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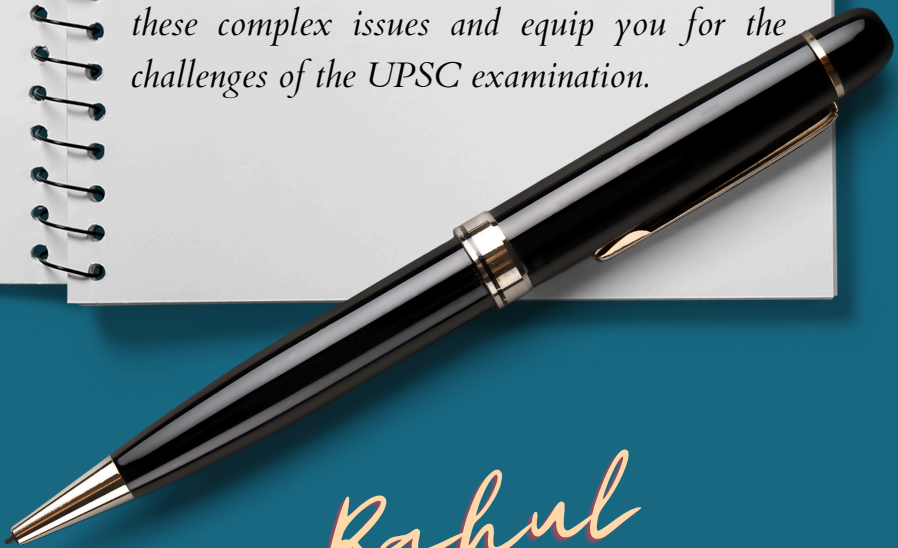
Welcome to the June 2024 edition of "Perspectives," your guide to the latest developments in political science and international relations, curated by the RausIAS PSIR team. This magazine aims to illuminate the complexities of current affairs for UPSC aspirants, grounding your understanding in the core principles of justice, equality, liberty, and development.

In this edition, we explore pivotal topics shaping the global and regional landscape. We analyze India's evolving neighborhood policy, advocating for a broader focus beyond Pakistan. We also delve into the strategic implications of the Russia-China alliance and the waning era of unipolarity in global politics.

Further, we discuss the emerging role of paradiplomacy, the current crisis of liberalism in India, and the renewed significance of India-Iran relations. The potential regional impact following the death of Iran's President is examined, along with an in-depth analysis of religion-based reservations in India.

Lastly, we address the growing importance of digital competition law in the contemporary digital age.

Join us in this edition of "Perspectives" as we provide the essential insights needed to navigate these complex issues and equip you for the challenges of the UPSC examination.



Rahul Puri

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INDIA'S NEIGHBOURHOOD POLICY MUST LOOK BEYOND PAKISTAN

Smaller nations are bigger trouble

Prof. Rajesh Rajgopalan

India's neighborhood has become increasingly significant, a trend set to continue. Historically, India worried about external influences close to its borders – with the exception of Pakistan and its global partnerships – this was largely not a serious concern, but **China's growing influence has pushed New Delhi to engage more with other South Asian nations.**

Domestic political changes in neighbouring countries, like Bangladesh and the Maldives, can create challenges for India. Missteps, such as promoting Lakshadweep over the Maldives for tourism, haven't helped. The neighbourhood has always been a little bewildering for India's foreign-policy makers. **One continuity in Indian foreign policy is its problem with the neighbourhood.**

India struggles with its neighborhood because, **while stronger than its neighbors, it cannot force them to align with its interests.** Except for consistently adversarial Pakistan, smaller neighbors are unpredictable, sometimes supportive or troublesome.

The neighbourhood is crucial for any nation, as nearby threats are most significant. **Great powers seek regional dominance to prevent insecurity.** The US remains the only true great power, while China and Russia aim to control their regions. Russia has failed, but China's status depends on pushing the US out of East Asia and the northern Indo-Pacific.

During the Cold War, South Asia was of limited interest to the US and the Soviet Union. Now, it is vital to Beijing, which seeks to balance India by leveraging smaller neighbors, giving them room to counter India and play off Beijing against New Delhi.

Bangladesh has been friendly under Sheikh Hasina, but this could change, especially as the Awami League faces democratic challenges. If India doesn't support Bangladesh, China will. Aligning too closely with one side in domestic disputes risks future opposition, exemplified by the nascent 'India Out' movement in Bangladesh.



The Maldives illustrates these difficulties. Mohammed Muizzu's rise and his party's parliamentary victory highlight the volatility of domestic politics. He faces significant economic challenges, and while China may help, its track record is poor. Hyper-nationalism, like the 'India Out' campaign, offers only temporary gains.

Sri Lanka's massive debt to China and reluctance to resolve it gave India a chance to assist Colombo, yielding benefits like a moratorium on foreign research ships, addressing Indian concerns about Chinese activities. Nepal also shows the drawbacks of close ties with China, with growing concerns about infrastructure projects and debt.

Pakistan cannot switch allegiances between India and China, but its current domestic troubles make it a less pressing issue for India. **Despite the region's growing importance, New Delhi's position is slightly more favorable due to others' mistakes rather than its own strategy,** which is not sustainable long-term in a competitive environment.

INDIA CAN'T IGNORE RUSSIA-CHINA BONHOMIE-

Swasti Rao

Vladimir Putin's visit to China immediately after beginning his fifth term as Russia's president highlights the deepening ties between Moscow and Beijing, posing a significant challenge for New Delhi. This situation cannot be resolved by relying on the historic India-Russia relationship or the concept of multi-alignment, which is merely a means to an end.

Indian strategic thinking often underestimates the forces binding Russia and China. **Simplistic views, such as Russia being a historical friend or refusing a junior partner status, are outdated.**

The Russia-China alliance solidified before the Ukraine war, which only accelerated their partnership. Xi Jinping, whom Putin has met over 40 times in the past decade, exemplifies this close relationship.



Xi's ambitions to reshape the global order to fit China's interests contrast with India's goal to rectify narratives through its own cultural discourse. Russia, after its **resurgence under Putin and post-Crimea** annexation, found an ally in China. **Both nations disregard international law** and sovereignty, using imperial claims to justify their actions, and need each other to maintain this stance.

India faces ongoing challenges with China over a long-disputed border, having experienced wars and betrayals despite honoring agreements. **Russia's current actions towards its neighbors reflect its reliance on China, not India, for support.** This reality undermines romanticized notions of the Russia-China alliance, requiring India to adopt a more pragmatic approach.

India must develop a grand strategy for protecting its national interests, moving beyond omni-directional multi-alignment to avoid messy-polarity. This strategy should focus on evolving national interest, preserving the neighborhood, reinforcing norms, and navigating global chasms with agility.

Domestically, India needs to reform agriculture and labor laws, and address falling FDI amid the **China+One strategy**. Trade in services should be prioritized, leveraging India's skilled workforce. **FTAs with countries like the UK and US**, along with initiatives like the ICET, can attract investment and foster critical technologies.

India's dependency on Russian weapons is decreasing as it diversifies its sources to partners like France and the US. However, **achieving a balance between diversification and indigenisation is essential.** Projects like the submarine and drone programs need commitment to outcomes, transitioning India from a buyer's to a builder's armed forces.

In the current shifting global order, **India must continuously assess Russia's utility in light of its deepening ties with China**, while leveraging strategic opportunities to enhance its comprehensive national power.

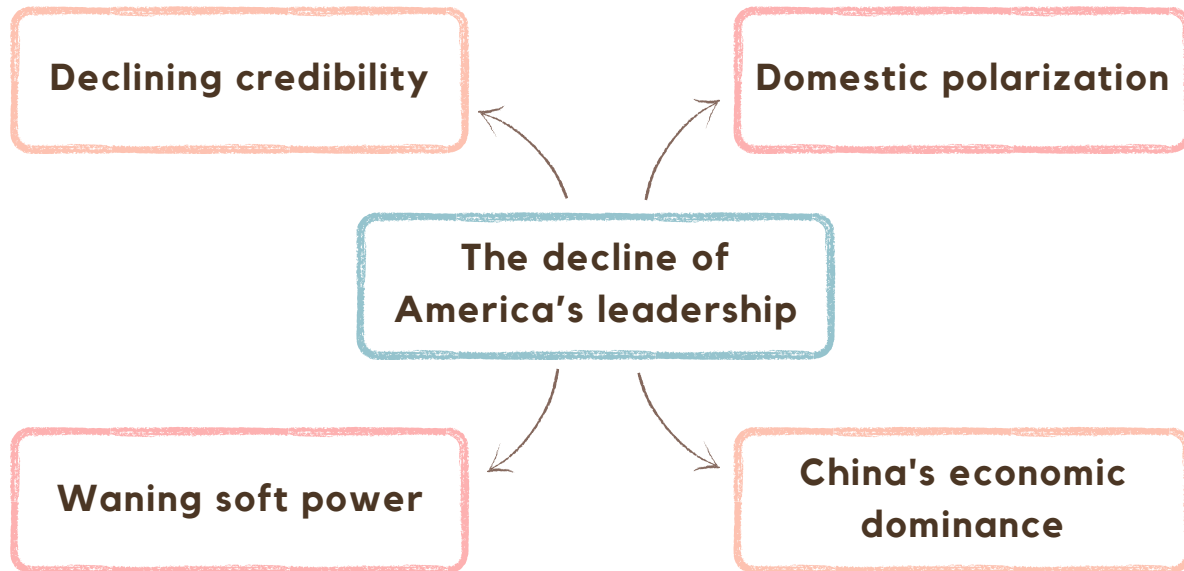
China Plus One is the business strategy to **avoid investing only in China and diversify business into other countries**, or to channel investments into manufacturing in other promising developing economies such as India, Thailand, Turkey or Vietnam.

For the last 20 years, western companies have invested mainly in China, drawn in by their low production costs, and enormous domestic consumer markets. Developing from the over-concentration of business interests in China, it may be done for **reasons of cost, safety, or long-term stability**. It has also been described as a 'macro-level phenomenon'.

THE END OF UNIPOLARITY

Faisal Devji

The task before the US today is to create a new international order. But this time that balance must be struck not between empires, nor between superpowers, but among the regions and middle powers which now define geopolitics



Critics often accuse the Biden administration of double standards, contrasting the U.S. response to the wars in Ukraine and Gaza. However, the similarity in Washington's handling of both conflicts is notable. **In both cases, the U.S. chose war over negotiations, leading Western allies in providing arms, funding, and diplomatic support to Ukraine and Israel.** Despite the significant destruction, both conflicts have reached a stalemate, unlikely to achieve the complete victories desired by Kyiv or Tel Aviv. This double failure indicates a shift in the international order.

The wars in Ukraine and Gaza highlight the **inadequacy of traditional political narratives.** Narratives about Russian imperialism or Ukraine's collaboration with NATO, as well as those framing Palestinian terrorism versus Israeli apartheid, fail to capture the true dynamics of these conflicts. **Additionally, the U.S. has chosen to globalize these conflicts to prevent their spread,** yet this strategy has only further divided the world. Countries in the Global South, many of which are U.S. allies, have shown a surprising refusal to follow American directives, indicating a resurgence of neutrality in geopolitics.

Neutrality in Ukraine translates to calls for a ceasefire in Gaza, reinforcing the regional nature of these wars and limiting their potential expansion. This regional focus challenges the unipolar international order, where the U.S. acts as a global power. **The U.S. continues to intervene and militarize these conflicts to maintain its global influence,** even as the geopolitical landscape shifts towards regionalization.

The absence of a rival superpower has led to the regionalization of geopolitics. The post-Cold War era saw the collapse of global politics and the rise of regional dynamics, as evidenced by the War on Terror. **The U.S. has faced challenges from non-state militant networks and a weakened Russia,** neither of which pose an existential threat. **The real threat to unipolarity is the collapse of global politics in favor of regionalization,** where middle powers like China, Russia, India, and Brazil operate within their regions without significant global influence.

The U.S.'s focus on a global threat to its unipolarity overlooks the true danger: **the loss of global politics.** This shift is driven by globalization, as economic and technological relations extend beyond state control. The U.S. attempts to re-globalize politics through military support in Eastern Europe and the Middle East, but this strategy is failing, eroding U.S. hegemony and its global role.

The regionalization of the international order does not promise more peace than the global order of the Cold War era. The fragmentation of the global order became evident after the destruction of the UN-led order post-Cold War, particularly with the War on Terror. The current challenge for the U.S. is to establish a new international order based on a balance of power among regions and middle powers, rather than between empires or superpower

A TIME FOR PARA DIPLOMACY



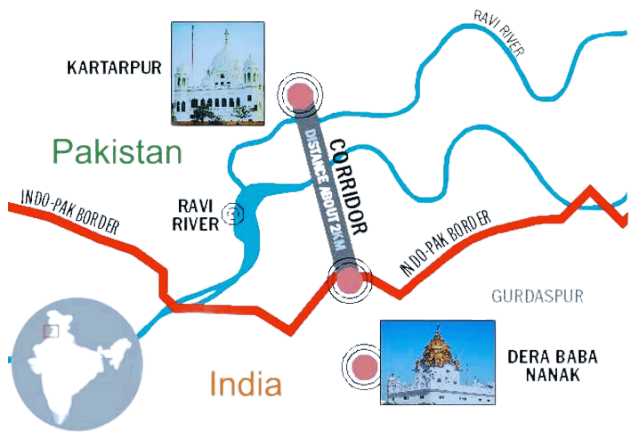
Faisal Devji

The task before the US today is to create a new international order. But this time that balance must be struck not between empires, nor between superpowers, but among the regions and middle powers which now define geopolitics

The Kartarpur Corridor is a visa-free border crossing and religious corridor, connecting the Gurdwara Darbar Sahib, near Narowal in Pakistan to Gurudwara Dera Baba Nanak, Gurdaspur district, Punjab, India.

The crossing allows devotees from India to visit the gurdwara in Kartarpur, Pakistan, 4.7 kilometres (2.9 miles) from the India-Pakistan border on the Pakistani side without a visa.

However, Pakistani Sikhs are unable to use the border crossing, and cannot access Dera Baba Nanak on the Indian side without first obtaining an Indian visa or unless they work there.



In its manifesto, the Shiromani Akali Dal (SAD) promised to retrieve Kartarpur Sahib, Guru Nanak's final resting place, from Pakistan. Unlike the BJP's bold promises to reclaim Pakistan-occupied Kashmir, the SAD proposes negotiating a territory exchange with Pakistan.

Skeptics argue that changing territorial boundaries, either in Punjab or PoK, is highly challenging. Instead, **transforming these frontiers from military zones to areas of economic cooperation is more practical.** The SAD also suggests reopening the Attari and Hussainiwala borders for trade and tourism to boost prosperity.

The obstacle lies with Pakistan, whose army prioritizes resolving the Kashmir issue over economic cooperation. Pakistan never granted India MFN status, and after India revoked Jammu and Kashmir's special status in August 2019, Pakistan suspended trade ties. Briefly, in February 2021, Pakistan showed interest in resuming trade but faced internal opposition.

Recently, **Pakistan's government, led by Shehbaz Sharif, acknowledged the business community's demand to reopen trade with India.** However, the Pakistani establishment remains hesitant due to lingering issues in its relationship with Delhi.

The next Indian government could reconsider bilateral ties and explore the SAD's proposal to make the Punjab border a special economic zone, potentially fostering economic collaboration and development on both sides of the border.

Positive developments between India and Pakistan are possible, as seen with the Kartarpur Sahib Corridor. The concept of trans-border economic zones, though previously discussed in other contexts like the Pak-Afghan border, has significant potential. China's success with cross-border collaboration in Southeast Asia is a notable example.



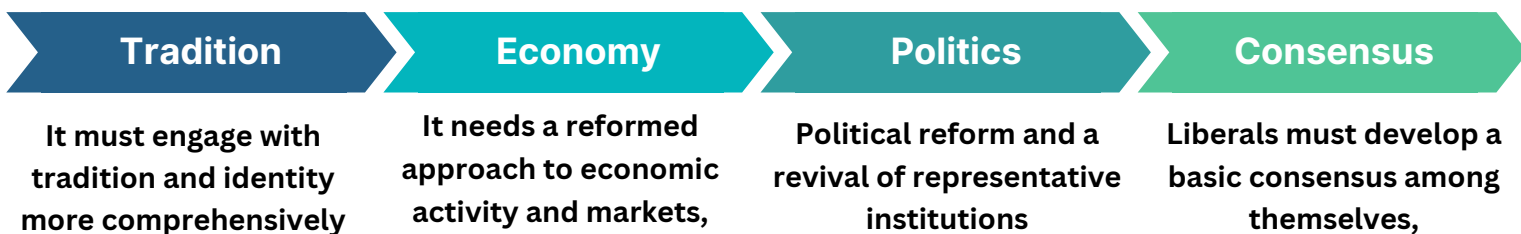
The SAD's ideas represent the interests of those affected by the partition of Punjab and highlight **the concept of "para diplomacy" or "sub-state diplomacy," where local governments engage in promoting national interests.** This approach can open avenues that national governments might miss, especially in conflict-ridden regions.

While India and Pakistan have occasionally encouraged sub-state diplomacy in Punjab, these efforts often falter due to national-level conflicts. Not all Indian border states are enthusiastic about cross-border cooperation, with political and historical contexts influencing their stance. For instance, West Bengal and Tamil Nadu have previously complicated Delhi's relations with Dhaka and Colombo, respectively.

The next Indian government must reconsider para diplomacy to succeed in neighborhood policy. This requires building consensus between the central and regional governments to develop productive relationships with neighboring countries.

INDIA, LIBERALISM AND ITS CRISIS OF LEGITIMACY

Indian liberalism requires reform and revival, and the time to start is now.



INDIAN LIBERALISM

Liberalism in India emerged during the colonial period, influenced by Western political thought and the Enlightenment values of liberty, equality, and justice. Prominent leaders like Dadabhai Naoroji and Gopal Krishna Gokhale championed liberal ideas, advocating for self-governance, economic freedom, and social reform within the framework of British rule. The Swatantra Party, founded in 1959 by C. Rajagopalachari and others, became a significant force promoting classical liberal principles such as free markets and limited government intervention. Despite its initial impact, the party struggled to compete with the dominant socialist rhetoric and eventually dissolved in the 1970s.

Post-Independence Challenges: Following independence in 1947, India's political landscape was dominated by socialist policies under leaders like Jawaharlal Nehru. The emphasis was on state-led development, economic planning, and social welfare, which overshadowed liberal economic and political ideas. However, liberal voices persisted through various platforms, advocating for economic liberalization and individual freedoms.

In recent decades, there has been a resurgence of liberal thought in India, especially with the economic liberalization reforms initiated in 1991.

These reforms opened up the Indian economy, reduced state control, and encouraged private enterprise, aligning with liberal economic principles.

Today, think tanks, academic institutions, and advocacy groups actively promote liberal ideas. They address issues like free markets, deregulation, decentralization of power, and protection of individual rights.

Modern liberalism in India grapples with balancing economic growth with social equity. It faces the challenge of ensuring that economic liberalization benefits all sections of society and does not exacerbate inequality. Additionally, there are ongoing debates about the role of government in welfare and social justice, balancing individual freedoms with collective security, and maintaining cultural and religious freedoms within a diverse society.

The future of liberalism in India depends on its ability to adapt to contemporary challenges while staying true to its core principles. This includes advocating for policies that promote inclusive economic growth, protecting individual rights, and ensuring a transparent and accountable government. The continued engagement of intellectuals, policymakers, and civil society is crucial for embedding liberal values in India's democratic framework.

Three decades ago, **India embraced liberalism**, seen as the pinnacle of ideological evolution, but since then, it has faced criticism from both left and right globally. The rise of populist and authoritarian leaders marks a retreat of liberal democracy, now limited to just 34 countries as of 2022.

The core liberal idea that democracy, nurtured by economic affluence and the rule of law, would thrive globally, is losing its appeal. Public dissatisfaction with liberal democracy is growing, and support for alternative models is increasing. A Pew survey last year found 85% of **Indian respondents favoring authoritarianism** or military rule, reflecting a broader trend even in the West.

In India, liberalism is under attack from both sides. The left views it as an elitist doctrine that exacerbates inequality and marginalization, while the right criticizes its emphasis on individual freedom, seeing it as a western import alien to traditional values. Both sides associate liberalism with elitism and privilege.

However, there is a need to articulate a reformed and expanded idea of Indian liberalism to counter the current legitimization of illiberal alternatives and the erosion of trust in egalitarian democracy.

The key values of liberalism—individual liberty, freedom, social justice, and societal harmony—are deeply ingrained in Indian society and have been championed by historical figures like Raja Ram Mohan Roy, Swami Vivekananda, and B.R. Ambedkar.

To address the criticisms of elitism and irrelevance, Indian liberalism must evolve in four ways.

First, it must engage with tradition and identity more comprehensively, recognizing the emotional and cultural concerns of individuals and communities.

Second, it needs a reformed approach to economic activity and markets, balancing free enterprise with social justice and welfare.

Third, political reform and a revival of representative institutions are essential to restore public confidence in democracy.

Fourth, liberals must develop a basic consensus among themselves, focusing on their common goals rather than internal disagreements.

THE INDIA IRAN RE-CONNECT

Amb. Shyam Saran

Geopolitical churn in West Asia has made India-Iran deal on Chabahar port more important. Ensuring the US is accommodating of ties will be a challenge

The death of Iran's President Ebrahim Raisi in a helicopter accident on May 20 adds uncertainty to an already tense region. However, significant changes in Iran's policies are unlikely as Supreme Leader Ayatollah Ali Khamenei remains in control.

India-Iran relations have been cautious, with Iran disappointed by India's reluctance to jeopardize its ties with the US and the West. Iran is also concerned about the growing India-Israel relations and India's deepening ties with Saudi Arabia and the UAE, facilitated by the Abraham Accords of 2020. **These accords led to diplomatic relations between Israel and several Arab countries**, encouraged by the US, and aimed at creating a regional security coalition against Iran. India joined the I2U2 grouping in 2021, including India, Israel, the UAE, and the US, aligning with this strategy.

India's alignment with the US strategy was evident at the G20 summit in September 2023, where the India-Middle-East Economic Corridor (IMEC) project was announced.

This project links India with West Asia and Israel, bypassing Iran. Consequently, India's interest in the Chabahar project, connecting Iran to Afghanistan and Central Asia, seemed to wane.

Despite this, **India and Iran have recently revived the Chabahar project with renewed enthusiasm.** The recent agreement, unlike the 2016 tripartite agreement with Afghanistan, faces sharp US reactions. The current agreement gives India control over a section of the port for 10 years, shifting from short-term contracts.

The Israel-Hamas conflict has brought the Palestinian issue to the forefront, with India's muted response to Israel's actions in Gaza drawing criticism. To balance this, India has revived the Chabahar agreement, indicating support for the Palestinian cause. The agreement's signing was prominently attended by Indian and Iranian ministers.

The revival of Chabahar is also significant given the stalled IMEC project due to regional politics. Questions remain about Saudi Arabia's and Israel's participation in IMEC. The Chabahar project keeps India involved in regional connectivity.

In 2016, the Chabahar agreement was crucial for India to bypass Pakistan and access Afghanistan. **With deteriorated Pakistan-Afghanistan relations under the Taliban, Chabahar remains important.** Although the US previously waived sanctions for Chabahar to support Afghanistan, it now opposes the latest agreement, reflecting its disinterest in aiding the Taliban.

HOW WILL IRAN PRESIDENT'S DEATH IMPACT THE REGION?



India might still persuade the US to be accommodating, considering the strong India-US relations.

However, US President Joe Biden's need to appear tough on Iran during an election year complicates this, especially with Iran's political uncertainty after Raisi's death.

The death of Iran's President Ebrahim Raisi and eight others, including Foreign Minister Amir Abdollahian, in a helicopter crash on May 19, has sent shockwaves across the region. The timing of the accident is significant, as tensions remain high in West Asia, particularly after Iran's first direct attack on Israel in April. The ongoing Gaza war sees Iran backing Hamas and other anti-Israel militants. Domestically, Iran faces growing protests and must now elect a new President amid this uncertainty.

In Iran's theocratic system, the President's role is limited compared to the Supreme Leader, who sets critical policies and long-term strategies. However, the President and his government influence policy implementation. In Raisi, elected in 2021, the establishment found a staunch ally, diverging from the dialogue-oriented approach of Hassan Rouhani. Raisi pursued closer ties with Russia and China, supported non-state actors like Hamas, and expanded Iran's nuclear program, adopting a more aggressive stance towards Israel, exemplified by the April 14 attack.

Raisi's death is unlikely to change Iran's foreign policy significantly. Supreme Leader Ayatollah Ali Khamenei has assured that governance will continue uninterrupted, emphasizing the system's supremacy over individuals.

Despite the loss of key figures like Qassem Soleimani and Mohsen Fakhrizadeh, Iran's national projects remain unaffected.

However, Raisi's death presents two succession challenges: electing a new President and identifying a potential successor to Khamenei. Raisi, seen as a potential successor, leaves a significant void in Tehran's power structure.

India has maintained a strong relationship with Iran since the 1979 revolution, despite recent trade disruptions due to US sanctions. **The Chabahar port project exemplifies this partnership,** with significant Indian investments. External Affairs Minister S. Jaishankar attended Raisi's inauguration in August 2021 and visited Tehran in January amid regional tensions. Earlier this month, India signed a long-term agreement to further develop Chabahar port, a deal attributed to Raisi and Abdollahian's initiative.

India has been careful not to take sides in the West Asian crisis, expressing concerns without condemning any party. Sending Vice President Jagdeep Dhankhar to Tehran to offer condolences underscores New Delhi's priority to retain momentum in its ties with Iran.

RELIGION-BASED RESERVATION IN INDIA: A COMPREHENSIVE ANALYSIS

India, a diverse nation with a multitude of religions, languages, and cultures, has a complex socio-political landscape. Among the most debated topics in this landscape is the policy of reservations, particularly religion-based reservations. This policy aims to address historical injustices and provide equitable opportunities for marginalized communities. This article delves into the rationale, implementation, controversies, and impacts of religion-based reservation in India.

The reservation policy in India dates back to the pre-independence era when the British introduced affirmative action measures for underrepresented communities. Post-independence, the Indian Constitution incorporated these measures to uplift Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC). However, the debate around extending reservations to religious minorities has been ongoing.

The Indian Constitution provides for reservations under Articles 15 and 16, which prohibit discrimination and ensure equality of opportunity.

Article 341 and 342 define SC and ST communities, respectively, while Article 340 deals with OBCs. However, **the Constitution does not explicitly mandate religion-based reservations**, leading to varied interpretations and implementations across states.

The primary rationale for religion-based reservations is to address socio-economic disparities among religious minorities. These communities often face systemic discrimination and lack access to education and employment opportunities. By providing reservations, the government aims to ensure their inclusion and participation in the socio-economic fabric of the nation.

Different states in India have implemented religion-based reservations in varying degrees. For instance:

- **Andhra Pradesh:** Introduced reservations for Muslims in educational institutions and government jobs.
- **West Bengal:** Provided quotas for Muslims under the OBC category.
- **Kerala:** Has provisions for Christian and Muslim communities within the OBC reservation framework.



These implementations are often based on state-specific socio-economic surveys and recommendations from commissions like the Sachar Committee and the Ranganath Misra Commission, which highlighted the backwardness of certain religious communities.

Critics argue that **reservations based on religion violate the secular principles of the Constitution.** However, proponents claim that the policy aligns with the Constitution's objective of social justice.

The Supreme Court has dealt with several cases challenging the legality of religion-based reservations. In some instances, it **has upheld the reservations, provided they are within the framework of socio-economic backwardness rather than purely religious identity.** The policy often becomes a tool for political mobilization, leading to communal tensions and electoral manipulation.

The impact of religion-based reservations can be seen in various sectors:

- **Education:** Increased enrollment of minority students in schools and higher educational institutions.
- **Employment:** Better representation of minorities in public sector jobs.
- **Social Inclusion:** Enhanced participation of minority communities in the mainstream socio-economic activities.

However, the success of these reservations is uneven, with some states showing significant progress while others lag.

Religion-based reservations in India are a complex and multifaceted issue. They aim to address historical and socio-economic injustices faced by religious minorities. While the policy has its merits in promoting inclusivity and equality, it also raises constitutional, legal, and political challenges. The future of religion-based reservations hinges on balancing these aspects to ensure that they contribute positively to India's socio-economic development and uphold the principles of justice and equality enshrined in the Constitution.



DIGITAL COMPETITION LAW

The Committee on Digital Competition Law was constituted to evaluate the need for an ex-ante competition framework for digital markets in India. In its report, the Committee also published a draft Bill to give effect to its recommendations. Key observations and recommendations of the Committee include:

Large internet firms oppose 'ex-ante' regulations in digital competition law



A government panel has proposed a new digital competition law and prescribed ex-ante regulations

This is to pre-emptively regulate potential abuse of dominance by large digital companies

In an ex-ante framework, the law issues a set of proscriptions to prevent anti-competitive behaviour

Need for ex-ante regulation of digital competition: The Committee noted that the current ex-post framework (intervening after an event occurs) under the Competition Act, 2002, does not facilitate timely redressal of anti-competitive conduct by digital enterprises. It observed that the present framework may not be effective to address the irreversible tipping of markets in favour of large digital enterprises (permanent dominance of a firm in relevant market). **The Committee recommended enacting the Digital Competition Act to enable the Competition Commission of India (CCI) to selectively regulate large digital enterprises in an ex-ante manner** (intervening before an event occurs). The proposed legislation should regulate only those enterprises that have a significant presence and the ability to influence Indian digital market.

Systemically Significant Digital Enterprises (SSDEs): The Committee noted that certain features of digital markets allow digital enterprises to swiftly gain influence. These features include: (i) collection of user data which can allow large incumbent enterprises to enter related markets, (ii) network effects where utility of a service increases when number of users consuming the service increases, and (iii) economies of scale wherein incumbents can offer digital services at lower costs as compared to new entrants. The Committee recommended designating entities offering certain core digital services as SSDEs for ex-ante regulation, which are susceptible to market concentration. These include search engines, social networking services, operating systems, and web browsers.

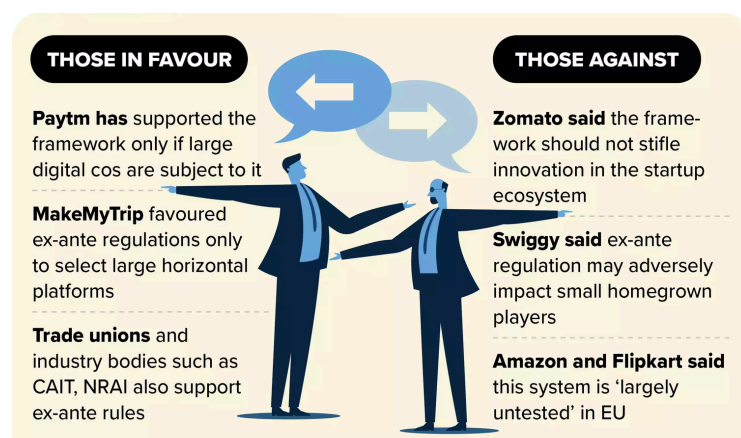
Thresholds for classification of SSDEs: The Committee recommended using both quantitative thresholds and qualitative criteria to designate enterprises as SSDEs. The quantitative threshold can be based on a dual test of: (i) significant financial strength, gauged from parameters such as turnover, gross merchandise value, and market capitalisation and (ii) significant spread based on the number of business and end users of the core digital service in India. Digital enterprises fulfilling the quantitative thresholds would have to report the same to CCI, which will then designate them as SSDEs.

The quantitative threshold may not cover all digital enterprises that may have a significant presence in Indian digital markets. The Committee recommended that a set of qualitative criteria may be used to designate such enterprises as SSDEs. These criteria include resources of the enterprise and volume of data aggregated by them.

Associate Digital Enterprises (ADEs): The Committee noted that in some cases, compliance may be required from multiple digital enterprises in a group that are engaged in providing a core digital service.

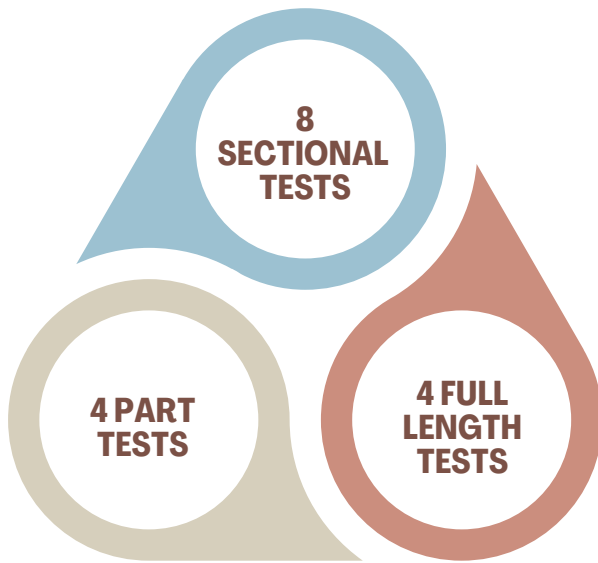
The Committee recommended that notifying enterprises should identify all other enterprises within its group involved in the provision of a core digital service. These enterprises should be designated as ADEs under the proposed framework.

Obligations of SSDEs: The draft Digital Competition Bill, 2024, as recommended by the Committee, prohibits SSDEs from carrying out certain practices. These include: (i) favouring their own products and services or those of related parties, (ii) use non-public data of business users operating on their core digital service to compete with those users, (iii) restrict users from using third-party applications on their core digital services, and (iv) requiring or incentivising users of an identified core digital service to use other products or services offered by the SSDE. Regulations may allow differential obligations for different SSDEs and ADEs based on factors like business models and user base.



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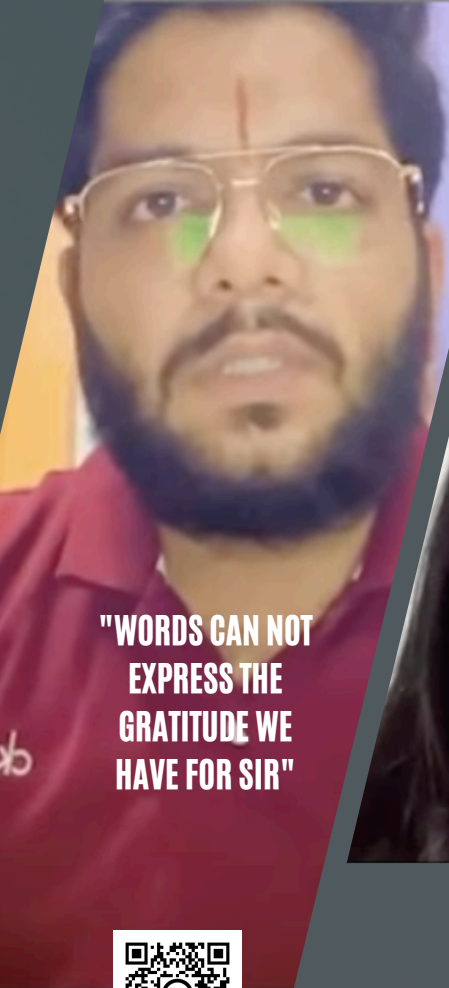
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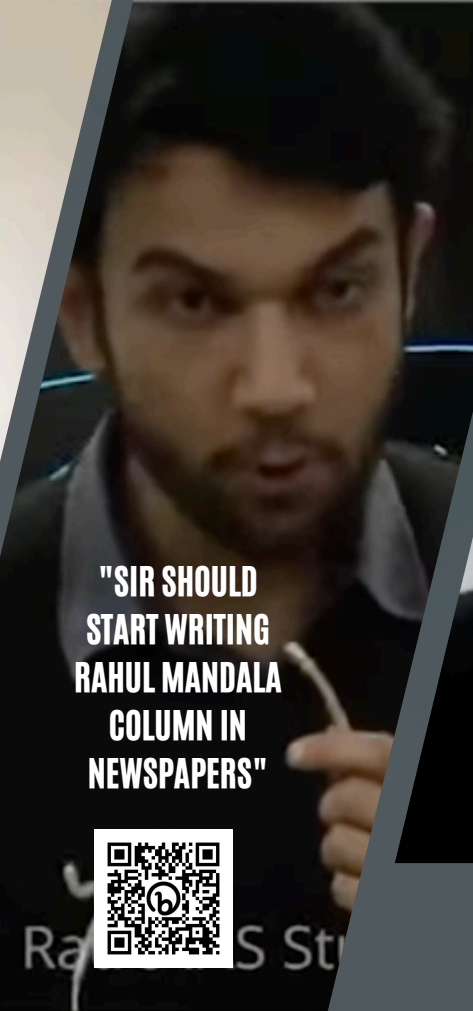




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