

● POLITY

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INTERNATIONAL RELATIONS

Ireland, Norway and Spain set to formally recognise Palestine

CONTEXT: Ireland, Norway, and Spain announced their formal recognition of the state of Palestine, with the recognition set to take place on May 28. Israel responded by recalling its ambassadors from the three countries.



Irish Prime Minister Simon Harris linked the recognition to Ireland's own historical struggle for freedom and expressed hope that it would lead to peace and reconciliation in West Asia, while affirming Israel's right to exist peacefully. The announcements follow a UN General Assembly vote where 143 out of 193 countries supported full membership for Palestine. Norwegian Prime Minister Jonas Gahr Støre emphasized the necessity of a two-state solution for peace, referencing Norway's long-standing involvement in peace talks, including the Oslo Peace Accords. Spanish Prime Minister Pedro Sanchez stated that Spain's recognition was a move for peace, justice, and moral consistency, not against Israel. The EU had mixed reactions to the International Criminal Court's move to seek arrest warrants for Israeli and Hamas leaders for potential war crimes.

INTERNATIONAL RELATIONS

Dhankhar in Tehran, India shows solidarity with Iran

CONTEXT: Vice-President Jagdeep Dhankhar visited Tehran to attend memorial services for Iranian President Ebrahim Raisi and Foreign Minister Hossein Amir-Abdollahian, who died in a helicopter crash along with seven others. This gesture highlighted India's solidarity with Iran during the loss of its leaders.



While the leadership change may slow the pace of India-Iran relations, no major shifts are expected. Raisi and Abdollahian played crucial roles in bilateral relations, including the recent 10-year Chabahar port contract.

Dhankhar, accompanied by India's Ambassador to Iran, paid tributes and met Iran's Acting President Mohammad Mokhber. Leaders from various countries, including Pakistan, Iraq, and several West Asian nations, attended the services. Raisi will be buried in Mashhad, with others buried in their hometowns.

India observed a day of official mourning, with External Affairs Minister S. Jaishankar visiting the Iranian Embassy to express condolences. Raisi was instrumental in maintaining India's interest in the Chabahar project despite external pressures, such as U.S. sanctions reducing bilateral trade.

Raisi and Modi had met during BRICS and SCO summits, and Abdollahian visited Delhi in 2022, hosting Jaishankar in Tehran in January 2024. Former Ambassador Anil Trigunayat emphasized the enduring bilateral relationship based on strategic, cultural, and civilizational ties, bolstered by organizations like BRICS and the SCO.

POLITY AND GOVERNANCE

Shun divisive speeches, EC tells BJP, Congress

CONTEXT: The Election Commission (EC) instructed the BJP and its star campaigners to avoid using religious or communal themes in their campaigns and to refrain from making divisive statements.

Key instructions

The Election Commission has written to presidents of the BJP and the Congress listing the steps to be taken while campaigning

To BJP

EC expects the BJP, as the ruling party, to align the campaign methods to the practical aspects of India's composite and sensitive fabric

To Congress

Directs you as party president to convey to star campaigners not to make statements that give the false impression that the Constitution may be abolished



Similarly, the Congress leaders were asked not to suggest that the Indian Constitution could be abolished or make potentially divisive remarks about the socio-economic composition of the armed forces.

The EC issued separate letters to BJP president J.P. Nadda and Congress president Mallikarjun Kharge, urging them to ensure their star campaigners maintain decorum in their statements. The EC emphasized that the country's socio-cultural fabric should not be compromised during elections, noting that campaigners' remarks could have lasting negative effects beyond the election period.

The EC's letter to Nadda referenced his response to an April 25 notice regarding a complaint against Prime Minister Narendra Modi's allegedly communal speech in Banswara, Rajasthan. Similar notices for model code of conduct violations were also sent to Congress leaders Rahul Gandhi and Kharge on the same day. However, the recent letters did not directly name Modi, Gandhi, or Kharge, which was an unprecedented approach of addressing party presidents instead of the individual leaders.

In the letter to Nadda, the EC expressed concern that he did not explicitly deny the speeches made by BJP's star campaigners nor confirmed if the EC's directives had been communicated to them, calling his defense "untenable".

INTERNATIONAL RELATIONS

Justified balance

CONTEXT: The International Criminal Court (ICC) has sought arrest warrants for leaders of both Hamas and Israel in response to war crimes committed since October 7 of the previous year, when Hamas attacked Israel, resulting in over 1,500 Israeli deaths and at least 245 hostages.

Israel's retaliation has led to over 35,000 deaths in Gaza, mostly women and children. The ICC's move, pending a decision by its Pre-Trial Chamber, equates the actions of Israel's leadership, accused of war crimes such as starvation and civilian attacks, with those of Hamas, accused of extermination, murder, rape, torture, and hostage-taking. Israel disputes these charges, claiming self-defense. While arrest warrants might seem ineffective, they carry diplomatic consequences, requiring ICC member countries to arrest and hand over the accused, potentially isolating Israel and intensifying U.S.-Israeli opposition to the Palestinian issue. Despite not being an ICC member, as shown with Russian President Putin, warrants can still be issued against Israeli leaders. This situation might bolster Israeli Prime Minister Netanyahu's domestic position.

INTERNATIONAL RELATIONS

A 'No-Limit' bromance that is not just a bilateral matter

CONTEXT: Russian President Vladimir Putin and Chinese President Xi Jinping's summit in Beijing on May 16-17, 2024, marked the 75th anniversary of bilateral diplomatic relations and highlighted their significant "no-limit" partnership.

Historically, Russia-China relations have evolved through five distinct phases, from Czarist expansion to Soviet-Comintern ties, ideological rifts, U.S.-China rapprochement in the 1970s, and the current phase beginning in 2012. This latest phase sees Russia and China converging against the West, especially after the West imposed sanctions on Russia following its invasion of Ukraine.

Their joint statement after the summit avoided specifics on bilateral economic and military ties, likely to sidestep Western criticism or conceal internal disagreements. It harshly criticized U.S. policies and reinforced their anti-U.S. stance. In the short term, increased bilateral cooperation, especially in dual-use materials, is expected. China might leverage this for favourable terms in resource acquisition and technological collaboration from Russia.

Long-term implications include the potential emergence of a new Cold War, driven by China's aspirations for global dominance and increasing Western pressure on China. This could solidify new global alliances, such as BRICS and the Shanghai Cooperation Organisation, challenging the U.S.-led post-WWII order.

For India, the summit presents challenges and opportunities. India's reliance on Russian defense supplies could be compromised by Russia's growing dependence on China. However, India's strategic autonomy and significant role in global affairs offer it leverage. India must navigate this evolving landscape by pressing for a higher profile in the existing global order and focusing on long-term national goals, leveraging its strengths with a clear and strategic approach.

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ECONOMICS AND DEVELOPMENT

A vegetable triumvirate, inflation and the takeaway

CONTEXT: Inflation, a key economic indicator, is measured in India by the Consumer Price Index (CPI), which includes 299 items, with vegetables holding a 6.04% weight.

The "TOP" group (tomato, onion, and potato) significantly impacts CPI, especially in rural areas, constituting 3.6% of urban and 5% of rural consumption baskets. In FY2023-24, vegetable prices in India surged by about 15%, with extreme volatility noted in prices, particularly for tomatoes, which saw a 202% increase in July 2023.

The volatility of the TOP group has a high coefficient of variation (CoV) of 5.2, compared to 3.0 for the vegetable subgroup and 0.6 for the overall food group, indicating significant price instability. This volatility affects inflation trends and highlights the need for effective policy interventions to stabilize prices and support farmers.

Farmers, who often sell TOP crops to private traders and face high input costs, are hurt by this price volatility. Proposed solutions include overhauling agricultural value chains, improving cold storage, providing better prices to farmers, and reducing input costs. Short-term measures, like lifting export bans on onions, fail to address farmers' long-standing demands for Minimum Support Prices (MSP), as seen in ongoing protests and the Kisan Long March in 2023.

In the first four months of the year, Indians lost over ₹1,776 crore in 89,054 financial crime cases, including digital arrest, stock market scams, investment scams, and romance or dating scams. A "spurt in organized crime from south-east Asia" has been noted.

In response, authorities blocked 3.25 lakh mule bank accounts, 595 apps, and over 3,000 URLs in the past four months. Additionally, 5.3 lakh SIM cards and 80,848 IMEI numbers have been suspended since July 2023, and 3,401 WhatsApp groups were taken down in the past two months.

On May 20, Indians working in a suspected scam compound in Sihanouk city, Cambodia, protested against their employers. Some workers were duped with fake promises of data entry jobs, ending up in scam compounds after arriving on tourist visas. The Andhra Pradesh police are investigating, and three recruiting agents have been arrested.

ECONOMICS AND DEVELOPMENT

RBI to transfer ₹2,10,874 cr. surplus to Centre for FY24

CONTEXT: The RBI's board approved transferring a record ₹2,10,874 crore as surplus to the Union government for the fiscal year 2023-24, more than double the previous year's transfer.

Bountiful surplus

The RBI's surplus payout to the Centre has risen steadily and hit a record ₹2,10,874 crore in FY24



■ RBI's Board also raises the Contingent Risk Buffer to 6.50% for FY24, from 6% in FY23

■ Transferable surplus based on Economic Capital Framework (ECF) adopted by RBI in 2019

■ 'Larger dividend owing to higher RBI income from domestic, foreign assets', says Barclays's economist Sodhani

The Board also increased the Contingent Risk Buffer (CRB) to 6.50% for 2023-24, up from 6% in the previous year. This surplus was determined based on the Economic Capital Framework adopted by the RBI in 2019. Shreya Sodhani, Regional Economist at Barclays, noted that the higher dividend was due to increased RBI income from domestic and foreign assets.

INTERNAL SECURITY

'Cambodia, Myanmar and Laos emerge as hub of organised financial crimes'

CONTEXT: Nearly half of financial frauds targeting Indians originate from Myanmar, Cambodia, and Laos, with many web applications used for these crimes written in Chinese, indicating a possible Chinese connection, according to Rajesh Kumar, CEO of the Indian Cyber Crime Coordination Centre.



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INTERNATIONAL RELATIONS

Sunak announces U.K. poll for July 4

CONTEXT: The U.K. will hold a parliamentary election on July 4, announced by Prime Minister Rishi Sunak. This election may end a 14-year Conservative government run that included five Prime Ministers.



Sunak, highlighting recent positive economic indicators like a three-year low in inflation, emphasized his efforts to restore economic stability. He framed the election as a choice between continued progress under his leadership or an uncertain future with the Labour Party.

Sunak's speech addressed technology competition with China, irregular migration challenges, the conflict in West Asia, and Islamist extremism. He criticized Labour leader Keir Starmer, claiming Labour lacked a clear plan. Despite Sunak's efforts, Labour has a 20-point lead in opinion polls, with Starmer also polling higher in favorability ratings. Labour has shifted closer to the center under Starmer, distancing itself from former leader Jeremy Corbyn.

Labour leader Keir Starmer responded by urging voters to reject another five years of Conservative rule, promoting a "changed Labour party." Political scientist John Curtice noted the significant challenge Conservatives face, likening it to the 1997 election when Labour won a landslide victory under Tony Blair. The U.K. Parliament will be formally dissolved by King Charles III on May 30.

INTERNATIONAL RELATIONS

Russia placed a space weapon in the orbit of our satellite: Pentagon

CONTEXT: Russia has launched a satellite that the Pentagon believes is a likely space weapon, deployed in the same orbit as a U.S. government satellite.

The Pentagon is monitoring the situation and is prepared to defend its interests in the space domain. Kremlin spokesman Dmitry Peskov declined to comment on reports of the space weapon launch, stating that Russia acts in accordance with international law and advocates for banning weapons in space. Earlier, Moscow accused the U.S. of seeking to weaponize space after the U.S. vetoed a Russian non-proliferation motion at the UN.

INTERNATIONAL RELATIONS

BIMSTEC gets 'legal personality' after charter comes into force

CONTEXT: The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has seen a historic development as its first charter came into force on May 20, allowing the grouping to accept new members and observers.

With the charter in effect, BIMSTEC gains a 'legal personality' and can engage in structured diplomatic dialogue with other countries and groupings. This development signifies India's commitment to a prosperous, peaceful, and sustainable neighbourhood, reflecting a synthesis of its Neighbourhood First and Act East policies. The charter is expected to provide a legal and institutional framework for meaningful cooperation and deeper integration among BIMSTEC member states, including Bangladesh, Bhutan, Sri Lanka, Nepal, Thailand, Myanmar, and India.

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Corporate office:

Vedhik IAS Academy
Samkalp Bhawan, Plot No.15,
Sector 4, Rama Krishna Puram,
New Delhi, Delhi-110022

Regional office

Vedhik IAS Academy
202, Raheja Chambers, 12,
Museum Road. Bangalore -
560001. Karnataka, India.

GCC Office:

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Bobsco Trading & Contracting Co. W. L . L
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