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Current affairs summary for prelims

12 July, 2024

Draft Digital Competition Bill

Context: *Ministry of Corporate Affairs (MCA) formed the Committee on Digital Competition Law (CDCL) to assess the necessity of a dedicated competition law for digital markets.*

- **Establishment of CDCL and Introduction of Digital Competition Bill:**
  - The Ministry of Corporate Affairs (MCA) formed the Committee on Digital Competition Law (CDCL) in February 2023 to explore the need for specific competition rules in digital markets.
  - The CDCL recommended the introduction of the Digital Competition Bill to enhance the existing Competition Act, 2002, with an ex-ante regulatory framework.
  - This framework aims to proactively address potential anti-competitive behaviors in digital markets before they occur, inspired by the EU's Digital Markets Act.
- **Understanding the Ex-ante Framework:**
  - Unlike the reactive approach of the current Competition Act, the proposed ex-ante framework focuses on preventing harmful practices in digital markets.
  - It is designed to manage the rapid growth and unique characteristics of digital businesses, such as network effects and economies of scale and scope.
  - The goal is to intervene early to prevent the formation of digital monopolies and address issues of market dominance more effectively.
- **Characteristics and Challenges of Digital Markets:**
  - Digital markets benefit from economies of scale and scope, allowing rapid expansion and dominance by a few large firms.
  - Network effects amplify the usefulness of digital services as more users join, potentially leading to market concentration and reduced competition.
  - Concerns exist about the agility of current regulatory frameworks to respond quickly enough to prevent the emergence of digital monopolies.
- **Key Features of the Draft Digital Competition Bill:**
  - The Bill proposes criteria such as "significant financial strength" and "significant user base" to identify major digital players.
  - It introduces obligations for "systemically significant digital enterprises" (SSDEs) to ensure fair practices, nondiscrimination, and openness.
  - Prohibited practices include self-preferencing, anti-steering practices, and unauthorized use of consumer data, aligning with global standards set by the EU.
- **Reception and Critiques:**
  - Some Indian startups support the Bill as a measure to prevent abuse of market power by larger tech firms.
  - Critics argue that the ex-ante approach may not suit India's market dynamics as effectively as it does in the EU, potentially stifling innovation and startup growth.
  - Concerns are raised about the impact on small and medium-sized enterprises (MSMEs), particularly regarding restrictions on business strategies like bundling which they use to compete effectively.
  - Calls have been made to adjust the criteria to support the growth of local startups and ensure that regulatory measures do not inadvertently disadvantage smaller players in the digital ecosystem.

World Population Prospects 2024 report

Context: *According to the UN's World Population Prospects 2024 report, there is an 80% probability that the world's population will peak within this century, up from 30% a decade ago.*

- **Global Population Trends:**
  - The world's population is expected to peak at around 10.3 billion by the mid-2080s, followed by a gradual decline to 10.2 billion by the end of the century.
  - This projection marks a significant decrease from earlier estimates, reflecting substantial declines in fertility rates worldwide.
- **Demographic Shifts and Challenges:**
  - One in four people live in countries where populations have already peaked, with another 48 countries expected to reach peak population between 2025 and 2054.
  - India is projected to maintain its status as the world's most populous country throughout the century, facing unique demographic challenges.
- **Factors Influencing Population Dynamics:**
  - Declining fertility rates globally, influenced by factors such as increased education and access to contraceptives, are driving the earlier-than-expected peak in global population.
  - Economic development and healthcare improvements in many developing countries are accelerating demographic transitions.
- **Health and Social Implications:**
  - Despite improvements in healthcare, challenges like high child mortality persist in regions with high fertility rates, necessitating continued investment in healthcare infrastructure.
  - Aging populations in many parts of the world pose challenges for healthcare and social protection systems, demanding comprehensive long-term care solutions.
- **Economic and Policy Responses:**
  - Countries with youthful populations face a critical window for harnessing demographic dividends

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through investments in education, health, and infrastructure.

- Gender equality and policies supporting women's empowerment are crucial for managing population dynamics sustainably and fostering demographic transitions.

➢ **India's Demographic Landscape:**

- India, currently with a population of approximately 1.39 billion, is expected to remain the most populous country throughout the 21st century.
- Despite crossing the replacement fertility rate, India's population will continue growing until the mid-2060s due to demographic momentum.
- Over 60% of India's population is projected to be within the working-age group until the 2050s, presenting a demographic dividend opportunity.
- India faces challenges such as a high adolescent fertility rate of 43 births per 1,000 women aged 15-19, down from 51 in the previous survey period (NFHS-4, 2015-16).
- Approximately one in five girls in India are still married before the age of 18, contributing significantly to early pregnancies and high-risk births.
- Investments in education, delaying marriage, and enhancing reproductive health services are crucial to improving women's health outcomes and workforce participation in India.

Heat Domes

Context: *A scorching heatwave has enveloped the entire western United States since last week, affecting nearly 75 million people with heat alerts and breaking temperature records.*

- **Definition:** A heat dome occurs when a region of high atmospheric pressure traps warm air beneath it, creating prolonged periods of hot weather.
- **Duration and Intensity:** These weather phenomena can persist for days to weeks, intensifying temperatures as the trapped warm air continues to heat up.
- **Mechanism:** High-pressure systems cause air to sink and compress near the ground, leading to further warming and reduced chances of cloud formation and precipitation.
- **Jet Stream Interaction:** The formation and movement of heat domes are influenced by the behavior of the jet stream, which, when meandering or slowing down, can cause stationary high-pressure systems.
- **Climate Change Impact:** Scientists suggest that climate change may be amplifying heat dome events by altering atmospheric circulation patterns and increasing overall temperatures globally.

➢ **Causes of Heat Dome Formation:**

- **Ocean Temperature Gradients:** Rapid changes in ocean surface temperatures can initiate convection processes, where warm air rises and moves eastward over the ocean.
- **Atmospheric Pressure Dynamics:** High-pressure systems descending into an area force warm air downward, increasing surface temperatures and suppressing cloud formation and wind.
- **Role of Climate Change:** Increasing global temperatures linked to climate change contribute to more frequent, intense, and longer-lasting heat waves, exacerbating heat dome conditions.
- **Human Influence:** Activities contributing to climate change, such as greenhouse gas emissions, are implicated in the worsening impacts of heat domes on weather patterns and human health.

➢ **Role of the jet stream:**

- The formation of a heat dome is influenced by the behavior of the jet stream, a high-altitude air current that typically moves weather systems across the Earth.
- When the jet stream's wave pattern becomes elongated and slows down, it can cause a high-pressure system to stagnate, leading to the formation of a heat dome.

➢ **Impact of climate change on heat domes:**

- Climate change has amplified heat dome events, making them larger and more intense due to rising global temperatures.
- Studies suggest that recent extreme heat events, like the Canadian heat dome of June 2021, would have been nearly impossible without human-induced climate change.
- Research indicates that the intensity of heat domes is increasing faster than the overall rate of global warming, underscoring climate change's role in enhancing their severity and frequency.

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NEWS IN BETWEEN THE LINES

BIMSTEC

Recently, India hosted BIMSTEC Foreign Ministers amid the ongoing crisis in Myanmar.

About BIMSTEC:

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a **regional multilateral organization** comprising **seven member states** bordering the Bay of Bengal: **Bangladesh**, **Bhutan**, **India**, **Myanmar**, **Nepal**, **Sri Lanka** and **Thailand**.
- It was initially formed with four member states (Bangladesh, India, Sri Lanka and Thailand) on **June 6, 1997, as a result of the Bangkok Declaration.**
- It **aims to promote regional cooperation** in multiple sectors including trade, investment, technology, energy, tourism, and agriculture among its member countries.
- It operates through summits, ministerial meetings, senior officials' meetings, and working groups to facilitate cooperation and coordination.
- It **serves as a bridge between South and Southeast Asia**, enhancing connectivity and economic integration in the region.
- The principles of BIMSTEC include **sovereign equality**, **territorial integrity**, **political independence, non-interference in internal affairs**, peaceful co-existence, and mutual benefit.
- Its permanent secretariat is located in Dhaka, Bangladesh.

Robot Tax

Recently, the Swadeshi Jagran Manch (SJM), linked with the RSS, proposed a 'robot tax' to fund retraining programs for workers displaced by AI technologies.

About the Robot Tax:

- Robot Tax refers to a **proposed tax on companies** that adopt automation technologies, particularly Artificial Intelligence (AI) and robotics, with the aim of offsetting the potential societal costs, such as job displacement.
- This tax is **proposed to mitigate the negative impact of Artificial Intelligence** (AI) adoption on employment.
- It aims to **levy taxes on companies using AI and automation** to **subsidize employees** who may lose jobs due to technological advancements.
- The proposal also **includes tax incentives for industries** that **prioritize higher employment-**output ratios.

NATO

Recently, the US President urged NATO members to enhance their industrial capabilities to counter Russia, citing Russia's increased defense production supported by China, Iran, and North Korea.

About NATO:

- The North Atlantic Treaty Organization (NATO) is an **international military alliance** that was established in **1949**.
- Its primary goal is to protect the freedom and security of its members through political and military means.
- It is **made up of 32 countries** from North America and Europe, including the US, UK, France, Germany, Italy, Spain and Turkey.
- A crucial aspect of NATO is **Article 5** of the Washington Treaty, which enshrines the principle of collective defense.
- NATO's engagement with **non-member countries like India** reflects its efforts to adapt to changing global security challenges and foster cooperation beyond its traditional boundaries.
- The member countries are sovereign states that come together to discuss political and security issues and make collective decisions by consensus.
- Its headquarter is located at **Brussels in Belgium.**

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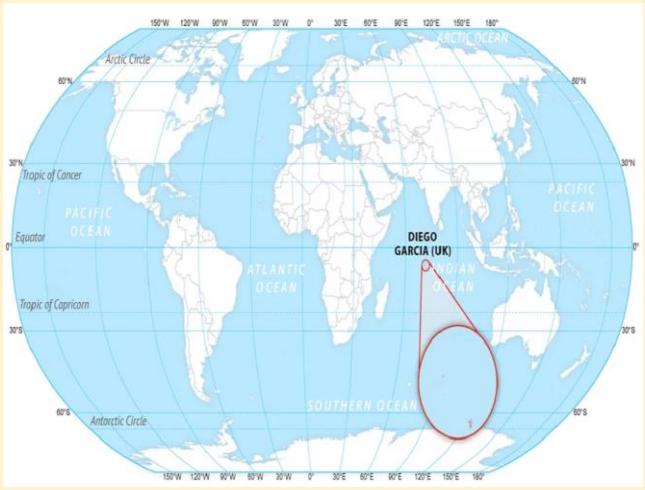
Place in News

Diego Garcia

Recently, the US government blocked a British court hearing in the British Indian Ocean Territory, citing security concerns regarding a case of allegedly unlawful migrant detention on Diego Garcia.

About Diego Garcia:



- Diego Garcia is **located in the Indian Ocean**, approximately 1,600 kilometers (1,000 miles) south of the southern coast of India.
- It was **discovered by Portuguese** explorers in the early **16th century** and named after the navigator Diego Garcia de Moguer.
- It is **an atoll**, the largest island of the Chagos Archipelago, with a lagoon **surrounded by a coral reef.**
- It consists of **a V-shaped sand-fringed** cay and its lagoon is open at the north end.
- It is **part of the British Indian Ocean Territory** (BIOT), a British Overseas Territory.
- Home to a significant US military base, which is strategically important for operations in the Indian Ocean and surrounding regions.
- It was **separated from Mauritius** in **1965** as part of the newly created British Indian Ocean Territory.
- There is an ongoing territorial dispute over the Chagos Archipelago, with **Mauritius claiming sovereignty.**
- Controversies regarding the forced displacement of the native Chagossian people in the 1960s and 1970s to make way for the military base.

POINTS TO PONDER

- Which exotic species successfully eradicated the invasive weed Salvinia molesta from the Sarani reservoir (Satpura dam) in Betul district, Madhya Pradesh? **– Cyrtobagus salvinia**
- NewSpace Research and Technologies recently tested a 100-kg Max Take Off Weight (MTOW) Unmanned Aerial Vehicle (UAV) at: **– Unming La pass (Located in the Eastern Ladakh)**
- During the 8th Deputy National Security Adviser (DNSA) level meeting of the Colombo Security Conclave (CSC) hosted by Mauritius on 10 July 2024, which country was welcomed as the fifth Member State of the CSC? **– Bangladesh**
- Which organization is executing India's scientific deep drilling programme in Karad, Maharashtra? **– Borehole Geophysics Research** Laboratory
- India's humanitarian assistance and disaster relief (HADR) to Papua New Guinea highlights its commitment to which partnership? **– Forum for India–Pacific Islands Cooperation (FIPIC)**