

A risky recovery

Countries will need to move beyond monetary stimulus to boost their economies

Abroad based recovery in **global** growth may be gathering steam, but the price the world will have to pay for it is still unknown. According to the IMF's January update of the World Economic Outlook, the global economy is all set to clock its best growth rate in seven years in 2018 following a pick up since mid-2016. The IMF estimated that the global economy could **accelerate** of 3.9% in both 2018 and 2019, an **upward** revision of 0.2 percentage point over its previous estimates in October for both years, **boosted** by a **cyclical** recovery in global growth and the historic tax cuts in the U.S. India's economy is projected to grow at 7.4% during the financial year 2019, and at an even faster pace of 7.85% the following year. If the IMF's **prediction** come true, India will be the fastest growing major economy next year as China's growth is expected to slow from 6.6% this year to 6.4% in 2019. What comes as a further surprise is the upward revision in growth forecasts for many countries in Europe, thanks to stronger demand. The IMF, however, was not oblivious to the threats that could severely **derail** the broad based economic recovery. In particular, it warned about the "troubling" rise in **debt** levels across countries, including the U.S., which could **pose** a huge risk to financial stability and **drag** down economic growth.

It is no secret that since the 2008 financial crisis the global economy has been **propped** up mainly by the **unprecedented** easy money policies adopted by global central banks. In fact, the absence of substantial structural reforms to complement central bank **stimulus** measures has been another feature of the present global economic recovery. Such a recovery comes with the **inherent** risk of being derailed whenever easy monetary conditions that fuelled it **cease** to exist. While central banks until now have been careful not to **spook** markets with the **prospect** of higher interest rates, it is unlikely that they can keep markets calm forever. As the IMF has pointed out, the possible end to the era of **abundant liquidity** and debt fuelled economic activity is likely to cause **disruption** by affecting **asset** prices. As interest rates reach higher levels, it is likely to also expose the various real economic **distortions** created by a low interest rate policy, particularly across borders. While it is hard to predict the next **downturn**, it seems the day of **reckoning** may not be too far as consumer price inflation begins to push central banks to rethink their **dovish stance**. The IMF is right to urge countries to make use of the current **rosy** conditions to enact useful structural reforms. It is time countries recognise that monetary policy alone won't solve all growth problems.

Words

Global

Kind

Meaning

comprehensive, international, overall, universal, all round, all inclusive, all out, catholic, cosmic

Accelerate	advance, expedite, further, hasten, open up, quicken, spur, step up, stimulate.
Upward	higher, uphill, skyward, above, ascending
Boost	advance, encourage, promote, push, support, sustain, advertise, assist
Cyclical	periodic, repetitive, seasonal, circular, patterned, recurrent
Prediction	forecast, forecasting, guess, indicator, prognosis, prophecy, cast
Derail	crash, hinder, thwart, wreck, deflect
Debt	arrears, bill, capital, commitment, credit, damage, deficit, due, indebtedness
Pose	mannerism, mien, posture, act, affectation, attitude, masquerade
Drag	burden, impediment, annoyance, bore, encumbrance, hindrance, nuisance
Prop	brace, bolster, buoy, buttress, carry, maintain, rest, set
Unprecedented	bizarre, extraordinary, fantastic, miraculous, new, remarkable, singular, uncommon, unique, unparalleled, unrivalled, unusual
Stimulus	Catalyst, encouragement, fillip, impetus, incentive, motivation, stimulant
Inherent	built-in, constitutional, deep-rooted, deep-seated, essential, fundamental
Cease	break off, desist, discontinue, fail, halt, quit, refrain, terminate, close
Spook	discomfort, alarm, horrify, panic, petrify, startle, terrify, unnerve
Prospect	anticipation, chance, expectation, future, hope, likelihood, plan, possibility
Abundant	ample, bountiful, copious, generous, heavy, rich, sufficient
Disruption	interruption, break, separation, severance, splitting
Asset	aid, benefit, credit, resource, service, distinction
Distortion	bias, exaggeration, lie, misinterpretation, misrepresentation, misstatement
Downturn	decline, deterioration, dip, plunge, slide, slump
Reckoning	calculation, estimation, addition, estimate, counting
Stance	attitude, stand, viewpoint, bearing
Rosy	glowing, aflush, blooming, blushing, incarnadine.

REFORM WITH CAUTION

The Centre must act on the Malimath report on criminal law revamp, but with due care

It is not a bad idea to **revisit** old committee reports with a view to considering their possible implementation. However, such an exercise must be **pursued** with care and caution. The Centre's decision to revisit the 2003 report of the Justice V.S. Malimath Committee on reforming the criminal justice system needs to be examined through the **prism** of civil rights. It includes controversial recommendations such as making confessions to a senior police officer **admissible** as evidence, and diluting the standard of proof required for a criminal **conviction**. It also contains valuable suggestions to **revamp** the administration of criminal law, covering the entire **gamut** of the justice system from investigation to sentencing, from matters of policy to the **nuances** of criminal procedure and the law of evidence. The committee made 158 recommendations, and since then some of these have become law. Its suggestion on permitting videography of statements has been implemented. The definition of rape has been expanded and new offences against women have been added. Its **advocacy** of **substantial** witness protection has been realised, but victim **compensation** is now part of law. The Centre would do well to ignore the recommendations relating to making confessions to high ranking officers admissible, and increasing the period of police custody from 15 to 30 days. These provisions were available only in anti-terrorism laws that are now no more in force. There is no need to bring them into general criminal laws.

The Malimath report suggests a standard of proof lower than the current 'beyond reasonable doubt' standard. It **moots** a 'clear and convincing' standard, that is, it is enough if the court is convinced that something is true. Such a measure would have adverse implications for suspects and requires considerable **deliberation**. There is some understandable **disquiet** about the state of criminal justice administration in the country and there is a crying need for a wide range of reforms. As the Madhava Menon Committee's Draft National Policy on Criminal Justice' (2007) noted, such popular dissatisfaction arises from the low rate of conviction, the apparent role of money and influence in the outcome of cases, delayed and denied justice, lack of protection to witnesses and inadequate attention to crime victims. The **widespread** perception that there is corruption on the one hand and a deep **nexus** between crime **syndicates** and politicians on the other, has added to the erosion of public confidence in the justice delivery system. Despite all these considerations, any move to make substantive changes in the way criminal justice is administered will have to be done with great **circumspection**, lest vital constitutional **safeguards** against abuse of police and judicial powers are violated in the process. In the name of **revamping** the law, investigation and trial should not be altered in a way that undermines the principles on which the justice system was founded.

Words

Revisit

Kind

Meaning

call, frequent, return, stay visit often

Pursue	go after, seek, accompany, attend, badger, bait, bug, harry, haunt, hunt
Prism	cylinder, figure, gem, spectrum, stone
Admissible	allowed, justifiable, permissible, pertinent, relevant, acceptable, applicable, appropriate, fair, fitting, lawful, legal, legitimate, logical, rational
Conviction	confidence, faith, feeling, principle, sentiment, view, creed, doctrine, dogma
Revamp	clean, overhaul, refurbish, rehabilitate, remake, remodel, repair, restore
Gamut	spectrum, area, catalogue, compass, diapason, extent, field, panorama, scale
Nuance	distinction, gradation, hint, implication, nicety, refinement, subtlety, degree
Advocacy	advancement, assistance, backing, aid, defense, encouragement, justification
Substantial	big, consequential, considerable, extraordinary, generous, hefty, large
Compensation	allowance, benefit, bonus, coverage, earnings, fee, indemnity, pay, profit
Moots	allude to, broach, discuss, introduce, propose, raise, refer, submit, touch on
Deliberation	conference, consideration, consultation, debate, speculation, application
Disquiet	angst, anxiety, ferment, foreboding, nervousness, restlessness, uneasiness
Widespread	across the board, all over the place, boundless, broad, common comprehensive current, diffuse, epidemic, far-flung, outspread, overall
Syndicate	association, cartel, conglomerate, ganga, mob, organization, ring, union
Nexus	center, connection, core, link, network, tie
Circumspection	carefulness, cautiousness, discretion, foresight, precaution, forethought
Safeguard	security, shield, aegis, armament, armour, convoy, defence, escort, guard, screen.