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AN ANALYSIS OF global Covid-19 mortality, as of January 21, shows that this has crossed the 2-million mark. It took six months for deaths to touch 1 million, but just three months more to cross 2 million.

The accompanying table aggregates Covid-19 mortality data of 35 major countries at six-weekly intervals beginning March 6, 2020. The selected countries account for about 75% of the global population, and over 87% of Covid-19 deaths. It also gives the distribution of Covid-19 deaths across five continents.

Covid-19 mortality has crossed 100,000 in four countries. Three of these are in the Americas, namely the US, Brazil and Mexico, and India in Asia. Deaths per million of the population is about 10 times higher in these three American countries (in excess of 1,000) than in India (111).

The last three six-weeks saw more deaths than in any other preceding six-week period. The second deadliest six-week interval was the one prior to this. The indications, therefore, are that the epidemic is still in an expanding mode.

The world is in the throes of the dreaded second wave. As in the case of the Spanish flu a century ago, the second wave is turning out to be deadlier than the first. This second wave is in evidence in the Americas, Europe and Africa. Although mortality in Africa is still relatively low, it is rising fast. It could emerge as a new hotspot in the absence of an aggressive vaccine drive.

The second wave in South America is not as deadly as the first one, although mortality remains high. Asia and Oceania, meanwhile, have seen a remarkably rapid retreat in Covid-19 during this recent period.

The Americas and Europe, on either side of the Atlantic, which account for just

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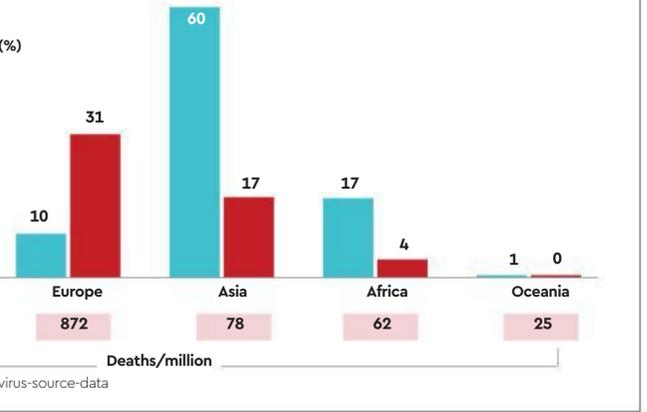
Is it merely a transatlantic epidemic?

Covid-19, it appears, is more a transatlantic epidemic than a pandemic as such. The social media and a globally undifferentiated policy response, however, make it seem and feel like a pandemic

23% of the global population, have had about 80% of all Covid-19 deaths so far. Covid-19 mortality is over 12 times higher in the Americas and Europe than it is in Asia, Africa and Oceania. Measured in terms of deaths per million, it averages 935 in the Americas and Europe, and 74 in Asia, Africa and Oceania.

The Central Asia, Middle East and North Africa are considered as part of the Transatlantic-Mediterranean system that constitutes the epicentre of the 'pandemic'. In South and East Asia, only three countries, namely India (111), Indonesia (98) and the Philippines (91), have Covid-19 mortality exceeding 50-60 per million. Covid-19 is, therefore, more a transatlantic

Timeline	Population Million	Deaths 21/1/2021	Deaths/million							Total
			6/3-20/4	20/4-6/6	6/6-21/7	21/7-5/9	5/9-21/10	21/10-6/12	6/12-21/1	
East Atlantic	737	571,208	130	94	33	18	51	210	239	775
% Global	10%	27%								
West Atlantic	888	968,580	53	158	154	169	144	148	265	1,091
% Global	12%	46%								
India	1,380	152,906	0	4	16	28	36	17	10	111
Asia	3,682	210,377	1	3	8	12	16	9	8	56
% Global	48%	10%								
Africa	461	65,892	2	5	18	26	18	25	48	141
% Global	6%	3%								
World	7,718	2,083,594	21	30	28	32	35	51	73	270
% Global	75%	87%								



lantic epidemic than a pandemic as such. The social media and a globally undifferentiated policy response, however, make it seem and feel like a pandemic. Consequently, the sharp differences in Covid-19 mortality by geography are not reflected in equally sharp differences in economic output loss.

Assuming the growth in 2019 to be the trend output, global output loss, estimated by the World Bank in its Global Economic Prospects of January 2021, is 6.6% of GDP (4.3% decline in growth, beyond the trend output loss of 2.3%). By this metric, output loss estimated is 8.7% in the Euro Area, 7.9% in Latin America and the Caribbean, and 5.8% in the US where output loss was cushioned by an outsized and unprecedented fiscal and monetary response to protect businesses and incomes.

Output loss in Asia is lower, estimated at 5.6% in Japan, 4.1% in China, and 4.9% in East Asia and the Pacific. Remarkably, the sharpest loss in output is estimated for India that grew at 4.2% in 2019. With growth estimated at minus 9.6% in 2020, the total output loss is an outsized 13.8%, far higher than in neighbouring Bangladesh (6.2%). This is possibly because of its initial policy response, comprising an early stringent lockdown not seen even in countries where mortality was sharply higher.

In early September 2020, a model-based projection by the Washington DC-based Institute for Health Metrics and Evaluation (IHME) made the apocalyptic prediction that Covid-19 deaths in India could exceed well over half a million by January 2021. Back-of-the-envelope calculations done by this author, based on ongoing declining trends, however, indicated that Covid-19 deaths would be contained under 200,000 by end-January 2021 ('Covid-19 axis shifts to the West Atlantic'; *FE*, September 12, 2020; bit.ly/3p9lenc). As it turns out, aggregate Covid-19 deaths in India are 152,906 as of January 21, 2021.

What are the reasons for the sharp differences in Covid-19 mortality globally?

First, the strongest and richest country in the world, the US, has the highest number of Covid-19 deaths, and there is high mortality across all G7 countries, except Japan. Poor public health infrastructure is, therefore, an unlikely villain of the piece.

Second, within the same grouping, governance failure could be a contributory factor. Populist leaders who discount science and do not adjust policies on the basis of growing evidence have generally fared badly—the US and Brazil in the transatlantic, and India and the Philippines in Asia. Germany, on the other hand, has fared well by European standards. Indeed, several advanced countries with women leaders, who tend to focus more on good house-keeping in governance, have fared better.

Third, it is now well known that Covid-19 mortality is much higher amongst those aged 60 years and above. While advanced economies generally have a higher median age, low mortality in aged Japan, and high mortality in younger Latin and South American populations indicate that this can, at best, be a contributory factor at the margin.

Fourth, since the virulence of Covid-19 has a geographical pattern—high mortality in the transatlantic and low in Asia—the finger of suspicion points strongly towards racial and immunological differences that have a strong regional bias. Caucasian genes are predominant in the transatlantic. While there is lower mortality in Africa, blacks are as badly affected in the US, South Africa and the Middle East and North Africa. Covid-19 mortality has also risen sharply in Africa in the recent period. Asians, on the other hand, appear to be the least susceptible, even in the US. Within Asia, South Asia and especially India, which lies at the junction between the West and the East as it were, and has a greater intermingling of races, has higher mortality.

With the world in the throes of a deadly second wave, and Covid-19 still in an expanding mode, the big forward-looking questions are: First, the speed at which Covid-19 vaccines can be rolled out and administered and save lives. Speed appears to be the essence. Second, whether the current vaccines would be effective against new mutant strains that keep surfacing.

How to reduce the tax gap

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THE CENTRE'S TAX-TO-GDP ratio has hovered between 10% and 12%, the highest being in FY18. This year it may get hit, and range from 9% to 9.5%, a sharp decline from the budgeted 10.8%. In FY20, it was 10.5%.

The current year decline is understandable. Taxes constitute about 60% of total receipts of the government, and are major source of budgetary spend of the government. If revenues fall short, it can be expected the government would have to make do the receipts with extra borrowings and through increased disinvestment proceeds, etc. Alternatively, it would have to reduce its expenditure. Since tax collections are not likely to be buoyant even during the next FY, the government may need to incur higher fiscal deficit if the current level of expenditure is to be maintained or enhanced. Tax collections not improving constrains the government's spending reach, and the high-profile programmes it may want to take up, from digital transformation to enhancing health spending to increasing infra spending, may get spread over multiple years. That could crimp the overall aspiration from a transformative India to an incremental India, given that the general expectation from this year's Budget is it would be bold and transformative.

India's tax collections as a percentage of GDP are lower than Thailand (15%), Singapore (13%), Japan (12%), the UK (25.5%), and the OECD (35%). No doubt, tax collections would not get boosted without the growth in the economy, throwing up the question whether we are realising our potential, and if so, to what extent?

Some global research suggests that India's tax gap—the gap between actual and potential tax collections—is quite wide. Studies note that despite systematic reforms, revenue productivity of the tax system has not shown any appreciable increase. A large number of taxes do not get collected. Disputes abound. In direct taxes, tax arrears have accounted for over 50% of the budgeted collections for years. Sure, a large part of these arrears may be in dispute. But still a major chunk of these arrears remains uncollected year after year. Can this be rectified?

The government, through faceless assessment and appeals process, is trying the remedy the quality of tax audit/assessment, striving to bring in evidence-based audit, making sure the audit or appeal are technically reviewed by a panel of senior officers before the tax demand is raised. The expectation is that this will improve tax assessment and appeal quality, and that would have a positive impact on voluntary tax compliance. Improving voluntary tax compliance, however, is not dependent only on one aspect. There could be other reasons, too. Procedural incoherence or complexity of tax rules can also adversely impact compliance.

The moot point is how the tax department can win the confidence of taxpayers. It requires more. There are many corporate taxpayers who do not get their tax refunds for years. Many times, their refunds are rolled over against the new taxes. The reason is that everyone is fixated on the budgeted tax collection. That is quite a narrow approach. In such an environment, tax officers get constrained to collect taxes even when the underlying aspect which drives growth in taxes, i.e. the economy, is not doing well. It puts pressure on the tax system, including on the taxpayer and the tax collector, without reasonable tax gains.

Advanced tax administrations have moved to tax-gap reduction mechanisms. The tax gap may also include uncollected taxes, unintentional errors, underground economy and illegal activities. Quantifying the tax gap gives a picture of the total revenue due and from whom it should be collected (or in relation to what transactions), besides informing the government about the integrity of the tax system, risks to revenue buoyancy and performance of the tax department. The tax gap can be for each sector, industry-wise, geography-wise, etc. Overall impact could be the much-desired widening of tax net, a crucial aspect of any ideal tax administration. Reasonableness of the tax administration, making sure that only those who have not complied need to be chased, will urge taxpayers to voluntarily comply and instil fear amongst those who evade taxes. Even the tax department would have time and resources to concentrate on evaders. It's a fair and reasonable approach, after all.

Quantifying the tax gap gives a real picture of the total revenue due and from whom it should be collected

TO REINVENT SOMETHING means to change it so that it seems different and new; to redo, to remake completely. The year 2020 will be remembered in history for a long time. Until February, most companies were busy planning their long-term business strategies, busy setting ambitious growth targets, strategising their value chains and adding new products to their portfolios. However, an unpredicted calamity, Covid-19, brought the entire world to a standstill. The sudden event forced governments and organisations to hit a pause and reset button.

Organisations need to reinvent, now

As tech continues to improve, companies will be forced to adapt, change or die

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While uncertainty prevails over what the future would lead to, what is clear is that it would be starkly different from the world we have known. Even as the vaccine is being made available to counter the virus, the requirements of social distancing, wearing masks, connecting socially online, in short the need for restricted movement, will continue.

We have seen a tremendous shift in the mindset of people. Although physical distancing is forced upon us and we are connected electronically, the need to stay relevant is all the more important. And this is a major transformation. Organisations are preparing for the new normal by changing their core organisational hierarchies, structure and their operation. While work from home has become the new normal, organisations have invented functional strategies to make distant working and remote client servicing a reality. It's amazing to note that many small, medium and

large organisations have quickly reconfigured their product and services offerings, and have transformed their business models. Remote working is further expanding the scope of remote access to everything and greater security against cybercrimes.

With the ongoing upheaval, many organisations have seen opportunities and are reinventing themselves to rise over Covid-19. Electronic gadgets are ruling our lives like never before. We are forced to keep with a lot of technology shifts and companies have had to evolve along with them. Companies that have survived are the ones that know this important lesson of listening to the customer always. The print industry has been one of the most affected industries since the technologi-

cal boom. Many newspapers and magazines have either closed shop or have turned digital. National Geographic, however, has embraced technology—its magazine is still in print and the brand has millions of loyal Instagram, Twitter and Facebook followers, both for its account and its photographers' accounts. It realised that to stay firmly planted in its print ways would have killed its business. So, it went where its customers are, which is online.

Another great example is Netflix. It has primarily changed the way television is consumed. Netflix is in true sense the catalyst that drove the shift towards over-the-top (OTT) television, helping pave way for many other OTT platforms. People want to watch whatever, whenever and wherever.



Netflix experienced a lot of hiccups. Its original business model was subscription-based, where people could rent as many movies as they wanted, keep these as long as they wanted, and trade these in for new ones after mailing these back. Netflix included streaming video, which even further encouraged its popularity. But, in 2011, when it split into two companies—Netflix and Qwikster—its spin-off continued delivering only DVDs by mail and increased its prices, and people were put off. Netflix quickly realised its mistake, and reverted to providing both digitally streaming videos and DVD-by-mail under one roof, and under one bill. The message is: Give the customer what she wants. It's a perpetual fact that all businesses,

even the most successful ones, slack. They lose their hold in the market when they start stagnating. Organisations are compelled to reinvent themselves periodically. What matters is their ability to pull off from a decline stage of business and jump back at the growth stage. Organisations, therefore, have to be very adaptable. The world is changing at a very fast pace; innovation must be a regular function in any organisation. The ability of both stimulates and harnesses human imagination.

Domino's Pizza had to make drastic changes; they considered their core competence in fast delivery—pizza in 30 minutes or less. If they delayed the delivery, the pizza would be given free. Domino's was less concerned about taste or quality; how-

ever, as people started debating on the social media, Domino's realised the gravity of the issue. People were condemning the quality of its pizzas, leading to fewer and fewer orders and tremendous financial repercussions. Domino's took action. Taking to the wave, it made an enormous announcement: 'We hear you, our pizzas suck, and we promise to improve them.' They improved their pizza quality. Domino's rolled out its new campaign and a new recipe, and sales skyrocketed. Companies need to absorb all tip-offs thrown by their customers time and again.

A few years down the line, many firms will restyle jobs, enabling their employees to work alongside smart machines, robots, and new forms of technology. Already, robots have entered the households, and are cleaning, mopping, cutting and chopping. Organisational leaders must start rethinking their plans. For the past century, organisations consisted of jobs, the job profiles were designed to match specified outputs, and work methods were devised for performing jobs. But many current jobs are absurd in nature, they don't sound normal in nature, they demand unrealistic workloads which leave many job hunters shaking heads in disbelief.

As technology continues to improve, companies will be forced to adapt, change or die. They need to remain customer-centric. Big or small, all organisations need to be ready to roll out products and services as per the demand of their customers. Change is inevitable; therefore, reinventing from time to time is a necessity.