

A SHOT IN THE DARK: ON PAKISTAN'S TERROR CLAIM

Pakistan's allegations have little merit, but India must take its diplomatic strategy seriously

India's strong protest to the U.N. Security Council over Pakistan's so-called "statement" to a special discussion on terrorism is explained by a number of factors. First, the statement, which Pakistan's mission to the U.N. published as something delivered at an "open" debate on a report by the U.N. Secretary General, was never actually delivered. The only countries invited to the discussion were permanent and non-permanent members of the UNSC and officials briefing them. Neither does the UNSC take cognisance of statements by non-participating countries. The statement, then, appeared to be an exercise by Pakistan in repeating its allegations against India. In the letter, Pakistan's Ambassador sought to portray Pakistan as a victim of "cross-border terrorism", and claimed that Pakistan is "responsible" for "decimating" al-Qaeda in the region. As India's mission at the U.N. retorted, the envoy could not have forgotten that Osama bin Laden and other leaders of the terror group were all found in Pakistan. The statement then went on to list "four types of terrorism" Pakistan confronts, each of which was attributed to India. The first included some of the attacks in Pakistan carried out by the Tehrik-e-Taliban Pakistan (TTP), a group that according to Pakistan's unsubstantiated claim has been funded by an "Indian terror syndicate" based in Afghanistan. That claim has been rejected by the UNSC in part already, as two of the four names forwarded by Pakistan weren't accepted into the terror designations list. The second allegation was that India has "hired" mercenaries to carry out attacks, in operations Pakistan claims have been organised by Kulbhushan Jadhav, a former naval officer. Next is Pakistan's contention that policies of the government amount to "Hindutva terrorism", with specific references to the Citizenship Amendment Act and the Ram temple construction. Finally, there is the oft-repeated allegation about Indian government actions in Jammu and Kashmir which it refers to as "state terrorism".

India, which has described these allegations as "preposterous" and "laughable", need not worry about its reputation, given its acclaimed role in fighting terror and cooperating on the international stage to deny terrorists funding and safe haven. Pakistan has consistently done the opposite, and its continued grey-listing at the Financial Action Task Force (FATF), as well as the presence of the names of hundreds of Pakistani terror groups and individuals on U.N. terror lists, are proof of that. Even so, it is important that the government take the Pakistani attempt to build its case seriously, and pre-empt its larger strategy of painting India in a poor light ahead of its tenure at the U.N. Security Council 2021-2022 and the upcoming scrutiny process at the FATF.

Meanings of Difficult Words:

- ❖ **a shot in the dark** (phrase) – guess, supposition, speculation, assumption, surmise, conjecture.
- ❖ **allegation** (noun) – charge, accusation, complaint.
- ❖ **merit** (noun) – quality, value, worth.
- ❖ **diplomatic** (adjective) – (delicate & sensitive) consular, foreign-policy.
- ❖ **mission** (noun) – embassy, consulate.
- ❖ **open** (adjective) – public, unrestricted, non-exclusive, accessible to everyone.
- ❖ **take cognisance of** (phrase) – notice, attend to, take into account, give attention to.
- ❖ **exercise** (noun) – performance, activity, work (having hidden intent).
- ❖ **ambassador** (noun) – envoy, diplomat, consul.
- ❖ **seek** (verb) – try, aim, attempt.
- ❖ **portray** (verb) – describe, depict, represent.
- ❖ **cross-border** (adjective) – across a border between two countries.
- ❖ **decimate** (verb) – to destroy or remove or kill a large number or proportion of something; to cause damage or destruction on a large scale.
- ❖ **retort** (verb) – counter, respond; answer/reply.
- ❖ **envoy** (noun) – diplomat, consul, ambassador.
- ❖ **go on to** (phrasal verb) – proceed.
- ❖ **confront** (verb) – face, tackle, deal with, grapple with (a problem/difficulty).
- ❖ **attribute** (verb) – ascribe, assign, connect/associate with.
- ❖ **carry out** (phrasal verb) – conduct, perform, execute.
- ❖ **unsubstantiated** (adjective) – unconfirmed, unproven, unverified.
- ❖ **syndicate** (noun) – association, union, agency.
- ❖ **in part** (phrase) – to a certain extent, partly, moderately, relatively.
- ❖ **contention** (noun) – argument, claim, allegation.

- ❖ **designation** (noun) – classification, labelling.
- ❖ **mercenary** (noun) – a professional soldier hired for service in a foreign army (who works mainly for personal profit, particularly money rather than for political interests/issues).
- ❖ **amount to** (verb) – be equivalent to, be tantamount to, be equal to.
- ❖ **reference** (noun) – mention, comment, remark, citation.
- ❖ **Citizenship Amendment Act (CAA)** (noun) – The Citizenship (Amendment) Bill, 2019 seeks to grant citizenship to religious minorities of Afghanistan, Pakistan and Bangladesh, who had to flee their homeland facing persecution. The six minority groups that have been specifically identified are Hindus, Jains, Sikhs, Buddhists, Christians and Parsis.
- ❖ **preposterous** (adjective) – absurd, ridiculous; pointless.
- ❖ **reputation** (noun) – status, position, stature.
- ❖ **given** (preposition) – considering, taking into account, bearing in mind.
- ❖ **acclaimed** (adjective) – praised (in public).
- ❖ **safe haven** (noun) – refuge, shelter, asylum, place of safety/security.
- ❖ **consistently** (adverb) – always, each time, invariably.
- ❖ **the opposite** (noun) – reverse, contrary, converse.
- ❖ **oft-** (adverb in combination) – often.
- ❖ **grey/watch list** (noun) – a list of countries on observation due to their “strategic deficiencies” in countering terror-financing and money-laundering. The countries put on grey/watch list by the Financial Action Task Force (FATF) will be subjected to direct monitoring and intense scrutiny by the International Co-operation Review Group (ICRG) on terror financing.
- ❖ **Financial Action Task Force (FATF)** (noun) – The Financial Action Task Force (FATF) is the global money laundering and terrorist financing watchdog. The inter-governmental body sets international standards that aim to prevent these illegal activities and the harm they cause to society.
- ❖ **as well as** (phrase) – and in addition; and also.
- ❖ **even so** (phrase) – anyway, however, in spite of that.
- ❖ **pre-empt** (verb) – forestall, anticipate, get in before.
- ❖ **paint** (verb) – portray, depict, describe, represent.
- ❖ **in a (poor) light** (phrase) – in a particular way (i.e., bad, negative, etc.).
- ❖ **tenure** (noun) – incumbency, term of office, period in office.
- ❖ **scrutiny** (noun) – examination, inspection, investigation.

SOBERING ASSESSMENT: ON RBI'S ANNUAL REPORT

The RBI's annual report makes clear there is more pain in store for the economy

Three weeks after its monetary policy committee decided to hold fire on interest rates amid accelerating retail inflation, the Reserve Bank of India (RBI) has forecast more pain for the economy. Its assessment of the economic landscape and its prognosis for near-term prospects posit a stark picture: of demand hollowed out by the severe shock to private consumption, public finances strained by the imperative of funding mitigation measures, anaemic appetite for investment among corporates and credit-flow-impeding risk aversion among bankers, to name but a few. The COVID-19-induced economic contraction that manifested itself in the fiscal first quarter, is now almost certain to extend through the July-September period, the RBI said in its Annual Report. Observing that the “reimposition or stricter imposition of lockdowns” in different parts of the country in July and August had mainly contributed to damping the tentative revival in momentum seen in the preceding two months, it said several recent high-frequency indicators pointed to an unprecedented retrenchment in activity. Noting that the services sector has been a prime mover of the Indian economy, the central bank flagged the fact that whatever consumption had survived the shock was now manifesting as essential spending with services including transport and hospitality almost completely eviscerated.

The Central government, which has gamely attempted ‘pandemic proofing’ demand by increasing its net revenue expenditure by a third in the first quarter, is, however, likely to find itself strapped for resources in the coming months. As a result, it would have little leeway to continue to undergird momentum. States too are expected to find their finances so tightly squeezed as to have to cut capital spending. In its prescription to overcome the funds crunch, however, the central bank appears to run into a contradiction. The RBI suggests that the government should help “crowd in” private investment through

targeted public investment that could be funded by monetising assets in steel, coal, power, land and railways. But given that private companies have been either too highly in debt and therefore keen to use gains from the government's corporate tax rate cut to repay loans, or loath to raise capital spending when saddled with excess capacity, it is hard to see the government raising much out of its privatisation efforts. Ultimately, as Expenditure Secretary T.V. Somanathan has acknowledged, the Centre may opt to marshal its meagre resources more prudently and wait for the curve of infections to start flattening before committing to any further stimulus spending. A revival will ensue only once consumers regain confidence to go out and spend. And that, as of now, seems a fair distance away.

Meanings of Difficult Words:

- ❖ **sobering** (adjective) – serious/sensible, thoughtful; logical/realistic, pragmatic.
- ❖ **assessment** (noun) – evaluation, appraisal, analysis.
- ❖ **make clear** (phrase) – explain, clarify, elucidate.
- ❖ **in store** (phrase) – about to happen, coming, approaching.
- ❖ **The monetary policy committee (MPC)** (noun) – it is a six-member panel that is expected to bring “value and transparency” to rate-setting decisions. It will feature three members from the RBI – the Governor, a Deputy Governor and another official – and three independent members to be selected by the Government. The MPC will meet four times a year to decide on monetary policy by a majority vote.
- ❖ **hold fire** (phrase) – delay a decision.
- ❖ **amid** (preposition) – in the middle of, surrounded by; during.
- ❖ **accelerate** (verb) – increase, rise, escalate.
- ❖ **headline retail inflation** (noun) – it is a measure of the total inflation within an economy, including commodities such as food and energy prices. The CPI monitors retail prices at a certain level for a particular commodity. The change in the price index over a period of time is referred to as CPI-based inflation, or retail inflation.
- ❖ **core inflation** (noun) – it is a measure of the total inflation within an economy, excluding commodities such as food and energy prices (which change frequently).
- ❖ **forecast** (noun) – prediction, indication, projection, prognosis, speculation, calculation (of future events or trends).
- ❖ **landscape** (noun) – the distinctive features of a field of activity.
- ❖ **prospects** (noun) – chances, possibilities, expectations, opportunities (for success).
- ❖ **posit** (verb) – put forward, set forth, present, propose.
- ❖ **stark** (adjective) – clear, distinct, evident, obvious.
- ❖ **picture** (noun) – situation, condition, circumstances.
- ❖ **hollow out** (verb) – remove, undermine, make pointless/useless, weaken/erode.
- ❖ **shock** (noun) – disturbance causing volatility/uncertainty in an economy.
- ❖ **private consumption or consumption expenditure** (noun) – the spending by households (consumers) on goods and services, excluding new housing.
- ❖ **strain** (verb) – drain, sap, use up, empty, exhaust.
- ❖ **imperative** (noun) – necessary condition, precondition, essential requirement.
- ❖ **mitigation measures** (noun) – it means to prevent, reduce or control adverse environmental effects of a project, and include restitution/compensation for any damage to the environment caused by those effects through replacement, restoration, compensation or any other means/ways.
- ❖ **anaemic** (adjective) – feeble, weak, poor, inadequate.
- ❖ **appetite** (noun) – liking, desire, craving, hunger, passion.
- ❖ **credit flow** (noun) – availability of credit.
- ❖ **impeding** (adjective) – hindering, obstructing, preventing.
- ❖ **risk aversion** (noun) – Simply put, it means investor's “unwillingness to take some risk in the trade off for higher returns”, instead, the investor will likely prefer safe investment products.
- ❖ **risk appetite** (noun) – simply put, it means investor's “willingness to take some risk in the trade off for higher returns”.
- ❖ **to name but a few** (phrase) – to give only a few examples (when there are a lot of things to).
- ❖ **virus-induced** (adjective) – produced/effected by a virus.
- ❖ **induce** (verb) – cause, produce, effect, bring about.
- ❖ **crunch** (noun) – an acute shortage.

- ❖ **contraction** (noun) – In economics, it refers to a decline in national output as measured by gross domestic product.
- ❖ **manifest** (verb) – indicate, show, display, exhibit, present.
- ❖ **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.
- ❖ **damp** (verb) – lessen, decrease, diminish, reduce.
- ❖ **revival** (noun) – improvement, rallying, picking up, betterment.
- ❖ **momentum** (noun) – strength, energy, driving force, impetus.
- ❖ **preceding** (adjective) – previous, prior, earlier.
- ❖ **point to** (verb) – indicate, suggest, denote.
- ❖ **unprecedented** (adjective) – not done or experienced before.
- ❖ **retrenchment** (noun) – an act of cutting down or reduction, particularly of public expenditure; spending less money.
- ❖ **prime mover** (noun) – source, root, origin, genesis.
- ❖ **flag** (verb) – indicate, identify, point out.
- ❖ **survive** (verb) – continue, exist, persist, endure.
- ❖ **hospitality (services)** (noun) – customer services provided at hotels, restaurants, events, and other areas of the tourism industry.
- ❖ **eviscerate** (verb) – remove (essential or important elements/contents).
- ❖ **gamely** (adverb) – bravely, firmly, resolutely.
- ❖ **pandemic proofing** (noun) – the act or process of making something unaffected by pandemic.
- ❖ **revenue expenditure** (noun) – Revenue Expenditure is that part of government expenditure that does not result in the creation of assets. Payment of salaries, wages, pensions, subsidies and interest fall in this category as revenue expenditure examples. Also, note that revenue expenses are incurred by the government for its operational needs.
- ❖ **find (oneself)** (verb) – to discover oneself to be in a particular situation.
- ❖ **strap** (verb) – cause to be affected by an extreme shortage of something; bind, tie, secure, fasten.
- ❖ **leeway** (noun) – freedom, scope/ flexibility, latitude/elbow room.
- ❖ **undergird** (verb) – provide support, bolster, reinforce/strengthen.
- ❖ **squeeze** (verb) – have a restricting/damaging effect on.
- ❖ **prescription** (noun) – (authoritative) recommendation, method/measure.
- ❖ **run into** (phrasal verb) – experience, encounter, meet with, be faced with.
- ❖ **crowd (in)** (verb) – to raise investment from a large number of people (private investors).
- ❖ **monetise** (verb) – earn money, generate revenue.
- ❖ **given** (preposition) – considering, taking into account, bearing in mind.
- ❖ **debt** (noun) – liability, financial obligation, borrowed capital.
- ❖ **keen** (adjective) – eager, desirous, ready.
- ❖ **rate cut** (noun) – a decision by a central bank (like RBI in India) to reduce its main interest rate to the banks (like SBI, ICICI & etc in India) when these commercial banks get money from the central bank. Once this rate goes down, the banks are in a position to give loans at lower interest rates to individuals and the industry.
- ❖ **loath** (adjective) – reluctant, unwilling, disinclined.
- ❖ **saddle** (verb) – burden, hamper; inflict something on.
- ❖ **excess capacity** (noun) – it refers to a situation where a firm is producing at a lower scale of output than it has been designed for.
- ❖ **privatisation** (noun) – transfer of a business, industry, academic institutions or service from public to private ownership and control.
- ❖ **ultimately** (adverb) – eventually, in the end, finally.
- ❖ **acknowledge** (verb) – admit, accept, realize.
- ❖ **marshal** (verb) – arrange, organize, mobilize; lead, guide (a group of people).
- ❖ **meagre** (adjective) – small, little, paltry, inadequate/deficient.
- ❖ **prudently** (adverb) – carefully, cautiously; sensibly.
- ❖ **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".
- ❖ **stimulus** (noun) – impetus, boost, incentive, fillip.
- ❖ **stimulus package** (noun) – an attempt by the government to boost economic growth and save their country from a financial crisis by involving tax cuts, lowering interest rates and increasing government spending.