national trauma, even a notoriously pachydermic Government would like to grant duty waiver to import of all necessary drugs and medical devices. Why has the Modi Government leaned on the bureaucratic shoulders rather than displaying political and humanitarian wisdom at

this crunch time? Why should an elected government enforce a sense of utter abandonment in its citizens, which would inevitably result in backlash?

My mind's eye is clearly able to see a state of governance paralysis and a battering experience of being frozen in a time-warp - a series of electoral setbacks and a tidal wave of public excoriation about not preparing the nation for the apocalyptic second wave! Admitting a folly makes a man wiser and also saves the day! Such a timeless wisdom perhaps does not apply to political elites. They are engraved in stone only for the proletariats and lesser mortals! Fine! Not admitting an error may be a political choice in the short-run but keeping shtum or burying neck in the sand is Ostrich-like and unfathomable! Ideally, the Prime Minister, who has intrinsically relished the power of the spectacle, should have addressed the nation and given hope to the people that everything is not yet lost and his Government would fire on all possible cylinders, minus the oxygen cylinders, perhaps, to retrieve the situation! He should have tied down each of his senior Cabinet Ministers to three or four states for 24 × 7 coordination with the state machineries and provide them all possible assistance - oxygen containers, drugs, medical staff, and timely scientific information. Since they clearly demonstrated a state of paralysis, the Supreme Court of India had to suo moto take cognisance of the snafus. Yes, many jurists of purist genre may view it as a case of judicial overreach, but it is an extraordinary state of emergency in the country and when the Executive stands paralysed or has abdicated its responsibility, and the legislature has largely turned into a lackey for the Executive, at least one of the pillars of our constitutional democracy was required to take a stand and retain the trust of the people in the democratic institutions even if the same is fractured!

What mirrors the receding care for scientific approach to grapple with the pandemic is the petulant and insouciant dealing with the most critical fact-finding - the genome sequencing of the rapidly mutating virus! As late as in December, a Task Force was set up to keep track of the mercurial and 'skin-shedding' virus through genome analysis. However, funds, initially earmarked, were royally reduced - and the states, having no infrastructure to store the samples of infection, were given *carte blanche* to default in sharing samples. As a result, in place of the 80,000 samples initially envisaged, India, as a country, culled out only 3500 where the double mutant and the presence of the UK and South African variants were found. Notwithstanding the inadequacy of the study samples, our scientists knew for sure that unchecked spread of the virus may create fertile ground for further mutation, which may be more dangerous. Knowing all these facts, the Task Force did a routine job in a deadpan manner and failed to sensitise the Government, which was more besotted by poll campaigns and spiritual bathing in *Kumbh*. And today, the Indian variant, which may further mutate with the ever-expanding penetration in the hinterland, has turned out to be deadlier than the earlier variants - and it has spread as far away as Argentina. It has been found to be more transmissible and deadlier, which is corroborated by the growing bags of dead bodies. The WHO has warned that it may even give rude treatment to the vaccinated, which means our much-feuded

vaccination campaign is also in trouble! Seychelles is a good case for intensive study as it managed to vaccinate its major swathe of population of one lakh, but the latest wave has infected almost one-third of the vaccinated populace!

Before I conclude, good news on the vaccine manufacture front has come from the Biden administration, which has agreed to grant an IPR waiver for sharing the vaccine formulae for large-scale production and distribution of vaccines. India and South Africa may share the claim for the initiative, but it is not a case of low-hanging fruit. The issue is to be debated at the WTO forum; followed by domestic amendment of the IPR laws, and then, fixation of royalty and many more vexatious issues. Meanwhile, I do wonder when the ICMR is one of the key stakeholders in the manufacture of Covaxin vaccine, why can India not ease the IPR curbs and share the knowhow with dozens of large pharma companies, so that India's domestic demand deficit could be bridged. When it is now beyond debate that vaccination is the only sure shot answer to the spiky balls, no effort should be spared to ramp up production rather than hinging on capacity expansion by Bharat Biotech alone! Let us hope that good sense prevails and the Central Government takes timely steps not to disappoint its citizens on the vaccine front too!



7

Tauktae is passé! Clock ticking for the creation of a Zoonotic Pandemics Forecasting System!*

IT has indeed become a risky business to be an Indian! We are literally besieged by a protracted season of lethal and terrifying natural catastrophes! Even before the horror of the second wave of the hydra-headed Coronavirus sinks in, millions of Indians residing in as many as five coastal states have been struck by another natural disaster – a severe cyclone named by Myanmar as ‘Tauktae’. The howling gale, coupled with heavy downpours, have ravaged thousands of rickety thatched abodes of the poor, electric poles, telecommunication towers, ‘green lungs’ of the cities, public assets like oil drilling ships, roads, highways, hospitals, dilapidated schools, and even recklessly constructed brick houses. As per studies, recorded disasters have doubled from 200 to more than 400 in the past two decades of the 21st Century. Of course, climate change is the key driver. Studies indicate that nine out of 10 disasters are now climate-driven.

The two distinctive facts which emerge out of several organised studies of natural disasters are - one, most disasters are likely to kill less people than before; and two, their economic costs have abnormally leapt. As compared to the scale of deaths triggered by natural disasters in the past, where thousands of lives used to be squeezed to death by calamities such as the floods in Bangladesh (3 lakh were killed in 1970), China (over 35 lakh lost lives in 1931), India (25000 killed in the Gujarat quake in 2001), the number of human casualties has sharply tumbled. Only 128 lives were lost in the deadly cyclone *Amphan* last year. The case is not much different even though Tauktae has just assaulted India at the speed of 185 kmph – a category 3 hurricane in the Atlantic. Human casualties are barely in two digits so far!

How has this been achieved? How has the world managed to reduce the loss of human lives even as economic costs continue to spike – the richer the impacted country is, the higher would be the losses - and the answer lies in the global efforts to develop an Early Warning System about the ‘funny’ moods of weather. Thanks to the intensive use of modern technology - data crunching and artificial intelligence, the

* TIOL – COB (WEB) – 764 MAY 20, 2021.

level of accuracy post-tsunami has grown manifold. As a result, weather offices in rich as well as poor countries have substantially benefited in terms of issuing timely warnings. For instance, the states of West Bengal and Orisha are now bracing to deal with India's next cyclone, Yaas, on 26 May. The essence of time cannot be more acutely felt than during a disaster and the consequent relief work to save the injured. Thanks to the regular alerts and weather bulletins, Governments have been able to evacuate people from vulnerable areas; reduce damage to public property; and enhance preparedness in hospitals, food supply chains, and many other public services required to minimise human miseries.

Now the trillion-dollar question (the damage done by COVID-19 is estimated to be several trillion dollars to the global economy) is - if there can be an early warning system in place for cyclones, hurricanes, earthquakes, volcanoes, or even geo-storms, why can the Governments across the world not develop a similar Pandemic Forecasting System to prevent the next pandemic like the coronavirus, which has battered not only economies, social and professional lives, and average mental health, but also millions of human lives? Is it a 'Mission Impossible' for human brains? Are there too many dynamic variables to predict when and where the next outbreaks of virus-driven diseases are going to be - whether such outbreaks would be endemic to a particular geographical pocket or may turn into a lethal pandemics like COVID-19?

Let me briefly recall the tale of the first weather forecasting attempt ever made, and how difficult it was to scale up accuracy as there were just too many non-static variables and technology was simply missing in 1860! An officer in the British Royal Navy, Robert Fitzroy, distressed by the sinking of a Royal Charter Ship close to the British shores, embarked on the unheard-of vocation of forecasting local weather. He began mapping wind directions and collating barometer readings and then published his weather forecast in the Times. It was initially found to be of no value and full of accuracy pitfalls. But his initiation after a century turned into continuous measurements of temperature, wind humidity, and air pressure across the globe, and once the data is fed into simulations and run on supercomputers, we come to know the precise state of the atmosphere and weather for tomorrow! The time has come when we know whether to carry umbrella or a rain-coat tomorrow on our way to office or the market is known in advance!

Today, the pandemic-battered world is grappling with the virus-led Armageddon and our scientists, armed with dynamic algorithms and high-quality robotics, cannot tell us, on the basis of the molecules floating around within people and animals, when the next pandemic may strike the world again. Today's AI-driven biology certainly outclasses FitzRoy's meteorology, for scientists can gather all the antibodies out of blood drops (millions of litres collected for normal tests in hospitals and polyclinics and then drained out), trace antigens in mucus, pick genomes out of sewage, and find traces of the next outbreak of a disease from the terabytes of data gathered! As early as in February 2018, a WHO panel of experts identified public

health risks which included Ebola, SARS, Zika, Rift Valley fever, and also ‘Disease X’. The panel commented on ‘Disease X’ that it would be caused by a pathogen never seen before and would originate from animals somewhere in a part of the world where humans have taken over wildlife habitats! They were also specific in their observation that it would be deadlier than seasonal influenza and may turn out to be the next big pandemic. Obviously, these experts were armed with eye-watering amount of data and studies, which clearly provided them with a window for such accurate forecasting, but the world, besotted by geopolitical tussle, did not lend its ears to such forewarnings!

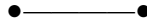
Now, the question is - can our scientists make more precise forecasts like daily weather forecasts? Can they not be accurate enough to know in advance whether it is going to be a virus-, bacteria-, or fungus-led outbreak and where first? My confidence is that our scientists can do it as fast as we have developed COVID vaccines provided they are funded well and the world cooperates with them without ‘pouring’ the Greek Goddess of poison into the prevailing fractured geopolitical landscape! The independent panel of experts set up by the WHO has recently called for the creation of a new global health threat council. The panel also noted that the WHO needs an overhaul as it is unfit to prevent another novel and highly-infectious pathogen, which may emerge any time. The experts were very emphatic in their findings that if the world does not act now, the present system will not protect humanity from the next pandemic threat. True, the WHO has been a ‘toxic cocktail’ of failures on many fronts, including tracing the origin of the coronavirus!

The world needs to pool in funds to the tune of USD 5 billion and create such a Council mandated with the twin task of first, forecasting the period of next waves of the coronavirus which has brought the world to its knees, and second, undertaking the project of mapping all known and unknown viruses in right earnest. For advance preparedness and to break its tyranny of exponential growth, the global body should first embark on time-sensitive genome-sequencing studies to forecast when the next waves - it may be 5th one for some countries and the 3rd one for countries like India - may rise vertically? Whether they would also spew fire in which many human lives may be ‘burnt’ to ashes?

The second task should also be time-bound as noted virologists, ecologists, and epidemiologists have often warned of risks of a flu-like disease spilling over from wild animals. There are 264 virus species found to be infecting humans. Bats are known to be original reservoirs of SARS-COV, SARS-COV2, MERS-COV, Nipah, Ebola, Hendra, and many more. Besides them, there are guesstimated to be around eight lakh more viruses, which may jump from their habitual hosts to humans and spread like wildfire. All these viruses can be mapped and data can be stored in VirLab for further research. A parallel exercise can be undertaken to sift through waste blood samples, which store a history of immune system engraved in antibodies. Such a project has been conceived by seasoned ecologist like Jessica Metcalf of the Princeton University and epidemiologists like Michael Mina at the

Harvard University, who are keen to use modern lab tools to detect incipient public health threats before they demonstrate their potential to fill up our mortuaries!

All seasoned experts may be roped in across the world by the recently-created WHO Hub for pandemic and epidemic intelligence and creating shared network access at Berlin. The Hub, supported by Germany and France, is envisaged to be a new global collaboration of countries worldwide, driving innovations for new tools and predictive models for risk analysis; and to monitor disease control. It is indeed a politic initiative to forestall the next wave as the coronavirus appears to have plenty of fuel still available. The Hub should quickly create a systemic brick wall of immunity against the next wave, which may flare anew in the coming winters. But such a Hub, within the fold of the WHO, may not measure to the size of the new task. Without tarrying, the WHO Governing Council should approve the suggestion of the Experts' Panel of creating a dedicated Council to prevent all future public health threats which impact both the rich as well as poor countries alike - theoretically, the poor are hurt more, but the coronavirus has so far demonstrated equity in hurting both alike! Let us hope that all the economic and political powers across the world work together to defenestrate all future pandemics as soon as they raise their hydra heads!



CONCLUSION

Conclusion

As I key the conclusion for this book, the Second Wave of the pandemic, which executed pogrom in many parts of the world with unmatched savageries, appears to be waxing and waning. However, humanity continues to be on the edge of lurking Third Wave! Several epidemiological eminences have forewarned that it may turn out to be equally scary if not more! Why so? Why is that the world is being forced to have a tryst with a third or a fourth wave? There are gaggles of reasons. First, what facilitated a free runway to the virus during the Second Wave was its new variant which is not going nowhere! Rather it has further mutated and has acquired a 'plus' point - Delta Plus, an additional mutation K417N in its spike protein. How deadly the Plus variant is going to be, would be known once sufficient data is analysed in the coming months.

However, it is beyond the pale of doubt that it would not be less deadly than its immediate parent - the Delta variant which has been notified as a variant of concern (VoC) by the WHO. And, matching its infamy, Delta variant is almost 2.5 times as fast as the original strain of COVID-19 and has already spread to 113 plus countries. For the UK, which was on the cusp of unlocking itself, it turned out to be a fresh source of niggling aches and pains for the Boris Johnson government. Another mutation, Lambda, which was earlier designated as a variant of interest (VoI) by the WHO has spread to over 30 countries and is not being studied for its obfuscating patterns of evolution. After Gamma it has turned out to be a dominant killer in Latin America!

Briefly, viruses are like 'goldsmith' but without a tool-kit! They are good at making copies of themselves but do not possess self-owned tools for duplication! That is why they need a fragile host, preferably with co-morbidities, whose machineries could be hijacked to produce copies of themselves. The unvaccinated population thus becomes fecund factories for new variants. This is more so as the basic survival instinct of the virus is to keep mutating rapidly. And one good and latest example is the Delta Plus which has already demonstrated immune escape ability for certain monoclonal cocktails and close affinity to lung tissues. Whether it has greater ability to kill than its parents would soon be known once clinical studies are done. So, since Delta, Delta Plus and Lambda are in circulation and may further mutate as they spread further, the third wave of the pandemic is almost certain! But when? It is difficult to project time-frame with no forecast tools developed as yet! However, based on factors such as mass-level profanity towards COVID-appropriate behavioural protocols and the pace of easing of administrative restraints, it may be advanced faster than the natural interval between the two waves! In fact, going by the

steady surge in infections it is almost here in a few select geographies such as East Asia, Russia, Latin America, South Africa and a large part of Latin America!

The second factor which contributes to cementing of the 'Wall of Immunity' against rapid transmission is vaccination. Scientifically speaking, injection and infection are inversely related to each other. The greater and speedier is the vaccination, slower would be the spread of infection. Since the Coronavirus is always desperate to look for new hosts, vaccination alone is the anodyne which can retard its pace. However, given a raft of challenges associated with vaccination programmes worldwide, and the ground reality that only a fraction of population in most countries except for the US, the UK and Israel, are jabbed twice, there is certainly not enough strength in the 'Wall of Immunity' to stymie the occurrence of a Third Wave. In fact, given the canyon that exists between the rich and the poor countries in terms of access to vaccines, it would be too naive to rule out even a fourth and a fifth wave of the pandemic in many parts of the world.

The third reason which points towards the impending Third Wave is the economic compulsion of most countries to open up their economies. Indonesia is a good example! When the choice gets narrowed down for a trade-off between lives vs livelihoods and hapless 'life' is at stake in either cases, a good number of countries have opted for minimum restrictions and thrown open their economies to manufacturing, exports and retail trade. This is to save measly jobs of millions in unorganised sectors across the world. Aha! This is like realising the pie-in-the-sky for the pathogen which loves crowded markets and gatherings to hop faster and also mutate greedily!

In this background, millions are asking - When will this pandemic end? Science being a natural laggard, would take time to answer it. It can make a statement only based on studies of facts and epidemiological and genomic data. However, a peep into the history of virology reveals that pandemics always end even if there is no vaccine. A good example is 1918 influenza. There was no flu vaccine nor the world knew that it was caused by a virus called H1N1. When the H2N2 pandemic devastated the world, the vaccine was available only with the military! When H3N2 pandemic rampaged the world in 1968, America developed vaccine but by the time it was ready for manufacture, the pandemic had disappeared in the thin air! A similar event was observed in 2009 when H1N1 spread and the world was geared up to produce vaccines but all orders were cancelled as none needed it! How did all these pandemics end? Certainly not herd immunity which we are talking about today in case of COVID-19! Scientists say that the viruses underwent a transition. Secondly, an immunological détente of sort was reached between the viruses and the humans whose immune systems had developed the art of fending off the infections. Over the time, the viruses which had caused *tsunami*, came to trigger low-intensity surges and all pandemics got morphed into seasonal illness! Several experts believe that the rigorous training of immune system may render future COVID-19 infections into something like regular cold!

Though such theories are floating around about the gradual petering out of COVID-19 but till it happens - What is the tool with humanity to minimise deaths? *Sacré bleu!* Nothing but vaccine! But vaccinating our way out of the pandemic is going to be a costly toll highway which very few countries can afford in the short-run. Given the trend of aggressive vaccine nationalism which has of late overpowered vaccine diplomacy - either exporting at a price or donating to jab-nots, would certainly deprive middle-and-lower income countries their share of vaccines. Rich countries would prefer donating or exporting only after their inoculation advances close to achieving the herd immunity (for instance, between 70% to 80% for the US, says Dr Anthony Fauci, key adviser to Mr Joe Biden). Similarly, the UK and EU would also be cancelling their pre-orders with vaccine manufacturers or directly contributing to COVAX - the global alliance for vaccine equality, only after their own vaccination programmes peak to a safe threshold. What may emerge as a serious challenge is the need to vaccinate children. In coming months, a major chunk of children between 5 to 18 have to be jabbed to inch closer to herd immunity. An obvious caveat is - Unjabbed children may turn schools which are increasingly opening in many countries, into explosive viral reservoirs!

However, what has emerged as a serious bottleneck to their jabbing efforts is the acute infodemic - sustained 'hooyey' on the social media. Tonnes of fake information have buttressed the cause of anti-vaxxers whose factories of poppycock stories certainly work faster and, also perhaps, more efficiently! Such armies of fabulists work with intense passion and unfortunately constitute a large swathe of population in many rich as well as poor societies. For instance, even after gargantuan endeavours the US has barely vaccinated 55% of its population. A recent survey reveals that one-third of remaining young Americans have no plan to get immunised in the near future! A polling in EU indicates that 25% residents are not keen to get inoculated. Such percentage is as high as 61% in Bulgaria! Unless hesitancy is tackled on a priority basis, the new variants of virus would continue to have a free run across the unvaccinated territories of the rich as well as poor countries.

Interestingly, today we see a virtual race to develop and manufacture new vaccines, followed by booster doses to deal with new variants. Such a race among elite pharma companies for making oodles of moolah does make a market sense and a good time for their share-holders but I clearly see the need for a 'Super Shot' which is equally efficacious for all existing variants and also perhaps, future mutants! The effect of such a vaccine should last for years if not the life-time! And I would like to put my wager on mRNA technology for coming up with such a solution! Certainly, our scientists would not disappoint the world! But politicians may! If labs engaged in such unique research are not adequately bankrolled, the world may not soon have tangible and eye-popping results!

So far as recovery of world economy goes, what is clearly written on the wall is - it goes hand in hand with vaccination and is incidentally inversely related to quixotic nature of new variants. Having achieved a reasonably good scale of vaccination,

many economies which matter for the global GDP, have largely opened up. And the first quarter macro indicators reveal that with the US and the UK being upbeat on many economic parameters and the EU being just behind them, the global output buttressed by the buoyant growth in China is likely to recover fast. With almost two-third of the global GDP taken care of, the rich economies would soon be on a path of unimpeded recovery. But emerging economies like India, Taiwan, Korea, Australia, Indonesia, Malaysia, South Africa, Brazil, Thailand and many more would continue to suffer till mid-2022 - a realistic timeline to complete inoculation - at least 80% of their population. What may turn out to be a walloping experience for both vaccination and economic recovery is the emergence of a more ferocious new variant!

Dozens of economies survive and thrive on tourism which would take at least one more year to find their feet. Time to throw open countries for tourism is directly linked to the pace of vaccination. If it is tardy, the opening for tourism including domestic, would be strictly regulated. Sluggish loosening of restrictions may delay it further. China, for instance, wants to keep its borders and airports locked for one more year! The only caveat will be a new weird variant which may upend such timelines! What may add to the cup of woes for the economies in a recovery mode is the temporary shortage of manpower - too many job options inevitably spoil job-seekers, cushioned by government-showered doles! Secondly, many habits of the 'old economy' would not be in vogue post-COVID! And a realisation to this effect would take time to dawn on the army of new generation job-seekers, temporarily unemployed trained workers and also employers and government agencies!

What I clearly see happening in the short-run is the development of a pandemic forecasting system. I am confident that the G7 and G20 would be earmarking a pool of funds for setting up a dedicated Global Health Threat Board, not attached to the WHO. And it would be mandated to map the ocean of known and unknown viruses in the nature and set up a library of genetic footprints and keep forecasting future epidemics and possible pandemics. Time has come for the world to keep a close eye on all public health threats which cost trillions of dollar to the global economy whereas their prevention may cost an embarrassingly measly sum of a few billions of dollars. Time to grow wiser! The global leaders should also agree on empowering WHO to seek details of all riskier projects like reverse genetics and gain-of-function being undertaken by different countries. Oof! If not all, at least all such dual-use projects which are executed at BSL-4 laboratories and may also be tailored for a possible military use. A global database should annually be made public so that a semblance of transparency in humanity-threatening projects exists for the world to take a call!

Last but not the least is the need to zero in on the origin of COVID-19. With China not cooperating with the WHO investigation team and a fresh White House call resulting in a new phase of cold war with the West as a whole, future does not augur well for the Chinese Community Party immediately after it recently celebrated

its 100th Anniversary on July 1, 2021. China is hugely risking geopolitically-bruising isolationism! If the American intelligence agencies manage to lay their hands on vital data gathered from the ‘bandits’ of the dark web or through human intelligence, it would further put to shame the arrogating politburo of China. Apart from geopolitical, military and economic implications resulting in trade wars, all the gigantic investments made by China to burnish its soft power through Belt & Road Initiative or cultural exports would be reduced to ashes. China may be forced to atone for its ‘accidental’ genocide! Such a scenario cannot be ruled out and the same may unnerve a good chunk of its own population. Anyway, I sincerely hope that the world leaders may succeed in convincing Mr Xi Jinping to cooperate and sail with the rest of humanity rather than getting besotted by his own thoughts of proving that his successful authoritarian political system is superior to democracies of the world! I also hope that by the time COVID-19 is defenestrated out of this planet to some junkyard in the space, the geopolitical currents would have changed its course and the world is certainly heading for a New International Economic & Political Order!



ANNEXURES

1

MHA Order

No. 40-3/2020-DM-1(A)
Government of India
Ministry of Home Affairs

North Block, New Delhi-110001
Dated 24th March, 2020

ORDER

Whereas, the National Disaster Management Authority (NDMA), is satisfied that the country is threatened with the spread of COVI D-19 epidemic, which has already been declared as a pandemic by the World Health Organisation, and has considered it necessary to take effective measures to prevent its spread across the country and that there is a need for consistency in the application and implementation of various measures across the country while ensuring maintenance of essential services and supplies, including health infrastructure;

Whereas in exercise of the powers under section 6(2)(i) of the Disaster Management Act, 2005, the National Disaster Management Authority (NDMA), has issued an Order no. 1-29/2020-PP (Pt.II) dated 24.03.2020 (Copy enclosed) directing the Ministries/Departments of Government of India, State/Union Territory Governments and State/Union Territory Authorities to take effective measures so as to prevent the spread of COVID-19 in the country;

Whereas under directions of the aforesaid Order of NDMA, and in exercise of the powers, conferred under Section 10(2)(1) of the Disaster Management Act, the undersigned, in his capacity as Chairperson, National Executive Committee, hereby issues guidelines, as per the Annexure, to Ministries/ Departments of Government of India, State/Union Territory Governments and State/ Union Territory Authorities with the directions for their strict implementation. This Order shall remain in force, in all parts of the country for a period of 21 days with effect from 25.03.2020.

Home Secretary

To

1. The Secretaries of Ministries/Departments of Government of India
2. The Chief Secretaries/Administrators of States/Union Territories
(As per list attached)

Copy to:

- i. All members of the National Executive Committee.
- ii. Member Secretary, National Disaster Management Authority.

2

COVID Guidelines

**Annexure to Ministry of Home Affairs
Order No. 40-3/2020-D
dated 024.03.2020**

Guidelines on the measures to be taken by Ministries/Departments of Government of India, State/Union Territory Governments and State/Union Territory Authorities for containment of COVID-19 Epidemic in the Country.

1. Offices of the Government of India, its Autonomous/Subordinate Offices and Public Corporations shall remain closed.

Exceptions:

Defence, central armed police forces, treasury, public utilities (including petroleum, CNG, LPG, PNG), disaster management, power generation and transmission units, post offices, National Informatics Centre, Early Warning Agencies

2. Offices of the State/Union Territory Governments, their Autonomous Bodies, Corporations, etc. shall remain closed.

Exceptions:

- a. Police, home guards, civil defence, fire and emergency services, disaster management, and prisons.
- b. District administration and Treasury
- c. Electricity, water, sanitation
- d. Municipal bodies—Only staff required for essential services like sanitation, personnel related to water supply etc

The above offices (Sl. No 1 & 2) should work with minimum number of employees. All other offices may continue to work-from-home only.

3. Hospitals and all related medical establishments, including their manufacturing and distribution units, both in public and private sector, such as dispensaries, chemist and medical equipment shops, laboratories, clinics, nursing homes, ambulance etc. will continue to remain functional. The transportation for all medical personnel, nurses, para-medical staff, other hospital support services be permitted.

4. Commercial and private establishments shall be closed down.

Exceptions:

- a. Shops, including ration shops (under PDS), dealing with food, groceries, fruits and vegetables, dairy and milk booths, meat and fish, animal fodder. However, district authorities may encourage and facilitate home delivery to minimize the movement of individuals outside their homes.
- b. Banks, insurance offices, and ATMs.
- c. Print and electronic media
- d. Telecommunications, internet services, broadcasting and cable services. IT and IT enabled Services only (for essential services) and as far as possible to work from home.
- e. Delivery of all essential goods including food, pharmaceuticals, medical equipment through E-commerce.
- f. Petrol pumps, LPG, Petroleum and gas retail and storage outlets.
- g. Power generation, transmission and distribution units and services.
- h. Capital and debt market services as notified by the Securities and Exchange Board of India
- i. Cold storage and warehousing services.
- j. Private security services

All other establishments may work-from-home only.

5. Industrial Establishments will remain closed.

Exceptions:

- a. Manufacturing units of essential commodities.
- b. Production units, which require continuous process, after obtaining required permission from the State Government

6. All transport services - air, rail, roadways - will remain suspended.

Exceptions:

- a. Transportation for essential goods only.
- b. Fire, law and order and emergency services.

7. Hospitality Services to remain suspended

Exceptions:

- a. Hotels, homestays, lodges and motels, which are accommodating tourists and persons stranded due to lockdown, medical and emergency staff, air and sea crew.
- b. Establishments used/ earmarked for quarantine facilities.

8. All educational, training, research, coaching institutions etc. shall remain closed.
9. All places of worship shall be closed for public. No religious congregations will be permitted, without any exception.
10. All social/ political/ sports/ entertainment academic/ cultural/ religious functions /gatherings shall be barred.
11. In case of funerals, congregation of not more than twenty persons will be permitted.
12. All persons who have arrived into India after 15.02.2020, and all such persons who have been directed by health care personnel to remain under strict home/institutional quarantine for a period as decided by local Health Authorities, failing which they will be liable to legal action under Sec. 188 of the IPC.
13. Wherever exceptions to above containment measures have been allowed, the organisations/employers must ensure necessary precautions against COVID-19 virus, as well as social distance measures, as advised by the Health Department from time to time.
14. In order to implement these containment measures, the District Magistrate will deploy Executive Magistrates as Incident Commanders in the respective local jurisdictions. The Incident Commander will be responsible for the overall implementation of these measures in their respective jurisdictions. All other line department officials in the specified area will work under the directions of such incident commander. The Incident Commander will issue passes for enabling essential movements as explained.
15. All enforcing authorities to note that these strict restrictions fundamentally relate to movement of people, but not to that of essential goods.
16. The Incident Commanders will in particular ensure that all efforts for mobilisation of resources, workers and material for augmentation and expansion of hospital infrastructure shall continue without any hindrance.
17. Any person violating these containment measures will be liable to be proceeded against as per the provisions of Section 51 to 60 of the Disaster Management Act, 2005, besides legal action under Sec. 188 of the IPC (as per Appendix).
18. The above containment measures will remain in force, in all parts of the country, for a period of 21 days with effect from 25.03.2020.

Union Home Secretary

Appendix**1. Section 51 to 60 of the Disaster Management Act, 2005****OFFENCES AND PENAL TIES****51. Punishment for obstruction, etc.**—Whoever, without reasonable cause—

- (a) obstructs any officer or employee of the Central Government or the State Government, or a person authorised by the National Authority or State Authority or District Authority in the discharge of his functions under this Act; or
- (b) refuses to comply with any direction given by or on behalf of the Central Government or the State Government or the National Executive Committee or the State Executive Committee or the District Authority under this Act,

shall on conviction be punishable with imprisonment for a term which may extend to one year or with fine, or with both, and if such obstruction or refusal to comply with directions results in loss of lives or imminent danger thereof, shall on conviction be punishable with imprisonment for a term which may extend to two years.

52. Punishment for false claim.—Whoever knowingly makes a claim which he knows or has reason to believe to be false for obtaining any relief, assistance, repair, reconstruction or other benefits consequent to disaster from any officer of the Central Government, the State Government, the National Authority, the State Authority or the District Authority, shall, on conviction be punishable with imprisonment for a term which may extend to two years, and also with fine.

53. Punishment for misappropriation of money or materials, etc.—Whoever, being entrusted with any money or materials, or otherwise being, in custody of, or dominion over, any money or goods, meant for providing relief in any threatening disaster situation or disaster, misappropriates or appropriates for his own use or disposes of such money or materials or any part thereof or wilfully compels any other person so to do, shall on conviction be punishable with imprisonment for a term which may extend to two years, and also with fine.

54. Punishment for false warning.—Whoever makes or circulates a false alarm or warning as to disaster or its severity or magnitude, leading to panic, shall on conviction, be punishable with imprisonment which may extend to one year or with fine.

55. Offences by Departments of the Government.—(1) Where an offence under this Act has been committed by any Department of the Government, the head of the Department shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly unless he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Department of the Government and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any officer, other than the head of the Department, such officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

56. Failure of officer in duty or his connivance at the contravention of the provisions of this Act.—Any officer, on whom any duty has been imposed by or under this Act and who ceases or refuses to perform or withdraws himself from the duties of his office shall, unless he has obtained the express written permission of his official superior or has other lawful excuse for so doing, be punishable with imprisonment for a term which may extend to one year or with fine.

57. Penalty for contravention of any order regarding requisitioning.—If any person contravenes any order made under section 65, he shall be punishable with imprisonment for a term which may extend to one year or with fine or with both.

58. Offence by companies.—(1) Where an offence under this Act has been committed by a company or body corporate, every person who at the time the offence was committed, was in charge of, and was responsible to, the company, for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence. (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company, and it is proved that the offence was committed with the consent or connivance of or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also, be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purpose of this section- (a) "company" means any body corporate and includes a firm or other association of individuals; and (b) "director", in relation to a firm, means a partner in the firm.

59. Previous sanction for prosecution.—No prosecution for offences punishable under sections 55 and 56 shall be instituted except with the previous sanction of the Central Government or the State Government, as the case may be, or of any officer authorised in this behalf, by general or special order, by such Government.

60. Cognizance of offences.—No court shall take cognizance of an offence under this Act except on a complaint made by- (a) the National Authority, the State Authority, the Central Government, the State Government, the District Authority or

any other authority or officer authorised in this behalf by that Authority or Government, as the case may be; or (b) any person who has given notice of not less than thirty days in the manner prescribed, of the alleged offence and his intention to make a complaint to the National Authority, the State Authority, the Central Government, the State Government, the District Authority or any other authority or officer authorised as aforesaid.

2. Section 188 in The Indian Penal Code

188. Disobedience to order duly promulgated by public servant—Whoever, knowing that, by an order promulgated by a public servant lawfully empowered to promulgate such order, he is directed to abstain from a certain act, or to take certain order with certain property in his possession or under his management, disobeys such direction, shall, if such disobedience causes or tends to cause obstruction, annoyance or injury, or risk of obstruction, annoyance or injury, to any person lawfully employed, be punished with simple imprisonment for a term which may extend to one month or with fine which may extend to two hundred rupees, or with both; and if such disobedience causes or tends to cause danger to human life, health or safety, or causes or tends to cause a riot or affray, shall be punished with imprisonment of either description for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Explanation.—It is not necessary that the offender should intend to produce harm, or contemplate his disobedience as likely to produce harm. It is sufficient that he knows of the order which he disobeys, and that his disobedience produces, or is likely to produce, harm.

Illustration

An order is promulgated by a public servant lawfully empowered to promulgate such order, directing that a religious procession shall not pass down a certain street. A knowingly disobeys the order, and thereby causes danger of riot. A has committed the offence defined in this section.

