



INSIGHTS

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STEWARDING THE NEWS SHIP THROUGH DIGITAL WATERS

EXPERT INSIGHTS



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Deccan Herald



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to the State GoK



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Founder and President
of the Synergia Foundation

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ANATOMY OF A TRAIL-BLAZER

Leaders of news organisations will have to strike a balance between conventional journalistic values and new-age imperatives, while instituting a collaborative partnership with their audiences




Mark John Thompson, is the former President and Chief Executive Officer of The New York Times Company. He has also served as Director-General of the British Broadcasting Corporation (BBC) and Chief Executive of Channel 4. This article is based on his views at the 100th Synergia Forum on 'Lessons for the Leader in managing News and other Organisations'.

MARKETING STRATEGIES OF TRADITIONAL AND NEW MEDIA

<ul style="list-style-type: none"> Passive consumer of content Uses text, images, moving images Lack of flexible formats for delivery of content One way traffic of content communication Reach of content limited due to 'physical' circulation 	<ul style="list-style-type: none"> Both consumers and producers of content - "prosumer" Uses the old means plus multimedia Multiplicity of delivery platforms Greater interaction between producers and consumers Expansive reach due to internet
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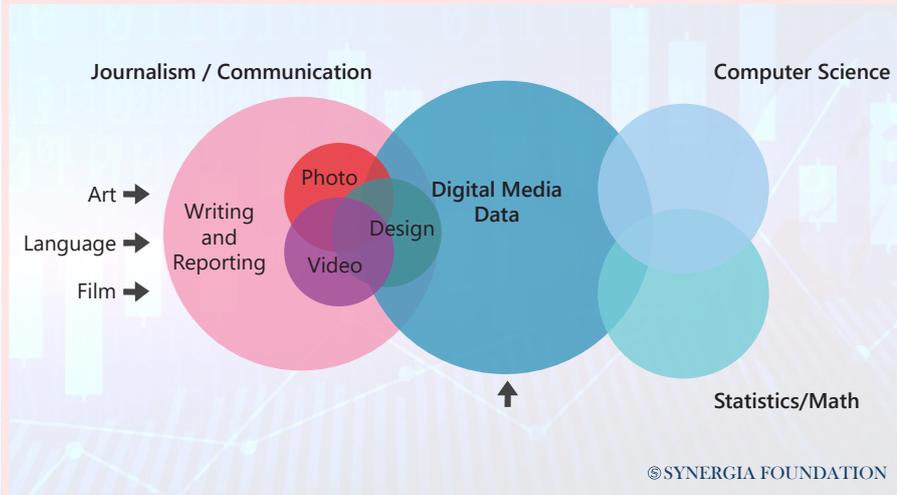
DISRUPTION VS CONSISTENCY

Media leaders around the world face several challenges today. Pre-established news companies, in particular, have been compelled to think hard about evolving new business strategies and models, engaging with fresh audiences, analysing different consumer behaviour and adapting to novel technologies.

There are considerable differences between running an established company and managing a start-up enterprise. The former is a going concern, where leaders attempt to administer and oil a machine that is already running. In many ways, they seek to achieve consistency, maintain quality control and train and retain the personnel who have already spent a large part of their time in

the enterprise. In other words, the objective is to contain and manage the existing businesses. Start-up entrepreneurs, however, aspire to do the opposite. With a substantial risk appetite, they strive to disrupt, innovate and think outside the box. Therefore, when a media organisation transitions from an analogue past, it might find it imperative to combine both these aspects. For instance, a traditional print enterprise or broadcast system

Conceptualizing a Digital Media/ Data Discipline



many traditional newsrooms.

BACK TO SCHOOL

As technology and data sciences take over human lives, modern leaders have to become more numerate. Comprehending advanced statistics will be key to understanding how media businesses work. Learning some of the science behind applications like machine learning may also be extremely instructive.

This does not necessarily imply that leaders of large digital entities are more suited to head successful news organisations. At the end of the day, tech behemoths like Facebook and Google are helmed by engineers, whose communication in codes and data may not be grasped by journalists. While they may have a pretty good sense of design, they are unlikely to display the same kind of passion for content and the culture of news-making. This is why companies such as Netflix hire people from Hollywood to make decisions about their content.

Therefore, only those entrepreneurs who can comfortably occupy both the technological and journalistic worlds, are well-placed to lead media businesses.

MONETISATION

In countries like the U.K and the U.S., chief executives of news organisations appear to be obsessed with the notion of replacing print advertisers with digital advertisers. However, if you examine the growth story of most Silicon Valley companies, many of them did not preoccupy themselves with monetisation in the first decade of their operations. Instead, they focussed their efforts on becoming indispensable to millions of people.

Similarly, if media companies craft a great journalistic product and find the right audiences for it, they will automatically find ways to monetise it. This may include subscriptions, advertising revenues and other forms of sponsorship.

Present-day battles are won and lost, based on the ability to make well-priced products that are relevant to, and viable for the targeted audience.

shifting to a digital future, may still be comprised of people who have signed up for a steady business.

They may not be as open to risks, imagination and inventiveness as those in a start-up venture. In such circumstances, the onus is on the leader to figure out where to be consistent and where to blow things up.

Difficult choices may have to be made, when it comes to hiring fresh talent and letting some employees go. Identifying the areas where one needs to become a troublemaker or a catalyst for change will be the first-order challenge.

AUDIENCE AS PARTNERS

In the past, conventional media

companies had strong and attractive captive audiences as well as captive advertisers. There was a lot of money to be made, in a relatively easy way and with relatively higher margins. This led to a form of complacency setting in amongst these organisations. The primary audiences became advertisers and not the general public.

Today, it has become critical for businesses to truly re-discover their audiences. Instead of objectifying and viewing them as sources of money, they should enter into a collaborative relationship with their consumers. Respecting and establishing meaningful partnerships with the audiences is the need of the hour. Unfortunately, this does not appear to be an area of strength for

Digital News Subscriptions are a Potent Revenue Generator

News publishers by subscriber numbers and cost of digital subscription



Sources: Fjpp, CeleraOne

MANAGING FOR TODAY, BUILDING FOR TOMORROW

By heralding cultural change and reconceptualising core businesses, media chiefs can script a successful growth story




Navaneeth L. V., is the Chief Executive Officer of The Hindu Group, a publishing company located in Chennai, India. He has over two decades experience in the Media Industry across the Publishing, Radio, Broadcasting and Media Agency verticals. This article is based on his views at the 100th Synergia Forum on 'Lessons for the Leader in managing News and other Organisations'.



As media companies in India seek to manage their empires and build their businesses for tomorrow, there are several choices they may have to make. For some, enhancing customer loyalty and boosting engagement with audiences may be important. For

others, increasing profitability and scaling up their businesses might seem more urgent.

In any case, there are several opportunities that exist for traditional news organisations to adapt to modern realities.

This can be best explained through the age-old framework of

the 'wine and the bottle'.

OLD WINE, OLD BOTTLE

The first quadrant represents the core business of conventional news organisations like the Hindu, which are based on advertising revenues and a 'command-and-control' style of



working. The content and commerce teams operate in silos, with the latter monetising the audiences that are delivered by the former.

The time is now ripe to repivot from this model of advertising and secure a larger share of reader revenues. By putting the reader at the centre of the media universe, the commerce and content teams can collaborate and work together. The role of a news organisation will have to change from a mere reporter of issues to an active enabler of positive solutions that connect readers, policymakers, influential thinkers and governments.

OLD WINE, NEW BOTTLE

The repurposing of content represents a key area of innovation. There are several use-cases for existing material that can be monetised in new ways.

Curation is a case in point. Companies such as the Hindu, which have nearly 140 years of archival content, can do a great job by bringing them back to life. They can provide

much-needed context to pressing issues and inform readers about the implications of choices they make today, based on their experiences from the past.

NEW WINE, OLD BOTTLE

This quadrant largely pertains to multi-media content that serves micro-community interests. Today, traditional news organisations are not particularly adept in this field. They struggle to tell their stories in a compelling manner, through audio and video formats.

Over the coming days and months, it will be vital for such media companies to make use of interactive graphics and other elements of storytelling in their narratives, through text, video and audio. This can eventually be monetised as well.

NEW WINE, NEW BOTTLE

The importance of increasing scale and finding new audiences cannot be overemphasised. Re-imagining revenue models does not imply

transitioning to new businesses. Rather, it entails the discovery of new markets and consumers that are waiting to be tapped.

As global interest in India piques, there will be significant value placed on its media narratives. News organisations in the country will have to capitalise upon this opportunity and monetise the 'Indian worldview'.

PREPARING FOR THE FUTURE

To sum up, therefore, media companies need to overhaul their current organisational structures. This may involve changing the way newsrooms function, reorganising business teams and re-envisioning content.

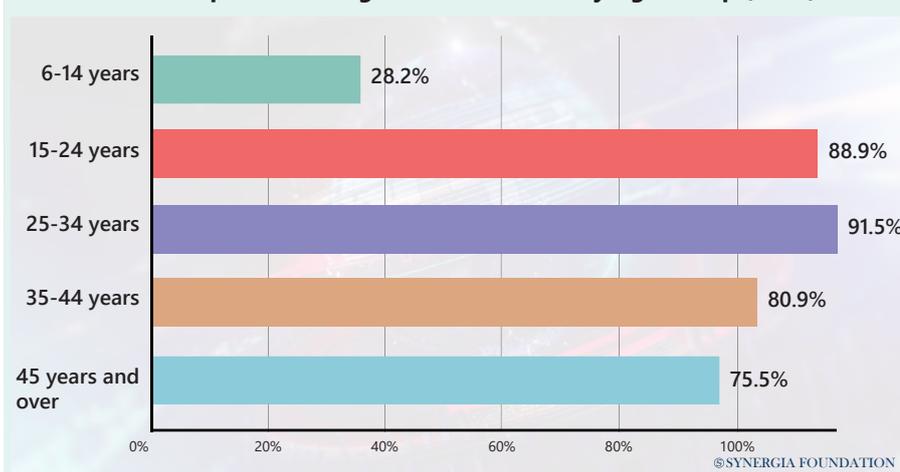
While conventional news entities have hitherto been good teachers, they will have to get accustomed to being patient learners, by establishing a two-way communication with their readers.

They will also have to aggressively chase new markets through digital subscriptions and transition from an advertising-led business model to a reader-driven revenue framework.

All of this calls for a huge cultural change in India. Today, most media companies are legacy organisations that accord importance to individual pedigree and years of experience.

However, as more and more young entrepreneurs dominate the digital realm, their views might need to be robustly integrated into conventional structures. Both businesses and editors will have to embrace technology as an enabler and unleash its potential. The amount of data and insights that can be generated through such a futuristic approach is truly revolutionary.

Readership Share of Digital News in India by Age Group (2017)



TRIAL AND ERROR

As conventional news enterprises adapt to modern realities, they will have to embrace digital experimentation and technology-driven innovation models



K.N. Tilak Kumar, is the Editor-in-Chief of the Deccan Herald, an English language daily published in India by the Printers Mysore Private Limited. This article is based on his views at the 100th Synergia Forum on 'Lessons for the Leader in managing News and other Organisations'.



Media companies in India are undergoing substantial changes in their structure. Print has stagnated and English-language newspapers appear to be on the decline. While the nature of news may remain the same, their delivery platforms are constantly evolving.

In this veritable milieu, the Deccan Herald has tried to adapt by developing a website as well

as a mobile application. It has also sought to improve its methods of storytelling by combining text-based content with compelling video formats. Younger generations, with their inimitable grasp on technology, appear to have a unique advantage in this perpetually developing sphere.

In this context, there may be important lessons to draw from the experience of Mark Thomson, who has effectively countered several challenges in the media organisations that he has steered.

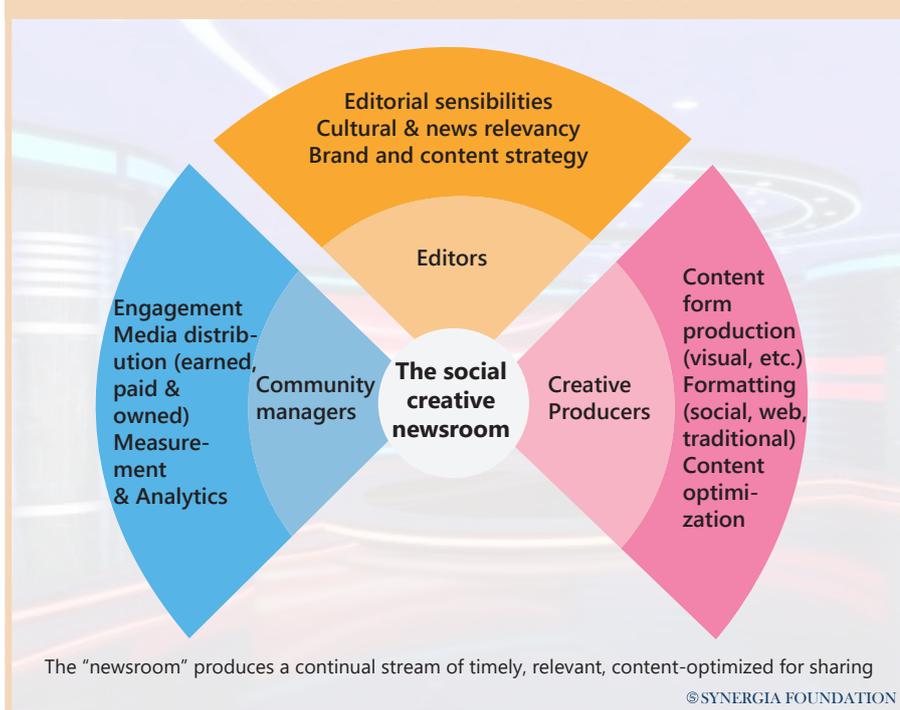
Responding to this, Mr. Thompson observed that leaders of news organisations have to conduct numerous experiments, before arriving at a productive solution. For instance, print media can consider using their free cash flows to invest in innovation, software engineering and data scientists, in order to prepare for the future.

Several mistakes may be made in the process, but it is critical to complete the entire cycle of devising a new product, taking it to the public, assessing their feedback and monetising the same, before a final decision is taken. It is an exploratory endeavour, with no straight-jacketed plans to guide the leader.

Once success is proven, the real challenge lies in taking this creativity to the core of the business. Traditional managers and employees will have to be trained, before adapting to changes. They need to be afforded a chance to learn. Some of them may even be accommodated within parts of the organisation that do not require a structural or cultural overhaul.

However, if certain managers continue to be defensive and refuse to incorporate changes, they will have to be replaced with those who are more open to such experiments. This will entail a strong and bold leadership, that guides media enterprises into the new era of digital innovation.

The Social-Creative Newsroom



A VALUE-BASED APPROACH

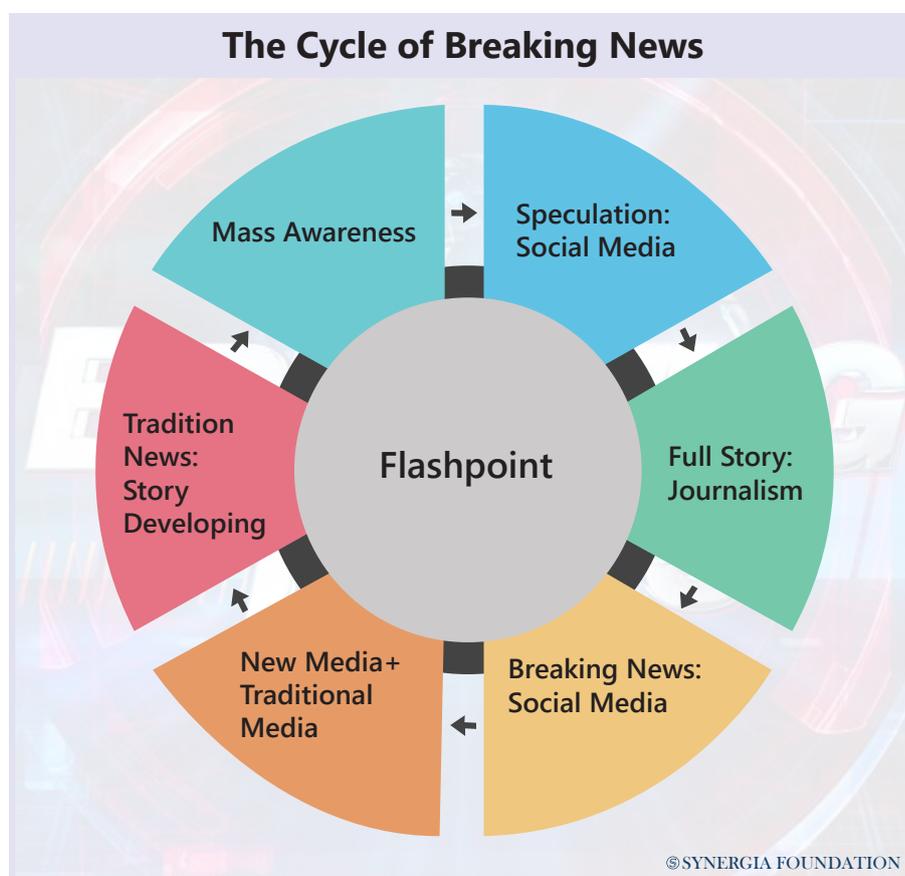
In redefining the leadership paradigm of modern media organisations, the criticality of ethics should not be overlooked



Kapil Mohan, is a Principal Secretary to the State Government of Karnataka. This article is based on his views at the 100th Synergia Forum on 'Lessons for the Leader in managing News and other Organisations'.

The value-driven dimensions of media should be placed on par with its commercial and technological aspects.

As digital transformation reduces the distance between news products and their readers, there is a pressing requirement for ethical leadership. Building on this, Mr. Thompson remarked that fundamental values of journalism are likely to remain the same. Editorial decisions will need to be independent, and not subject to commercial or regulatory pressures. Engaging in truthful, objective and accurate reporting, that is devoid of prejudice and insults, will continue to be the gold standard.

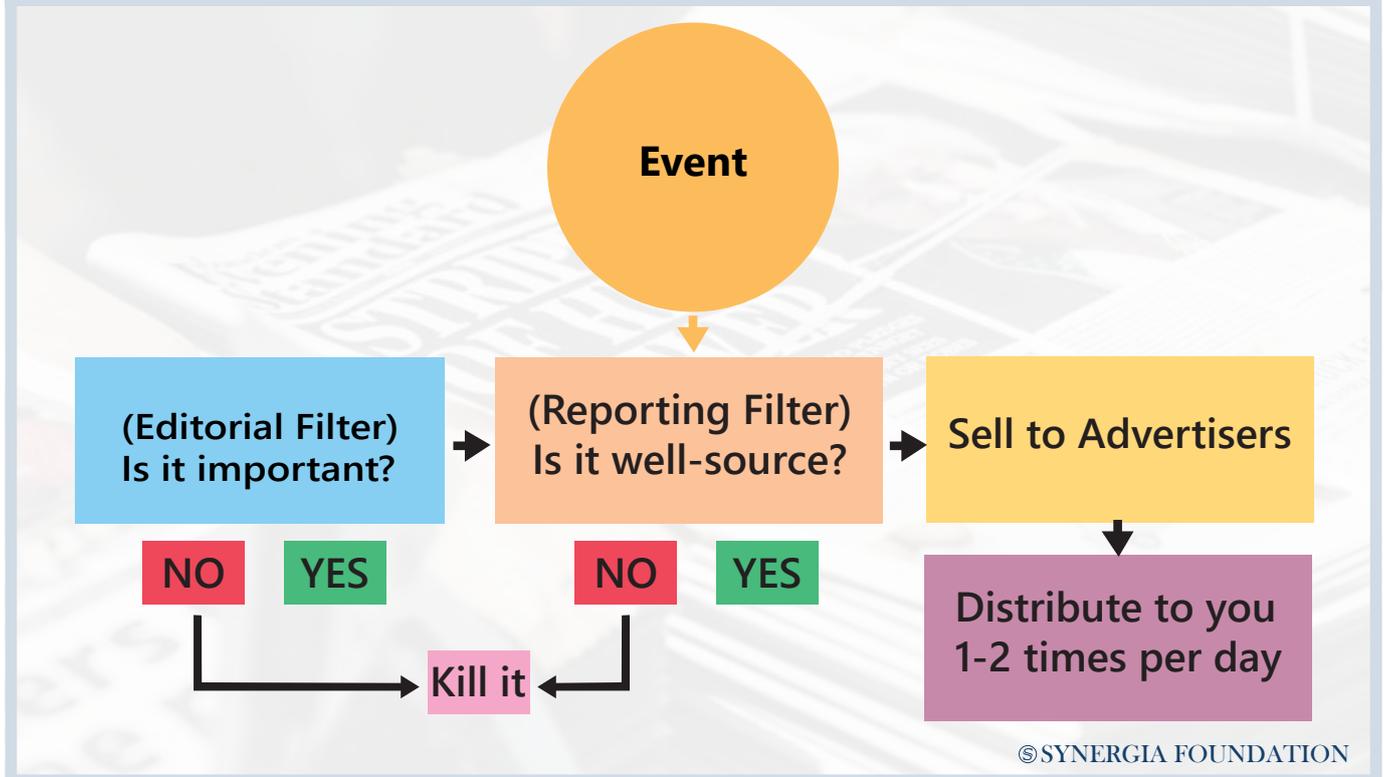


However, there are certain factors that need to be taken into account, while establishing a value-based culture in media organisations. Given that digital tools have enabled

real-time news reporting, there is relatively less thinking time for editors and journalists to narrate their stories.

They do not have the luxury of

Traditional Journalism in Summary



waiting for every detail to come in and then verify the same. In such situations, when snap decisions have to be made, it is easier to forget ethics.

Moreover, given the mammoth reach of online platforms, a breaking story can reach millions of people at the same time. While this can indeed be a force for good, the debilitating prospect of fake news and disinformation cannot be ruled out.

The need for responsible behaviour is even more amplified in the case of global news platforms

that cover developments in foreign cultures and jurisdictions. The reportage and broadcasting of an international war or communal strife, for instance, may be read or viewed and we use by the actual parties involved in the conflict.

According to Mr. Mohan, in such circumstances, a new set of ethical leadership skills will be required in the media industry. News organisations will have to develop more efficient filters as well as editorial oversight.

While agreeing to this, Mr. Thompson cautioned that enhanced

editorial review should not come at the cost of delaying news stories. If a credible media entity takes time to break a story.

It can allow unsubstantiated rumours to take root in the minds of the audience. It is better to have an honest guide that takes the readers through available information, even while subjecting the same to proper editorial scrutiny.

Thus, though there are new challenges and responsibilities in the new digital world of journalism, the fundamental values don't have to change.

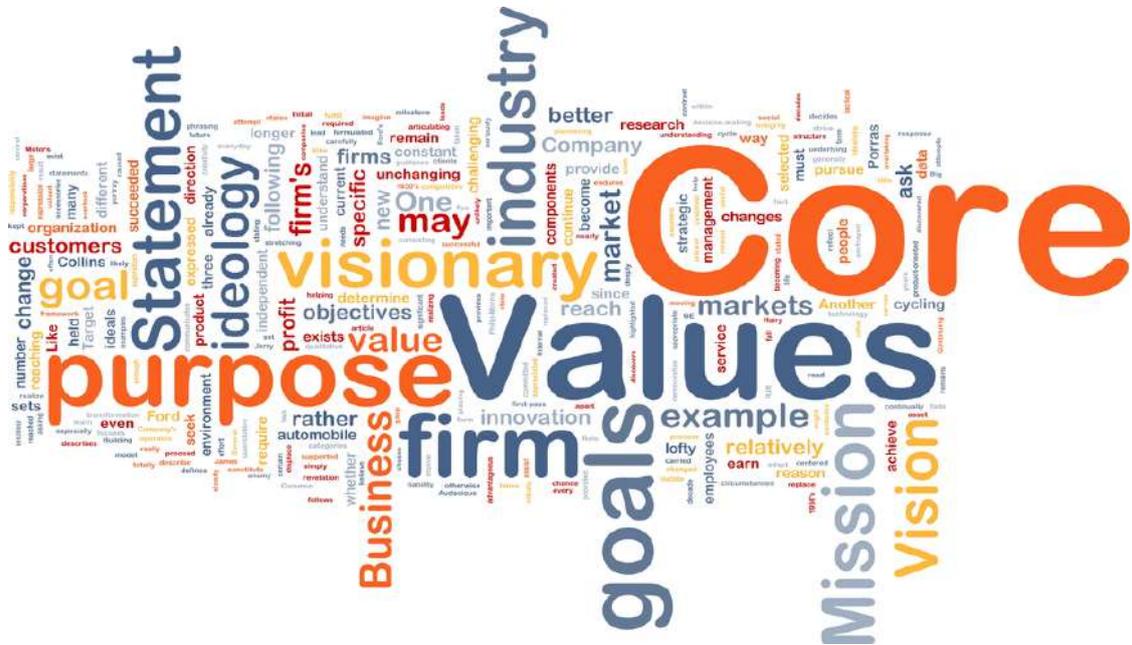
Core Professional Practice Indicators

Immediacy	Publication and updating of breaking news as soon as practicable (after fact-checking) for each given format.	Analysis	Rational, knowledgeable and insightful interpretation of events and issues that help people make sense of their world.
Authority	Stories use the expertise of authoritative and reliable sources; corporate or partisan sources are clearly identified	Originality	Content is produced in-house through original research, interviews, verification of information, and self-taken photos.
Depth and breadth of coverage	Explaining background context, causes and consequences involved; range of content from range of genres.	Creativity	Written and illustrated with creative flair; innovative use of technology; evinces multimedia richness (e.g., websites).
Ethical conduct in Newsgathering	Uses fair, honest, and responsible means, to gather material	Presentation	Uses a gratifying narrative and layered information; format is captivating, aesthetically pleasing, well-illustrated, technically and textually error-free, and easy to navigate (e.g., websites).

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PRESERVING CORE VALUES

Media leaders have to safeguard the fundamental values of their organisation from being hijacked by partisan interests




Mr. Toby Simon, is the Founder and President of the Synergia Foundation. This article is based on his views at the 100th Synergia Forum on 'Lessons for the Leader in managing News and other Organisations'.

At a time when companies, not traditionally in the media business, seek to purchase news entities, the moral aspect of leadership becomes a vexatious issue. India, in particular, has large corporate houses with disposable cash that invest in media organisations to promote their business and influence popular opinion. Against this backdrop, it becomes challenging to uphold journalistic ethos and value-based principles. Concurring with this, Mr. Thompson noted that there has been a sea change in the ownership of many media companies. This



has also raised troubling questions about the nexus between news owners, corporate interests and political lobbies. Across the world, politicians appear to have become more emboldened in constraining and bullying the media. To thwart such efforts, leaders of news organisations will have to be particularly resilient to threats of imprisonment or other adversities. After all, they are fending off institutions that are far more

powerful than them. Indeed, there is an inherent political value to journalism, which is what partisan elements fight over. Adding to this, Mr. Navaneeth remarked that audiences have a critical role to play in the quality of journalism. The ethics of media organisations generally reflect the values of the consumer. As is true for their relationship with the government, 'people usually get the media they deserve'.

S Expert Q&A



Q Given the ongoing digital revolution, will the future of news be spearheaded by tech entrepreneurs like Jeff Bezos? Will conventional media organisations have a role to play?

A **Mark Thompson:** Interestingly, with Jeff Bezos, he did not start a news organisation from scratch. He chose to buy the Washington Post and refrained from making editorial decisions, by relying on its traditional newsrooms. Therefore, it is not at all obvious that digital players will have the upper hand in the future. Of course, traditional media will go bust if they refuse to change. However, if they grasp the right opportunities, they may very well outdo the performance of digital entities. For instance, when Huffington Post was founded, it was predicted that it would soon replace existing newspapers like the New York Times (NYT) and the Washington Post (WP). However, that did not happen. Today, the economics of the NYT and the WP are said to be much better than the Huffington Post. Conventional newspapers and broadcast channels continue to remain powerful brands, with a sophisticated creative culture and customer loyalty. Meanwhile, emerging digital players that are

yet to make a name for themselves, find it difficult to secure access to politicians and other influential personalities for gaining insights.

Q Do entities like the Hindu perceive traditional news organisations as their primary rival? Or, has the competition expanded to cover Silicon Valley giants like Google and Facebook? Is the very definition of a competitor constantly evolving in the media industry?

A **L. Navaneeth:** With the growth of the digital media, the principal competitor is anyone who vies for the attention and time of the target audience. For organisations like the Hindu, this may be narrowed down to those who attract the attention and time of 'news consumers'. However, the media universe is extremely large and therefore, the definition of a competitor is constantly shifting posts.

Q In light of the recent tussle over the payment of news content between Google and news publishers in Australia, how will the relationship between traditional media enterprises and internet behemoths pan out? Will it be symbiotic in nature or

will it be entirely dependent on algorithms?

A **Mark Thomson:** Since many of the tech companies are still very young, it is difficult to predict. However, it is a fact that most of these big platforms are under pressure from jurisdictions like the U.K and Europe, regarding their allegedly monopolistic and anti-competitive conduct. Even the U.S., which is typically late to enact regulation, has initiated multiple lawsuits at the federal and state levels.

Notwithstanding these developments, there is potential for conventional news organisations to establish bilateral commercial partnerships with digital platforms for their mutual benefit. Given that they provide enhanced audience engagement, online networks should actively contribute to the making of journalism.

While the Australian model might work in a specific context, it would be prudent for independent newspapers to make their own way in the world, and not be forced to take handouts from big platforms, through state regulation. If a government decides who gets the money for particular content, it may very well award it those who toe its line.

LWE: BLOOD FLOWS AGAIN

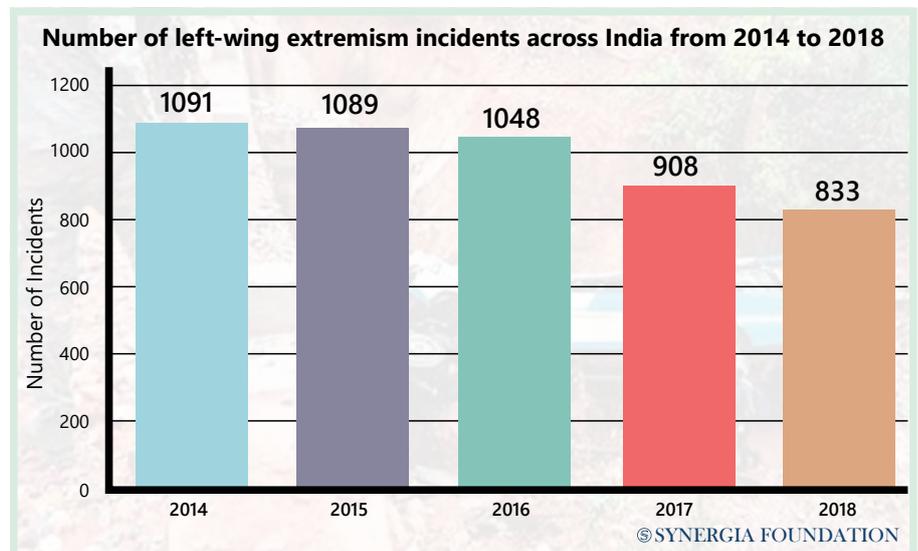
The Indian state has been fighting Left-Wing Extremism (LWE) for the last two decades, which begs the question, when will it be settled, or will blood continue to flow?



MAJ. GEN. AJAY SAH (RETD.)
CHIEF INFORMATION OFFICER

In the last week of March, CRPF top brass from Delhi was engrossed in planning a major field operation to nab the Naxal top-ranking leadership, including the elusive Naxal field commander, Madvi Hidma, in the rural backwaters of Sukma district of Chattisgarh. It was an unusually large-sized operation with over 1000 police and CAPF personnel, including a sizable contingent of CRPF's elite CoBRA unit participating. Evidently, stiff opposition from the Naxals was anticipated as this area is a hotbed of their activities.

The intel about the Naxal presence was correct, but sadly these cadres were not where they were expected. In fact, over 400 of them were lying in wait for the exhausted troopers to return after a fruitless search of some empty villages in the oppressively hot weather. Once the gun smoke cleared, 23 security personnel lay dead, and one COBRA commando was taken prisoner and



later released after much fanfare by the Naxals.

A FESTERING WOUND

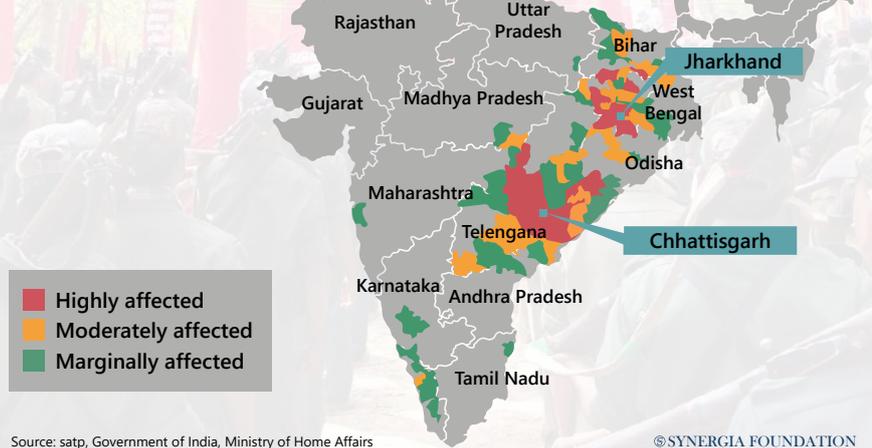
Naxals are far-left radical communists who trace their origins to the late 1960s. In the early 1970s, the fledgling militant movement was crushed with Army assistance. In 2004, the People's War Group (PWG) faction of the CPI (ML) and Maoist Communist Centre of India (MCCI) combined forces to form CPI (Maoist), which decided to

resort to an armed rebellion in line with Mao's strategy of 'protracted people's war'. Thus, was born yet another insurgency this time in India's heartland, unlike others along its periphery.

By 2006, as per the Government's own admission, 165 districts in 14 states were Naxal affected with guerrilla pockets transformed into full-scale "guerrilla zones". Indian The Home Ministry data of February 2020 shows that a peak was reached in 2010 with 2213 violent incidents, 172 Maoists killed at the cost of 285

A map of India's Maoist conflict

A crackdown on Maoist rebels has led to a rise in the number of casualties in the country's tribal areas. Here are the regions that are most affected.



Chhattisgarh and Jharkhand places greater faith on the 'Peoples' Courts' set up by the Maoists than on the official judicial system.

THE STATE'S STRATEGY

In 2009, the then Prime Minister Manmohan Singh termed Naxalism as "the greatest internal security threat to our country." He also clearly outlined the broad contours of the governments counter LWE strategy. "We are not in favour of using India's armed forces ... We have other instruments — the police, the paramilitary forces — which are capable of tackling this menace," he said.

When the hard-pressed Army balked at being committed to yet another insurgency in the heartland, CRPF was designated the lead agency duly supported by other CAPFs.

The Armed Forces were to provide training and specialist support without getting directly involved in the fighting on the ground.

The Government is following the standard text of counter-insurgency by battling the Maoists on two fronts-creating a development narrative and a nationally coordinated counter-insurgency campaign.

Apparently, there are many gaps in this strategy which has allowed the wound to fester so long. While many states like erstwhile Andhra Pradesh, Madhya Pradesh and even Jharkhand were successful in subduing the insurgency through a mix of well-conducted kinetic actions accompanied by genuine development progress on the ground, many like Chhattisgarh continue to suffer.

THE ROAD AHEAD

In the earlier stages of the Maoist insurgency, there was a lack of coordination between the Centre and states as Delhi continued to treat it as a mere law and order problem, leaving it to the wisdom of the state to deal with it as deemed appropriate. It was much later that the Indian Government woke up to the fact that even the best state-level counter-insurgency initiatives were

security forces (SF) personnel and 720 civilians.

A CONVOLUTED CRISIS

Mao's doctrine of protracted people's war comprises three steps to a final victory- strategic defence, strategic stalemate and finally strategic offence culminating in the vanquishment of the hated bourgeois. In the Indian context, it appears that the Naxals are somewhere close to the strategic stalemate as they have been able to consolidate a physical enclave or a "corridor" where they enjoy a degree of freedom of movement and a reasonable support base amidst the populace. In this stage, they indulge in a series of skirmishes with government troops which are largely indecisive. This suits the guerrillas as a stalemate is a victory for them, creating myths of legendary leaders like Hidma to convince their target population of the righteousness of their struggle and cementing popular support.

While the Naxals call electoral politics corrupt and refuse to participate in them, they have little qualms in reaching a cosy alliance with political parties when it suits their interests. Chhattisgarh and other LWE infested states have

witnessed this phenomenon whenever elections draw closer. Both the groups find common ground to cooperate- one to consolidate its position in the forested areas with funds provided by the party coffers and others to win the votes of the Adivasis on whom the Naxals exercise a great deal of influence, almost a power of life and death. Using Maoists to kill or frighten political opponents is a commonly adopted tactic.

The tribal centred Naxal movement has been able to generate a wave of sympathy amongst the educated elites in urban areas, far from the hot and humid jungles. These supporters are vocal in their criticism of the state, and since their voices reverberate in international circles, they are a thorn on the sides of the Government. They were labelled as 'urban Naxals', and many have been arrested.

That the Naxals have survived against the might of the powerful Indian state for so long is no mean achievement. There is a strong groundswell of support for the stated aim of the Naxals- to reclaim the rights of tribal, peasants, wage workers and other downtrodden sections of the society- especially in backward districts of Central India. It is a fact that today the tribal of



only tactical victories with no lasting impact when the insurgents could easily skip across state borders to evade the security forces. For a long period, the political and security apparatus remained inflexible and failed to learn from the successive disasters inflicted upon the security

forces.

It was much later that counter-insurgency training schools under Army instructors were created first in Chhattisgarh and then in Jharkhand, which has done a lot to prepare police jawans for the brutal arena of the counter-insurgency campaign in

jungle terrain. Similarly, specialised police units like the Greyhound of Andhra Pradesh and CRPFs own CoBRA units, trained by the NSG and Army's special forces, have been successful in taking the fight to the guerrillas. Yet, as the recent ambush showed, there is still a lot of ground to cover before the Maoists can be overwhelmed militarily.

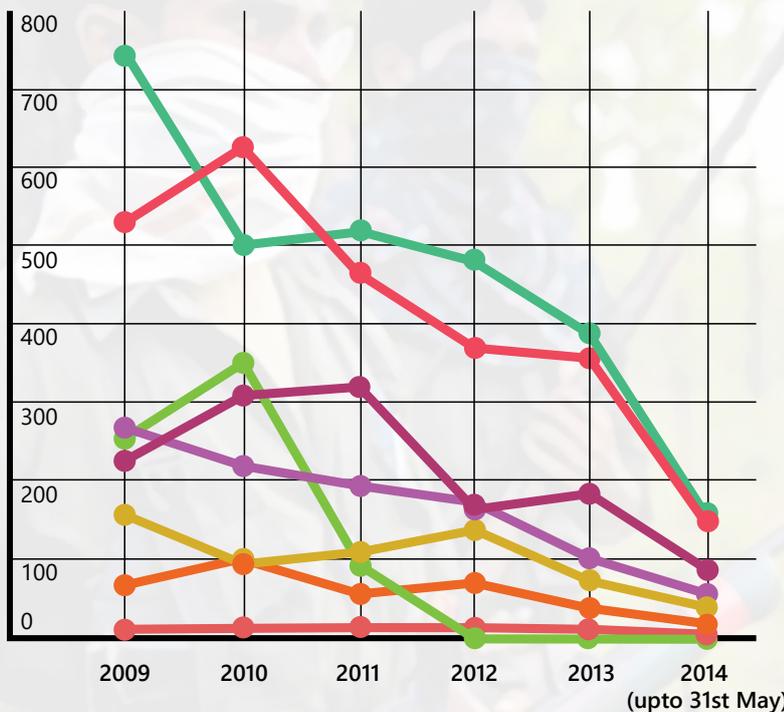
Most important is consensus-building between all political parties and the civil society represented by social groups whether the Naxals pose a threat to the nation or not. New Delhi, on its part, must be more transparent in its governance efforts, raising them above political gimmicks to substantive and long impact measures laced with a humane approach towards the genuine needs of the tribal inhabiting these areas.

The Naxals have rightly made the people their 'Centre of Gravity' as advocated by Mao; it is for the Government to reshape its own strategy with the People at its core.

Lastly, the recent military setback should not spur the Government into a highly publicised retaliatory strike, perhaps with the Armed forces co-opted, which will only add to the discomfort of the locals.

It is going to be a long-drawn battle, and strategic constraint and manoeuvring are needed to create a semblance of peace through kinetic action from where the political process should take over to bring lasting peace.

Naxal Incidents By State (2009-2014)



Andhra Pradesh Bihar Chhattisgarh Jharkhand Madhya Pradesh
Maharashtra Odisha Uttar Pradesh West Bengal Others

IndiaSpend

Source: infogr.am

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MORE IS NOT ENOUGH

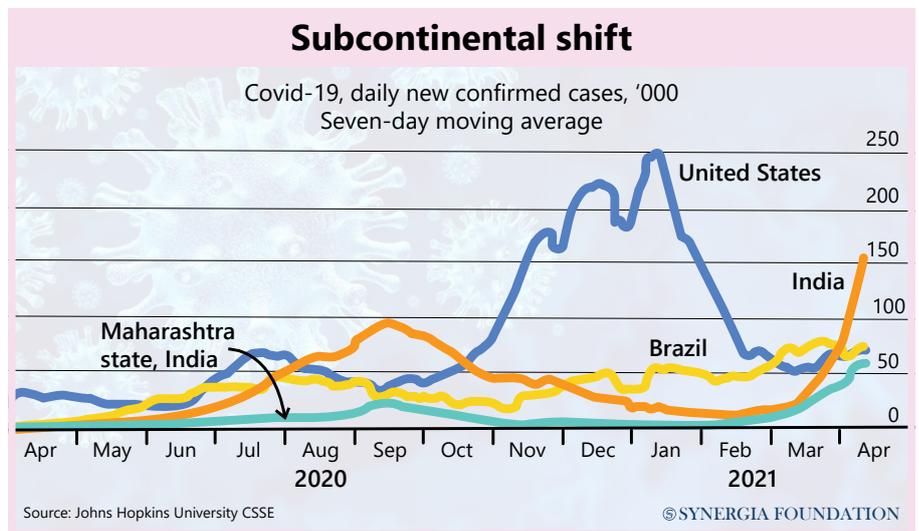
India has been plunged into the eye of the storm of 'Vaccine Nationalism' as the world expects its "vaccine factory" to give succour in this grave hour of need



SYNERGIA FOUNDATION
RESEARCH TEAM

As COVID-19 numbers in India zoom up to historic highs, India struggles to keep pace with the demand for vaccine shots both domestically and internationally. The leading manufacturer, Pune based Serum Institute of India (SII), is facing legal suits for falling short of contracted supplies, especially to the UN shepherded Covax programme, the global vaccine-sharing alliance.

The infection explosion in India had been predicted by experts considering the wide-spread 'Covid protocol fatigue' and huge public gatherings portending a pandemic bomb shell-religious congregations, election campaigns in five states concurrently and a general disregard for social distancing norms. As numbers rapidly head north and are poised to cross the 300,000 daily marks, the demand to vaccinate every one rises with every passing hour. It is the under 40 years old who are the largest segment being infected in this wave,



and they urgently need the shots. The pace of rollout in India remains dismally slow- only 94 million doses administered in close to three months, which makes reaching the target of 300 million by August well-nigh impossible.

MIRAGE OF HERD IMMUNITY

As per WHO estimates, at least 70 per cent of the population needs to have an immunity to significantly reduce transmission. In three countries-Israel, the Seychelles, and the United Arab Emirates-the

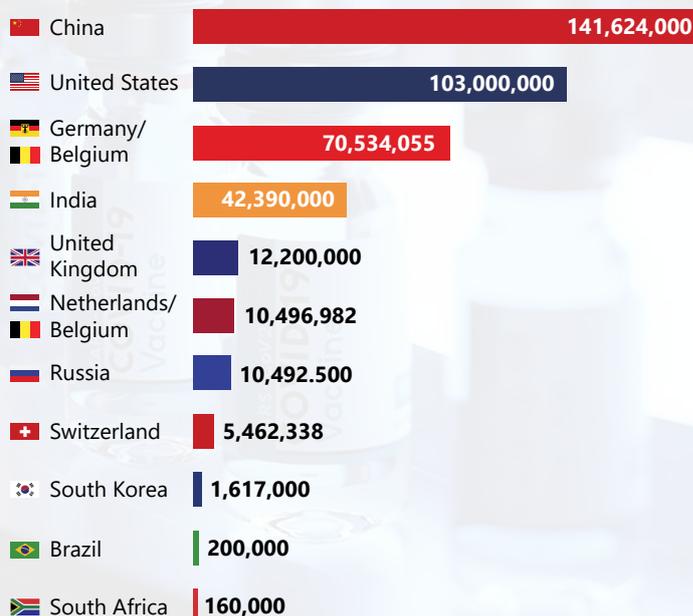
curve has flattened or declined after 40 per cent was vaccinated. At the current pace of vaccination, India would take eight months to reach 40 per cent and 13 months to reach 60 per cent.

Seventy-four countries are currently using vaccines made in India, with 60 million doses having been supplied the world over. SII was expected to deliver the first 100 million doses between February and May to low and middle-income countries, yet has so far delivered only 28 million.

India itself has received 10 million

The Countries Dominating Covid-19 Vaccine Production

Total number of Covid-19 vaccine doses produced by country (as of March 03, 2021)



Source: Airfinity

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doses under the COVAX agreement, which has been the most received by any country so far. On April 8, it was estimated that India has 24 million vaccine doses in stock and 19 million doses in the pipeline. If given at the rate of 3.5 million doses per day (the rate achieved in April), the stock would scarcely last for two weeks.

THE BACK-ROOM STORY

Two things remember however, the SII, unlike India's no-longer existent public sector vaccine companies, is a private contractor. Secondly, while it is the world's biggest manufacturer of vaccines (1.5 billion doses of vaccines produced yearly), the COVID-19 vaccine formulations are new, and an exponential scale-up is not possible. Currently, it produces around 60 million doses per month which it wants to ramp up to a 100 million.

To highlight the 'Made in India' and 'Atma Nirbhar' programmes, Bharat Biotech's Covaxin vaccine has received the maximum government patronage. It was given emergency authorisation even when the Drugs Controller General of India did not have enough data from phase 3 clinical trials of the vaccine, making

foreign buyers chary of importing it. It constitutes less than 10 per cent of India's vaccine portfolio, with the Centre having ordered only 20 million doses more of it. Recently the Government announced that it would invest \$17 million in Covaxin to increase its production to a 100 million doses by September (a tenfold increase with current monthly production of 12.5 million doses).

The Government gave precedence to domestic production of vaccines as opposed to direct imports, although now it is considering allowing the Russian Sputnik V to set up production onshore. No advance purchases of other foreign-made vaccines were made, which makes ramping up the vaccination rate extremely difficult.

The SII took a risk by commencing production of the AstraZeneca vaccine even before approvals. By February this year, SII had built up a stock of over 55 million doses at its own risk, but then it halted production as there were no formal demands forthcoming. To make matters worse, a catastrophic fire gutted Rs1000 crore of equipment and products in a newly constructed production facility.

Reportedly, these facilities

would have manufactured BCG and Rotavirus vaccines. Yet, one cannot assume that there was no interference to the COVID19 vaccine supply chain at all.

Even if the manufacturing facility exits, there is not enough raw material to go around. The U.S. and EU have imposed export bans on specific items. The U.S. has invoked the Defence Production Act, which gives the Government more control during emergencies over direct industrial production. In desperation, Mr Adar Poonawala, CEO of SII tweeted to President Biden, "Respected @POTUS, if we are to truly unite in beating this virus, on behalf of the vaccine industry outside the U.S., I humbly request you to lift the embargo of raw material exports out of the U.S. so that vaccine production can ramp up." Mr. Adar Poonawalla has estimated that a grant of Rs 3,000 crore from the Government would be needed to ramp up Covishield production beyond the 100 million doses per month. Various vaccine makers, including SII, have sought support from the Department of Biotechnology to avail from the Rs 900-crore Covid Suraksha fund, which was set up by the Government. Another option for generating the much-needed funds is to permit open market sales by the SII, yet the rules prohibit this for at least the next few months. The SII still has to finish its bridging trials in India for Covishield, with the official registration specifying seven months.

A WAY OUT?

Altogether, Indian vaccine manufacturers, including SII, Bharat Biotech, Panacea Biotech, Sanofis Shanta Biotech, Biological E, Hester Biosciences and Zydus Cadila, have a total installed capacity to make 8.2 billion doses of different vaccines every year. This infrastructure can be used to make the COVID-19 vaccines needed.

There is a need for relaxation in the IPR to further spread the manufacture of vaccines to exploit the full global capacity.

A BITTER BREAK-UP

The Christmas cheer brought by the Brexit trade accord was short-lived, as relations between the UK and EU began to sour along expected lines



After months of economic uncertainty and political rancour, the conclusion of a Brexit trade deal in December 2020 had come as a glimmer of hope. While the circumstances surrounding Britain's departure from the EU continued to polarise people on either side of the English Channel, the last-ditch Christmas Eve agreement was perceived as foreshadowing a more cooperative future.

Belying these expectations, however, the two sides have maintained an acrimonious relationship since their divorce. They have come head-to-head over a number of issues, ranging from the export of Covid-19 vaccines to the looming customs checks in Northern Ireland. The UK's refusal to grant full diplomatic status to the EU ambassador in London has also been a major source of friction. As these tensions continue unabated, all eyes are on the region to see who blinks first.

SINKING TRADE

While the inevitability of a decline in cross-border trade was expected, what has come as a surprise is the hardening of trade barriers between the UK and its erstwhile partners in the EU. The massive logjam of containers at crossing points in December, along with the COVID-related lockdown have made it even trickier to analyse the extent of this impasse.

The UK has been hit the hardest, with its exports dropping by 40 per cent since last December. The multi-layered bureaucratic processes imposed by mandatory



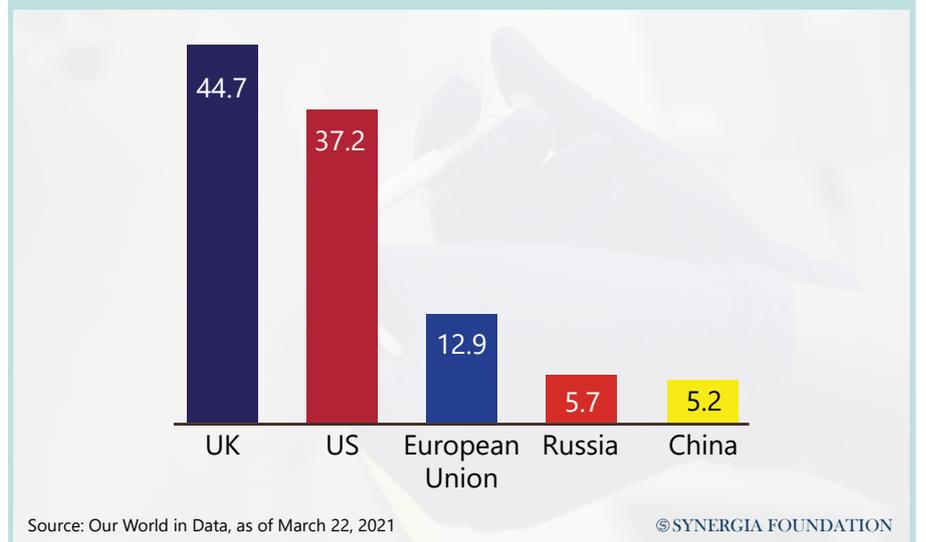
border checks have worsened the situation, forcing many small firms to temporary halt sales to the EU. For other more traditional industries like the world-renowned shellfish producers, the closing of EU markets has sounded a death knell.

Quite evidently, the blockages are more than just "teething troubles", as London would have its citizens believe. More seriously, they threaten to undermine UK's internal

unity and coherence as voices of discontentment grow louder in Edinburgh. Since Scotland exports twice as many goods as the rest of UK, its experience with the trade predicament has been debilitating, to say the least. The fishing industry alone has suffered a massive fall of 83% in January 2021.

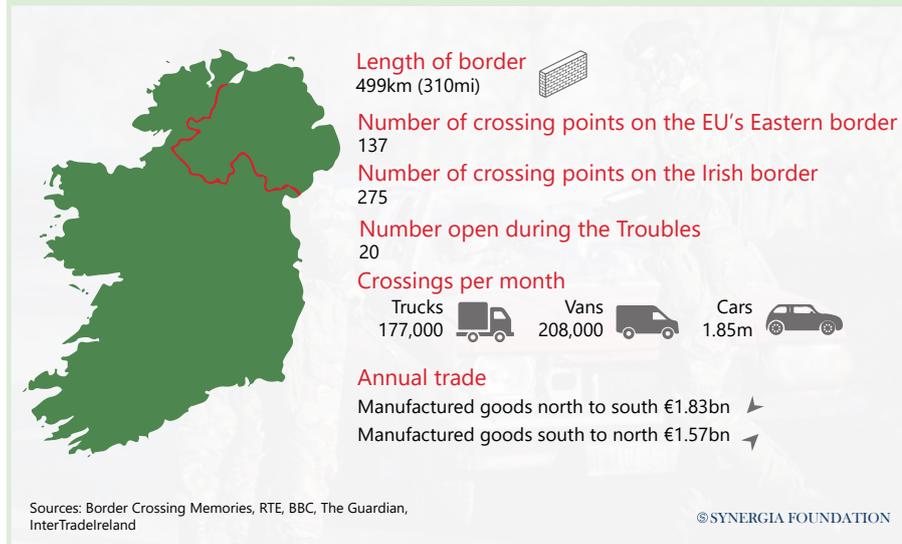
Against this backdrop, a majority of the Scots seem to be supportive of gaining independence and

Vaccination doses by population
Reported vaccine doses administered per 100 people



Brexit Flashpoint: The Irish Border

Key facts about the border in Ireland



bloc's view, this is the reason why it has drastically fallen behind the U.K. in terms of its vaccine drive.

Moreover, AstraZeneca, a British-Swedish pharmaceutical company, has been accused of supplying doses to the island nation without honouring its contract to provide 120 million doses to EU countries. As a result, the bloc has proposed to reject authorisations for the export of AstraZeneca vaccines and their ingredients, which are produced in the Netherlands and Belgium, until the drug-maker fulfils its delivery contract to the EU. This has not gone down well with the UK.

Clearly, there is a pressing need for both sides to demonstrate flexibility and pragmatism, as they seek to navigate their way out of this multi-pronged crisis.

rejoining the EU, in recent polls. This trend could become more definitive if the Parliamentary election in May returns a majority for the Scottish Nationalist Party and strengthens its demand for a new referendum.

IRISH IRE

The avalanche of paperwork threatens to overwhelm trade across the Irish Sea. It must be recalled that, under the Brexit deal, Northern Ireland had effectively stayed in the EU's customs union and single market. This meant that border checks would not be imposed on the island of Ireland but would be mandatory on goods coming into the province from Great Britain.

Even though these customs rules were to be implemented from April 1st, the U.K has now temporarily waived the same and extended the grace period until October 2021, so that businesses can adjust to the new formalities. This has given some relief, albeit a short-lived one, to the agri-food sector, which has been dreading higher prices and reduced choices, owing to the requirements for export documents.

Such unilateral extension of the grace period has raised hackles in the EU, which perceives it as a clear violation of the 2019 Brexit treaty that exempts only Northern Ireland goods from border checks. As it is, the bloc is still smarting from British attempts to violate international

law last year by over-riding the Brexit divorce deal. Although this was eventually defused with the December trade accord, memories of this crisis are still fresh in the European consciousness. Therefore, this time around, the EU has promptly sought legal recourse against the UK, for delaying its implementation of the Brexit accord in Northern Ireland.

Meanwhile, British Prime Minister Boris Johnson has come under mounting pressure to renegotiate the Northern Ireland Protocol. Over the coming months, he will have his work cut out in placating the Unionists in Northern Island, who consider the deal hammered out by him, as a betrayal of their cause.

VACCINE NATIONALISM

Exacerbating this fractious environment, the UK and E.U. have come to blows over the issue of Covid vaccines supply. The bloc has ruled that all future shipments will be assessed based on the recipient country's rate of vaccination and vaccine exports. This is meant to exert pressure on those states that import vaccines, but do not reciprocate by exporting their own supplies.

Such a move has largely been interpreted as targeting Britain, since the EU has supplied more than 10 million doses to it, without receiving anything in return. In the

Assessment

It is important for the UK to realise that its relationship with the EU will always be 'unequal' and thus adopt a more dexterous, diplomatic approach. Both parties must also identify areas of mutual benefit. Climate change collaboration, enhancement of labour mobility or regulatory cooperation through 'equivalence' decisions would be a good place to start.

One potential fix for the Northern Ireland dilemma would be for Britain to align formally with the EU's veterinary and food-safety standards, thereby minimising checks on goods travelling across the Irish Sea. However, the Whitehall is unlikely to agree to the same, as it would limit its ability to offer concessions on agriculture and undercut a possible trade deal with the U.S.

As far as the export of Covid-19 vaccines is concerned, both sides must curb 'vaccine nationalism' and focus on technical solutions that fulfil the needs of all concerned.



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