

## CONTRACTION SLOWS: ON SIGNS OF ECONOMIC RECOVERY

### As lockdown restrictions ease, the economy sees the first signs of recovery

The latest data on output at the eight core industries point to tentative signs that the pandemic-spurred economic contraction may have begun to bottom out. Commerce Ministry provisional figures show that while overall production at the infrastructure industries extended their year-on-year decline to a fourth straight month in June, shrinking 15%, the pace at which activity contracted slowed for a second consecutive month following April's precipitous 37% plunge. The sector-wise performance also affirms that the gradual reopening since June appears to have helped tease back some smattering of demand in the economy. Of the seven industries that extended their contractions, only coal shrank at a faster pace (-15.5%) than in May, when production had declined 14%. Refinery products, the largest weight on the index contributing 28%, shrank 8.9% marking an improvement from the 21.3% contraction seen the previous month. The lifting of restrictions on inter and intra-State movement of persons and goods revived both vehicular movement and, consequently, demand for auto fuels. With personal modes of mobility preferred given the fear of infection, petroproduct consumption grew 11% month-on-month in June. Electricity output too fell at a slower 11% pace than the preceding month's 14.8% slump, again signalling an uptick in demand from some manufacturing clusters including in western and northern India.

Among the other sectors, while steel production continued to tumble — output shrank by more than a third (-33.8%) from June 2019 — cement appeared to have put the worst behind as urban construction and projects under the rural job guarantee scheme spurred demand. Cement output fell 6.9%, a sharp deceleration in the pace of decline from May's 21.4% contraction. Fertilizers, the only industry to post growth for a second straight month, however, saw the expansion ease to 4.2%, from 7.5% in May. Still, with monsoon activity above normal so far this year, *kharif* sowing was almost 14% higher as on July 31 than at the same time in 2019. With the IMD forecasting above average rainfall in August and September as well, the outlook for the agriculture-reliant rural economy is far more promising than for most other sectors. To be sure, the economy is still a fair distance from a sustained turnaround with other data flagging the risks to a recovery. For one, the significant shortfalls in GST collection point to the difficulties the central and State governments are facing in garnering crucially needed revenue. This has already swelled the fiscal deficit at the end of the first quarter to 83% of the full year's target. With the new infections curve showing no signs of plateauing as yet, policymakers have the unenviable task of stemming the COVID-19 tide without dampening economic momentum.

#### DEFINITIONS:

- ❖ **contraction** (noun) – In economics, it refers to a decline in national output as measured by gross domestic product.
- ❖ **lockdown** (noun) – an emergency protocol implemented by the authorities that prevents people from leaving from a place; An extended state of confinement /encirclement/ isolation of a person by the authority.
- ❖ **core sector/industries** (noun) – the eight industries comprising electricity, steel, refinery products, crude oil, coal, cement, natural gas and fertilizers are classified as core sector industries.
- ❖ **point to** (verb) – indicate, suggest, denote.
- ❖ **pandemic-spurred** (adjective) – induced/ caused by pandemic.
- ❖ **pandemic** (noun) – the worldwide spread of a new disease; The illness spreads around the world and typically affects a large number of people across a wide area.
- ❖ **bottom out** (phrasal verb) – to reach a lowest or worst point (and from there the condition will only improve).
- ❖ **provisional** (adjective) – tentative, makeshift; transitional, temporary.
- ❖ **year-on-year** (adjective) – year over year (for comparison).
- ❖ **shrink** (verb) – lessen, reduce, decrease.
- ❖ **contract** (verb) – decline, decrease, diminish, reduce.
- ❖ **precipitous** (adjective) – sudden, unexpected, swift, abrupt.
- ❖ **plunge** (noun) – drop, fall, descent, tumble.
- ❖ **affirm** (verb) – confirm, declare, state.

- ❖ **tease back** (phrasal verb) – gently encourage something.
- ❖ **smattering** (noun) – bit, small amount, little, modicum.
- ❖ **weight** (noun) – value; importance, significance.
- ❖ **index** (noun) – measure; guide, indication.
- ❖ **inter-** (prefix) – between.
- ❖ **intra-** (prefix) – within.
- ❖ **revive** (verb) – regenerate, restore, bring back.
- ❖ **consequently** (adverb) – as a result, therefore, for this reason, because of that.
- ❖ **mobility** (noun) – transportability.
- ❖ **given** (preposition) – considering, taking into account, bearing in mind.
- ❖ **petroproduct** (noun) – a petroleum product; either crude oil or a derivative (gasoline/petrol & diesel).
- ❖ **fell** past of **fall** (verb) – decrease, decline, plunge, slump, plummet.
- ❖ **preceding** (adjective) – previous, prior, earlier.
- ❖ **slump** (noun) – decline, tumble, drop, steep fall.
- ❖ **uptick** (noun) – a small increase or upward trend.
- ❖ **tumble** (verb) – fall, decline, slump, decrease.
- ❖ **put behind** (phrasal verb) – to try to forget about an unpleasant thing.
- ❖ **spur** (verb) – induce, prompt, stimulate, encourage, galvanize.
- ❖ **deceleration** (noun) – deceleration is the rate at which something slows down; it is the opposite of acceleration.
- ❖ **so far** (phrase) – until now, up to the present, up to this point.
- ❖ **kharif sowing/crops** (noun) – monsoon crops; seeds sowing in the beginning (Jun) of the monsoon and harvesting at the end of the season (Oct) in the South Asia.
- ❖ **forecast** (verb) – predict, foresee, estimate, foretell.
- ❖ **rabi sowing/crops** (noun) – winter crops; seeds sowing in the beginning (Nov) of the winter and harvesting at the end of the season (Apr) in the South Asia.
- ❖ **outlook** (noun) – viewpoint, opinion, perspective.
- ❖ **agriculture-reliant** (adjective) – dependent on agriculture.
- ❖ **far more** (phrase) – a lot more, much more.
- ❖ **promising** (adjective) – encouraging, favourable, hopeful, optimistic, positive, rosy.
- ❖ **to be sure** (phrase) – certainly, surely; used to highlight something.
- ❖ **sustained** (adjective) – continuous, constant, prolonged, persistent, steady.
- ❖ **turnaround** (noun) – an unexpected change.
- ❖ **flag** (verb) – indicate, identify, point out.
- ❖ **for one** (phrase) – to emphasize that a particular person is definitely viewing in a specific way, even if other people are not.
- ❖ **shortfall** (noun) – deficit, inadequacy, deficiency, shortage.
- ❖ **swell** (verb) – grow larger, grow greater, increase, expand, rise (in number).
- ❖ **fiscal deficit** (noun) – the difference between total expenditure and total income of the government.
- ❖ **plateau** (verb) – flatten, level, level off; reach a state of no growth or decline.
- ❖ **flattening the curve** (phrase) – In epidemiology, the idea of slowing a virus' spread so that fewer people need to seek treatment at any given time is known as "flattening the curve".
- ❖ **unenviable** (adjective) – difficult, undesirable, unpleasant.
- ❖ **stem** (verb) – lessen, reduce, diminish; control, restrain, restrict.
- ❖ **tide** (noun) – tendency, trend.
- ❖ **dampen** (verb) – decrease, diminish/lessen, reduce.

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## **FRAUDULENT CLAIMS: ON TRUMP'S POLL DELAY TALK**

### **In election postponement talk, Trump sought to cast doubts on integrity of electoral process**

President Donald Trump imperilled the confidence of his fellow citizens in the November 2020 U.S. presidential election, when he asked via Twitter whether he ought to postpone it due to concerns surrounding the possibility of fraud owing to mail-in voting. This form of voting, which includes absentee voting but can include broader measures for voting via the postal system, is

expected to occur on a large scale owing to social distancing measures necessitated by the COVID-19 pandemic. His tweet has raised a furore, with speculation that the President may be toying with the idea of delaying the democratic exercise beyond November 3 after trailing his Democratic challenger, former Vice-President Joe Biden, in the opinion polls. The U.S. elections, the dates for which are fixed by federal statute through Congress, have never in history been delayed, including during the Civil War era and the World Wars. Further, five States offer universal mail-in voting to all their registered voters. Nevertheless, this is not even the first occasion on which the 45th President has lashed out at mail-in voting as a fraudulent process. In May 2020 he attacked the California government for sending out mail-in ballots and was swiftly fact-checked by Twitter, showing little evidence to support the claim that mail-in voting will lead to fraud.

While it is safe to assume that there is a near-negligible chance of the election getting postponed, principally due to the wisdom of the country's founding fathers in separating power across the executive, legislature and judiciary, the bigger question that looms in the shadow of the first Trump presidency is the damage done to the fabric of American democracy so far. At the formal level, Mr. Trump has suffered the ignominy of being only the third U.S. President ever to get impeached by the House of Representatives, on the serious charges of abuse of power, potentially including a compromise of national security involving a foreign government, and of obstructing justice during a Congressional investigation into allegations of wrongdoing against him. However, even this political embarrassment pales in comparison to the torrents of hateful rhetoric associated with his administration. Racism, sexism, xenophobia, nativism and economic and geopolitical isolationism appear to be the buzzwords that have shaped White House policy outlook since 2017. The sheer depth of rancour and disenchantment that this has generated across America can only be understood over the decades to come. Now, with exactly three months remaining until the scheduled presidential poll, voters at last have an opportunity to ask themselves whether their rightful indignation about elitism and stasis in Washington warranted electing in a President who brazenly disregarded innumerable tenets of the law.

#### **DEFINITIONS:**

- ❖ **fraudulent** (adjective) – dishonest, unlawful, unethical, unprincipled.
- ❖ **seek** (verb) – try, attempt, aim.
- ❖ **cast doubt on something** (phrase) – to cause people to distrust something.
- ❖ **integrity** (noun) – honesty, uprightness/fairness, probity, morality, principles/ethics.
- ❖ **imperil** (verb) – endanger, jeopardize, put in danger.
- ❖ **fellow** (adjective) – used to refer to someone who has quality, interest & etc as you.
- ❖ **ought to** (modal verb) – must, should.
- ❖ **owing to** (phrase) – because of, as a result of, on account of.
- ❖ **mail-in voting** (noun) – postal voting; a type of voting in an election where ballot papers/voter slips are distributed to voters to their addresses before Election Day and mailed back by the voters or deposited at a voting location or secure dropbox by a certain time on Election Day.
- ❖ **measure** (noun) – step, action, course of action, plan of action, procedure.
- ❖ **necessitate** (verb) – require, need, demand.
- ❖ **absentee voting** (noun) – a type of voting in an election where voters cast their vote by post, because they can't physically be present at a voting center on Election Day due to various reasons ranging from being out of country (for study/job), having disability or illness, serving as an election worker & etc,.
- ❖ **in-person voting** (noun) – a type of voting in an election where voters cast their votes/ballots in person in a polling booth on Election Day.
- ❖ **furore** (noun) – commotion, outcry, uproar, agitation.
- ❖ **speculation** (noun) – prediction, guesswork, opinion/thought.
- ❖ **toy with** (verb) – have thoughts about, consider an idea (casually).
- ❖ **trail** (verb) – lose, lag behind, fall behind.
- ❖ **Congress** (noun) – The United States Congress is the bicameral (two chambers) legislature of the federal government of the United States, and consists of two chambers: the House of Representatives and the Senate.

- ❖ **federal statute/law** (noun) – a federal statute is a law enacted by Congress.
- ❖ **nevertheless** (adverb) – notwithstanding, nonetheless, in spite of that, however.
- ❖ **lash out** (phrasal verb) – criticize, castigate, condemn/censure.
- ❖ **swiftly** (adverb) – quickly, rapidly, fast.
- ❖ **near-negligible** (adjective) – (almost/practically) insignificant, unimportant, minor/trivial.
- ❖ **principally** (adverb) – mainly, mostly, chiefly, substantially.
- ❖ **wisdom** (noun) – knowledge/insight, foresight, judgement.
- ❖ **the executive** (noun) – a branch of government which enforces the law as written by the legislature and interpreted by the judiciary; government.
- ❖ **legislature** (noun) – legislative body, governing body, lawmaking branch of a government.
- ❖ **judiciary** (noun) – a branch of government in which judicial power is vested.
- ❖ **loom** (verb) – emerge, appear, become visible, reveal itself, take a threatening shape.
- ❖ **in the shadow of** (phrase) – in a situation when attention is influenced on someone/something (better known).
- ❖ **fabric** (noun) – the basic/fundamental structure.
- ❖ **so far** (phrase) – until now, up to the present, up to this point.
- ❖ **suffer** (verb) – undergo, experience, be subjected to, go through.
- ❖ **ignominy** (noun) – shame, disgrace, humiliation/embarrassment.
- ❖ **impeach** (verb) – charge or accuse/indict (a public official) with a crime done while in office.
- ❖ **compromise** (noun) – undermine, weaken, lessen.
- ❖ **allegation** (noun) – charge, accusation, complaint.
- ❖ **wrongdoing** (noun) – immorality, misbehaviour, misconduct, mischief.
- ❖ **pale in comparison to** (phrase) – to seem less important or serious when compared with something else.
- ❖ **a torrent of** (noun) – outburst, outpouring, continuous flow (of words).
- ❖ **rhetoric** (noun) – the art of speaking or writing effectively & persuasively or impressively (but, often lacking substance); bombast, loftiness, hyperbole/extravagant language.
- ❖ **xenophobia** (noun) – Greek phrase meaning fear/hatred of foreigners; racism.
- ❖ **nativism** (noun) – the political policy of supporting the interests of native inhabitants against those of immigrants.
- ❖ **isolationism** (noun) – a policy or doctrine of trying to isolate one's country from the affairs of other nations by declining to enter into alliances, foreign economic commitments, international agreements, and generally attempting to make one's economy entirely self-reliant.
- ❖ **buzzword** (noun) – a very popular word/phrase at a particular time/event.
- ❖ **outlook** (noun) – viewpoint, opinion, perspective.
- ❖ **sheer** (adjective) – utter, complete, total, absolute, outright.
- ❖ **rancour** (noun) – bitterness, hate, resentment/hostility.
- ❖ **disenchantment** (noun) – disappointment, dissatisfaction, discontent.
- ❖ **decade** (noun) – a period of ten years.
- ❖ **ask (oneself)** (verb) – think about, mull over, ponder.
- ❖ **indignation** (noun) – anger, resentment, affront.
- ❖ **elitism** (noun) – the belief or attitude that a particular person or class (of persons) is considered superior in society (in terms of power, wealth, position & etc.).
- ❖ **stasis** (noun) – inactivity, sluggishness, idleness/dullness.
- ❖ **warrant** (verb) – justify/necessitate, vindicate/validate, call for.
- ❖ **brazenly** (adverb) – blatantly, clearly, fragrantly.
- ❖ **disregard** (verb) – ignore, take no account of, pay no attention to; dismiss.
- ❖ **innumerable** (adjective) – countless, numerous, untold.
- ❖ **tenet** (noun) – principle, belief, doctrine/rule.