

Course correction - Trade rhetoric: On U.S.'s WTO pullout threat

Trump is not furthering the cause of free global trade with his unfair attack on the WTO

U.S. President Donald Trump opened up another front in the ongoing global trade war on Wednesday by ramping up rhetoric against the World Trade Organization (WTO). He even threatened to pull the U.S. out of the multilateral trade organisation if it fails to treat the U.S. fairly and blamed it for allowing too many countries to claim the status of a "developing country". In a memo to the U.S. Trade Representative last month, Mr. Trump pointed out that nearly two-thirds of the 164 WTO members classified themselves as developing countries, and raised the issue of even many rich economies claiming to be "growing" rather than "grown" economies. This time around, in Pennsylvania, the President targeted India and China in particular for "taking advantage" of the U.S. by classifying themselves as "developing countries" at the WTO. The status of a developing country allows countries to seek partial exemptions from the WTO's rules for free and fair trade between countries. The status, for instance, allows countries like China and India, with their special tag, to impose higher tariffs on imports from other countries and also offer more subsidies to local producers in order to protect their domestic interests. Developed countries find this to be unfair on their producers who are put at a relative disadvantage, but countries like China have argued that their developing country status is justified given their low per capita income.

Mr. Trump's recent attacks on the WTO would be welcome if they were truly about creating a global trading arena with lower tariffs and fewer barriers to trade. The "developing country" status, which offers substantial benefits to countries that want to protect their domestic interests and which most countries are more than happy to make use of, has indeed skewed global trade over the years in favour of certain countries. But he may be raking up the issue not to further the cause of global free trade, but simply as a convenient pretext to justify further trade barriers against China and other countries. By pointing fingers at other countries that follow protectionist policies, Mr. Trump will find it justified to impose retaliatory tariffs against them. This will help him bolster his "America First" approach and allow him to successfully hold on to his support base in America's manufacturing belt that has been affected by foreign competition. Even if countries like China and India offer to lower their tariffs, Mr. Trump would not take them up on their offer. That is because it would require reciprocation in the way of lowering U.S. tariffs, which would work against the interests of local American producers.

Meanings of Difficult Words :

- **rhetoric** (noun) – bombast, loftiness, hyperbole/extravagant language.
- **pullout** (noun) – departure, withdrawal, exit.
- **further** (verb) – promote, advance, forward, stimulate.
- **free trade** (noun) – a policy to eliminate barriers/limits/regulations against imports and exports.
- **trade war** (noun) – a condition in which a country increase tariffs on foreign goods and impose quota restrictions to restrict other countries' trade.
- **ramp up** (phrasal verb) – increase or cause to increase.
- **multilateral** (adjective) – involving many different countries (in which all WTO member countries are party to the agreement).
- **point out** (phrasal verb) – identify, specify/indicate, refer to.
- **classify** (verb) – categorize, group, rank, grade.

- **take advantage of** (phrase) – make use of, utilize, capitalize on, benefit from.
- **exemption** (noun) – exclusion, relief, exception.
- **tag** (noun) – identity, label, name.
- **in order to** (phrase) – as a ways/methods to.
- **relative** (adjective) – considerable, some, reasonable.
- **per capita** (adverb & adjective) – per person, for each, individually.
- **substantial** (adjective) – considerable, real, significant.
- **skew** (adjective) – distort/alter, misrepresent, falsify.
- **rake up** (phrasal verb) – recollect the forgotten memory; drag, pull/draw back from the past.
- **pretext** (noun) – a false reason/excuse given to do something by hiding the true purpose (which is usually a bad one).
- **point the finger at** (phrase) – accuse, blame, denounce, inform against.
- **protectionist** (adjective) – relating to the use of tariff and non-tariff restrictions on imports to protect domestic producers from foreign competition.
- **retaliatory tariff** (noun) – punitive tariff; an extra tariff/tax that a country charges on import goods from another country to punish the another country for charging tax on its own export goods.
- **bolster** (verb) – strengthen, support, boost.
- **hold on to** (phrase) – retain, keep, keep possession of; grasp/grip.
- **take up** (phrasal verb) – accept, agree to, accede to.
- **reciprocation** (noun) – counteraction, redress, compensation.
- **in the way of** (phrase) – as a form of.

Course correction – **Words and deeds: On Modi's I-Day vision**

India needs Modi to infuse meaning to his I-Day vision with action on the ground

Prime Minister Narendra Modi in his Independence Day speech combined the familiar rhetoric with some fresh thoughts. He spoke at some length about the need for population control, water conservation and plastic use regulation indicating the importance that he attaches to these topics. Some policy measures, including the creation of a separate ministry, are already in place to deal with the crippling water crisis in India which gets worse every year. Indiscriminate plastic use along with the absence of effective solid waste management has already caused such ruin to the ecology that mitigatory measures are required on a war-footing. He also made the significant announcement of creating the position of Chief of Defence Staff, which could improve coordination among forces and restructure the military-civilian relations in a manner that suits the security challenges of the present times better. His call for people's participation in all these and also for development of tourism and local enterprises was in the right spirit. The appeal to produce locally and consume locally may be out of line with globalist prescriptions of development but should be welcomed even if it sounds impractical. His first tenure between 2014 and 2019 focused on the needs of the people while the second one which began this year, he promised, would focus on meeting aspirations. Mr. Modi said his government has achieved in 70 days what previous governments could not in 70 years. He struck an optimistic note and said poverty can be eliminated, and shall be eliminated. As it enters the 73rd year as an independent nation, India needs hope and optimism, now more than at any moment in its recent past.

The triumphalist overtones of the speech, however, sought to camouflage the gathering clouds of a crisis in the economy on the one hand and the threats to the country's social fabric on the other. Going by the trajectory the Indian economy has followed in the past, it could well be on the way to be a \$5-trillion economy in the next five years. But he chose not to adequately address the current slump in rural and urban demand and investment slowdown. There was an attempt, however, to reassure entrepreneurs who were apprehensive of the recent burst of tax activism when he mentioned that wealth creators should not be demonised and he called upon businesses to invest. But while he touched on his decision to strip Jammu and Kashmir of its special constitutional status, J&K will need quietness and slow time to return to normalcy. There were elaborate mentions of unitary schemes — from the 'one nation one tax' that is already in place, to a 'one nation, one poll' plan that is in the making. Such overarching plans are central to his vision and the speech reflected that thinking. But if India is to be on a new course for the better, it needs more than grandstanding from the Red Fort. Deeds must follow words as noon follows dawn.

Meanings of Difficult Words :

- **deed** (noun) – action, activity.
- **infuse** (verb) – add, impart, introduce.
- **on the ground** (phrase) – in a situation/place where things are happening really/practically.
- **rhetoric** (noun) – bombast, loftiness, hyperbole/extravagant language.
- **crippling** (adjective) – weakening, impairing, paralyzing.
- **water crisis** (noun) – water scarcity, water stress; the lack of sufficient available fresh water resources to meet water demand.
- **indiscriminate** (adjective) – unsystematic, careless/aimless, unmethodical/uncritical.
- **ruin** (noun) – destruction, devastation, damage.
- **ecology** (noun) – preservation, protection; the scientific study of the distributions, abundance and relations of organisms and their interactions with the environment.
- **mitigatory** (adjective) – moderating, reducing, alleviating.
- **war-footing** (noun) – a state of preparedness (for war).
- **call for** (phrasal verb) – require, need, necessitate/demand.
- **spirit** (noun) – ethos, morale/ethics, essence/principles.
- **out of line with** (phrase) – not in accordance with.
- **prescription** (noun) – (authoritative) recommendation, method, measure.
- **sound** (verb) – appear, look, seem.
- **impractical** (adjective) – unrealistic, idealistic, inappropriate/dreamy.
- **tenure** (noun) – term, period, time.
- **optimistic** (noun) – positive, confident, hopeful.
- **strike a note** (phrase) – express/communicate, call/bring to mind, cite.
- **optimism** (noun) – hopefulness, confidence, positiveness.
- **triumphalist** (adjective) – relating to an attitude or a belief that a particular doctrine, religion, culture, social system is superior to and should triumph all over others.
- **overtones** (noun) – connotation, hidden meaning/implication, association.
- **sought** past and past participle of **seek** (verb) – try, attempt, aim.
- **camouflage** (verb) – hide, conceal, cover.
- **cloud** (noun) – threat, menace; trouble, problem.
- **fabric** (noun) – the basic/fundamental structure.
- **trajectory** (noun) – course, route, path.
- **address** (verb) – attend to, tackle, deal with.

- **slump** (noun) – slide, decline, plummet/downturn.
- **slowdown** (noun) – economic decline, recession, slump/depression.
- **entrepreneur** (noun) – businessman, businesswoman, business person.
- **apprehensive** (adjective) – anxious, worried, concerned.
- **burst** (noun) – outbreak, explosion, outburst.
- **activism** (noun) – practice of vigorous action/involvement.
- **demonise** (verb) – to show someone as evil/wicked/bad.
- **call upon** (phrasal verb) – demand, require, ask formally.
- **touch on** (phrasal verb) – deal briefly with (a subject) in a speech/writing.
- **strip** (verb) – take away from, dispossess, deprive/deny.
- **normalcy** (noun) – a normal condition; normality, regularity.
- **unitary** (adjective) – relating to a system of government in which power is provided to the central government.
- **in the making** (phrase) – developing/burgeoning, forthcoming, up and coming.
- **overarching** (adjective) – all-inclusive, complete, all-embracing, comprehensive.
- **grandstand** (noun) – a way of speaking or acting to get attention from the spectators (people) and then influencing them.
- **dawn** (noun) – daybreak, sunrise, morning.

Course correction – **Unethical actions: On Sikkim MLAs defection**

The mass defection of MLAs makes a mockery of democracy in Sikkim

The switching of sides by 10 MLAs from the Sikkim Democratic Front (SDF) to the Bharatiya Janata Party in Sikkim on Tuesday and later two others from the SDF to the ruling Sikkim Krantikari Morcha (SKM) brings a sense of déjà vu. The en masse shifts are reminiscent of what happened in Arunachal Pradesh in 2016, when rebel Congress MLAs joined the People's Party of Arunachal in order to get over the legal hurdles to defection. These actions have reduced the SDF, which ruled the State for 25 years with Pawan Kumar Chamling as the **Chief Minister with the longest tenure** in India, to **just one MLA — Mr. Chamling himself**. Such a shift might well have helped the former SDF legislators stay clear of the anti-defection law, which stipulates that a breakaway group must constitute at least two-thirds of the legislative party's strength and that it must merge with another party. But this was an unethical manoeuvre, as the elections to the Sikkim legislative Assembly were held barely three months ago and the BJP had come a cropper without winning a single seat and just 1.6% of the overall vote. The BJP has shown no qualms — as seen elsewhere in Karnataka, Arunachal Pradesh among others — about poaching legislators instead of winning over support organically through a democratic mandate. The Sikkim defections have added yet another chapter to the hollowing out of the anti-defection law. The SDF, which finished with 15 seats (two since vacated), was a National Democratic Alliance member, but has now been replaced by the 18-member SKM in the BJP-led North East Democratic Alliance.

The SKM might have secured a clearer majority with the defection of two SDF MLAs to its fold, but a cloud of uncertainty hangs over its party leader and Chief Minister P.S. Golay alias Prem Singh Tamang. Mr. Golay was convicted in 2016 in a case of corruption and had served a sentence in prison for a year till August 2018. The People's Representation Act, 1951, mandates that a person convicted under the

Prevention of Corruption Act cannot contest an election for six years after release. The fact that he is serving as the Chief Minister (he did not contest the Assembly polls) despite the conviction goes directly against a Supreme Court order in a similar case dealing with the eligibility of former Tamil Nadu Chief Minister Jayalalithaa in 2001. The court had then said that the "appointment of a person to the office of Chief Minister who is not qualified to hold it should be struck down at the earliest". In line with the drastic change in the party composition in the Assembly due to the defections, the continuance of Mr. Goyal as chief minister makes a mockery of democratic and legal principles. Something is rotten in the State of Sikkim.

Meanings of Difficult Words :

- **defection** (noun) – desertion, absconding, decamping.
- **make a mockery of** (phrase) – make something to look foolish/absurd.
- **switch** (noun) – change, move, shift.
- **deja vu** (noun) – French, literally meaning 'already seen'. it is that feeling of already having experienced a particular situation.
- **en masse** (adverb) – in a mass, all together, as a group.
- **reminiscent** (adjective) – similar to, comparable with, bearing comparison with.
- **get over** (phrasal verb) – overcome, surmount, prevail/triumph over.
- **hurdle** (noun) – obstacle, difficulty, problem.
- **tenure** (noun) – term, period, time.
- **stay clear of** (phrase) – keep away from, avoid, shun.
- **Anti-defection law** (noun) – The 10th Schedule to the Constitution, popularly referred to as the 'Anti-Defection Law,' was inserted by the 52nd Amendment in 1985. The grounds of disqualification are specified in Paragraph 2 of the 10th Schedule. A member would incur a disqualification under paragraph 2 (1) (a) when he "voluntarily gives up his membership of a party" and under 2 (1) (b) when he/she votes (or abstains from voting) contrary to the directive issued by the party. (Courtesy: **The Hindu**).
- **stipulate** (verb) – formulate/specify, prescribe, set down/ lay down.
- **breakaway** (noun) – separatist, secessionist, dissenting group.
- **constitute** (verb) – compose, form, make up/account for.
- **manoeuvre** (noun) – operation, action, activity.
- **come a cropper** (phrase) – fail entirely.
- **qualm** (noun) – misgiving, doubt, disinclination.
- **poaching** (noun) – appropriating, taking over, acquiring something (in an unfair way).
- **organically** (adverb) – in a natural way.
- **hollow out** (verb) – remove, empty, cut out.
- **fold** (noun) – community, company, group.
- **cloud** (noun) – threat, menace; trouble, problem.
- **uncertainty** (noun) – lack of certainty, indecision, irresolution.
- **conviction** (noun) – sentence, judgement, verdict.
- **in line with** (phrase) – in accordance with.
- **strike down** (phrasal verb) – abolish, annul, nullify (a law or regulation).
- **rotten** (adjective) – unprincipled/immoral, dishonest, unscrupulous.

Course correction – **Symptom as cause: On automobile industry woes**
The auto sales slump reflects a pervasive lack of demand

India's **automobile** industry is experiencing a snowballing crisis of demand that shows no signs of abating, leave alone reversing. Domestic sales across all vehicle categories slid 19% year-on-year in July, as passenger vehicle despatches plunged 31% to register the segment's steepest fall in almost 19 years. And with the wheels having come off both two-wheeler deliveries and commercial vehicle shipments, with the former contracting 17% and the latter slumping 26%, the picture is one of widespread gloom. The straightforward interpretation of the data is that demand has dried up in all corners and among all key consumer segments — urban, semi-urban and rural and personal and institutional. Nine straight months of contraction in passenger vehicle sales has also begun extracting a toll in terms of showroom closures and lay-offs at dealerships, component suppliers and vehicle makers themselves. While the Federation of Automobile Dealers Associations recently warned of more jobs being at risk, on top of about two lakh positions that have already been shed, the Society of Indian Automobile Manufacturers admitted that the industry had laid off at least about 15,000 contract workers in the last three months. That the broader economy is experiencing a serious slowdown has been evident for some time now and the latest data from the auto sector only bears testament to it. And as the RBI acknowledged last week "private consumption, the mainstay of aggregate demand" remains sluggish.

While some of the factors currently bedeviling demand in the auto sector are well established — the liquidity crunch in the NBFC industry and the resultant tightening of credit availability to finance vehicle purchases, an increase in up front insurance costs and the 28% GST charged on cars, motorcycles and scooters — the fact that manufacturers overestimated demand when setting up capacity, especially of fossil-fuel powered vehicles, has largely been overlooked. For example, Maruti Suzuki, India's largest car maker, has announced plans to stop selling diesel cars from April 1 as demand has slumped. In 2012, the company decided to invest ₹1,700 crore in a new diesel engine plant in Gurugram, capacity that it now needs to repurpose or idle. Simultaneously, the ride-share industry has mushroomed in recent years, especially in urban areas where choked roads and lack of parking space have incentivised rapid adoption of app-based commuting. The outlook too, especially for the near term, looks far from hopeful. The RBI's July round of its Consumer Confidence Survey, which reflected a decline in consumer confidence in July, shows 63.8% of respondents expect discretionary spending will stay the same or shrink one year ahead. In June 2018, the comparable reading was 37.3%. The onus now lies on the government to urgently formulate policy interventions to address this sectoral crisis or risk wider contagion.

Meanings of Difficult Words :

- **woe** (noun) – trouble, difficulty, problem.
- **slump** (noun) – slide, decline, plummet/downturn.
- **pervasive** (adjective) – prevalent, extensive, ubiquitous, omnipresent.
- **snowball** (verb) – increase, rise, escalate rapidly.
- **abate** (verb) – decline, reduce, decrease.
- **leave alone** (phrase) – fail to look after, fail to care for, abandon or desert.
- **slid** past & past participle of **slide** (verb) – sink, fall, drop, plunge/decline.
- steepest (superlative adjective) of **steep** (adjective) – sharp, sudden, rapid.
- **the wheels come off** (phrase) – things start to fail or go wrong after a period of success.

- **slump** (verb) – decline, worsen, slide/fall.
- **gloom** (noun) – depression, dejection, woe/unhappiness.
- **dry up** (phrasal verb) – fade away, dwindle, wane/subside.
- **contraction** (noun) – decline, decrease, reduction.
- **toll** (noun) – suffering, loss, damage.
- **lay-off** (noun) – dismissal, discharge, unemployment.
- **lay off** (verb) – sack, fire, dismiss; give notice to, pay off.
- **slowdown** (noun) – economic decline, recession, slump/depression.
- **bear** (verb) – display, show, carry.
- **testament** (noun) – witness/evidence, proof, testimony.
- **mainstay** (noun) – central component, centrepiece, chief support, backbone.
- **aggregate** (adjective) – total, combined, whole.
- **sluggish** (adjective) – inactive, dull, slow.
- **bedevil** (verb) – afflict, torment, trouble.
- **liquidity crunch/crisis** (noun) – an acute shortage (or “drying up”) of liquidity. **liquidity** means liquid assets; cash; (liquid asset is an asset which can be easily sold/converted into cash without losing its value).
- **non-banking financial company (NBFC)** (noun) – a company incorporated under the Companies Act 2013 or 1956 which is engaged in the business of loans and advances, acquisition of stocks, equities, debt etc issued by the government or any local authority. The main objective of this type of a company is to accept deposits under any scheme or manner.
- **credit availability** (noun) – the amount of credit to which a borrower has access at a given time.
- **up front** (phrase) – in advance, beforehand, ahead of time.
- **set up** (phrasal verb) – arrange, organize, fix up.
- **fossil fuel** (noun) – non renewable resources (or fossil fuels such as coal, oil and natural gas are formed from the buried /deposited organic materials).
- **idle** (verb) – take out of use; run slowly (of engine), tick over.
- **overlook** (verb) – miss, fail to notice; disregard, neglect/ignore.
- **mushroom** (verb) – increase, expand, grow/develop rapidly
- **choked** (adjective) – clogged, blocked, obstructed.
- **incentivise** (verb) – encourage, motivate, galvanize.
- **outlook** (noun) – prospects/expectations; forecast, projection.
- **far from** (phrase) – not, not at all, nowhere near.
- **respondent** (noun) – litigator, opponent, disputant.
- **discretionary** (adjective) – optional, non-compulsory/non-mandatory, voluntary.
- **shrink** (verb) – lessen, reduce, decrease.
- **onus** (noun) – responsibility, duty, burden.
- **address** (verb) – attend to, tackle, deal with.
- **contagion** (noun) – the spreading of a bad and dangerous idea.

IMPORTANT IDIOMD & PHRASES

71. To be a good Samaritan

Example – I was stuck in the middle of the highway, and then a good Samaritan offered me a ride.

Meaning – To be kind and compassionate to someone in distress.

72. To put in a nutshell

Example – One of my lecturers is expert in teaching the topic in a nutshell.

Meaning – To say in a few words./ To make something concise.

73. To pour oil on troubled waters

Example – The argument between Jack & David has turned worse, so I tried to pour oil on troubled waters but failed to do so.

Meaning – To do or say something in order to make people stop arguing and become calmer.

74. To move heaven and earth

Example – The ACP ordered the police to move heaven and earth to find the murderer.

Meaning – To do everything possible to achieve the result.

75. Bear the palm

Example – India may bear the palm in the Champions Trophy.

Meaning – to win.

NOTE: Palm leaves were formerly used as symbols of victory.

76. To egg someone on

Example – My classmates egged on me to talk with the principal.

Meaning – To urge someone to do something that is usually negative.

77. On the spur of the moment

Example – I decided to go on the spur of the moment.

Meaning – Suddenly, without any planning

78. A man of straw

Example – In today's match, the opponent team members are like men of straw.

Meaning – A person or idea that is weak and easy to defeat.

☞ ““Never Go For Thousand Questions,
Go For Single Question Thousand Times”” ☞