

**Report on the Talk:**  
**“Post-pandemic World and India”**



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**Under the 'Leaders Speak Series'  
on the theme**

# **Post-pandemic World and India**

**By**

**Mr S Gurumurthy**

**Chartered Accountant, Columnist,  
Political and Economic Analyst &  
Editor, Thuglak**

**Held on Monday, 17 August 2020**

**At 6.00 pm**

# Post-pandemic World and India

**Monday, 17 August 2020**

## TABLE OF CONTENTS

<b>S No</b>	<b>Details</b>	<b>Page No</b>
1	Invitation	4
2	The Context	5
3	Programme Overview	6
4	Profile of the Speakers	7
5	Key Statements	10
6	Key Takeaways	11
7	Welcome Address	15
8	Introductory Remarks	16
9	Address by Mr S Gurumuthy	18
rg10	Q & A	21
11	Vote of Thanks	25
12	Photos	26
13	Links for Recordings	28
14	About the Partners – MMA & KAS	29

**You are cordially invited**  
Leaders Speak series on the theme

## **Post-pandemic World and India**

by

**Mr S Gurumurthy**

Chartered Accountant, Columnist,  
Political and Economic Analyst &  
Editor, Thuglak

at **6.00 pm Monday, 17 August 2020**

**Live links:**

[www.facebook.com/mmachennai](http://www.facebook.com/mmachennai)

[www.liveibc.com/mmalive](http://www.liveibc.com/mmalive)

[www.youtube.com/madrasmanagementassociationchennai](http://www.youtube.com/madrasmanagementassociationchennai)

[https://twitter.com/MMA\\_4u](https://twitter.com/MMA_4u)

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## The Context

The Covid crisis has put the whole world at the cross-roads in terms of geo-politics, geo-strategy and geo-economics, apart from opening up a new focus area in geo-medicine. In all these sectors, there is both cooperation and competition. India is in the midst of all of them at the global and regional levels and also feels their impact nearer home...Where do we go from here, and how?

In this context, MMA in association with KAS organised a webinar under the '**Leaders Speak**' series on the theme, "**Post Pandemic World and India**" with a talk by **Mr S Gurumurthy**, Thought Leader, Chartered Accountant, Political and Economic Analyst and Editor-Thuglak magazine. **Mr Peter Rimmele**, Resident Representative to India of KAS presented a German perspective of the Post-pandemic World.

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## Programme Overview

**Madras Management Association** (MMA) in collaboration with **Konrad-Adenauer-Stiftung** (KAS) presented a live talk through webinar on the theme, “**Post-pandemic World and India**” by **Mr S Gurumurthy**, Thought Leader, Columnist, Political and Economic Analyst and Editor, Thuglak magazine on **Monday, 17 August 2020**.

**Group Captain R Vijayakumar (Retd)**, VSM, Executive Director of MMA initiated the programme and introduced the speakers. **Mr K Mahalingam**, Honorary Treasurer, MMA and Director, TSM Group of Companies delivered the welcome address.

**Mr Peter Rimmele**, Resident Representative to India of KAS delivered the introductory remarks.

**Mr S Gurumurthy** delivered the key note address on the theme, “Post-pandemic World and India.”

**Group Captain R Vijayakumar** (Retd), VSM moderated a Q&A session where questions from special guests and online viewers were taken up with **Mr S Gurumurthy**, at the end of which he proposed the vote of thanks. The event concluded at 7.30 pm.

The event was viewed online by 2,237 participants.

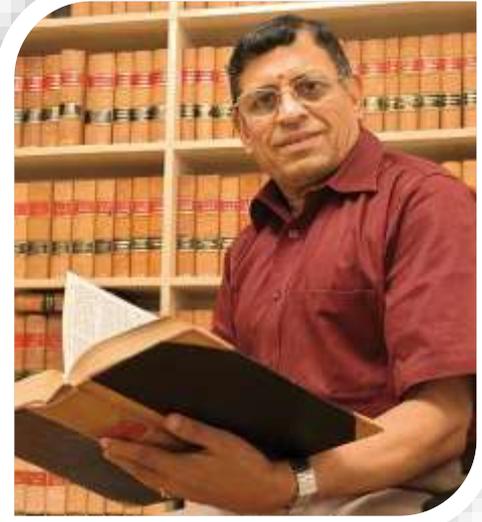
## Profile of the Speakers

### Mr S Gurumurthy

Mr S Gurumurthy is a well-known practicing Chartered Accountant and a highly respected Corporate Advisor. He is a prolific writer and has been writing extensively on various issues that impact the Indian Economy. He is also a journalist editing the Tamil political weekly Thuglak.

Mr Gurumurthy is regular speaker at IIT, Mumbai and other prestigious institutions including Stanford University, US.

Mr Gurumurthy is multi-dimensional personality and a rare confluence of the tradition and the modern.



## Mr K Mahalingam

Partner / Director at TSM Group of companies. TSM today is a well diversified group with interests in Financial Services Distribution, Services distribution, Automobiles – Sales & Servicing, Real Estate Development and Real Estate Advisory Services. With presence across South India, TSM today has more than 600 employees.



TSM & Sons today is one of the largest pre-owned car dealership in South India and currently sells around 5000 cars a year across locations. TSM Financial Services started in 1988 was the first 'Third party distributor' in India, a concept introduced by Citibank.

He is currently the Honorary Treasurer of Madras Management Association.

## Mr Peter Rimmele

Peter Rimmele is currently the Resident Representative to India of Konrad-Adenauer-Stiftung.

He has a First Law Degree from Freiburg University, as well as a Second Law Degree from the Ministry of Justice Baden-Württemberg, Germany and a M.A. in Geography.

After working as, a jurist, judge and lecturer, he took public office as Ministerialrat, Head of Division at the State Ministry of the Interior in Saxony, Germany, from November 1991 on until 2000. There he first served in the Police and Security and later in the Local Government Department. On behalf of the German Foreign Ministry he served in East Timor as Registrar General, Head of Civil Registry and Notary Services (UNTAET), and became later the principal Advisor for Governance Reform for GIZ (German International Cooperation) to the Ministry of Administrative Reform and the Anti-Corruption-Commission of the Republic of Indonesia, where he served for 7 years. He then moved to Rwanda, also as Principal Advisor Good Governance/Justice Program. Earlier he was Resident Representative Lebanon, Director of Rule of Law Program Middle East North Africa, Konrad-Adenauer-Stiftung.



## “Post-pandemic World and India”

### Key Statements



- Europe is in dire need of a more multilateral and supra-national approach. -**Peter Rimmel**, Resident Representative to India of KAS



- Europe and Asia are well advised not to look to the so-called new world to defend the old one. Rather, as Eurasians, we might look at one another-**Peter Rimmel**, KAS



- While there is hope, there are many burning questions. Will industries see revival? What will happen to the jobs lost? -**K Mahalingam**, Honorary Treasurer, MMA



- This is the time when all nations must come together to redress the situation but unfortunately, nations are falling apart -**S Gurumurthy**, Thought Leader, Political and Economic Analyst



- China has bitten more than they can chew. If the world converges on China, they will be finished. - **S Gurumurthy**

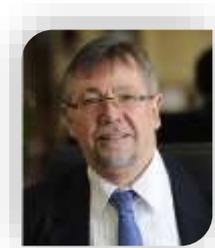


- In the future world, there will be an enlightened approach that only democracy can make the world to function together-**S Gurumurthy**

## Key Takeaways

### From Peter Rimmele's Address:

- ♣ In the context of the pandemic, we need to discuss three topics: Geopolitics, trade and health.
- ♣ The global order has started to shift, and the outcome is yet unknown. China's worldwide ambitions are not satisfied yet, as the clashes in the Galwan-valley demonstrate.
- ♣ The global order that had emerged after the collapse of the eastern bloc is quickly unravelling and is being replaced by a new struggle for pre-eminence between the USA and China. This struggle is as much about geopolitics as it is about ideology.
- ♣ The US has become an increasingly erratic partner with a tendency to look inward rather than outward. Europe and Asia are well advised not to look to the so-called new world to defend the old one. Rather, as Eurasians, we might look at one another.
- ♣ The production stoppages around the world have left Germany vulnerable. They expose the fragile nature of international trade. Europe has relied on other countries for their raw materials. The disruption in international trade has forced a re-evaluation of these relations.
- ♣ While India's government searches for solutions in national self-reliance, Europe is in dire need of a more multilateral and supra-national approach.
- ♣ A balanced and comprehensive approach is best suited. We should nationalize or regionalize strategic goods production especially to alleviate dependency on one country alone, but at the same time, we should try to make our supply chains, which have turned out to be so fragile, fit for the future instead of abandoning them altogether.
- ♣ India has taken national measures to control the pandemic but has also reached out to its extended neighbourhood. Its efforts are commendable.
- ♣ Germany, after a nationally focussed initial response, has recalibrated its efforts now on the regional level, aided by the additional layer the European Union provides. This is a key tenet of European and German political theory, subsidiarity – that every problem should first be dealt with at the most immediate political level, bringing in the higher levels only as and when necessary.



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### **From Mr S Gurumurthy's Address:**

- ♣ The world has become more integrated now; in an integrated world, any crisis becomes contagious, more so, the Covid pandemic. As of now, the short term is bleak and long term uncertain, which is very unusual.
- ♣ It is a global crisis which the nations are being made to handle. This is the time when all nations must come together to redress the situation but unfortunately, nations are falling apart.
- ♣ The root cause of many of the global problems was the self-centered approach of the US that promoted a Marxist economy in a Free Market by propping up China.



### **Post Cold War Order – US & China**

- ♣ The current world order emerged out of the cold war order. To come out of the Vietnam War situation, the US had to associate with China and for which, the peace deal was brokered by Pakistan.
- ♣ The urge of China to come out of poverty and that of US to come out of Vietnam War presented the current world order that was made only for the balance of power and without principles or ideology.
- ♣ China became a preferred destination for the US. China targeted Taiwan, just like it did to Hong Kong recently. Thanks to the intervention of the US Congress in 1983, Taiwan became an independent nation. Today, Taiwan is a very important source of technology for the US.

### **WTO & China**

- ♣ After the Soviet collapse, WTO was constituted. China became part of the rule setting team. India was not consulted.
- ♣ The world did not look at India because it had democracy and thought it was not stable. China had stability because it did not have democracy.
- ♣ In 2001, China was admitted to the WTO; the labour in China had no voice. The US and Western multinational factories wanted to enjoy the fruits of the Chinese labour.
- ♣ In 2017 itself, the US and EU Trade Representatives filed reports in their respective governments that WTO will become irrelevant unless we are able to force China to be transparent.
- ♣ WTO in 2019 declared that China is not a market economy but still it is part of WTO because it is part of the global economy.
- ♣ The US has now declared that US interests will prevail over WTO. So the very instrument created for increasing trade and prosperity is being killed. This stand is not going to change fundamentally.

## **US Losing Economic Power**

- ♣ The US thought that its controlling the financial power will help it to control the economic power. Unfortunately, the real economic power shifted to China post 2001 (WTC attack) and even more after 2008, when the financial meltdown happened.
- ♣ The 2008 financial crisis proved to the US that mere financial supremacy without economic supremacy, which it had surrendered to China, is not enough.
- ♣ All these misdeeds of previous US governments led to the evolution of the 'Trump Phenomenon.'
- ♣ The Trump phenomenon is no more Republican. Even the Democratic Party supports the US move to withdraw from WTO. So, even before the Covid, the world order had begun to change. Covid is in fact expediting the changes.

## **China beyond China**

- ♣ China is an autocratic, non-transparent nation run on a model of Oligarchy where no single person or entity calls the shots and hence no one is accountable.
- ♣ China's empire building instinct is still intact and its skirmishes in Ladakh region are more to distract India from focussing on its growth.
- ♣ China will try to exploit the polarized polity in India and try to undermine the present government which is the biggest hope for India and the democratic world.
- ♣ The Chinese currency cannot dominate the world market and replace USD. This view lacks fundamental financial knowledge and it is completely impracticable; USD will remain as the common currency

## **India is the New Hope**

- ♣ The US and the West made a blunder in undermining India's abilities and doubting its stability. It was perceived to be a weak nation and they put all their eggs in the basket of China.
- ♣ The Foreign Policy Document has said that India is the only silver lining or the gold lining in the world. India is the only hope for Democracy in the world.
- ♣ The world is now realising the importance of India. India is needed by the world now more than India needs the world. India is the least integrated of all the nations.
- ♣ The West and India must align to take on the might of China.

## **New World Order**

- ♣ US and China –the two huge powers controlled the world for the last 50 years. In the new order, which may see order or disorder, all democratic and liberal democratic nations will be pitched against autocratic nations.
- ♣ Liberal Democracies too may lose steam because of civilisational and historic reasons.
- ♣ The Transatlantic Alliance is very critical and must play a key role in the transition of the world order to a new order but the Alliance is in serious problem.
- ♣ The world will leap from an unprincipled world order to a principled world order with democracy as the central theme.
- ♣ Experts have said that globalization will cease to exist. The global supply chain was an unstable idea. Unless the world shared a common polity, stable supply chain is not feasible.
- ♣ The Covid has delivered a powerful message that there cannot be unmeasured integration in the world. It will be chosen, perhaps region-wise.

## **Trade & Supply Chain**

- ♣ The experts have pointed out that the post-Covid world will be less open, less prosperous and less free. Businesses will be less profitable but more stable.
- ♣ The future supply chains will not depend on whether it is cheap to buy; rather, it will depend on whether it is safe to buy. Cooperation will be between countries that trust each other.
- ♣ India's Atmanirbhar is a step in the right direction. Every nation has to work with a set of nations, if not the whole world.

## **India's Various Sectors Post Covid**

- ♣ In India, Agriculture, which contributes 14 per cent of India's GDP will remain largely unaffected; mining, manufacturing, construction, electricity and water accounting for 28 per cent of GDP will take 3 to 6 months to recover.
- ♣ Hospitality, trade, hotel, transport and communication will be badly hit and will take the maximum time to recover.
- ♣ For the next 6 months to one year, the only active mechanism is government and public investment. Private investment has folded back. FDI and FII will surge because of the global situation. The global investment will not slacken as much as local investment.

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## Welcome Address

**Mr K Mahalingam, Honorary Treasurer, Madras Management Association and Partner/Director, TSM Group of Companies**



**Group Captain R Vijayakumar (Retd), VSM, ED, MMA** initiated the online panel discussion organised through Zoom webinar and livestreamed on MMA website, YouTube and Facebook. He listed out the series of MMA activities planned over the next few days to keep the MMA members actively and purposefully engaged.

**Mr K Mahalingam**, Honorary Treasurer, Madras Management Association, delivered the welcome address. He extended a hearty welcome to the guest speaker **Mr S Gurumurthy**, Thought Leader, Columnist, Political and Economic Analyst and Editor, Thuglak magazine. He also welcomed **Mr Peter Rimmele** who is the current Resident Representative to India of Konrad-Adenauer-Stiftung and **Mr Pankaj Madan** of KAS. He welcomed members of MMA, KAS and all the online viewers.

He gave an overview of MMA and its immense contribution to the management movement in India. He proudly recalled that MMA has been judged the best management association for the last ten years in a row.

Introducing the theme of the day, **Mr Mahalingam** said, “When the pandemic hit us in March, initially we all thought we got a break. A month later, doubts came in the minds of people on getting their salary. Another month later, there were job cuts, salary reductions, deferred payments and vendors began to struggle.”

He remarked that though the government announced relief packages and we are getting into unlock mode from lockdown phase, many things have changed. People are uncertain about their financial status and many other aspects. While there is hope, there are burning questions, he said. “What will happen to the jobs lost? What will happen to the migrant labour? Will demand come back? When will industries see revival?” He was sure that the talk by **Mr S Gurumurthy** would dispel the darkness in the minds of the people.

**Group Captain R Vijayakumar** (Retd) introduced the speakers and requested **Mr Peter Rimmele** to deliver the introductory remarks.

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## Introductory Remarks

### Mr Peter Rimmele, Resident Representative to India of Konrad Adenauer Stiftung (KAS)



**Mr Peter Rimmele** in his introductory remarks outlined the importance of the topic and said that in the first months of the crisis, there remained a lingering hope that everything would return to the status quo ante. “That belief fades with every passing month. We should no longer look back but rather forward. Today, we are discussing the post-pandemic world and the role India will play in it. It is vital that we have these discussions, because we can no longer base our assumptions on experiences from the past,” he pointed out.

He stated that in the post-pandemic scenario, three things need to be discussed viz. Geopolitics, Trade and Health. As the world order changes, China’s role, the struggle for pre-eminence between US and China and how the nations position themselves in the new order assume significance, he said.

### **China and Geo-Politics**

Mr Peter Rimmele said that the global order that had emerged after the collapse of the eastern bloc is quickly unravelling and is being replaced by a new struggle for pre-eminence between the United States of America and China and that this struggle is as much about geopolitics as it is about ideology.

He added, “Before we answer the question of what to do about China, we should consider a more basic question: How to position ourselves in this new world?” and pointed out that the US has become an increasingly erratic partner with a tendency to look inward rather than outward.

“Europe and Asia are well advised not to look to the so-called new world to defend the old one. Rather, as Eurasians, we might look at one another,” he said.

### **Global Trade**

Production shortages after the pandemic have led to nations looking for self-reliance, he pointed out.

“I think, that a balanced and comprehensive approach is best suited to deal with this particular aspect of our new normal: We should nationalize or regionalize strategic goods production especially to alleviate dependency on one country alone, but at the same time we should try to make our supply chains, which have turned out to be so fragile, fit for the future instead of abandoning them altogether,” he suggested.

### **Health**

Though Germany focussed purely on national interests in the immediate aftermath of the pandemic, it soon embraced regional interests and it essentially operates on the principle of subsidiarity which is similar to India’s Panchayat Raj system, he pointed out. He lauded the efforts taken by India to combat the pandemic and its effects and in reaching out to its neighbours.

### **Post-Covid World**

In the post-Covid world, he said that national political responsibilities no longer end at national borders. “Descending into isolation leads to division and that leaves us very vulnerable, not just against the repercussions of a global pandemic,” he cautioned.

In conclusion, he said that the health and safety of our neighbours and not their land and wealth, is our own, as we are constantly being reminded by external threats and unforeseen events. “This seems equally applicable to all the three issues namely: Geo-Politics, Global Trade and Health,” he summed up.

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## Address by Mr S Gurumurthy

**Mr S Gurumurthy, Chartered Accountant, Columnist, Political and Economic Analyst & Editor, Thuglak Magazine**



**Mr S Gurumurthy** began his address by juxtaposing the state of affairs of the world as of now with that of Spanish flu pandemic era. “The world has become more integrated now and therefore any crisis becomes contagious, more so, the Covid pandemic,” he said.

He dealt elaborately on the origin of globalization, how China, a nation that teetered on the edge of collapsing from a serious famine, became a powerhouse, the world order in the post cold war scenario, the birth of Taiwan as an independent nation, the decline of US influence on geo-politics, the evolution of ‘Trump phenomenon’ and India’s likely role in a future world-order.

He quoted that the Foreign Policy journal interviewed 12 experts and has reported that the world order post-Covid will definitely change but no one is sure if it will change for the better or worse. According to him, post Covid, the short term is bleak and long term uncertain, which is very unusual. Businesses can now plan only at a macro level and it has become difficult to do micro-level planning, due to the uncertainty. This is the time that all nations must come together to redress the situation but unfortunately, he regretted, the nations are falling apart.

According to him, the present state of affairs requires huge introspection by the US and the West. “The West, even now holds the key. The Transatlantic Alliance is very critical and must play a key role in the transition of the world order to a new order but the Alliance is in serious problem,” he lamented.

China’s empire building instinct is still intact and its skirmishes in Ladakh region are more to distract India from focussing on its growth, he felt. He came down heavily on the US and the West for making a blunder in undermining India’s abilities, perceiving it to be a weak nation and putting all their eggs in the basket of China, which is an autocratic, non-transparent nation run on a model of Oligarchy where no single person or entity calls the shots and hence no one is accountable.

Thanks to Covid, the world is realising the importance of India, he said and added, “India is needed by the world now more than India needs the world.” India’s biggest

strength is its democracy and it is not its weakness, he stressed. He pitched for the West and India aligning to take on the might of China.

He foresees that in the new order, which may see order or disorder, all democratic and liberal democratic nations will be pitched against autocratic nations and globalization will cease to exist.

### ***His views on the origin of the Post Cold War Order, China's Rise, WTO & the Trump Phenomenon:***

The current world order emerged out of the cold war order which was based on ideological conflict between the Free Market Capitalism and Democratic Countries and the Communist and Socialist countries. The US emerged as the key decision maker. They tried to control Asia but got into problem in Vietnam. Its economy got affected and the US Dollar could not be protected by its gold.

To come out of the Vietnam War situation, the US had to associate with China and for which, the peace deal was brokered by Pakistan, which suddenly became relevant.

### **China Gets a New Life**

The deal with US helped China immensely because between 1967 and 70, it had lost 67 million of its people to hunger deaths. The urge of China to come out of poverty and that of US to come out of Vietnam War presented the current world order. This order was made only for the balance of power and without principles or ideology.

China became a preferred destination for the US. China targeted Taiwan, just like it did to Hong Kong recently. The US had almost given up Taiwan. Thanks to the intervention of the US Congress in 1983, Taiwan became an independent nation. Today, Taiwan is a very important source of technology for the US.

### **WTO & China's Lack of Transparency**

After the Soviet collapse, WTO was constituted without wider consultations. China which had Marxist policies and Market Economics became part of the rule setting team and India had to accept the rules. The world did not look at India because it had democracy and thought it was not stable. China had stability because it did not have democracy.

In 2001, China was admitted to the WTO; in 2002, the Human Rights Watch came out with a statement that the Labour Laws passed in China would never have been passed in any other country. The labour in China had no voice. The US and Western multinational factories wanted to enjoy the fruits of the Chinese labour. The US thought that its controlling the financial power would help it to control the economic power. Unfortunately, the real economic power shifted to China post 2001 (WTC attack) and even more after 2008, when the financial meltdown happened.

WTO in 2019 declared that China is not a market economy but still it is part of WTO because it is part of the global economy. This is an oxymoron. The mistakes the world powers committed in the past are now hitting back at them.

The US has now declared that US interests will prevail over WTO. So, the very instrument created for increasing trade and prosperity is being killed. This stand may be moderated, if Trump goes out of power. But it is not going to change fundamentally. Covid is thus a context and cause for the huge shift that is taking place in the world order.

### **The Trump Phenomenon**

The 2008 financial crisis proved to the US that mere financial supremacy without economic supremacy which it had surrendered to China is not enough but by that time, things had gone too far. This led to the 'Trump phenomenon.' Trump did not evolve as a mere individual. He evolved against all the past misdeeds of the American governments, starting from the unprincipled post cold war order. The Trump phenomenon is no more Republican. Even the Democratic Party supports the US move to withdraw from WTO. So, even before the Covid, the world order had begun to change.

### **More Local than Global**

The future supply chains will not depend on whether it is cheap to buy; rather, it will depend on whether it is safe to buy. From cheapness to safety, there will be a paradigm shift. Cooperation will be between countries that trust each other.

India's Atmanirbhar is a step in the right direction. Every nation has to work with a set of nations, if not the whole world. India was once leading the economic and trade engines of the world.

There cannot be a common philosophy for the whole world. But what is important is that there has to be a common understanding based on certain essential values, which only a democracy can provide. The West and India must align to take on the might of China.

The Covid has delivered a powerful message that there cannot be unmeasured integration in the world. It will be chosen, perhaps region-wise.

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## Q & A Session

### Various Questions asked and Mr S Gurumurthy's Answers

#### Question by Mr Pankaj Madan, KAS:



**Q:** *Mr Gurumurthy, it was a wonderful recitation of facts and figures and very educative. India historically has been a pacifist country. Now, China has surrounded India geo-strategically. Neither the virus, nor China is going away soon; we will have to live with China. As the PM said, we may have to live with the virus too. China has national debts to the tune of 320% of its GDP. Some economists from Germany and the world over say, it is something like a Ponzi scheme- taking more loans to pay more loans. Is China teetering on the edge of a financial crisis?*

**A:** China's problems are threefold.

1. They have excess production and excess dependence on the world. They need the whole world to consume their production. For this, they have built huge infrastructure and incurred heavy debts.
2. The technology they have is not in-house; the chip is with the West. The critical parts of the technology come from Taiwan. Without their own chip technology, China cannot take on the US.
3. China has its own internal problems. These can be managed only if they have external conflicts, similar to Pakistan which cannot survive if India is not there. Hating India is Pakistan's nationalism. Countries like China and Pakistan cannot, autogenously, be harmonious. China has a thirst for dominance and their empire building instinct has not diminished. With lack of democracy and transparency, they cannot soft land their politics. Their economic problems and foreign-relations policy are the result of non-transparency. China has bitten more than they can chew. If world converges on China, they will be finished.

#### Question by Mr K Mahalingam, Honorary Treasurer, MMA



**Q:** *What will happen to demand revival?*

**A:** The traditional methods of demand revival suggested by economists and business magazines will not work now. It is not that there is no money with the people. Bank deposits have increased many times. In the second quarter of 2020 i.e. from April to June, the bank deposits are Rs 6 lakh crores and it is 100% more than the corresponding 2019 second quarter. The government of India gave Rs 30,000 crores to Jan Dhan accounts of the poor, to help them. Now, it has risen by 14,000 crores.

People are not withdrawing money. In a crisis, they will withhold the money. Till hope comes, they will not open the purse. It is not like the US where people swipe credit cards. In India, we have 119 million debit cards and hardly about 30 to 40 million credit cards. We have a family driven society. There is no consumer; rather, a *grahastha* (a householder / family member). The family will decide on spending. So, only when people see hope, demand will get revived.

### Other Questions & Answers

**Q:** *The government is not reducing the fuel price when international crude prices are falling. Why don't they pass on the benefits to the people?*

**A:** I support the Government's policy of taxing the fuel when the price is low. We have to look at the short term, medium term and long term perspectives of the government. Today, all revenues are going down. The government absorbed part of the cost earlier when the cost of crude was high. The Government needs money and therefore it taxes the fuel. Out of this tax, 60% goes to State government and only 40% to the Central government. Even if the Centre is ready to reduce, the States will not. The other option is that the government will have to borrow money, which is not a good idea.

**Q:** *What is the role India can play in the emerging world order?*

**A:** The world can trust India because India is not expansionist. No country has shown the sort of approach that India has shown. We are not pacifist, though we give that impression thanks to a wrong interpretation of Emperor Ashoka. He won the Kalinga war and after seeing the large scale destruction, decided to give up war. As a victor, from a position of great strength, he sought peace.

His state mind after the Kalinga war and that of Arjuna before the Kurukshetra war in the Indian epic Mahabharatha, were similar. Arjuna was worried about the destruction, before the war commenced; Lord Krishna had to advise him that wars are sometimes necessary. Ashoka gave an impression that a country could live without wars, with the result that the first Prime Minister of India wanted to disband the army and live only with the police.

The misinterpretation made India look like a weak country. Only by exploding the nuclear bomb, India could announce to the world that it is a global power. Global politics is determined by power. Mere economic power is not sufficient as we can see with Germany and Japan, who lost their global power after they gave up their atomic power. Today, rogue nations dominate the global scene. China, though it had so much of poverty and hunger in 1970, began negotiating with the West after it possessed nuclear bomb.

There is no doubt that world is ruled by power but it must be ruled by principled power. My feeling is that in the future world, there will be an enlightened approach that only democracy can make the world function

together. With democracy being the theme, it gives India an opportunity to be a significant player in the emerging world order; it may be in Trade Order, Economic Order or Political Order based on democratic norms.

**Q:** *How can the gap between the government and RBI be bridged so as to revive the MSMEs and other sectors?*

**A:** For MSMEs, the government has little room unless the government and RBI work together. It is the RBI that has to come out with helpful policies. I am part of the RBI. But as a Part-Time Director, my influence in decision making is limited. In India, the largest part of the money comes from within the system; we have a territorial currency and therefore, RBI has a great role to play. Throughout the world, the government and Central Bank sit together and resolve their differences. In India too, the government and RBI must discuss and arrive at decisions.

**Q:** *What do you think will be our lives after 5 years or 10 years down the line?*

**A:** A lot of changes will come in personal life, official life and social life, more by compulsion than by choice. Cricket cannot be sold for billions of rupees anymore. The concept of 'everything with a business motive' will stop. The derivative market is worth 700 trillion dollars. This pyramid cannot be sustained.

**Q:** *What are your views on the efficacy of traditional medicines for Covid-19?*

**A:** In Kerala, the death rate is minimum. In Tamil Nadu, it is very low. In urban areas, it is high. This shows that the immunity system of people has something to do with traditional food and medicine.

**Q:** *What about domestic research in technology, especially in the defence sector?*

**A:** Research is time consuming. In a democracy, each government is for a period of only 5 years. For close to 25 years, we have had rickety coalitions. It is a miracle that India survived these. We have a strong government today that thinks of the future. All democratic nations should work together for development of technology. Transparency will be the safeguard to technology than secrecy, in future. China has stolen all US technology by bribing the Americans; the US is now raiding many places to find out if any evidence of theft is available. Human propensity is driven by ambition.

**Q:** *Will Chinese currency dominate the world market and replace USD? Will the global financial market collapse?*

**A:** This view lacks fundamental financial knowledge and it is completely impracticable; USD will remain as the common currency. The world will either flourish or sink with the dollar. If the financial system explodes, it will not hit just one country; the whole world will be affected and we may go back to a system as good as barter.

**Q:** *Which of the sectors will do well and which will be hit?*

**A:** Agriculture, which contributes 14 per cent of India's GDP, will remain largely unaffected; mining, manufacturing, construction, electricity and water accounting for 28 per cent of GDP will take 3 to 6 months to recover.

Hospitality, trade, hotel, transport and communication will be badly hit and will take the maximum time to recover.

**Q:** *What are the safe investments now?*

**A:** For the next 6 months to one year, the only active mechanism is government and public investment. Private investment has folded back. FDI and FII will surge because of the global situation. The global investment will not slacken as much as local investment.

**Q:** *Can India take a moral high ground based on the 'non-violence' principle of Gandhi?*

**A:** Gandhi was misinterpreted. He said that non-violence is a quality of the strong and for India to be a strong nation, we need an army. The moral high ground can be taken only by a strong person. The world underestimated India saying it is a peaceful country and a land of Gandhi and Buddha. It is the sound of nuclear bomb that made the nations look at India seriously. The world has been unjust to a non-violent, democratic and moral India. More than the world, Indians must understand this. India was a pushover because it refused to play the power game. The Vajpayee government changed that perception and the US had to recognise India and enter into a nuclear treaty with India.

**Q:** *Why don't the banks extend the moratorium on loans?*

**A:** I do not recommend a blanket moratorium. Banks need money to service the deposits. Where will this money come from, unless they collect the interest on loans? Banks must have the discretion to look at the cash flow of persons and companies and decide on a case-to-case basis to restructure the loans.

**Q:** *Gold prices are going sky high and not affordable for the middle class? Is there an alternative to gold?*

**A:** India has been refusing to play the gold game. I have written many articles on this. I wish the government and RBI do something about this. If India builds an internal gold reserve of 3000 to 4000 tons by monetising the investment gold available with the public, then India can play the global gold game. Today, it has 900 tons of gold. If it has 4000 tons of gold, its imports will come down and gold prices will crash. The Indian rupee will strengthen to 45 against USD. Western countries proscribed private gold but this cannot happen in India where gold is a personal asset and security. Of course, India can draw the gold from black and convert them into white through appropriate mechanism.

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## Vote of Thanks

**Group Captain R Vijayakumar (Retd), VSM, Executive Director, MMA**



**Group Captain R Vijayakumar (Retd)** thanked **Mr Peter Rimmele**, Resident Representative to India of KAS for his introductory remarks and his immense and consistent support extended to MMA in its various activities. He thanked **Mr K Mahalingam**, Honorary Treasurer, MMA for his welcome address. He thanked **Mr S Gurumurthy**, the guest speaker for his power packed speech and for answering all the questions posed by the viewers in the Q&A session, bringing to the table his vast experience and immense wisdom,

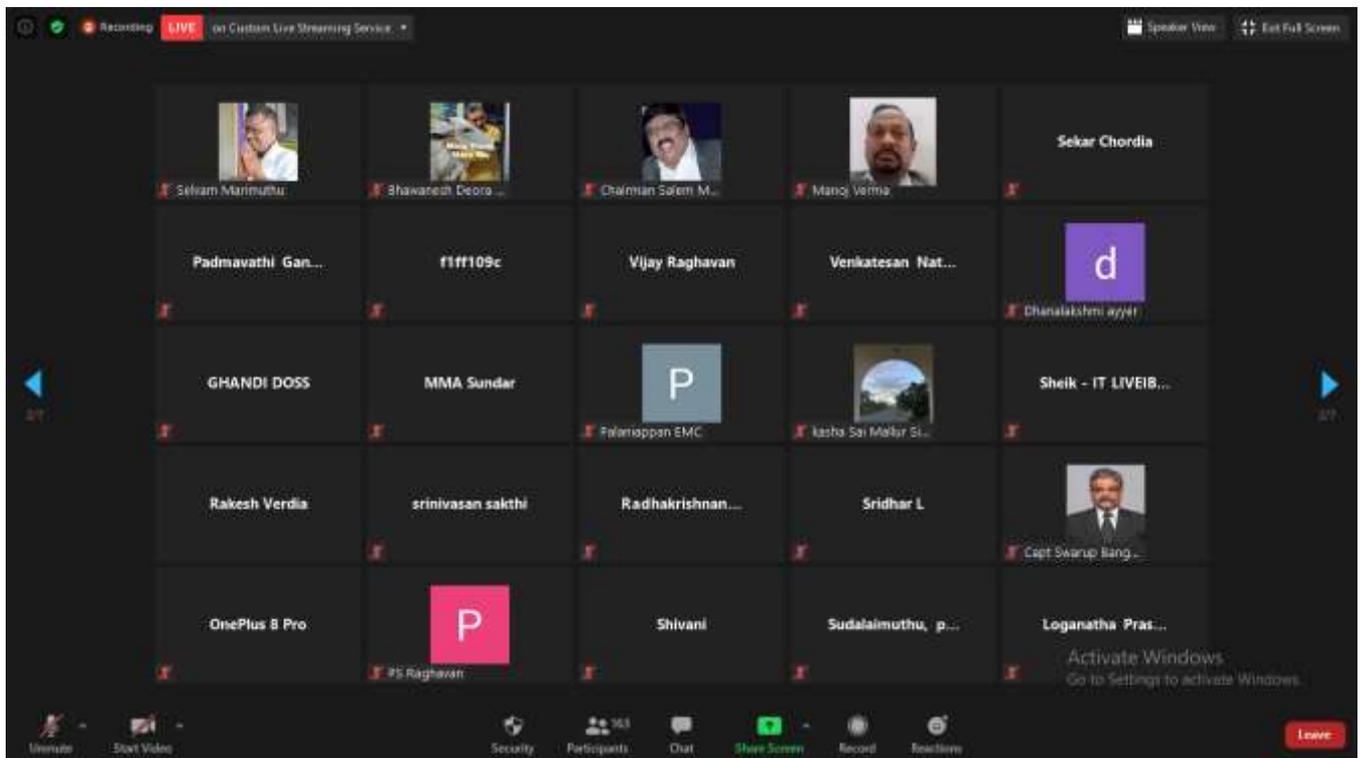
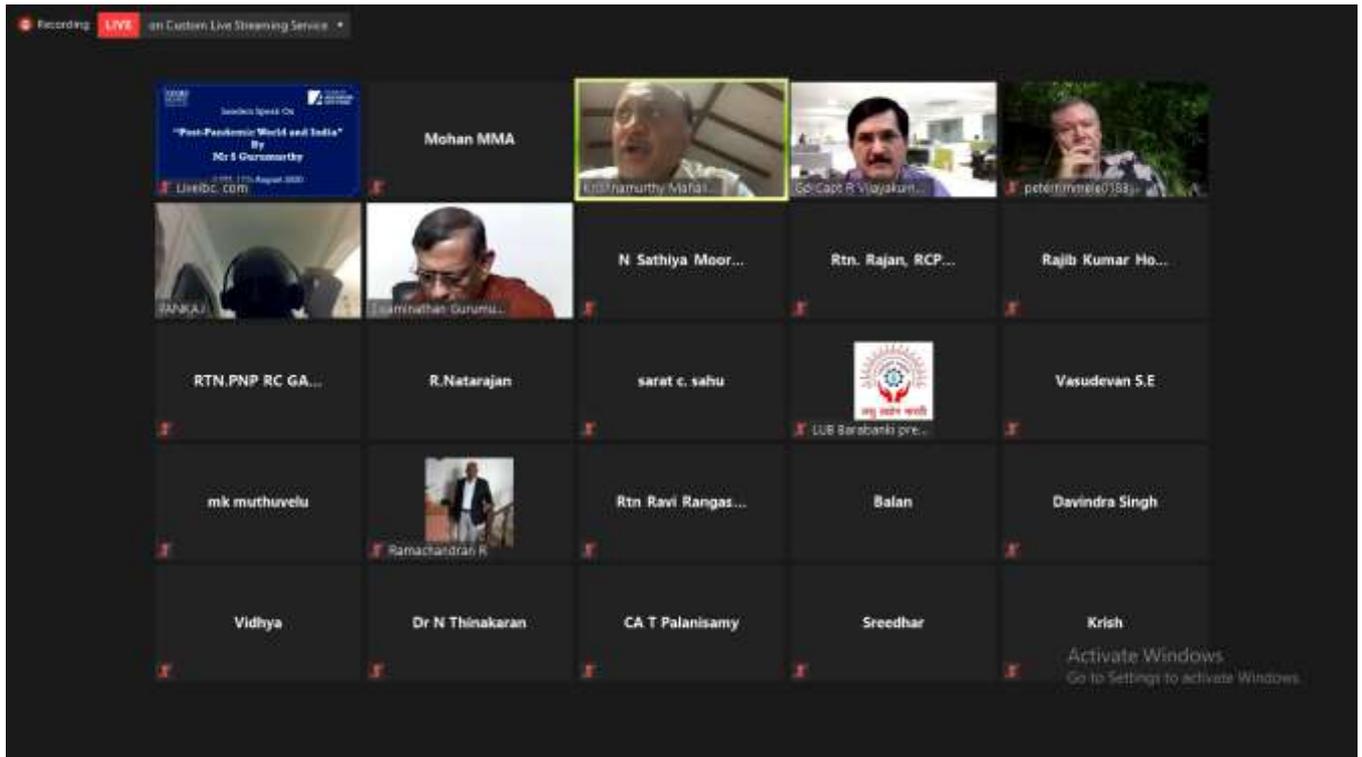
He thanked **Mr Pankaj Madan** of KAS, members of MMA and all the online viewers before signing off.

The event concluded at 7.30 PM.

## Photos

### Photographs taken during the Live Talk under the 'Leaders Speak Series' on the theme: "Post-pandemic World and India"





## Links for the Recording

### Post-pandemic World and India

We are pleased to share that the recording of the event is available for viewing through the links indicated below:

**Website:**

[www.liveibcom/mma/](http://www.liveibcom/mma/)

**YouTube:**

<https://youtube/FJN9B2142XA>

**Facebook:**

<https://www.facebook.com/watch/?v=709239233140325>



The response to the event was excellent and a larger number of viewers logged in live through Zoom, MMA Live webinar, YouTube and Facebook.

**Total Number of Participants:**

**Zoom: 245**

**YouTube: 666**

**Facebook: 576**

**MMA Webinar: 750**

**Total number of participants at the event –2237**



## The Partners

### About Madras Management Association (MMA)

**Madras Management Association (MMA)** was established in 1956 with the prime objective of promoting management education, training and development activities in this part of the country. The vision of MMA is “To be the Fountainhead of World class Management Excellence in India”.

Over the past six decades, MMA has striven for development and nurturing management expertise, combining Indian ethos with International Management thoughts and practices. MMA has contributed immensely to the enhancement of management capability in this part of the country, and in particular Tamil Nadu and Puducherry. MMA has over 7000 corporate houses, industries, professionals, academics and executives on its rolls as members. MMA annually organizes about 725 executive development activities, including seminars for top management with a total participation of fifty nine thousand executives and entrepreneurs.

MMA is the largest affiliate association of All India Management Association (AIMA) in the country and has been adjudged as the Best Management Association in India by AIMA for ten times in a row including the “National Excellence Award” for the year 2017-18.

The activities of MMA are planned to achieve managerial excellence in the functioning of industries and professional managers in Tamil Nadu and Puducherry. In this direction, MMA chapters have been established at various towns in Tamil Nadu mainly to cater to the needs of SMEs. Nine such MMA Local Chapters at Ambur, Attur, Erode, Hosur, Namakkal, Salem, Sri City, Trichy and Puducherry are functioning effectively.

Apart from corporate leaders, MMA has, in its Managing Committee, the Vice Chancellors of Madras University & Anna University, the Directors of IIT Madras and IFMR and the Chief Secretary, Government of Tamil Nadu, as members.

### **OUR VISION**

To be the Fountainhead of World Class Management Excellence in India

### **OUR MISSION**

- Synthesise Indian Ethos with international management thought
- Be a reservoir of expertise in management
- Inspire individuals to actualise their potential
- Nurture creativity and originality

## **About Konrad-Adenauer-Stiftung (KAS)**

**The Konrad-Adenauer-Stiftung (KAS)** is a German political foundation, with a strong presence throughout Germany and all over the world. Freedom, justice and solidarity are the basic underlying principles of the work of the Konrad-Adenauer-Stiftung.

With more than 100 offices abroad and projects in over 120 countries, it makes a unique contribution to the promotion of democracy, the rule of law and social market economy. To foster peace and freedom KAS encourages a continuous dialogue at the national and international levels.

Human beings in their distinctive dignity and with their rights and responsibilities are at the heart of its work. KAS is guided by the conviction that human beings are the starting point in the effort to bring about social justice and democratic freedom while promoting sustainable economic activity. By bringing people together who embrace their responsibilities in society, KAS develops active networks in the political and economic spheres as well as in society itself. The guidance it provides on the basis of political know-how and knowledge helps to shape the globalisation process along more socially equitable, ecologically sustainable and economically efficient lines.

KAS cooperates with governmental institutions, political parties and civil society organizations building strong partnerships along the way. In particular, we seek to intensify political cooperation at the national and international levels on the foundations of our objectives and values. Together with our partners we contribute to the creation of an international order that enables every country to develop in freedom and under its own responsibility.

The Konrad-Adenauer-Stiftung has organised its program priorities in India into the following working areas:

1. Foreign and Security Policy
2. Economic and Energy Policy
3. Rule of Law and local Self-Government
4. Social and Political Training and Development
5. Indo-German Parliamentary Dialogue programmes

The Konrad-Adenauer-Stiftung's India office takes great pride in its cooperation with Indian partner organisations who implement jointly curated projects and programmes.

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