

## Prelim Bits 04-01-2023| UPSC Daily Current Affairs

### Living Wage

*The government is mulling shifting to 'living wage', which is indexed to inflation, from the existing 'minimum wage'.*

- A living wage is a socially acceptable level of income that provides adequate coverage for basic necessities such as food, shelter, child services, and healthcare.
- It is the remuneration received by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family.
- Elements of a decent standard of living include basic needs and other essential needs including provision for unexpected events.
- The living wage is different from the minimum wage.
- Minimum wage is the lowest amount of money someone can earn as mandated by law.
- The minimum wage does not provide enough income to survive as it doesn't rise with inflation.
- Another alternative to minimum wages is a [Universal Basic Income](#).

### References

1. [Business Standard - What is a living wage?](#)

### Domestic Systemically Important Banks

*The Reserve Bank of India (RBI) has released 2022 list of Domestic Systemically Important Banks (D-SIBs).*

- State Bank of India, ICICI Bank, and HDFC Bank have again been named as Domestic Systemically Important Banks (D-SIBs) by RBI in 2022 list.
- **SIBs** - SIBs are perceived as banks that are '**Too Big to Fail**' and their continued functioning is critical for the uninterrupted availability of essential banking services to the real economy.
- **Genesis** - The Financial Stability Board, in consultation with the Basel Committee on Banking Supervision (BCBS) and national authorities, has identified global systemically important banks (G-SIBs) since 2011.
- Similarly, RBI has identified Domestic Systemically important banks (D-SIBs) since 2015.
- **D-SIBs** - The RBI had issued the framework for dealing with Domestic Systemically Important Banks in July 2014.
- It requires to disclose the banks designated as D-SIBs and place them in **buckets** depending on Systemic Importance Scores.
- **Criteria** - In order to be listed as a D-SIB, a bank needs to have assets that exceed 2% of the national GDP.
- **Classification** - The D-SIBs are placed across the five buckets based on the level of

their importance, with bucket five representing the most important D-SIBs.

- There are no bucket five D-SIB in India.
- **Requirement** - Banks classified as D-SIBs are subjected to additional Common Equity Tier 1 (CET1) capital requirements in addition to the Capital Conservation Buffer.
- The additional CET1 requirement is provisioned as a percentage of Risk Weighted Assets (RWA).
- The additional CET1 requirement for D-SIBs was phased-in from April 1, 2016 and became fully effective from April 1, 2019.

Since	Bank	Bucket [1 - 5 ]	CET1 as percentage of RWAs
2015	SBI	3	0.60%
2016	ICICI Bank	1	0.20%
2017	HDFC Bank	1	0.20%

## References

1. [The Hindu - RBI tags 3 banks as Systemically Important Banks](#)
2. [Indian Express - Systemically Important Banks: RBI](#)
3. [RBI - 2022 list of Domestic Systemically Important Banks](#)

## High Powered Committee on Ladakh

*The Ministry of Home Affairs has constituted a high-powered committee to ensure protection of land and employment.*

- **Formation of Ladakh** - On August 5, 2019, the special status of former State of Jammu & Kashmir under Article 370 was revoked by the Parliament.
- The former State of Jammu and Kashmir was bifurcated into two UTs - J&K and Ladakh, the latter without a Legislative Assembly.

*According to the Census 2011, nearly 80% of the total population of Ladakh are tribals. The Union Territory has a majority Buddhist population, with a sizeable Muslim population in Kargil.*

- The Ministry of Home Affairs has constituted a high-powered committee to protect Ladakh's unique culture, language and employment.
- The 17-member committee is headed by Minister of State Nityanand Rai and includes Ladakh Lieutenant-Governor R.K. Mathur.
- It will discuss measures to protect the region's unique culture and language taking into consideration its geographical location and its strategic importance.
- The committee will also discuss
  1. Measures for inclusive development and employment generation in the region
  2. Issues related to empowerment of Ladakh Autonomous Hill District Councils of Leh and Kargil.

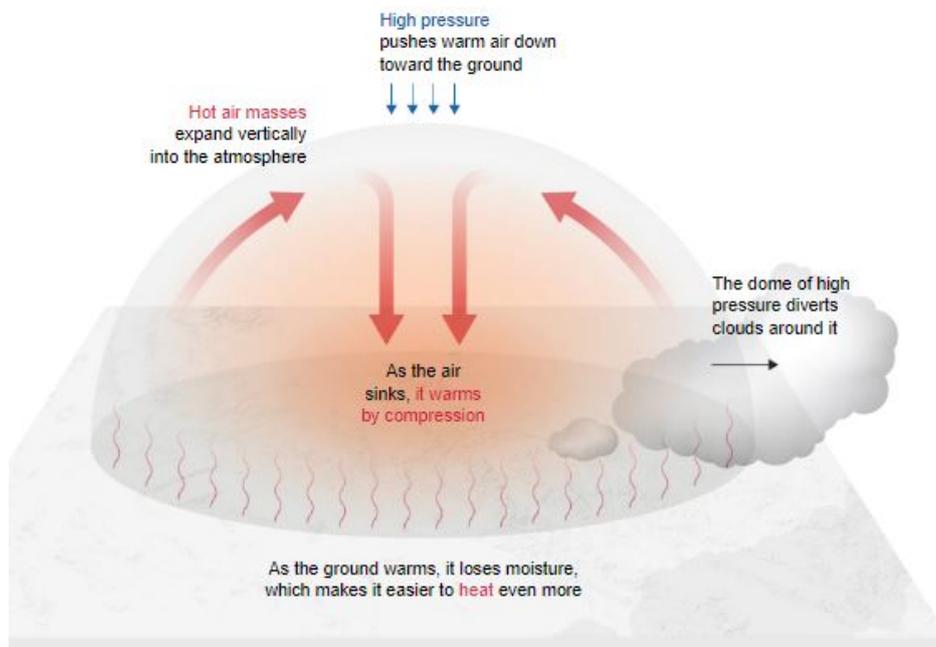
## References

1. [The Hindu - MHA constitutes high powered committee on Ladakh](#)
2. [Outlook - Ladakh Welcomes MHA High-powered Committee](#)
3. [News On Air - Centre constitutes High Powered Committee](#)

## Heat Dome

Several parts of Europe witnessed an unprecedented winter heat wave over New Year's weekend.

- Several parts of Europe witnessed an [unprecedented winter heat](#) wave.
- Seven European countries which includes Poland, Denmark, the Czech Republic, the Netherlands, Belarus, Lithuania and Latvia, recorded their hottest January weather ever.
- This extreme warm spell experienced by Europe is because of the formation of a heat dome over the region.
- **Heat Dome** - A [heat dome](#) occurs when an area of high-pressure traps warm air over a region (like a lid on a pot) for an extended period of time.
- The longer that air remains trapped, the more the sun works to heat the air, producing warmer conditions with every passing day.
- Heat domes generally stay for a few days but sometimes they can extend up to weeks, which might cause deadly heat waves.
- When this warm air sinks, it gets drier and further raises the temperature of the area.



## Heat dome and Jet Streams

- The formation of heat dome is related to the behaviour of the jet stream.

*Jet Stream* - An area of fast-moving air high in the atmosphere which has a wave-like pattern that keeps moving from north to south and then north again.

- When these waves get bigger and elongated, they move slowly and sometimes can become stationary.
- This is when a high-pressure system gets stuck and leads to the occurrence of a heat dome.

## Recent Heat Domes

- In [2021, a heat dome](#) formed over western Canada and the US, causing deadly heat waves.
- Another heat dome settled over the [US in September 2022](#) and raised temperatures which fuelled wildfires and stressed the power grid.

## References

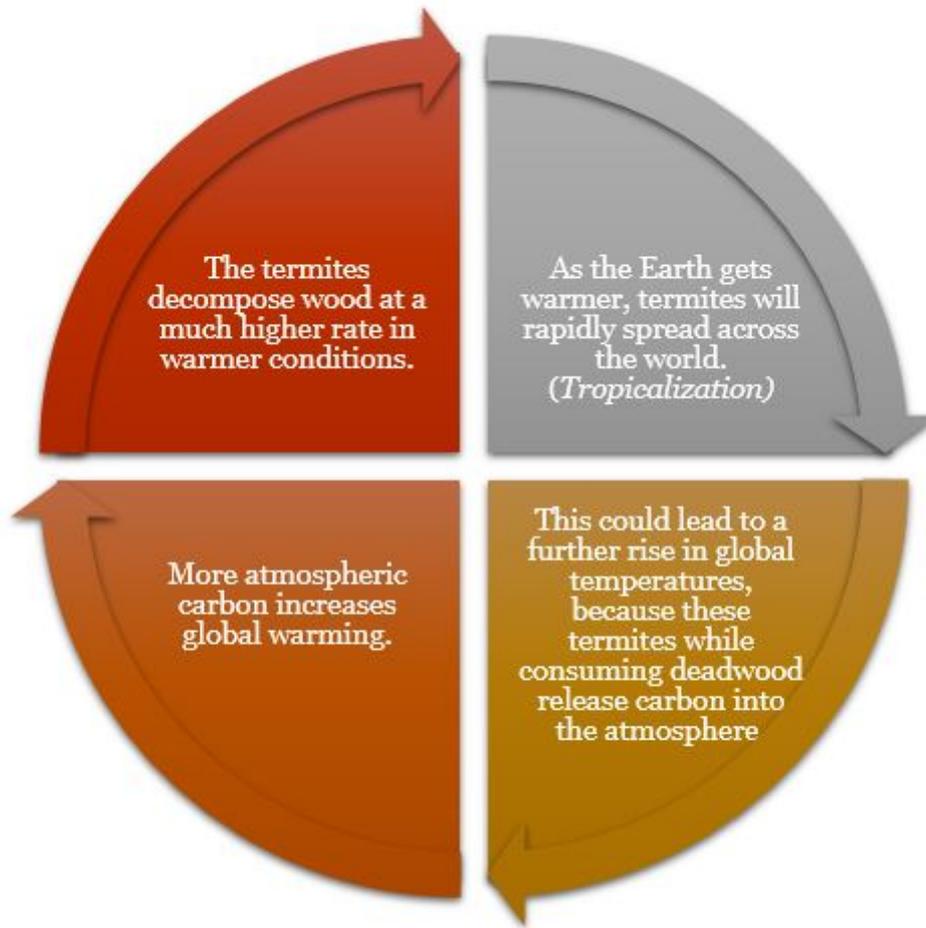
1. [Indian Express - Winter heat wave in Europe](#)

## Termites and Global warming

*A study revealed that as the Earth gets warmer, termites will rapidly spread across the world which in turn, lead to a further rise in global temperatures.*

- Termites are insects that feed on wood and dead plant matter.
- The termites' ability to decompose dead wood makes them an important part of the planet's ecosystem.
- They are found in colder areas as well but they play a limited role in the decaying of wood in comparison to fungi and bacteria.
- There are around 3,000 species of termites across the world, including the ones that consume plant material and even soil. The most famous are the wood-eating termites.
- These wood-eating termites were able to survive in warm and dry conditions, unlike microbes that need water to grow.
- Therefore, with tropicalization (Warming shifts to tropical climates), termite wood decay will likely increase as termites access more of Earth's surface.

*For every 10 °C increase in temperature, termites' decomposition goes up by almost 7 times.*



*Link between termite behaviour and warming world*

## References

1. [Indian Express - Link between termite behaviour and warming world](#)
2. [Science Alert - Termites May Make Global Warming Worse](#)



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