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DAILY CURRENT AFFAIRS

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SOURCES



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GS III

1. Nipped in the bud

Source: The Hindu, Page 8

Prelims: Not Relevant

Mains: Linkages of Organized Crime

News: A baby smuggling racket was recently busted by Telangana police, revealing a network spanning multiple states.

The Crime

- **Operations:** An inter-State gang smuggled children from Delhi and Pune and sold them to prospective parents in Telangana and Andhra Pradesh.
- **Arrests and Scale:** 11 people were arrested for smuggling around 50 babies over the past year.
- **Financial Details:** Babies were sold for ₹1.80 lakh to ₹5.50 lakh, with brokers earning commissions between ₹50,000 and ₹1 lakh.

Factors Contributing to Baby Smuggling

- **Poverty of Biological Parents:** Financial desperation leads biological parents to sell their newborns for minimal sums.
- **Hospital Security Lapses:** Newborns are often smuggled from government hospitals with lax security.
- **Adoption Delays:** Lengthy legal adoption processes, with waiting times between two to four years, push childless couples to seek illegal means.
- **Unmet Desires:** Desire for children among childless couples can drive illegal activities like baby smuggling.

Measures to Prevent Baby Smuggling

- **Poverty Alleviation:** Implement effective poverty alleviation schemes.
- **Employment Opportunities:** Create employment opportunities for the youth to reduce economic desperation.
- **Adoption Awareness:** Generate awareness about legal adoption processes for both biological and adoptive parents.
- **Streamline Adoption:** Remove unnecessary bureaucratic hurdles in the adoption process to make it more efficient.
- **Effective Policing:** Ensure vigilant policing to prevent such criminal activities and protect children.



2. Does inequality lead to growth?

Source: The Hindu, Page 10

Prelims: Inequality, Mains: Inclusive Growth and issues arising from it.

News: The article discusses the impact of inequality on democratic processes and economic growth, emphasizing the negative effects of monopoly power and the potential benefits of wealth redistribution.

Impact of Inequality on Economic Growth

- **Negative Effects:** Inequality can lead to a concentration of monopoly power, which negatively impacts consumption, welfare, and economic growth.
- **Monopoly Power:** Dominant market players can set prices, reducing real wages and purchasing power. This leads to lower levels of output and investment.
- **Greedflation:** Companies raising prices to increase profit margins contribute to high inflation, as seen in developed economies during the pandemic.

Role of Monopolies

- **Price Setting:** Monopolies allow companies to set higher prices, reducing real wages and consumer purchasing power.
- **Output and Investment:** Profit-maximizing under monopolies results in lower output compared to competitive markets, implying a welfare loss.
- **Reduced Multiplier Effect:** Higher mark-ups and prices under monopolies weaken the multiplier effect, leading to lesser growth from investments.

Redistribution and Economic Growth

- **Redistribution Benefits:** Wealth redistribution can increase income, strengthening the multiplier effect and encouraging investment where purchasing power is strong.
- **Wealth Taxes:** Taxes on wealth, as suggested by economist Michal Kalecki, would not affect investment as they do not alter future profit expectations.
- **Entrepreneurial Impact:** Redistribution can create a new class of entrepreneurs, boosting economic growth by freeing individuals from wage labor.

Way Forward

While redistribution can spur growth, excessively high taxation can be detrimental. A balanced approach, combined with other policy measures, is essential to curtail inequality and promote a healthier economy.



Editorials, Opinions and Ideas

3. Anger, separation, and the aftermath

Source: The Hindu, Page 9

June 2 is Telangana Formation Day and this year marks a decade since India's youngest state was carved out of Andhra Pradesh.

Historical Context

- **Formation and Division of Andhra Pradesh:** Andhra Pradesh was formed in 1956 after merging Andhra (carved out from Madras State in 1953) and Hyderabad State.
- **Discontent and Agitations:** Discontent between Andhra and Telangana regions led to violent agitations in 1969 (Telangana agitation) and 1972 (Jai Andhra movement).
- **Gentlemen's Agreement:** Signed in 1956 to provide safeguards to Telangana, including revenue distribution, representation in the Cabinet, and importance to local culture, but was poorly implemented.

Issues Leading to Bifurcation

- **Marginalization of Telangana:** Telangana people felt marginalized due to the dominance of politicians and rich farmers from Coastal Andhra and Rayalaseema.
- **Developmental Disparities:** Hyderabad's development as an IT hub mainly benefited people from Coastal Andhra and Rayalaseema, creating resentment in Telangana.
- **Political Dominance:** Of the 17 Chief Ministers of the composite Andhra Pradesh, 14 were from the Andhra region, mostly from the Reddy or Kamma communities, despite their low demographic share.

Post-Bifurcation Scenario

- **Independent Articulation of Concerns:** Both Andhra Pradesh and Telangana can now address their local issues independently.
- **Reduced Animosity:** Despite being separate states, there is little animosity among the people.
- **Infrastructure Development:** Some promises like establishing IIT in Tirupati, IIM in Visakhapatnam, and AIIMS in Mangalagiri have been fulfilled, while others like the South Coast Railway Zone in Visakhapatnam remain pending.



Challenges and Unfulfilled Promises

- **Unimplemented Promises:** Several promises made in the Andhra Pradesh Reorganisation Act, 2014, are still pending.
- **Capital Issue:** Andhra Pradesh currently does not have a designated capital, causing administrative and developmental challenges.



4. A new kind of Green

Source: IE, Page 13

The article asks the Government to create a new strategic framework for energy policy and its implementation.

Current Energy Policy: Dual-Pronged

1. Fossil Fuels:

- Focus: Managing and mitigating import dependency on petroleum.
- Strategies: Diversification of import sources, strategic reserves, domestic exploration, demand conservation, efficiency, and environmental protection.
- Ministries: Ministry of Petroleum and Ministry of Coal.

2. Renewable Energy:

- Focus: Accelerating the transition to clean renewable fuels.
- Goals: Achieving net zero carbon emissions by 2070, reducing carbon intensity of GDP, and creating 500 GW of non-fossil fuel electricity generation capacity by 2030.
- Ministries: Ministries of Renewables and Power, Heavy Industry, Mines and Minerals, IT and Information, and Environment.

International and Domestic Challenges:

- US-China-Russia tensions impact green energy supply chains, investment, and national security.
- China's dominance in green energy materials and technologies poses risks of supply disruption.
- Imposition of duties on Chinese imports and PLI scheme to incentivize domestic manufacturing.
- Need for a strategic framework akin to the US Chips and Science Act.
- Ministries operate in narrow, impermeable silos with no formal executive forum for integrated energy policy discussions.
- Fragmentation hinders achieving decarbonisation and sustainability targets.

Proposed Solutions

- Develop a strategic framework integrating fossil fuels and green energy policies.
- Create a document titled "Energy Strategy: Towards Convergence, Security, and Sustainability."
- Hydrocarbon and Energy Company Relations: Prevent duplicity of efforts and resources between hydrocarbon PSEs and other energy companies.
- Resource Strategy: Address market volatility and supply shortages of critical minerals (copper, lithium, nickel, cobalt).
- Competitiveness and National Security: Study the impact of anti-dumping duties on Chinese EVs and their effects on investors and the green transition.
- Encouraging Green Investment: Address risk aversion in private capital for green investments.
- Identify specific sectors for special incentives and increase public investment to attract private capital.



InBrief

5. Tonga volcano could cause unusual weather for rest of decade: study

Source: The Hindu, Page 7

Tonga Volcano

- Hunga Tonga–Hunga Ha‘apai is a volcanic island in Tonga.
- It is located about 30 km south of the submarine volcano of Fonuafo‘ou and 65 km north of Tongatapu, the country's main island.
- The volcano is part of the highly active Tonga–Kermadec Islands volcanic arc, a subduction zone extending from New Zealand north-northeast to Fiji.
- The island arc is formed at the convergent boundary where the Pacific Plate subducts under the Indo–Australian Plate.
- It is along with the caldera rim of a much larger submarine edifice in the western South Pacific Ocean.
- It has erupted regularly over the past few decades.

6. OPEC+ extends deep oil output cuts into 2025

Source: IE, Page 15

OPEC+

- It is a group of 23 oil-exporting countries, formed in 2016, which meets regularly to decide how much crude oil to sell on the world market.
- These nations aim to work together on adjusting crude oil production to bring stability to the oil market.
- At the core of this group are the 13 members of OPEC (the Organization of the Oil Exporting Countries), which are mainly Middle Eastern and African countries.
- Members: It comprises 13 OPEC countries plus Azerbaijan, Bahrain, Brunei, Kazakhstan, Russia, Mexico, Malaysia, South Sudan, Sudan, and Oman.



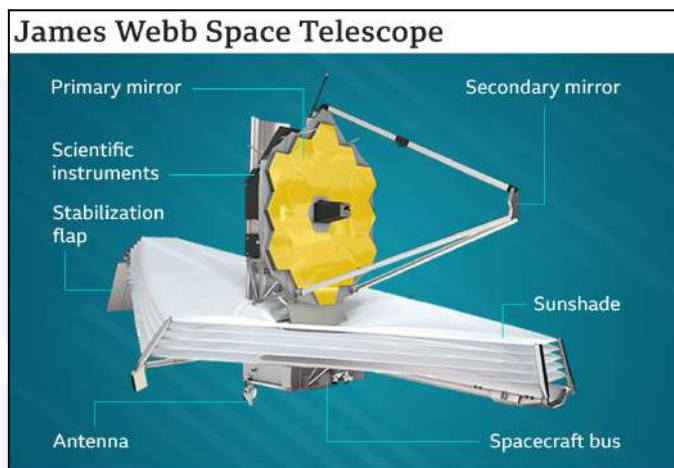
7. JWST Spots Earliest-Known Galaxy: What A New Study Says

Source: IE, Page 14

NASA'S James Webb Space Telescope (JWST) has spotted the earliest-known galaxy, named JADES-GS-z14-0.

JWST Advanced Deep Extragalactic Survey (JADES) Program

- JADES is the largest program in JWST Cycle 1. It is a collaboration of the Near-Infrared Camera (NIRCam) and Near-Infrared Spectrograph (NIRSpec) instrument development team of NASA.
- JADES is conducting an ambitious program of deep infrared imaging and multi-object spectroscopy, using three JWST instruments, in the two most famous deep fields on the sky: the Hubble Deep Field (GOODS-N) and Hubble Ultra Deep Field (GOODS-S).



8. Why is Monetary Policy Committee likely to leave repo rate unchanged?

Source: IE, Page 15

Monetary Policy Committee (MPC)

- Origin: Under Section 45ZB of the amended (in 2016) RBI Act, 1934, the central government is empowered to constitute a six-member Monetary Policy Committee (MPC).
- Objective: Section 45ZB also lays down that “the Monetary Policy Committee shall determine the Policy Rate required to achieve the inflation target”.
- Composition: Section 45ZB says the MPC shall consist of 6 members:
 - RBI Governor as its ex officio chairperson,
 - Deputy Governor in charge of monetary policy,
 - An officer of the Bank to be nominated by the Central Board,
 - Three persons are to be appointed by the central government.
- One of the key functions of the MPC is to target inflation and maintain price stability in the economy. It aims to keep inflation within a specified range, which is currently set at 4% with a tolerance band of +/- 2%.

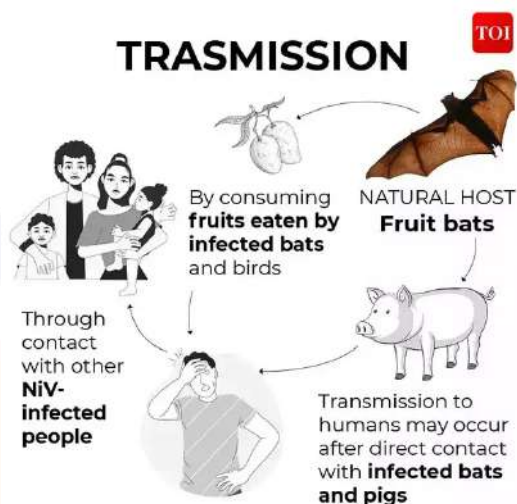


9. In fight against Nipah, scientists find new way to generate virus-like particles in lab

Source: The Hindu, Page 6

Nipah

- Nipah Virus is an airborne transmission infection and can affect those who come in direct contact with contaminated bodies such as pigs or bats carrying the virus.
- The virus was first identified in Kampung Sungai Nipah in Malaysia and in Singapore in 1998. At that time, it was primarily caused in pigs and through them got transferred to the humans.
- Nipah Virus is usually associated with inflammation of the brain due to which several days of fever can often lead to a state of confusion, disorientation and even persistent drowsiness.
- So far, no vaccine has been developed for curing the infection in both humans and animals. The primary treatment for human cases is intensive supportive care and supportive medicines.



10. India to participate in Red Flag, RIMPAC exercises

Source: The Hindu, Page 6

Rim of the Pacific Exercises (RIMPAC)

- RIMPAC 2024 is the 29th exercise in the series that began in 1971 and was held annually until 1974, when it became a biennial exercise due to its increasing scale.
- India first participated in RIMPAC in 2014 when the indigenously built Shivalik class stealth frigate INS Sahyadri took part in the exercise.
- Indian Navy is deploying the indigenous stealth frigate INS Shivalik for Ex RIMPAC 2024.



Daily Quiz

1. Consider the following statements regarding The Immoral Traffic (Prevention) Act, 1956 (ITPA):

1. The primary objective of ITPA is to prevent trafficking in human beings, particularly women and children, for the purpose of prostitution.
2. The Act mandates the establishment of protective homes and rehabilitation centers for rescued victims.

Which of the statements given above are correct?

- A. Only 1
- B. Only 2
- C. Only 3
- D. All are correct

2. Which of the following statements accurately describe the concept of "Greedflation"?

1. Greedflation refers to the inflation caused primarily by businesses increasing prices beyond what is justified by cost increases.
2. It is a term used to describe the scenario where consumer demand drives prices up significantly.
3. Greedflation often occurs in monopolistic or oligopolistic markets where companies have significant pricing power.
4. It can lead to increased profit margins for companies at the expense of consumer purchasing power.

Select the correct option using the code given below:

- A. 1 and 3 only
- B. 1, 3, and 4 only
- C. 2 and 4 only
- D. 1, 2, 3, and 4

3. Recently, Telangana observed its 10th State Formation Day. Consider the following statements regarding the geographical features and location of Telangana:

1. Telangana shares its border with five Indian states.
2. The Godavari River flows through the northern part of Telangana.
3. Hyderabad, the capital city of Telangana, is located on the banks of the Musi River.

How many of the above statements are correct?

- A. Only 1
- B. Only 2
- C. All are correct.
- D. None is correct.

4. At COP26, India set itself the ambitious target of achieving net zero carbon emissions by which year?

- A. 2070
- B. 2047
- C. 2056
- D. 2075

5. The Hunga Tonga-Hunga Ha'apai volcano, which erupted recently, is located in which of the following regions?

- A. The Ring of Fire in the Pacific Ocean, between the islands of Tonga and Fiji
- B. The Kermadec-Tonga Subduction Zone, northeast of New Zealand
- C. The Andean Volcanic Belt, along the western coast of South America
- D. The Mid-Atlantic Ridge, near the Azores Islands



6. Which of the following statements regarding OPEC+ is/are correct?

- A. OPEC+ is an alliance of OPEC member countries and several other oil-producing nations, including Russia and Mexico.
- B. The primary goal of OPEC+ is to coordinate and unify petroleum policies among member countries to stabilize oil markets.
- C. OPEC+ was formed in response to the 2008 global financial crisis to stabilize oil prices.
- D. The OPEC+ alliance meets annually to decide on oil production quotas.

7. Recently, James Webb Space Telescope (JWST) has spotted the earliest-known galaxy, named JADES-GS-z14-0. What is the primary reason the JWST is positioned at the second Lagrange point (L2) relative to the Sun and Earth?

- A. To avoid interference from Earth's atmosphere.
- B. To leverage Earth's gravity for deeper space observations.
- C. To capture continuous sunlight for powering the telescope.
- D. To minimize the influence of the Moon's gravitational pull.

8. Consider the following statements regarding the Monetary Policy Committee (MPC) of India:

- 1. The MPC is responsible for setting the repo rate, which is the key policy rate in India.
- 2. The committee consists of six members, out of which three are appointed by the Government of India.
- 3. The decisions of the MPC are made by a majority vote, with the Governor of the Reserve Bank of India having a casting vote in case of a tie.
- 4. The MPC meets biannually to review the monetary policy stance.

Which of the statements given above are correct?

- A. 1, 2, and 3 only
- B. 1 and 4 only
- C. 1, 3, and 4 only
- D. 2, 3, and 4 only

9. Which of the following statements about the Nipah Virus is incorrect?

- A. Nipah Virus is primarily transmitted through the respiratory droplets of infected individuals.
- B. Fruit bats of the Pteropodidae family are the natural hosts of the Nipah Virus.
- C. There is currently no specific antiviral treatment or vaccine available for Nipah Virus.
- D. The first outbreak of Nipah Virus was reported in Malaysia in 1998-1999.



10. Consider the following statements about the Rim of the Pacific Exercises (RIMPAC):

1. RIMPAC 2024 is the 29th exercise in the series that began in 1971 and was held annually until 1974, when it became a biennial exercise due to its increasing scale.
2. India first participated in RIMPAC in 2014 with the indigenously built Shivalik class stealth frigate INS Sahyadri.

3. The Indian Navy is deploying the indigenous stealth frigate INS Shivalik for Ex RIMPAC 2024.

Which of the statements given above is/are correct?

- A. 1 only
- B. 1 and 2 only
- C. 2 and 3 only
- D. 1, 2 and 3



Solutions

Answer 1: C

Solution:

- Statement 1 is correct: The primary objective of The Immoral Traffic (Prevention) Act, 1956 (ITPA) is to prevent trafficking in human beings, particularly women and children, for the purpose of prostitution and to punish those involved in trafficking.
- Statement 2 is correct: The Act mandates the establishment of protective homes and rehabilitation centers for the care and rehabilitation of rescued victims.

Hence, Option C is correct.

Answer 2: B

Solution:

- Statement 1 is correct: Greedflation refers to a situation where businesses increase prices more than justified by the increase in costs, primarily driven by greed to expand profit margins.
- Statement 2 is incorrect: Greedflation is not driven by consumer demand but by businesses exploiting their pricing power.
- Statement 3 is correct: Greedflation is more likely to occur in monopolistic or oligopolistic markets where companies have significant control over prices and less competition.
- Statement 4 is correct: Greedflation can lead to higher profit margins for companies while reducing the purchasing power of consumers due to inflated prices.

Hence, Option B is correct.

Answer 3: C

Solution:

- Statement 1 is correct: Telangana shares its borders with five Indian states – Maharashtra, Chhattisgarh, Odisha, Andhra Pradesh, and Karnataka.
- Statement 2 is correct: The Godavari River flows through the northern part of Telangana, providing water resources for the region.
- Statement 3 is correct: Hyderabad, the capital city of Telangana, is situated on the banks of the Musi River.

Hence, Option C is correct.

Answer 4: A

Solution:

- India made a significant commitment at the COP26 climate change conference. They pledged to reach net zero carbon emissions, meaning their emissions would be balanced by removal, by the ambitious target date of 2070

Hence, Option A is correct.

Answer 5: B

Solution:

- The Hunga Tonga-Hunga Ha'apai volcano is situated in the Kermadec-Tonga Subduction Zone, which lies to the northeast of New Zealand. This subduction zone is an area of significant volcanic and seismic activity due to the convergence of the Pacific Plate and the Indo-Australian Plate.

Hence, Option B is correct.



Answer 6: B

Solution:

- The primary goal of OPEC+ is indeed to coordinate and unify petroleum policies among member countries to stabilize oil markets and control oil production levels to manage supply and demand.
- It is a group of 23 oil-exporting countries, formed in 2016, which meets regularly to decide how much crude oil to sell on the world market.

Hence, Option B is correct.

Answer 7: A

Solution:

- The JWST observes the universe primarily in the infrared spectrum. Earth's atmosphere significantly absorbs infrared radiation, making ground-based observations in this range difficult.
- L2 is a point in space where the gravitational pull of the Sun and Earth balance each other, allowing the JWST to maintain a position far enough from Earth to avoid atmospheric interference.

Hence, Option A is correct.

Answer 8: A

Solution:

- Statement 1 is correct: The MPC is responsible for setting the repo rate, which is the key policy rate used to control inflation and manage monetary policy in India.
- Statement 2 is correct: The MPC consists of six members: three members from the Reserve Bank of India (including the Governor) and three external members appointed by the Government of India.
- Statement 3 is correct: The decisions of the MPC are made by a majority vote, and

in the event of a tie, the Governor of the Reserve Bank of India has a casting vote.

- Statement 4 is incorrect: The MPC meets at least four times a year (quarterly) to review the monetary policy stance, not biannually.

Hence, Option A is correct.

Answer 9: A

Solution:

- Nipah Virus transmission primarily occurs through direct contact with infected bats, pigs, or humans. While respiratory droplets can play a role, it is not the primary mode of transmission.

Hence, Option A is correct.

Answer 10:

Solution:

- Statement 1: This is correct. RIMPAC 2024 is indeed the 29th exercise in the series that began in 1971. The exercises were held annually until 1974, after which they became biennial due to the increasing scale.
- Statement 2: This is correct. India first participated in RIMPAC in 2014 with the indigenously built Shivalik class stealth frigate INS Sahyadri.
- Statement 3: This is correct. For Ex RIMPAC 2024, the Indian Navy is deploying the indigenous stealth frigate INS Shivalik.

Hence, Option D is correct.





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GET IN TOUCH

+919999057869

www.upsmentorship.com

@mentorship.india

C - 103, Second Floor, Sector-2
Noida - 201301

contact@mentorshipindia.com