



Lessons from India

The Italian marines' case meets with a disappointing end, as India loses right to trial

The long quest for justice for the two Kerala fishermen shot dead by Italian marines from the *Enrica Lexie* about 20.5 nautical miles off India's coast in February 2012 has ended in disappointment. An international arbitration court has ruled that India does not have jurisdiction to try the marines, who, it held, were entitled to immunity as they were acting on behalf of a state. The Permanent Court of Arbitration (PCA) in The Hague admitted that both India and Italy had concurrent jurisdiction in the matter but concluded that the marines' immunity precluded India's jurisdiction. In India's favour, the PCA found that the Italian vessel had violated the right and freedom of navigation of the Indian fishing vessel under UNCLOS, and that the action, which caused loss of lives, property and harm, merited compensation. It asked the parties to consult each other on the compensation due to India as a result. More significantly, the PCA rejected a key argument by Italy that India, by leading the Italian vessel into its territory and arresting the marines, violated its obligation to cooperate with measures to suppress piracy under Article 100 of UNCLOS. This may mean that the arbitration court did not view the incident as one related to piracy at all. The incident had caused national outrage as the public saw these as wanton killings, inasmuch as the circumstances indicated no attempt by the fishing vessel at piracy. The fishing vessel was within the country's Contiguous Zone and it was quite clear that the offence warranted arrest and prosecution under domestic law.

With the piracy angle ruled out, a regular trial was in order. The Union government should have taken over the prosecution and ensured a quick trial. However, as legal tangles were being sorted out, and India was dealing with the diplomatic fallout, the marines managed to obtain orders to leave the country. The Supreme Court ruled that only the Centre, and not Kerala, can prosecute the marines. A bigger legal issue, which caused more delay, came later. The National Investigation Agency invoked the Suppression of Unlawful Acts against Safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, 2002. This caused a diplomatic furore as it provides for the death penalty. The EU threatened to impose trade sanctions. Ultimately, it took time for these charges to be dropped. The PCA's award, which is final and has been accepted by India, is a huge setback for the expectation that the two marines would face a criminal trial in India. In the end, Italy succeeded in taking the matter out of India's hands. It should now make good on its commitment to have the marines tried under its domestic laws. The takeaway for India should be the lessons, in the legal and diplomatic domains, that can be drawn from the experience.

Bend it like Italy

India needs a comprehensive approach to the virus centred around wider testing

Five months after WHO declared COVID-19 as a public health emergency of international concern and three-and-a-half months after it called the disease a pandemic, its spread does not seem to be slowing down globally. Instead, infections and the death toll continue to rise alarmingly. After a sharp increase in March, the fresh cases reported have steadily increased, breaching the 10 million mark on June 29; the death toll too touched a grim milestone of 0.5 million. With the addition of each million new cases taking fewer days than the previous one, the pandemic is truly accelerating. As if the summer heat has invigorated the virus, June alone accounted for 60% of all cases reported so far. The second half of June has been particularly bad with over 1,50,000 cases reported almost daily. On June 26, 0.19 million new cases were recorded, the highest reported on a single day since the outbreak in China; U.S. (2.7 million), Brazil (nearly 1.5 million) and India (0.6 million) have been driving the spike. On July 1, the U.S. witnessed the single largest spike of nearly 50,000 cases, which is more than the total number of cases reported by Singapore, South Korea and other countries.

As on July 3, India has reported over 0.6 million cases and 18,662 deaths. The acceleration of fresh cases began in the first week of May and increased sharply in June. While Maharashtra has the most cases, infections in Tamil Nadu and Delhi have been steadily increasing. With over 92,000 cases, Delhi has surpassed China (nearly 85,000) while Mumbai (nearly 82,000) and Chennai (64,689) are close behind. After months of low testing, Delhi increased the number done per day to close to 20,000 with a concomitant increase in cases to reach a peak of over 3,900 before falling by nearly 40% in the last few days. Though belated, Tamil Nadu began aggressively testing in hotspot areas in Chennai a fortnight ago. Moving from a smaller number of targeted tests to increased community testing about two weeks ago has led to the test positivity rate reducing from 35% to about 20% in certain areas in Chennai. A test positivity rate of about 20% is highly suggestive of community spread in these areas. Equally important is tracing and isolating contacts. Tamil Nadu, however, has the lowest case fatality rate of 1.3% compared with 4.4% in Maharashtra, 3.1% in Delhi, and 5.6% in Gujarat. It is important for every State to take a leaf out of Maharashtra's book and test large numbers daily unmindful of the rise in fresh cases each day. Dithering on testing, tracing, isolating and treating will inevitably lead to uncontrolled spread and increased deaths, undermining efforts to contain the pandemic. After all, China, Italy, and Spain have demonstrated that it is possible to bend the curve through a comprehensive approach that is centred around testing.

Reset rural job policies, recognise women's work

As India emerges from the lockdown, labour market policy has to reverse the pandemic's gender-differentiated impact



MADHURA SWAMINATHAN

The COVID-19 pandemic has had a huge impact on women's work, but as official statistics do not capture women's work adequately and accurately, little attention has been paid to the consequences of the pandemic for women workers and to the design of specific policies and programmes to assist them.

A survey by the Azim Premji University, of 5,000 workers across 12 States – of whom 52% were women workers – found that women workers were worse off than men during the lockdown. Among rural casual workers, for example, 71% of women lost their jobs after the lockdown, the figure was 59% for men. Data from the Centre for Monitoring Indian Economy (CMIE) also suggest that job losses in April 2020, as compared to April 2019, were larger for rural women than men.

The pre-COVID-19 situation To comprehend the effects of COVID-19 on women workers, we need to begin with the situation before the pandemic. I draw here on the experience of the last 10 years with village studies conducted in collaboration with the Foundation for Agricultural Studies (FAS).

According to national labour force surveys, a quarter of adult rural women were in the labour force or counted as "workers" (in official data) in 2017-18. If we examine data from time-use surveys, that is, surveys that collect information on all activities undertaken during a fixed time period (usually 24 hours), the picture changes radically. There are no official time-use survey data: the National Statistical Office did conduct a time-use survey in 2010 but the results are not available (a previous pilot survey was conducted 20 years

ago). I use detailed, village-level time-use surveys from Karnataka, with data for 24 hours a day for even days consecutively over two agricultural seasons in 2017-18, to illustrate the ground-level situation. Taking time spent in economic activity (or what falls within the production boundary in the System of National Accounts or SNA) and using the standard definition of a worker as one who spent "ma-jor time" during the reference week in economic activity, time-use data show that, although there were seasonal variations in work participation, almost all women came within the definition of "worker" in the harvest season.

Crisis of regular employment These data suggest – and this finding is echoed in observations by women activists – that rural women face a crisis of regular employment. In other words, when women are not reported as workers, they are not counted in employment opportunities rather than it being on account of any "withdrawal" from the labour force. This crisis of regular employment will have intensified during the pandemic and the lockdown.

A second feature of rural women's work, brought to light by the pandemic, is the absence of the household level in villages across India surveyed by FAS, is that women from all sections of the peasantry, with some regional exceptions, participate in paid work outside the home. In thinking of the potential workforce, thus, we need to include women from almost all sections of rural households and not just women from rural households or manual worker households.

A third feature of our village-level findings is that younger and more educated women are often not seeking work because they aspire to skilled non-agricultural work, whereas older women are more willing to engage in manual labour.

A fourth feature of rural India is that women's wages are rarely



equal to men's wages, with a few exceptions. The gap between female and male wages is highest for non-agricultural tasks – the new and growing source of employment.

Finally, an important feature of rural India pertains to the woman's work day. Counting all work – economic activity and care work or work in cooking, cleaning, child care, elderly care – a woman's work day is exceedingly long and full of drudgery. In the FAS time-use survey, the total hours worked by women (in economic activity and care) ranged from 61 hours to 88 hours in the lean season, with a maximum of 91 hours (or 15 hours a day) in the peak season. No woman puts in less than a 60-hour work-week.

Lockdown and jobs

One of the lockdown's effects on employment for rural women? A rapid rural survey conducted by FAS showed that in large parts of the country where rain-fed agriculture is prevalent, the mid-day meal, a staple of rural life, was unavailable through the National Rural Employment Guarantee Scheme (NREGS) till late in April. The first month of lockdown thus saw a sharp drop in non-agricultural employment for women. In May, there was a big increase in demand for NREGS employment.

One of the new sources of women's employment in the last few decades has been government schemes, especially in the health and education sectors, where, for example, women work as Anganwadi workers, mid-day meal cooks. During the pandemic, Accredited Social Health Activists or ASHAs, 90% of whom are women, have become frontline health workers, although they are not recognised as "workers" or paid a regular wage.

Effect on health and nutrition

While the lockdown reduced employment in agriculture and allied activities and brought almost all non-agricultural employment to a standstill, the burden of care work increased. With all members of the family at home, and children out of school, the tasks of cooking,

cleaning, child care and elderly care became more onerous. There is no doubt that managing household tasks and provisioning in a situation of reduced incomes and tightening budgets will have long-term effects on women's physical and mental health. The already high levels of malnutrition among rural women is likely to be exacerbated as households cope with reduced food intake.

A new road map As we emerge from the lockdown, it is very important to begin, first, by redrawing our picture of the rural labour market by including the contribution of women. While the immediate or short-run provision of employment of women can be through an imaginative expansion of the local factories and other enterprises plan needs to generate women-specific employment in skilled occupations and in businesses and new enterprises. In the long run, the expansion of health infrastructure in the country, women, who already play a significant role in health care at the grass-root level, must be recognised as immediate measures to reduce the drudgery of care work. To illustrate, healthy meals for schoolchildren as well as the elderly and the sick can reduce the tasks of women in the home.

It is time for women to be seen as equal partners in the task of transforming the rural economy.

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Police violence and how some lives do not matter

As a country, Indians seek accountability selectively because their commitment to the rule of law is not principled



ANUP SURENDRANATH & NEETIKA VISHWANATH

As you begin to read this article, we would like you to think of the reactions to the Hyderabad police killing Chennakesavulu, Mohanred Aref, Navveen and Shiva, in the 'Disha' case. That incident, from December 2019, must surely bring back memories of collective celebration at justice' having been executed swiftly. The showering of petals, the raucous calls for adopting such measures of instant justice, and our pride in such police officers must be vivid in our memory.

Now contrast that to the reactions in response to the custodial killings, of Jayaraj and his son Benicks in Thoothukudi, Tamil Nadu. Celebrities, media platforms, politicians, Twitter and Facebook users, the general public, all aghast at the brutal violence inflicted on these two men. Everyone collectively reminding us that we need to keep our police in check, and that we must not tolerate such abuse of police powers while lamenting the lack of 'rule of law' in our society.

The contrast in the response to these two incidents could not be starker. What lies at the heart of

this contrast? Was it because the four men in Hyderabad were accused of raping, murdering and burning the body of the victim? Or was it because they were willing to accept this version of the law (but illegal) justice and trust the police when they told us that it was indeed these four men who were responsible. Despite no court having looked into it, we were convinced that they 'deserved' to be killed in that manner for what we believed they had done, conveniently blinding the lines between our moral judgment and the limits we must place on police power.

A different reaction

But with Jayaraj and Benicks, we must ask what really shocks us? Is it just that they were brutally assaulted and violated in a manner that caused their death? Or is our shock inextricably connected to what they were accused of – that they were tortured in this manner for keeping their shop open for a few minutes after lockdown timings? What we will or will not accept from the police in terms of their abuse of powers seems to be intrinsically linked to our moral evaluation of what they tell us people in their custody are accused of. When they present us to sexual offenders, terrorists and anti-nationals, we find ourselves reposing great faith in the narratives they feed us, and are even eager to be true. It literally is a few steps away from mob justice. It is just



that we let the police and the legal system do our dirty work. But thankfully for the family of Jayaraj and Benicks, we have judged differently and we are on their side this time. In different circumstances, our reactions would look, sound and feel very different.

The data

We must be careful not to mistake our reactions in this case as some commitment to the rule of law and due process. The track record of our public and legal conversation on torture and fixing accountability for it present a very different picture. In the last three years, the National Human Rights Commission (NHRC), India has received nearly 5,300 complaints of custodial deaths (police and prison) and we can be sure that it is only a fraction of the actual number of such deaths. If reporting such deaths is difficult, the legal process to investigate, prosecute and fix accountability has even more hurdles. This is evident from the fact that while government data recorded 1,727 deaths in police custody between 2000 and 2018, only 26 police officials were convicted.

In a country where custodial

torture and killing is an open secret, it is baffling that we still do not have a domestic law that enables torture prosecution by accounting for the particularities of custodial torture. We continue to struggle with the inadequacies of our regular criminal law in this regard.

An issue glossed over

Despite a suggestion by the Law Commission of India that if a person dies in police custody the police should be on the balance to show that they are not responsible for it, the law still requires the prosecution to prove that the police caused the death. India's political commitment to address torture is symbolised by its failure to ratify the UN Convention Against Torture, and thereby putting itself in the list of only 19 countries to have not adopted it. The Supreme Court of India has laid down many measures to prevent torture and fix accountability, but these judgments are rarely followed. Even legislative mandates suffer the same fate. Besides the usual police investigation into a custodial death, the law mandates an independent magisterial inquiry. It is perhaps a reflection of our institutional apathy that such inquiries have happened in only about 20% of custodial deaths. And to top it all, prosecution of police officials for custodial torture requires the sanction of the government.

The question about why torture is rampant has no straightforward

answers. One of course is that the system incentivises torture by seeking convictions without democratising the police force. However, police violence is not limited to investigations – any goes well beyond that. The use of torture is also often justified by police personnel as being required to teach 'hardened criminals' on behalf of society. But here in killing Jayaraj and Benicks, the police seem to have inflicted violence out of sheer expectation of impunity. It reflects a deeply worrying aspect of torture where police unleash violence because they know that the chances of being held accountable are slim.

The worst thing we can do now is to think of the incidents at the Sattanakkal police station in Tamil Nadu as being perpetrated by a few errant police personnel. There are institutional and public culture that breeds, protects and even celebrates this kind of violence. At the heart of that culture is our proclivity to embrace mob justice in situations where we feel it is 'deserved'. And in instances where we are forced to confront murders such as those of Benicks and Jayaraj, we must acknowledge that our celebration and tolerance of police brutality is just as much to blame as anything else. The blood of Benicks and Jayaraj are on all our hands.

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LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

Public to private

One is oddly uncomfortable while reading the statements of the Railway Board Chairman (inside pages, "Private trains will benefit travellers", July 3). Even when the Indian Railways was the only rail service provider, the IRCTC followed the airline industry's practice of dynamic fares, a grossly inappropriate move by a monopoly service provider. If private trains are being allowed, it is only going to justify dynamic fares even more. One is quite sure that this is certainly not a safety and welfare measure and all talk

of bringing in competition to reduce fares is pure hogwash when just 5% of trains are set to go private. It is very certain that the affluent will get to pay higher fares and travel in better quality trains. All the rest, pictured being painted as the Indian Railways' development will see a silent bubble. Soon, it will see the beginning of the end of rail coach factories as private operators will prefer to import trains, rather than expect government-owned standards of the rates and cars. The first casualty will

most likely be the integral coach factories, followed by the wheel and axle plants. One is aghast at the impudence with which the present dispensation at the Centre is going about systematically dismantling the semblance of order and accountability for government assets, instead of raising the railways' services to world class, as was promised when it came to power in 2014. The lack of an effective Opposition in Parliament has never been felt so acutely in the past 74 years.

ANANJAN MATHAN, Chennai

The present system has grown too big and unmanageable to be handled as a single entity, though many vested interests are bound to scuttle all moves to run the railways better. A lot of money is needed to modernise and profitably run it and offer it as an alternative and comfortable travel option.

T.M. RANGASWAMI, Tirunelveli, Tamil Nadu

Elephants under siege

It is sad that elephants in India continue to face no respite from dangers (Tamil Nadu, "Elephant shot dead near Mettupalayam", July 3). Poaching, cases of

electrocution and vehicular and train accidents are only rising. Depletion of forest cover due to encroachments, infrastructure, and a shortage of fodder and water sources in forests are some of the reasons for man-animal conflict. The wildlife law enforcement agencies have a pivotal role to play in protecting forests and wild animals. Appropriate changes must be made to wildlife laws, treating animal killings as grave crimes.

V. JOHAN DIANAKUMAR, Chennai

CORRECTIONS & CLARIFICATIONS

The graphic that accompanied the front-page story titled "MoD approves 33 new fighter jets in deals worth \$38,500 cr" erroneously identified the fighter jet as a MiG-29. It was actually an Su-30.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (date of publication), date and page. The Reader's Editor's office can be contacted by telephone: +91-44-2812977/2812978 (10 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-2812976; E-mail: editor@thehindu.co.in. Mail: Reader's Editor, The Hindu, Kasturba Building, 99-100 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Reader's Editor are on www.thehindu.com.

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THE EDITORIAL PAGE

WORDLY WISE

LET US READ, AND LET US DANCE; THESE TWO AMUSEMENTS WILL NEVER DO ANY HARM TO THE WORLD. — VOLTAIRE

The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

A NATION'S MESSAGE

PM's speech casts away any ambiguity of political response. A reassuring address to the nation — and a firm message to China

PRIME MINISTER NARENDRA Modi's visit to Ladakh and his address to the nation — and beyond — on Friday go significantly beyond the graded responses from New Delhi so far. Ever since the face-off with China on the Line of Actual Control in which 20 Indian soldiers were killed, there have been military and diplomatic talks, and, at the same time, a series of steps: A ban on Chinese apps that minister Ravi Shankar Prasad described as a "digital strike", the announcement by minister Nitin Gadkari that Chinese investment in road projects and small and medium industries was no longer welcome, and more generally, a reiteration of the emphasis on "atma-śrībhārat" or self-reliance, first invoked as a strategic response to the COVID pandemic. The PM's speech in Ladakh casts away any remaining ambiguity of the political response. He met troops at the 14th Corps headquarters at Nimo, a short distance from Leh, and his speech was at once a rallying cry and a call for steady resolve, invoking images of a "bansuri-dhārī" and "śudharan-dhārī" Krishna, the teachings of Buddha and the poetry of Ramdhari Singh Dinkar and Thiruvalluvar, while extolling their bravery and commitment to protect the territorial integrity of the country. But this was not a speech to the soldiers alone. It was an address to the nation, and at the same time, a message to China — even though the PM did not mention China by name — and the world.

Only days ago, the PM's remark at the conclusion of an all-party meeting had sparked controversy — neither has anyone intruded into Indian territory, nor has anyone captured military posts, the PM had said. Even though the PMO clarified later, confusion persisted. The PM's words in Leh, however, were remarkably different in tone and tenor. He sent out the unequivocal message that India would protect the territory of Ladakh, which he described as the "mustard" or heart of India. His statement that "veerta hi shanti ki poorv shart hoti hai" (peace requires courage) was a message that India's quest for peace with China should not be seen as weakness or political naivety by Beijing or the rest of the world. His juxtaposing of "śāhā" (bravery) and "kārunā" (compassion), his reference to "vīrasvād" (expansionism) as a relic of a destructive past, and his exhortation to build the future, instead, on "vīkāsavād" (developmentalism) — history is witness, he said, that expansionist forces were forced to turn back — underlined that an India and China at peace with each other could guarantee both the stability and economic development of the region and the world.

This speech, rather than any previous ambivalence, will come to be known as the defining moment for the government in its difficult relationship with China at this juncture. From Beijing's swift response that both sides were engaged in talks, and "no party should engage in any action that may escalate the situation at this point", it seems that the message may have gone home — if it hasn't, it should.

A DIFFERENT TRACK

Indian Railways opening up to private players in passenger services is a good idea — but there will be challenges ahead

ON WEDNESDAY, THE Indian Railways initiated the process to allow private firms to operate passenger trains on its network by inviting entities to participate on 109 origin-destination routes through 151 new trains. In return, private operators will have to pay fixed haulage charges, energy charges on the basis of actual consumption, and a share of their gross revenue to the Railways — the last parameter will be bid upon. While these 151 trains will form a minuscule portion of the entire railway network, this marks the beginning of private sector participation in passenger train operations, the only form of transport that remains a government monopoly.

The Railways has taken some steps to make this an attractive proposition for the private sector. For instance, the time slots for private operators have been fixed at the bidding stage itself. However, several critical issues remain unaddressed. For one, there will be questions over the financial viability of some routes. Railways also tend to cross-subsidise passenger fares through freight revenue. This translates to below cost pricing, which will make it difficult for private players to compete. On the other hand, higher fares needed to cover costs might bring them in direct competition with airlines, pricing them out of the market. Further, as the experience of private operators in running express trains suggests, setting up an independent regulator will be critical for creating a level playing field for private players. Currently, the same entity is effectively the policy maker, regulator and service provider, rolled into one. This, as the Bibek Debroy committee pointed out, "is a clear conflict of interest". An independent regulator can help establish trust with the private sector, facilitating its entry, but without it, the balance of power will continue to be tilted in favour of the Railways.

While liberalising the entry of new operators may be the path for improving services, and facilitating growth of the sector, there is need to exercise caution. Given the inherent complexity involved in this — the Rakshak Mohan committee report had pointed out that the international experience on privatising railways showed that it was "exceedingly difficult and controversial" — and keeping in mind the social welfare concerns, this should be treated as an opportunity to explore what will work, while keeping the flexibility to adjust the framework and fine-tune the rules and regulations.

DANCING HER WAY

Saroj Khan recognised the power of the musical number — an opportunity for women to take the lead

IN NIDHI TULSI's 2012 documentary, 'The Saroj Khan Story', the choreographer narrates an argument she once had with the censor board — they were not too keen on having Madhuri Dixit leave her bosom to "Dhak dhak karne laga" or Beta. "Dhak dhak, from where will that sound come, except from the heart?" And where is my heart?" says Khan. The song and its choreography went on to become the year's biggest hit in 1992, and once again, Khan, who passed away on Friday morning, demonstrated that if there was anyone in the Hindi film industry who could walk or sashay, the thin line between sensuality and vulgarity, it was her.

Khan began her career as a child actor and dancer in the 1950s, at the beginning of the "golden era of Hindi films". But it was her work in the 1980s and '90s that cemented her place in the industry. At a time when entire plot-lines revolved around the hero's journey, and the female lead was relegated to the singing-and-dancing love interest who offered relief from action sequences, Khan recognised the power of every musical number — an opportunity for women to take the lead. And what better way to do it than by dancing and celebrating femininity? In every composition, she brought the body alive. It could be a slight twitch of the head, a smile that reached the eyes, hands that moved with grace to beckon love or signal admonishment, and feet that moved so swiftly, so lightly, that the ground beneath seemed to tremble in delight.

Known as 'Masterji', Khan's talent also lay in helping actors who couldn't follow her intricate routines. Shah Rukh Khan and Kareena Kapoor Khan have spoken about how she worked with their limitations: "You have two left feet, but what of the face, use that." "Dance was more than expression for Khan, it was life itself."

When push comes to crunch

While India should continue search for peaceful solution, military odds are in no way stacked in China's favour



AMIT COWSHISH

WITH THE SITUATION prevailing in Ladakh, this is not the opportune moment for a speculative assessment about whether India is militarily prepared to face Chinese expansionist designs. The reality is that such an assessment is moot. The Indian armed forces will have no choice but to fight with their existing capabilities. Minor augmentation is possible through rushed delivery of already contracted-for material and ammunition and ascertained purchase of off-the-shelf, but beyond this there is no magic bullet.

Some analysts believe that the People's Liberation Army (PLA) has a decisive edge over the Indian Army due largely to its superior numerical strength, infrastructure in the Tibet Autonomous Region (TAR) abutting the Line of Actual Control (LAC), weaponry and recently accomplished joint service operations. Even so, it does not necessarily give China a definitive edge, as the potential conflict is unlikely to remain confined to ground forces.

Looked at in the wider context of mountain warfare, arduous and complex at the best of times, the odds are in no way stacked in China's favour.

Firstly, on ground, India has moved additional troops, howitzers, main battle tanks, infantry combat vehicles, varied missile batteries and air defence systems to the LAC in Ladakh. This deployment is backed by BrahMos medium-range supercruise missile, the quickest and the world's most lethal in its class. Other than land, the Indo-Russian BrahMos is also capable of being launched from combat aircraft and frontline warships.

On Thursday, the government approved its 104th core procurement of 33 Russian fighters, including 21 upgraded MiG-29 and 12 licence-built Su-30MKI fighters, missiles, and ammunition to boost military capability. This belatedly a distinct signal that the perceived paucity of funds and the recession spawned by the COVID-19 pandemic would, in no way, thwart India from squaring up to China's military threat along the LAC.

Besides, unlike the PLA, which has fought just one war with Vietnam over 40 years ago, the Indian Army is battle-hardened. It has fought five wars since 1947, four in which it ably acquitted itself, and has vast experience in hybrid mountain warfare, initially in the

Much of China's cockiness stems from its delusion of economic and military invincibility which, looked at objectively, defies reality. In its clash with the Indian Army at Nathu La near Sikkim in 1967, for instance, the casualties suffered by PLA were almost four times those on the Indian side.

Again, 12 years later in 1979, China boasted that it had driven Vietnamese troops out of Cambodia. The reality, however, was that Vietnamese troops remained in Cambodia for another decade after China's self-proclaimed victory. After the clash between Indian Army and PLA troops in the Galwan Valley area along the LAC on the night of 15-16 June, an embarrassed China declined to reveal the casualties it suffered.

north-east and more recently in Kashmir.

Most crucially, the commitment of PLA troops, most of them Han Chinese, to defend distant frontiers populated by rival Tibetan ethnic groups who believe in a living God, is really no match to the commitment Indian troops have to preserving their territories. The fierce

loyalty and pride of Indian troops to their patrons is unmatched in most other armies around the world and is a force multiplier. Secondly, unlike the 1962 border war with China in which India came off worse, the Indian Air Force (IAF) will play a significant role in the event of hostilities. A majority of IAF bases are located in the nearby plains from where combat aircraft like the Russian Sukhoi Su-30MKI, upgraded MiG-29M and retooled French Mirage 2000H can operate with a full load of fuel and weapons. In contrast, the payload of PLA Air Force's (PLAAF) fighters located at bases across the TAR at heights above 4,000 mts is circumscribed.

Moreover, PLAAF fighters like J-8FS, J-11Bs and J-16s, reverse engineered from Soviet-era and Russian platforms, are operationally inferior to the IAF's advanced fighters which are also armed with laser munitions with pinpoint accuracy. The procurement of SPICE-2000 bomb kits from Israel, approved recently by the government, will also reinforce the IAF's capability to take out ground targets from a safe distance. By contrast, PLAAF pilots have not operated against a real opponent.

Thirdly, China borders about 14 countries, but has frontier disputes with as many as 18 states. None of these countries is likely to intervene in the event of a Sino-Indian conflict, but New Delhi can expect some, if not all, of them to share intelligence and information, especially in the maritime domain, to thwart allied threats in the strategic Indian Ocean Region. Most of these satellite states are inimical towards China and fearful of its blatant hegemony.

Both sides have also placed aircraft carriers at the centre of their maritime force development plans, using elements of Russian technology. Both sides have started to develop a base level of experience and of adopting their own path to securing carrier capability.

China is relatively new to carrier operations and has had to learn from scratch, while aircraft, vessel, training pipeline, or operational experience to build upon. By contrast, India

celebrated the 62nd anniversary of its aviation wing in May 2015 and can claim years of continuous carrier operations. Indian Navy (IN) officials, therefore, maintain that their "institutional" maturity, experience, and knowledge gives it a decisive operational edge.

Much of China's cockiness stems from its delusion of economic and military invincibility which, looked at objectively, defies reality. In its clash with the Indian Army at Nathu La near Sikkim in 1967, for instance, the casualties suffered by PLA were almost four times those on the Indian side. Again, 12 years later in 1979, China boasted that it had driven Vietnamese troops out of Cambodia. The reality, however, was that Vietnamese troops remained in Cambodia for another decade after China's self-proclaimed victory.

After the clash between Indian Army and PLA troops in the Galwan Valley area along the LAC on the night of 15-16 June, an embarrassed China declined to reveal the casualties it suffered.

Wars are not won by making self-serving claims of military superiority before they are fought; they are won by tangible results on the ground, achieved through superior strategy and tactics and as Napoleon Bonaparte said, lucky generals. When criticised for winning battles simply because of luck, Napoleon retorted: 'I'd rather have lucky generals than good ones.'

Over decades India has negotiated an uneasy peace with China, largely through economic compromise and security concession, but this has not worked. While India should not abandon hope of finding a peaceful solution via diplomacy and negotiation, the sombre reality is that China appears to be in no mood to relent.

If anything, Beijing appears inclined to exacerbate tensions by unsafely involving its surrogates in Nepal and Pakistan, countries it dominates through a combination of financial bullying, security, military and nuclear pacts, but, above all, by exploiting their visceral antipathy for India. Sadly, this also only mean a prolonged military impasse, which could well escalate into a conflict, at huge cost to both sides, including China.

The writer is former Financial Advisor (Acquisition), Ministry of Defence

A STORY OF TERROR

Pakistan Prime Minister needs a recent history lesson on Osama bin Laden



KHALED AHMED

ON JUNE 25, PAKISTAN'S Prime Minister Imran Khan, speaking at the National Assembly, which he rarely visits — announced that the founder of the terrorist organisation al Qaeda, Osama bin Laden, killed by America in 2011 in Abbottabad, was a shuhed (martyr). According to Islamic belief, martyrs don't die and are the chosen of Allah. Many in Pakistan who thought bin Laden was a terrorist who had undermined Pakistan's sovereignty were shocked. Many, however, still believe that bin Laden didn't die the 9/11 bombing and that it was actually "an American Neocon-Jewish conspiracy to create a new caliphate to clober the Muslims".

Al Qaeda came to Pakistan to fight the Soviet invasion of Afghanistan and was, in a way, welcomed by the US. Pakistan didn't mind that this would attract the Sunni clerical institutions and bring about sectarian tensions in the country. But bin Laden first conquered Pakistan by becoming the hero of the religious leaders who thought he could help transform the country into a religious state after defeating "pagan" democracy. The dream was to recreate the "state of Medina" in Pakistan, an idyllic Khan was embraced as he helped block supply convoys going through Pakistan for NATO troops in Afghanistan.

Soon, the myth that Americans had carried out the 9/11 attack broke down. Hamid Mir wrote in *Jang* (November 1, 2004) that by announcing that he had carried out the 9/11

attacks, Osama bin Laden in his cassette on October 29, 2004, had revealed the falsehood of Al Qaeda's intellectual and moral claims.

9/11 acts of terrorism had been committed by the Jews. In the beginning, Mir too thought that the Jews had done it, but in November 2001, when he was in jail, he discovered that every al Qaeda member had the photo of Muhammad Ata (the leader of the hijackers who crashed two airliners into the World Trade Centre buildings) on their laptops.

The mosque in Islamabad called Lal Masjid linked up with al Qaeda after its head, Maulana Abdul Aziz, met bin Laden and bin Laden attacking places in Islamabad he thought were involved in "pagan" activities.

In 2007, President of Pakistan General Pervez Musharraf decided to clean up Lal Masjid after hearing that al Qaeda and its affiliates from Central Asia were hiding there. Operation Silence was launched after militants inside Lal Masjid killed a Pakistan Rangers soldier posted outside the mosque on July 3, 2007. The siege attracted high-profile religious leaders who tried to reason with the Lal Masjid democracy to eschew confrontation. According to reports, Lal Masjid was sheltering Ghazni Uighur Muslim terrorists in addition to other elements connected with al Qaeda. Tragically, the command unit that carried out Operation Silence was later attacked by a suicide bomber on September 14, 2007. Al Qaeda declared the foundation of Tehreek-e-Taliban Pakistan in

response to Operation Silence.

The Americans found evidence that bin Laden communicated with Maulana Mohammad Umar, leader of the Afghan Taliban, and with Lashkar-e-Taiba, the organisation engaged in the Kashmir jihad whose leader today is in prison in Pakistan. It is quite clear that bin Laden was involved with outfits engaged in terrorism in Pakistan. The facts that are now well-known tell us that al Qaeda was located at the top of the terror pyramid in Pakistan. The Taliban owed allegiance to it. Unfortunately, elements that Pakistan didn't mind having safe havens in North Waziristan were today in it. The Taliban Taliban and the non-state actors known to act abroad in favour of the state were distributing subversive literature produced by Aiman Al Zawahiri, bin Laden's successor.

Mariam Abou Zahab and Oliver Roy, in their book *Islamist Networks: The Afghan-Pakistan Connection* (2004), tell us about the penetration of Islamist influences into Pakistan. The chapter titled, 'The Pakistanisation of al Qaeda', tells us that after the fall of the Taliban in 2002, militants regrouped in Karachi and were bitter with their leaders for not preventing Pakistan from allying itself with the US — and proceeded to express their anger with acts of terrorism.

The writer is consulting editor, Newsweek Pakistan

JULY 4, 1980, FORTY YEARS AGO

NORTHEAST CUT OFF THE NORTHEASTERN STATES face total isolation for three days when the sponsors of the three-month-long Assam bandh begin from tomorrow their policy of blocking trains to the state. Despite Prime Minister Indira Gandhi's broad-spectrum offer to resume discussions to end the deadlock, the agitators were going ahead with their announced plan to sever air and rail links. The Assam government has not yet announced any plan to end the agitation. The Chief Secretary Ramesh Chandra said that police protection will be given to those wanting to avail the air services not cancelled by the Indian Airlines.

ESMA IN ASSAM OPPOSITION MEMBERS in the Lok Sabha described the Essential Services Maintenance (Assam) Bill as the first step to fascism and the return of authoritarian rule in the country. The Bill seeks to replace an ordinance giving the executive wide powers to ban strikes in essential services in Assam.

CONGRESS UNITY WHILE THE FIRST Opposition unity bid to settle the agitation, the three apparently contradictory moves to bring together different strands of the Congress are afoot. A section of influential leaders in West Bengal, Maharashtra and UP are trying to re-

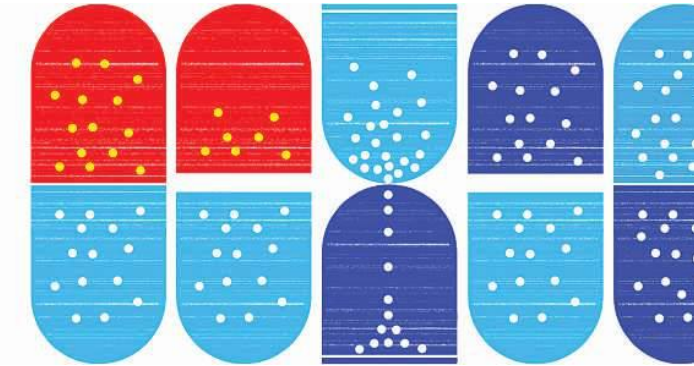
turn to the Congress. (1) Another important section, including the party President Devraj Urs, is contacting former Congress colleagues in the Lok Dal, Janata and other parties in a bid to secure their return to the Congress. (U) H N Bhaguna and his supporters have contacted old Congressmen to sell the old idea of a Congress minus Congress (I).

DOCTORS' STRIKE THE JUNIOR DOCTORS' federation of Delhi gave a call for a strike from July 5 in all major hospitals of the city. A spokesman said that the call was given after the authorities had not responded to their ultimatum of 15 days to solve the junior doctors' problems.



THE INDIAN EXPRESS, SATURDAY, JULY 4, 2020

THE IDEAS PAGE



Decoupling from China

Reducing dependence on China would be prudent for India's pharmaceutical industry. But it must be strategic, with significant policy support, and indigenisation will take time



RORY HORNER

THERE IS A growing clamour in India for boycotting trade with China amidst recent political tensions between the two countries. Such a possible move, however, is a major cause of concern for India's pharmaceutical industry as well as for people in India, and globally, who rely on the country's world-renowned supply of medicines.

Trade boycotts or bans are especially costly when production is organised through global supply chains, as is the case with the pharmaceutical industry. Although India is the third largest producer of finished drugs in the world, it relies significantly on China for supplies of active pharmaceutical ingredients (APIs), the key components in making medicines. An estimated 70 per cent of API requirements of India's pharmaceutical industry are sourced from China. For some drugs, such as paracetamol and ibuprofen, this dependence is almost 100 per cent. This import reliance has been fuelled by environmental controls in India and competition with China, which has higher volumes of production and lower costs. Given this, restricting or banning the import of APIs would cause significant disruption to the Indian pharmaceutical industry which had \$40 billion in revenues in 2018-19, according to Pharmexcil.

Such a prospect is especially of concern to potential patients. A severe contraction of Indian pharmaceutical production and its almost \$20 billion worth of annual exports, would affect access to medicines both in India and globally. The impacts would be especially high in low and middle-income countries which have become increasingly dependent on affordable medicines supplied by India. In many African countries, in fact, India supplies almost 50 per cent of the medicines in value terms and even higher percentages in terms of volume.

Some in India have invoked *swadeshi* to justify a trade boycott of China, pointing to the earlier transformative shift of India's pharmaceuticals from a foreign-dominated industry to one controlled by Indian firms. True, the market share of foreign-owned multinationals in India fell dramatically from 80-90 per cent in 1970 to 50 per cent by the early 1980s, and down to 25 per cent today. Also, the prices of medicines in India fell from being amongst the highest in the world to amongst the lowest.

But the domestically-owned pharmaceutical industry did not take-off through an abrupt decoupling from foreign multinationals, or a complete boycott or ban on imports. The 1970 Indian Patent Act, which removed product patent protection in pharmaceuticals, is widely lauded for facilitating the growth of India's industry. India also benefited from the 1973 Foreign Exchange Regulation Act (FERA) and the subsequent New Drug Policy (1978), which restricted—but did not ban—the activities of foreign multinationals in the industry. Thus, a series of policy initiatives succeeded in tilting the balance in favour of Indian-owned firms.

During the initial phase of the COVID-19 pandemic, many feared that China's supply of APIs to India would decline due to China's lockdown. Although those fears have not been realised, the Indian government has moved to promote more API production in the country. In March, the government announced Rs 3,000 crore to develop three bulk drug parks, as well as Rs 6,940 crore to manufacturers of 53 bulk drugs over the next eight years. Planning ahead towards greater domestic production of APIs, as well as reduced dependence on China, is an understandable and sensible policy objective.

Other countries are also seeking to reduce their reliance on China for APIs, most notably the US. It has longstanding concerns over the health security implications of such reliance, including the possibility of China restricting its export of medicines during a crisis. This May, the Trump Administration announced a \$354 million contract to a new company, Phlow Corp, for manufacturing generic medicines and pharmaceutical ingredients. Hence the US is also seeking greater self-reliance, but this is without immediate boycott.

Reducing dependence on China will not be easy to achieve. In India, any decoupling from China must be strategic, with significant policy support, and it will take time for a paced indigenisation. An ad hoc or reactive decoupling could disrupt the production of a wide range of medicines which currently require ingredients from China. Dexamethasone, a steroid which a UK study recently found significantly improves survival rates from COVID-19, is one notable example. Others include painkillers, such as paracetamol and ibuprofen, as well as antibiotics, such as penicillin.

Thus, in the short run, boycotts or bans would be counter-productive for Indian industry, while also affecting access to much needed medicines to India's citizens and beyond. In the long run, however, reducing dependence on China would be strategically prudent.

The writer is senior lecturer, Global Development Institute, University of Manchester

WHAT THE OTHERS SAY

"Much more needs to be done by the international community to let India know that violence against civilians — specifically violence against children — will not be tolerated (in Kashmir)." —DAWN

In a plastic crisis

During the pandemic, strides made over the last year in dealing with single-use plastic have suffered a setback



PARAMESWARAN IYER

IN THESE TIMES OF COVID-19, one of the most common clichés bandied about by op-ed writers and TV anchors is: "Every crisis brings with it an opportunity." The question is: Opportunity for whom or for what? In this case, the opportunity has been for an inanimate object and hitherto a longstanding enemy — single-use plastic (SUP) — to thrive and proliferate on an unprecedented scale on the back of the global pandemic.

If you were to take stock of the kinds of waste products you attempted to dispose of in the last 24 hours, you would surely recall trying to get rid of, safely or otherwise, an increasing number of COVID-specific, SUP-based products. Central to our new, hyper-hygienic way of life has become the increased dependence on non-recyclable items such as plastic-lined masks, gloves, hand sanitiser bottles and other personal protective equipment. There has also been a steep increase in day-to-day items such as plastic bags and delivery packaging. In 2018, a report by McKinsey estimated that, globally, we generate 350 million tonnes of plastic waste a year of which only 16 per cent is recycled. Today, the WHO estimates that the planet is using about 89 million masks and 16 million gloves each month — the amount of plastic waste it's generating is much higher than that estimated in the McKinsey report two years ago. To complete the stark picture, *The Guardian* recently reported that there are possibly more masks than jellyfish in the oceans today.

The plastic-made items we use to protect ourselves against the coronavirus are necessary, no doubt, although cloth masks have increasingly been encouraged for common use. But these are essential short-term needs for health, sanitation and other front-line workers as preventive measures against the coronavirus. But what about the long-term environmental impact on the planet? Are we waiting for the pandemic to be over to assess the damage or should we try to deal with the problem now?

In pre-coronavirus times, different nations had their own programmes to handle plastic waste. In countries such as Canada and the US, recycling of plastic is classified as essential, although this is not practised uniformly. In India, we have the Plastic Waste Management Rules of 2016, which were updated and amended in 2018. In fact, India saw incredible momentum in its fight for effective management of plastic waste in the last year. The Prime Minister made a call for a Jan Andolan (people's movement) to curb the use of SUP and ensure proper disposal of all plastic waste. He led the way by "plugging" — collecting plastic waste while jogging — on the Mallapalluram beach in Tamil Nadu. As recently as September-October 2019, the entire country rallied together under the banner of the Swachhata Hi Seva campaign, and people from all walks

of life collected plastic waste from their surroundings and disposed of it suitably with the help of the local authorities.

Today, the national, as well as the global momentum for plastic waste management, has been seriously disrupted. Thailand, which had banned disposable plastic bags at major stores in January and had planned to slash plastic waste completely in 2020, now expects to see such waste rise by as much as 30 per cent. In Indonesia, 63,000 workers were recently laid off in the recycling industry. Even the Bring Your Own (BYO) movement started in Singapore in 2017, where consumers were urged to bring their own utensils to restaurants in the effort to reuse and recycle, has received a blow with global giants such as Starbucks doing away with their "Bring Your Own Cups" policy due to the pandemic.

Plastic is not the problem, our handling of it is. We need plastic, but not SUP, which is difficult to dispose of effectively, and that is where the problem lies. It is important to understand this distinction so we may change our behaviour and our lifestyles, to balance our need for plastic with effectively managing its waste.

To go back to the opening cliché, one way to approach the issue is to treat it not just as an environmental problem but as an economic opportunity. We require new business models which are designed for sustainability. In Uganda, they are melting plastic waste to make face shields which are being sold for just a dollar each. In Singapore, start-ups are using stainless steel cups and bamboo boxes, which can be returned and reused after being washed and sanitised.

But, most of all, we need a tectonic shift in the behaviour of consumers. We need consumers to take after their role in the plastic waste value chain, using their power to change the environment into an unsustainable approach. This had started in India until the pressing need to confront the coronavirus took precedence over the fight against SUP. Today, the plastic-made items we use to protect ourselves against the coronavirus are necessary, no doubt, although cloth masks have increasingly been encouraged for common use. But these are essential short-term needs for health, sanitation and other front-line workers as preventive measures against the coronavirus. But what about the long-term environmental impact on the planet? Are we waiting for the pandemic to be over to assess the damage or should we try to deal with the problem now?

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The writer is secretary, Department of Drinking Water and Sanitation. Views are personal

Crime and impunity

Police brutality against vulnerable demands a George Floyd moment in India



HUSAIN DALWAI AND SAMEENA DALWAI

THE BRUTAL TORTURE and death of a father and son in custody in Tamil Nadu brings the issue of police impunity to the fore once again. The deaths were not caused by bullets, which might have been less painful, but by organ damage that shows how merciless the policemen were. The victims were dragged to the police station for a non-violent crime — a civil offence of keeping the shop open longer than allowed — very similar to the George Floyd case in America. But where is India's Floyd moment?

Earlier this week, the Maharashtra government reinstated four policemen accused in the custodial death of Khwaja Yunus in 2003. Yunus's mother has filed a contempt of court petition since a suspension done by a court order cannot be legally revoked by the government. Her son, an IT engineer, was taken to the police and never returned. She could not even see his dead body.

The family went to the Bombay High Court. A CID enquiry revealed that while the police claimed that Yunus had absconded, he had died in police custody. He was allegedly stripped and beaten on the chest and abdomen with a belt in a lockup. Out of the 14 indicted policemen, only four were charged by the Maharashtra government. The case for murder, voluntarily causing grievous hurt to extort confession, fabricating evidence, and criminal conspiracy, is still pending.

We feel awed and overwhelmed seeing

the uproar in the US, followed by rallies in London and Paris in support of Black Lives Matter. This has been long overdue. The US police reportedly shoot and kill around 1,000 black people every year. Racial profiling marks African-American youth as "criminals" and fills American prisons with them. Historically, some of America's first police units were actual patrols to catch runaway slaves. Later, police units participated in or abetted lynching and enforced Jim Crow laws. Floyd was handcuffed and pushed down on the road with the policeman's foot on his neck. His last words were "I can't breathe".

Marathi journalist and writer Samar Khadas wrote a story called *Bokryuchi Body* (The body of the goat) based on the Yunus case. In the story, a Muslim youth is arrested and tied to the chair in the police station. They put a towel on his face and keep throwing water on it. The man struggles, keeps begging, then slowly his pleas and voice become guttural. In the end, only silence. All the while, the policemen are sitting around joking, eating and watching TV. Successive governments have failed to charge policemen involved by Srikrishna Commission for their inaction or direct violence in the Bombay riots of 1992-93, for shooting Muslims point-blank, for sending families back to rioters.

This kind of police behaviour often gets justified as "stress" or because "the police are common people too". This is a twisted argument that allows the police on one

hand, to be egotistic, vengeful macho men, and on the other hand, provides them with arms, closed spaces and immunity from consequences.

In India, the structures that enable police brutality date back to the British Raj, when the colonial government used bullets, torture and branding as criminals to discipline the lowest strata of Indians, including tribals, Dalits and Muslims. After Independence, the police departments continued to be brutal, prejudiced and bereft of scientific policing techniques. A survey by Common Cause, a non-governmental organisation, and the Centre for the Study of Developing Societies (CSDS) Delhi, showed that 14 per cent of police personnel feel that Muslims are "very much" naturally prone to committing crimes, while 36 per cent feel that Muslims are "somewhat" prone.

This bias comes handy when the current right-wing political regime tries to "teach a lesson" to its political opponents. From Kashmir to Northeast Delhi, from JNU and Jamia to Aligarh Muslim University, we have seen aggressive police actions against protesters.

The Hindu-Muslim rift that started before Partition has been successfully fuelled by the right-wing in the past three decades. The "dangerous minority" discourse overshadows that systemic discrimination and economic deprivation of Muslims has resulted in Muslim OBCs (lower castes amongst Muslims) sinking on social and

economic indicators — as revealed by the Justice Sachar Committee report in 2006. The propaganda that portrays Muslims as villains creates impunity for the police.

India does not follow the "command responsibility" principle for police chiefs — the commander of forces is not held guilty for failing to curb illegal activities of those in his charge.

Nor does the law permit common citizens to use a police officer — only the government has that discretion. Governments and superior officers have been alleged to shield the guilty, making the path to justice thorny for the survivors of police brutality.

Black people in the US are now demanding the total dismantling of police departments, not token reforms within existing structures. They have been marching the streets chanting, "I can't breathe" — in memory of Floyd. I can't breathe also means, "with their foot on my neck, I can't breathe". I can't move around, I can't hold a job, rent a place, pray, go to university. I can't be a citizen.

Thousands of white people are on the streets of Europe and the US, supporting black people in their demands, saying, "No Justice, No Peace". Can we hope the Indian majority classes and governments will follow suit?

Husain Dalwai is a former Rajya Sabha MP and Sameena Dalwai is professor, Jindal Global Law School

LETTERS TO THE EDITOR

BE FIRM

THIS REFERS TO the editorial, 'Stand up, speak up' (IE, July 3). It's time for India to stand up to the unprovoked Chinese aggression. Else, it should be prepared for more such transgressions. It's time to impose the costs of war on China and also take the app ban to a trade ban level. India must campaign for global sanctions against China, which may have the maximum effect. India must solidify its borders with reinforcements.

Ashok Goswami, Mumbai

CASTE HEGEMONY

THIS REFERS TO the editorial, 'California example' (IE, July 3). India has taken measures to reduce caste discrimination. Where urban areas face workplace discrimination in the private sector, rural areas have other problems. People from the backward classes in villages are still made to sit on the floor in front of the upper castes. They are fed in separate utensils. Making laws and ensuring their implementation will help reduce the hegemony of upper castes.

Ayushi Singh, Agro

JOBS NEEDED

THIS REFERS TO the article, 'Safety net, post Covid' (IE, July 3). The drought of jobs has led to increased enrolment in MGNREGA. The government needs to expand its scope, and include agricultural activities in its fold. It is pertinent to note that since non-farm income has been affected due to the continued

IDEAS ONLINE

ONLY IN THE EXPRESS

● WHY SOME STATES CAN BE TOPPLED:
SATYAM VISWANATHAN

● INDIAN DIASPORA AND COVID:
SANGAY K MISHRA

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COVID-19 lockdown, MGNREGA employment in agriculture and horticulture sectors must be provided to mitigate hardships of the returning workers. Today, people need income security, which will flow only through jobs.

Ravi Jain, Zolpur

PUBLIC JUSTICE

THIS REFERS TO the article, 'In the sun, and in the light' (IE, July 3). Live-streaming court proceedings is the need of the hour to instil public confidence in the judiciary, especially when the pillars of democracy face a huge trust deficit. Virtual hearings can help optimise arguments, thereby saving time and reducing case pendency. Documenting court proceedings can usher in an era of judicial transparency.

Anjali Bhawan, Thiruvananthapuram

FT BIG READ. PROFESSIONAL SERVICES

The Wirecard scandal is the latest to focus attention on the failure of company auditors. Often seen as the poor relation of the accountancy profession, critics say it is time for the sector to be overhauled.

By Jonathan Ford and Tabby Kinder

At the end of 2005, the Italian dairy company Parmalat descended into bankruptcy in an eye-catching abrupt manner. A routine bank reconciliation revealed that €3.9bn of cash which Parmalat was supposed to have at Bank of America did not actually exist.

The scam that emerged duly blew apart one of Italy's best-known entrepreneurial companies, and sent its founder, Calisto Tanzi, to prison for fraud. Dubbed Europe's Enron, it humiliated two large auditing firms, Deloitte and Grant Thornton, and ended up costing the former \$149m in damages.

Yet it rested on an apparently simple deception: the reconciliation letter on which the auditors were relying had been forged.

There were shades of Parmalat's collapse again last week when, nearly two decades later, another fast-growing European company blew up in strikingly similar circumstances.

After years of public questions about the reliability of its accounts, primarily from the Financial Times, the German electronic payments giant, Wirecard, was forced to admit to a massive hole in its balance sheet.

Rattled by the failure of an independent probe by KPMG to verify transactions underpinning "the lion's share" of Wirecard's reported profits between 2016-18, and unable to publish its results due to issues eventually raised by its longstanding auditors EY, Wirecard finally capitulated.

It announced that purported €1.9bn cash balances at banks in the Philippines probably did "not exist" and parted company with its chief executive Markus Braun. The evidence relied on by EY had been bogus.

It remains unclear exactly how the crucial confirmation slipped through the cracks. According to one EY partner: "The general view internally is that confirming historic cash balances is auditing 101, and [that] ordinary auditing processes were followed, including third-party verification, in which case the fraud was sophisticated in its use of false documents."

Others, however, take a less charitable view of such slip-ups. "The integrity of the cash account [which records cash and should reconcile to all other items in the accounts] is totally central to the whole system of double entry book-keeping," says Karthik Ramanna, professor of business and public policy at Oxford's Saïd Business School of Government. "If there is no integrity to the cash account, then the whole system is just a joke."

Shareholder support Wirecard's collapse is the latest in a wave of accounting scandals that has swept through the corporate world, including the UK outsourcing group Carillion and Abu Dhabi-based hospital group NMC Health, as well as alleged frauds at the mini-bond firm London Capital & Finance (LCF) and the café chain Patisserie Valerie.

Many fear a further surge as the Covid-19 lockdown washes away those companies with weakened balance sheets or business models in coming months.

Questions about "softball" auditing have dogged many recent high-profile insolvencies. Carillion's enthusiasm for buying companies with few tangible assets for high prices led it to build up £1.5bn of goodwill on its balance sheet. Despite vast losses at some of those subsidiaries, it had written down the value of just £134m of that goodwill when the whole edifice crumbled.



Time to audit the auditors?

'Go back into history and you will find there was never a golden age of auditing' Prem Sikka, professor of accounting

Similar questions hang over LCF. A close reading of the notes in the last accounts it published show that the estimated fair value of its liabilities far exceeded that of its assets in 2017, making it technically insolvent 18 months before it collapsed, taking with it more than £200m of savers' cash. Yet EY gave the accounts a clean bill of health.

Such cases have raised concerns about the independence of auditors, and their willingness to challenge the wishes of client management, who are rationally driven by their own desire for self-enrichment or survival.

"It's so important if you want to keep the relationship to have a rapport with the finance director," says a financier who once worked at a Big Four auditing firm. "It is basically sometimes easier to swallow what you are told."

It is a problem that has deepened with the adoption of modern accounting standards. Over the past three decades, these have progressively dismantled the traditional system of historical cost accounting with its emphasis on the verifiability of evidence and using prudent judgment, replacing it with one based on the idea that the primary purpose of accounts is to present information that is "useful to users".

This process has allowed managers to pull forward anticipated profits and unrealised gains, and write them up as today's surpluses. Many company bonus schemes depend on the delivery of the "right" accounting numbers.

In theory, shareholders are supposed to provide a check on the influence of self-interested bosses. They choose the auditors and set the terms of engagement. But in practice, investors do not often assert themselves. And scandals rarely lead to the ejection of auditors.

So after UK telecoms group BT

announced a £530m writedown in 2017 because of accounting misstatements at its Italian business, the auditors, PwC, were not sanctioned by investors. Far from it, the firm was reappointed with over 75 per cent support. And when EY came up for re-election at Wirecard in the summer of 2018, despite rumblings about the numbers, it was voted back by more than 99 per cent.

It is not only an auditor's desire for an easy life that can drain audits of that all important culture of challenge. There are practical issues too. Tight budgets and timetables limit the scope for investigation. Audit fees in Europe are far below those in the US. Audits of Russell 3000 index companies in the US cost 0.39 per cent of company turnover on average. Those in Europe average just 0.15 per cent, while for German companies it is a feeble 0.09 per cent.

With fees low, auditing teams are often stretched thin, with only limited support from a partner out of a desire to limit costs and maximise the number of audits done. Audit is traditionally the junior partner in a big accounting firm, with around four-fifths of the Big Four's profits coming from the non-audit consultancy side.

Take the last audit of BHS under the ownership of Philip Green, who sold the failing UK retailer to a little known entrepreneur, Dominic Chappell. In 2015, the chain subsequently collapsed the following year.

The PwC partner, Steve Denison, recorded only two hours of work auditing the financial statements. The number two, an auditor with just one year's post-qualification experience, recorded 29.25 hours, and the more junior team members 114.6 hours. Mr Denison was later fined for misconduct and effectively banned by the regulator.

According to Tim Bush, head of governance and financial analysis at the Pensions & Investment Research Consultants, a shareholder advisory group, this reliance on juniors tends to result in "box checking" rather than an investigative approach to audit processes.

This in turn can open the door to abuse. Scams often hinge on faith in some implausible business activity. Parmalat's €3.9bn cash pile, for instance, was supposed to have come from selling milk powder to Cuba. But an analysis of the volumes claimed suggested that if the company's numbers were accurate, everyone on the island would have been consuming 60 gallons a year.

As the author Richard Brooks noted in his book *Beam Counters*: "It shouldn't have been difficult for a half-competent audit firm to spot."

No 'golden age'

The academic Prem Sikka rejects the idea that auditing has gone downhill in the past few decades. "Go back into history and you will find there was never a golden age," he says.

He argues that most of the weaknesses are of longstanding vintage, and are down to a lack of accountability. "On the audit side, there is no transparency. You have no idea as a reader of accounts how much time the auditors spent on the task and whether that was reasonable," says the professor of accounting at the University of Sheffield.

While there are signs that the UK regulator is getting tougher, it is down to shareholders to provide stronger governance, Prof Sikka says. If they won't do it, the government should consider setting up a state agency to commission audits of firms and set fees. "It wouldn't have to be everyone. You could just do large companies and banks."

Around four-fifths of the Big Four's profits come from the non-audit consultancy side - FT magazine

Britain has recently been through a comprehensive review of audit, including how it is regulated, plus a review by the businessman Donald Brydon of its purpose. This devoted many pages to establishing it as a distinct new profession and adding statements to include in already grating company reports.

Far from creating new tasks, many observers think that audit should reconnect with its original purpose. This is to assure investors that companies' capital is not being abused by over-optimistic or fraudulent managers. "At their heart, audits are about protecting capital, and thereby ensuring responsible stewardship of capital," says Natasha Landell-Mills, head of stewardship at the asset manager Sarasin & Partners.

Yet modern accounting practice has made audits more complicated while watering down the legal requirement to exercise the judgment needed to ensure the numbers are "true and fair". Despite the endless mushrooming of numbers, it is no easier to know if the capital is truly present and can thus justify the payment of dividends and bonuses.

Michael Tzaz, chief executive of the Institute of Chartered Accountants in England and Wales says: "Auditors need a renewed focus on internal controls, going concern and fraud. The vast majority of business failures are not the fault of the auditor, but when audit quality is a contributory factor, the problem generally involves these three fundamental areas."

"Without clarity there is never going to be proper accountability," Mr Bush says. "What we have is a recipe for weak auditing, and ever more Wirecards and Parmalats. In the extreme it facilitates Ponzi schemes. Stay on that route and it won't be long before you come unspun."

Obituary

A towering figure of American comedy

Carl Reiner
Actor, writer and director
1922-2020

Carl Reiner was captivated by the question of how to live a long life. He even wrote a book dedicated to the subject.

How to Live Forever (co-authored by Sumner Redstone - a favourite gag) contains a single repeated message: "Complete a project, start a new project. Spend time to improve it and after you improve the improvements, start a new project. Spend time to improve it... 271 pages of just that line," he reflected in a video shared last week on his prolific Twitter page. "And I realised it was a joke but it was true!"

Reiner, who had died aged 98, acted on that advice. The performer, writer and comedy legend's colourful career spanned seven decades and he continued writing during the coronavirus lockdown, in his 99th year.

Born in the Bronx, New York, to Jewish immigrant parents on March 20 1922, Carl Reiner grew up alongside his older brother Charlie in a household where comedy was loved. His mother, Bessie, was from Romania and his father, Irving, was a watchmaker from Austria.

"My parents loved comedy," Reiner recalled. "They took my brother and I to the movies every Sunday... And to

this day I keep looking for great comedy. And there it is - it keeps evolving as the times evolve." Later he would credit two people with his success: his older brother Charlie, and Franklin D Roosevelt. "My brother's the one that decided that it was humorous," he remembered. Charlie spotted an advertisement for a free drama workshop by Roosevelt's Works Progress Administration and 16-year-old Reiner went along.

In 1942 he met Estelle Liebow at Allan Davis holiday camp in New York's Adirondack Mountains. The pair got married in 1943, and together they raised three children: Rob, an actor and director; Annie, a writer; and Lucas, an artist. Estelle died in 2008 and "since she's left, these three kids have become icons," Reiner said.

Reiner was drafted into the US Army Air Forces in 1942, and entertained troops from Hawaii to Saipan with his performances until he was honourably discharged in 1946. The next year, he appeared in Broadway revues but his big break came in 1950, when he captured the nation's attention in his TV debut as second banana in Sid Caesar's *Your Show of Shows*. He also became a writer for the variety series.

A decade later, Reiner launched *The Dick Van Dyke Show*, which aired on CBS from 1961 to 1966. He made occasional appearances in its workplace scenes, as the comedy boss Alan Brady, partly inspired by Caesar. A roaring success, it is still considered one of the greatest TV series of all time, winning 15 Primetime Emmy awards, six of which Reiner took home for his role as writer and producer.

Reiner next collaborated with comedian Mel Brooks on *The 2000 Year Old Man* - an act that began when the two friends performed it at parties. The largely improvised routines featured Reiner playing the role of the deadpan interviewer, inviting Brooks to reflect on what he'd seen in his two-millennia life: Jesus Christ ("thin lad... wore sandals"); William Shakespeare ("He had the worst penmanship I ever saw").

It was in this role as the straight man that Reiner was best known for throughout his career, but as Caesar recalled in his own book, his talent was broader than that. "He was a comedian himself, and he truly understood and still understands comedy. Most people still don't realise the importance of a straight man in



Carl Reiner in 1962. The comedian's career spanned seven decades

comedy, or how difficult that role is. Carl had to make his timing my timing." While much of his career was spent behind the scenes, Reiner also made a name for himself acting, most recently as Saul Bloom in the 2001 remake of *Ocean's Eleven* and its sequels.

In 2000, Reiner was awarded the Mark Twain Prize for American Humor. On the news of his death this week, tributes were paid by performers and comedians who worked with and were inspired by him. "Carl was a giant, unmatched in his contributions to entertainment... whether he wrote or performed or was just your best friend - nobody could do it better," Brooks tweeted. Dick Van Dyke called Reiner his "idol". "He had a deeper understanding of the human condition than I think even he was aware of."

In 2017, Reiner featured alongside Brooks in an HBO documentary about prosperous nonagenarians. *You're Not in the Obit, Eat Breakfast*. At one point, Brooks posits: "Is laughter what's keeping us alive?"

"While you're alive, you can laugh," Reiner replied. "When you're dead, the laughter is so difficult. So difficult." Amy O'Brien

'He had a deeper understanding of the human condition than even he was aware of'

Opinion

Beijing's Hong Kong takeover is a masterclass in creating fear

Isabel Hilton

In Chinese official media, Hong Kong's new national security law is a huge success. The People's Daily published a graphic to illustrate Beijing's strategy: it showed three interlocking gears in which the largest, the law, drove two smaller gears, which represented the economy. Critics on social media pointed out that, as drawn, none of the gears could turn. But as a symbol of politics' predominance over economics, the since-deleted graphic worked – maybe better than intended.

Hong Kong's stock market has risen through the week since the law was passed on Tuesday. Supporters see this as evidence that the gears are turning after all. Septics, though, point to Beijing's habit of using state funds to boost stock markets around key dates – much

as it manipulates Beijing's weather to generate clear skies during major episodes of political theatre. Cash injections alone cannot erase the growing doubts about Hong Kong's future as a global financial centre.

The city clearly matters less to China than it did. In 1997, its gross domestic product was 18 per cent of a much smaller mainland economy. Today that figure is less than 3 per cent, but Hong Kong has not shrunk. Its economy has doubled since 1997, and it remains a critical conduit for investment flows into China and trillions of dollars of transactions. Its success has rested on a combination of mainland access, an independent legal system and the free circulation of information without fear of reprisals.

Last week, though, was a masterclass in creating fear. Between the law's announcement in May and its enactment on June 30, prominent Hong Kongers were "encouraged" to sing its praises, despite having no idea what it contained. When the details were

revealed, they had little choice but to continue to praise the wisdom of the Chinese Communist party, or stay silent. For the party, either will do.

Among Hong Kong's less enthusiastic, such as the democratic parties that won 90 per cent of the seats in November's district elections, was the territory's Bar Association. Lawyers have come to the defence before. They took to the streets in 1999, in 2005, and in record numbers in a 2014 silent protest after China published a Hong Kong white paper, which called for judges to be "patriotic". This time, they pointed out that the security law contained numerous provisions inconsistent with the Basic Law, the mini-constitution in effect since the UK handed over sovereignty in 1997, and undermined "core pillars of the one country, two systems model, including independent judicial power".

As important is the loss of freedom to conduct research, publish and access information without fear. If that seems irrelevant to Hong Kong's financial future, recall what happened after Presi-

dent Xi Jinping encouraged citizens to invest in China's stock markets in 2015.

They responded with such enthusiasm that the Shanghai market more than doubled in a year. The People's Daily reassured readers the bull market would continue. When the bubble burst, authorities halted trading and pumped in money. When that didn't

This Potemkin version of autonomy chimes with China's vision of the future

work, the collapse was labelled the work of "hostile foreign forces". Censors banned the term "stock market crash". They also instructed Chinese media not to "conduct in-depth analysis" or "speculate on or assess the direction of the market". Chinese politicians may struggle to command markets, but they insist on commanding what investors know.

This has become a trend. Independent think-tanks in China that once reported on the economy have been closed. Independent journalists say writing about economics is as risky as writing about politics. In Beijing's account, "hostile foreign forces" have also been busy during the Hong Kong protests provoked by China's tightening grip. A protester now found guilty of collaboration with such phantoms may be sentenced to life in prison. It is unclear how the law will be applied, but Beijing generally avoids red lines: uncertainty and fear do most of the work.

Hong Kong's limited franchise elections will continue, but only proven supporters need apply. This Potemkin version of autonomy chimes with Beijing's vision of the future in which Shanghai replaces Hong Kong, Macau substitutes for Taiwan, and the Pearl River delta, rechristened the Greater Bay Area, becomes a high-tech economic driver. In Hong Kong, those who can relocate will; those who cannot must conform.

Mr Xi's vision of China's next 20 years

also includes an end to poverty this year, China as technological superpower by 2025, Taiwan "recovered" by 2049, multilateral institutions reshaped or replaced by China's interest, and global trade patterns reordered by the Belt and Road Initiative.

How China can assume this role in a dollar-dominated global financial system that operates on free capital flows, open information and independent courts is unclear. Its own internal arrangements depend on censorship, capital controls and cronyism. Beijing talks about internationalising its currency, but that cannot happen without reforms the Party does not want to make. Shanghai and Shenzhen are large financial centres, but lack the same international confidence that Hong Kong has had. For now, Beijing counts on having enough weight in the world to prove its critics wrong – or if that does not work, to enforce their silence.

The writer is a London-based writer and broadcaster

The US Supreme Court chief justice's recent votes emphasise the judiciary's independence, writes Kadhim Shubber

As the titular head of the American judiciary, Chief Justice John Roberts has not shied away from asserting its independence.

Back in 2018, when Donald Trump denounced several judges who ruled against his administration, Mr Roberts issued a sharp rebuke to the US president.

"We do not have Obama judges or Trump judges, Bush judges or Clinton judges," Mr Roberts wrote, adding that judges did "their level best to do equal right to those appearing before them."

Now Mr Roberts, a conservative legal wunderkind who first became a judge in 2003, has fired new shots in his long war against perceptions that the Supreme Court is just another political body, riven with partisan divisions like the rest of Washington.

In a trio of high-profile cases over the last three weeks, Roberts joined the court's liberal wing, helping them to victories on the hot button issues of abortion, immigration and gay and transgender rights. "It's a longstanding inclination on his part to try to keep the Supreme Court from being perceived as overly political one way or the other," says Michael McConnell, a Stanford law professor and ex-judge who has been friends with Mr Roberts since both worked as Supreme Court clerks. "John is trying to combat that... That's not the way he sees the court."

At 65, Mr Roberts has been the court's chief justice for 14 years, but changes to the membership have recently made his the swing vote, giving him even more influence over its decisions.

It's a fitting spot for a man who, as a precocious 15-year-old in 1968, wrote in an application to a rigorous boys Catholic private school: "I've always wanted to stay ahead of the crowd."

Born to a steel company executive father and homemaker mother, Mr Roberts grew up in Indiana with his three sisters. At school, he was a member of the choir and captain of the American football team.

While attending Harvard for college and law school in the 1970s, he became a committed conservative and spent the early part of his career mixing law and partisan politics. As he put it in 2006, he had "kind of reacted against the orthodoxy that was established there".

After clerking for then-Supreme Court justice William Rehnquist, he did stints in private practice and in several Republican administrations. George H.W. Bush nominated him to an appeals court seat but lost the 1992 election before Mr Roberts was confirmed.

While at the firm now known as Hogan Lovells, Mr Roberts established himself as a leading appellate court lawyer. "He was considered the best Supreme Court advocate of his generation," says Neal Katyal, a former acting solicitor general under Barack Obama now with the same firm.

Mr Roberts is a witty advocate who keeps his cards close to his chest and "has long shown a keen interest in how he is portrayed in the media," writes Joan Biskupic, the veteran Supreme



Person in the news | John Roberts

A conservative judge who likes to surprise

Court reporter, in a 2019 biography. "He's always been reserved," says Michael Luttig, a former federal judge who has known Mr Roberts since they worked together for Ronald Reagan. "He doesn't gather friends around him just because he has a lot of friends," he said.

After aiding George W. Bush's legal fight in the 2000 election recount controversy, Mr Roberts was appointed first to an appeals court and then the highest court in 2005. Described by supporters as something of a golden boy, erudite and decent, he and his wife, Jane – a top legal recruiter – had married in their 40s and adopted two children, a boy and a girl. As Mr Roberts' nomination was announced at the White House, his son, Jack, caused a stir off camera, play-acting as Spiderman.

Set to be the youngest chief justice in more than 200 years, he sauntered into his confirmation hearings with a very thin written record, making it hard for liberals to attack him. He was confirmed with yes votes from half of the

Democratic senators at the time. Since his confirmation, the Supreme Court has developed a decidedly conservative cast, unleashing corporate spending in elections, limiting the reach of laws designed to combat racial discrimination and freeing up states to put barriers in front of would-be voters. When the

He is not a secret liberal, nor has he gone remotely soft. He is an institutionalist

court legalised gay marriage in 2015, he issued a sharply worded dissent. He has repeatedly voted in favour of new restrictions on abortion. And in 2017, he upheld Mr Trump's ban on travellers from mostly Muslim countries.

Yet at key moments, he has departed from the Republican line. He upheld the Affordable Care Act, Mr Obama's signature

healthcare policy, in 2012, and voted last month to extend protections against job discrimination to LGBT+ people and prevented Mr Trump from cancelling protections for young undocumented immigrants. On Monday he provided the deciding vote against a Louisiana abortion law, saying it was too similar to one that had been struck down – with him in dissent – four years earlier.

"He's not a secret liberal, nor has he gone remotely soft," said Leah Litman, an assistant professor at the University of Michigan Law School and former Supreme Court clerk. Mr Roberts "is an institutionalist in the sense that he cares about the perception of the court, and he doesn't think of himself as someone who is political".

As Mr Roberts put it in 2016, Washington may expect judges to be ideologically reliable but "we don't work as Democrats or Republicans."

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Covid-19 scars may fade faster than we think

Tim Harford
The undercover economist

My local cheesemonger, having reinvented itself as a general produce store, has been open throughout lockdown. The proprietor tells me something strange and new has started to happen. Customers he hasn't seen since March as they diligently shielded themselves from human contact, have finally re-emerged, blinking in the daylight. What's more, he says, they have no concept of physical distance. While the rest of us have been honing our skills for 15 weeks, these poor souls haven't got a clue how to behave when in public.

But then, do any of us, really? We're all still working it out. Some people wander around maskless, sneezing, snogging, shaking hands. Others are paranoid. "Keep two metres away from me! Get out into the road!" I saw one masked gentleman scream as a perplexed woman jogged in his direction.

It's a reminder that there is more to this pandemic than what governments tell us to do. Each of us has our own feelings about what is safe. Those emotions have shaped the arc of the pandemic. They will also define the path of the recovery.

Consider the impact of lockdowns. Common sense suggests they have been decisive in driving the disease into retreat, but they have not been the only factor. Hand-washing, handshakes, avoidance and working from home began long before legal enforcement.

A working paper from the economists Austan Goolsbee and Chad Syverson tries to separate out the effect of mandatory measures from voluntary ones in the US. For example, Illinois imposed restrictions before Wisconsin did. The researchers looked at activity on either side of each border, using cell-phone data to track journeys to shops and other businesses. They were able to gain insight into how much of shutdown was effectively voluntary.

The answer: a surprisingly large proportion. "Total foot traffic fell by more than 60 percentage points," they write. "Legal restrictions explain only around 7 percentage points of that."

A similar message comes from a comparison of Denmark, which had a firm lockdown, with Sweden, with its notoriously light-touch approach. Aggregate spending dropped 29 per cent in Denmark and 25 per cent in Sweden. That means voluntary measures did much of the damage to the economy – and, one hopes, have delivered much of the public health benefit too.

I wouldn't put too much weight on the precise numbers, but the basic message is important. People didn't lock down merely because governments told them to. Now the converse applies: just

because shopping is legal again does not mean people will rush out to the shops.

In Germany, they did: Germans spent more in May 2020 than they did in May 2019, suggesting that not only were they willing to visit the shops, they wanted to make up for lost time. That is encouraging, but only up to a point. Germany had a good crisis by western standards, with fewer than 10,000 excess deaths, compared with 25,000 in France, nearly 50,000 in Italy and Spain, and more than 65,000 in the UK. The US is currently averaging about a hundred times as many daily new cases as Germany. Perhaps Germans feel safe because they are safe. Not everyone can say that.

Once the virus is suppressed, then a sharp recovery is possible. But might this experience leave a lasting mark on our thinking?

Perhaps so. The economist Ulrike Malmendier has published several studies suggesting that our early economic experiences can be formative of enduring attitudes. If the stock market is weak when we are young adults, we tend to shy away from investing, permanently. Similarly, the hawkishness or dovishness of Federal Open Market Committee members is shaped by their personal experience of inflation.

A new working paper by Prof Malmendier and Leslie Sheng Shen suggests recessions reshape consumer behaviour long after the virus has passed. The after-effects are wonderfully described as "experience-induced fragility" – that is, people who've seen periods of high

We do learn from bitter experience but also have a great talent for forgetting

unemployment save more and accumulate wealth, just in case. Such thrift could lead to more investment, of course, but another recent paper by Julian Kozlowski, Laura Veldkamp, and Venky Venkateswaran argues otherwise. They assert that the psychological scarring is destructive, since a vivid appreciation of catastrophic scenarios will leave people fearful of making bold investments. Why risk anything in a capricious universe?

I wonder. We do learn from bitter experience, of course. But we also have a great talent for forgetting. In particular, we forget how bad things feel. The pandemic will long be remembered, but the pain will fade. After Hurricane Katrina, the US National Flood Insurance Program saw a spike in demand for three years on, demand for flood insurance had fallen back to pre-Katrina levels.

My guess is that clever statisticians will be able to detect the psychological aftershocks of the pandemic for decades to come – but that, to a causal gaze, everyday life in 2022 will look a lot like it did in 2018. Scars do not always heal, but they fade.

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