



News Analysis (23 Nov, 2021)

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Draft Scheme of Amalgamation of PMC & USF Bank: RBI

Why in News

Recently, the **Reserve Bank of India (RBI)** released a draft scheme of amalgamation of **Punjab and Maharashtra Cooperative (PMC) Bank** and **Unity Small Finance Bank (USF)**.

Earlier, **PMC was put under restrictions on account of fraud** that led to a steep deterioration in the networth of the bank.

Key Points

- **About:**
 - According to the draft scheme of amalgamation, following the amalgamation, **depositors of PMC Bank will get their money back over a period of 3-10 years.**
 - **The interest on any interest-bearing deposit with the transferor (PMC) bank will not accrue after 31st March 2021.**
- **Significance:**

The **takeover of assets and liabilities of PMC Bank, including deposits, by Unity, will give a greater degree of protection for the depositors.**

USF Bank is being set up with capital of about Rs 1,100 crore as against a regulatory requirement of Rs 200 crore for setting up a small finance bank under the guidelines for on-tap licensing of small finance banks in the private sector.

Merger of Banks

- **About:**

- In a Merger, banks are benefited in combined business operations and ventures. Together they are able to increase shareholder value and cater the needs more effectively.
- Bank consolidated procedures are provided under the **Banking Regulation Act, 1949. Section 45** in the act empowers RBI to apply to the Central Government for suspension of business by a banking company and to **prepare a scheme of reconstitution of amalgamation.**

- **Recent Examples:**

- In 2019 the Finance Minister announced the biggest consolidation plan of **Public sector Banks (PSBs)- merging 10 of them into just 4.**
- In January 2019 Cabinet Committee on Economic Affairs (CCEA) approved the merger of state-run **Vijaya Bank, Bank of Baroda and Dena Bank.**
- In April 2017, **5 associate banks were merged with SBI** – State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Travancore, State Bank of Mysore and State Bank of Patiala.
- Government also initiated **amalgamation of Regional Rural Banks** under Phase 3 consolidation, bringing them down from 56 to 38.

- **Benefits:**

- **Competitive:** The consolidation of Banks helps in strengthening its presence globally, nationally and regionally.
- **Capital and Governance:** The government's intention **is not just to give capital but also give good governance.** The financial system of the enlarged institution will be more profitable and protected.
 - The lending capacity of the banks will increase and their balance sheet would also be strong.
- **Efficiency:** It has the **potential to reduce operational costs** due to the presence of shared overlapping networks. And this enhanced operational efficiency will reduce the lending costs of the banks.
- **Technological Synergy:** All merged banks in a particular bucket share common **Core Banking Solutions (CBS)** platform synergizing them technologically.
- **Self-Sufficiency:** Larger banks have a **better ability to raise resources** from the market rather than relying on State exchequer.
- **Monitoring:** With the number of Banks coming down after the process of merger – capital allocation, performance milestones, and monitoring would become easier for the government.

- **Challenges:**

- **Decision Making:** The banks that are getting merged are **expected to see a slowdown in decision making** at the top level as senior officials of such banks would put all the decisions on the back-burner and it will lead to a drop in credit delivery in the system.
- **Geographical Synergy:** During the process of merger, the **geographical synergy between the merged banks is somewhat missing**. In three of the four merger cases, the merged banks serve only one specific region of the country. However, the merger of Allahabad Bank (having a presence in the East & North region) with the Indian Bank (having a presence in South) increases its geographical spread.
- **Slowdown in Economy:** The move is a good one but the timings are not just apt. There is **already a slowdown in the economy**, and private consumption and investments are on a declining trend. Hence, **there is a need to lift the economy and increase the credit flow** in the short-term, & this decision will block that credit in the short-term.
- **Weak Banks:** A complex merger with a weaker and under-capitalized PSB would **stall the bank's recovery efforts** as the **weaknesses of one bank may get transferred** and the merged entity may become weak.

Source: IE

Swachh Survekshan 2021

Why in News

Recently, the President awarded the respective cities in the **6th Edition of Swachh Survekshan (SS) 2021** for their performance in maintaining cleanliness, hygiene and sanitation.

- The ceremony was held at the '**Swachh Amrit Mahotsav**', which is a celebration of the achievements of cities in the past seven years of **Swachh Bharat Mission-Urban** and a commitment from cities and citizens to move forward with renewed vigour in the next phase of Swachhata through **Swachh Bharat Mission-Urban 2.0**.
- Earlier, the **Jal Shakti Ministry launched Swachh Survekshan Grameen 2021** or rural cleanliness survey 2021 under Swachh Bharat Mission (Grameen) Phase-II.

Key Points

- **Swachh Survekshan:**
 - **About:**
 - It is an annual survey of cleanliness, hygiene and sanitation in cities and towns across India.
 - It was launched as part of the **Swachh Bharat Abhiyan**, which aimed to make India clean and free of open defecation.
 - The **first survey was undertaken in 2016** and covered 73 cities.
 - By 2020 the survey had grown to cover 4242 cities and was said to be the **largest cleanliness survey in the world**.
 - In 2021 Survekshan, participated by 4,320 cities, also saw an unprecedented number of citizens' feedback – over 5 crores, compared to 1.87 cores last year.
 - **Nodal Ministry:**
 - Ministry of Housing and Urban Affairs (MoHUA).
- **SS 2021 Categories:**
 - **Less than 1 lakh Population:**
 - Vita, Lonavala, and Saswad cities from Maharashtra have ranked first, second, and third Cleanest Cities respectively.
 - **More than 1 Lakh Population:**
 - For the 5th consecutive year, **Indore (Madhya Pradesh)** was awarded the title of **India's Cleanest City** under Swachh Survekshan, while Surat and Vijayawada bagged the second and third spots respectively.
 - **Hoshangabad in Madhya Pradesh** emerged as the '**Fastest Mover City**' thus securing a place among the top 100 cities at 87th position.
 - **Best Ganga Town:** Varanasi.
 - **Cleanest Cantonment:** Ahmedabad Cantonment, followed by Meerut Cantonment and Delhi Cantonment.
 - **Cleanest State:**
 - **More than 100 Urban Local Bodies:**
 - **Chhattisgarh** has been awarded as the 'Cleanest State' of India for the 3rd consecutive year.
 - **Karnataka** emerged as the '**Fastest Mover State**'.
 - **Less than 100 Urban Local Bodies:**
 - **Jharkhand** won the 'Cleanest State' of India for the second time in this category.
 - **Mizoram** emerged as the '**Fastest Mover State**'.
 - **Prerak Daaur Samman:**
 - This is a new performance category introduced under SS 2021, five cities – Indore, Surat, Navi Mumbai, New Delhi Municipal Council and Tirupati were categorized as 'Divya' (Platinum).

- **Other Awards:**

- **Safaimitra Suraksha Challenge:**

Under the **Safaimitra Suraksha Challenge**, the **top performer cities are Indore, Navi Mumbai, Nellore, and Dewas** across different population categories among 246 participating cities while the **top performer states are Chhattisgarh and Chandigarh**.

- **5-star rated Garbage Free Cities in India:**

- Under the **Star Rating Protocol of Garbage Free Cities**, 9 cities were certified as 5-star cities while 143 cities were certified as 3-star.

The **Star Rating Protocol** was launched by MoHUA in 2018 to **institutionalize a mechanism for cities to achieve Garbage Free status**, and to motivate cities to achieve higher degrees of sustainable cleanliness.

- The nine 5-star rated cities are Indore, Surat, New Delhi Municipal Council, Navi Mumbai, Ambikapur, Mysuru, Noida, Vijayawada, and Patan.

Swachh Bharat Mission-Urban 2.0

- SBM-U 2.0, announced in **Budget 2021-22**, is the continuation of **SBM-U first phase**.
- The government is trying to tap safe containment, transportation, disposal of faecal sludge, and septage from toilets. It will be implemented over five years from **2021 to 2026 with an outlay of Rs. 1.41 lakh crore**.
- It focuses on source segregation of garbage, reduction in single-use plastic and air pollution, by effectively managing waste from construction and demolition activities and **bioremediation of all legacy dump sites**.
- Under this mission, all wastewater will be treated properly before it is discharged into water bodies, and the government is trying to make maximum reuse a priority.

Source: PIB

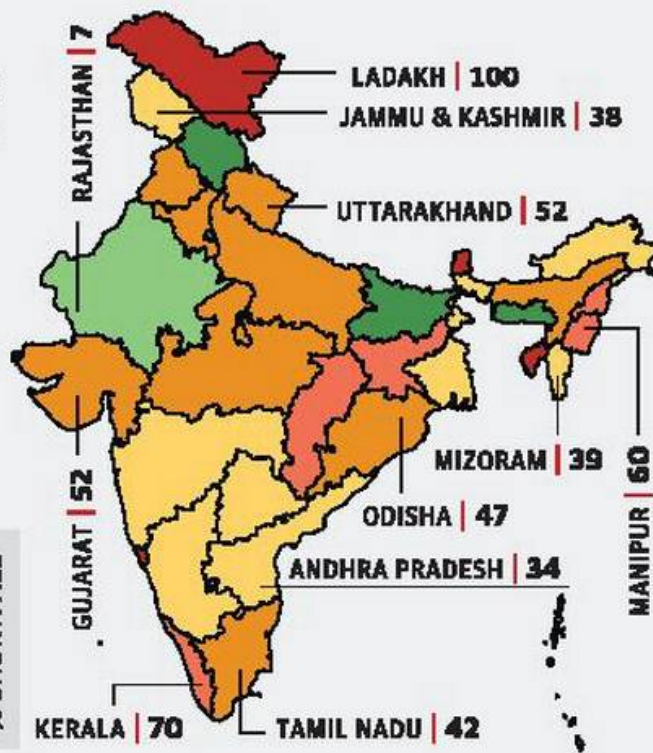
Report on ‘Health Care Equity in Urban India’

Why in News

According to a recent report, **life expectancy among the poorest is lower by 9.1 years and 6.2 years** among men and women, respectively, compared to the richest in urban areas.

Health centre count

The map shows the shortfall (%) of primary health centres (PHCs) in urban areas as of July 2020. The shortfall was more than 50% in 14 States/UTs



Key Points

- **About the Report:**

- The report **explores health vulnerabilities and inequalities in cities** in India.
- It also **looks at the availability, accessibility and cost of healthcare facilities**, and possibilities in future-proofing services in the next decade.
- It was **released recently by Azim Premji University** in collaboration with 17 regional NGOs across India.

- **Findings of the Report:**

- **Number of Urban People:**

- **A third of India's people now live in urban areas**, with this segment seeing a rapid growth from about 18% (1960) to 34% (in 2019).
- **Close to 30% of people living in urban areas are poor.**

- **Chaotic Urban Health Governance:**

The report, besides **finding disproportionate disease burden on the poor**, also pointed to a **chaotic urban health governance**, where the multiplicity of healthcare providers both within and outside the government without coordination are challenges to urban health governance.

- **Heavy Financial Burden on the Poor:**

A heavy financial burden on the poor, and less investment in healthcare by urban local bodies is also a major challenge.

- **Suggestions:**
 - Strengthen **community participation** and governance.
 - **Build a comprehensive and dynamic database** on the health and nutrition status, including co-morbidities of the diverse, vulnerable populations; strengthening healthcare provisioning through the **National Urban Health Mission**, especially for primary healthcare services.
 - Put in place policy measures **to reduce the financial burden of the poor.**
 - A better mechanism for **coordinated public healthcare services** and **better governed private healthcare institutions.**
 - The Covid-19 pandemic has **brought to attention the need for a robust and resourced healthcare system.** Addressing this now will benefit the most vulnerable and offer critical services to city dwellers across income groups.

Status of India's Healthcare

- India's healthcare system **has been battling various issues**, including the low number of institutions and less-than-adequate human resources for quite a while now.
- Essentially, **a three-tier structure** defined the Indian healthcare system — primary, secondary and tertiary care services.
 - The **Indian Public Health Standards (IPHS)** states that the delivery of primary health care is provided to the rural population through sub-centre, primary health centre (PHC), and community health centre (CHC), while secondary care is delivered through district and sub-district hospitals.
 - On the other hand, tertiary care is extended at regional/central level institutions or super specialty hospitals.
- While there is an urgency to focus on all the three levels of primary, secondary and tertiary healthcare, it is imperative that the government look towards improving primary health care as a public good.

Initiatives for Public Health Sector

- **Emergency Response and Health Systems Preparedness Package:**
Under the **National Health Mission (NHM)**, technical and financial support is provided to the States/UTs to strengthen the public healthcare system at public healthcare facilities.
- **Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY):**
 - Launched on 23rd September 2018, Ayushman Bharat PM-JAY is the largest Government funded health assurance/insurance scheme in the world.
 - PM-JAY is a centrally sponsored scheme.
- **Pradhan Mantri Swasthya Suraksha Yojana (PMSSY):**
PMSSY was announced in 2003 with **objectives of correcting regional imbalances** in the availability of affordable/reliable tertiary healthcare services and also to augment facilities for quality medical education in the country.

Pradhan Mantri Awaas Yojana – Gramin

Why in News

Recently, Pradhan Mantri Awaas Yojana – Gramin (PMAY-G) **has completed 5 years** on 20th November, 2021.

- Earlier, it was reported that due to adverse impact of **Covid-19**, only 5.4% of the sanctioned houses under the PMAY-G, have reached completion for the year 2020-2021.
- The **Ministry of Housing and Urban Affairs implements the Pradhan Mantri Awas Yojana – Urban**.

Key Points

- **Launch:** To achieve the objective of “**Housing for All**” by **2022**, the erstwhile rural housing scheme Indira Awaas Yojana (IAY) was restructured to PMAY-G w.e.f 1st April, 2016.
- **Ministry Involved:** Ministry of Rural development.
- **Aim:** To **provide a pucca house with basic amenities to all rural families**, who are homeless or living in kutchha or dilapidated houses **by the end of March 2022**.
To **help rural people Below the Poverty Line (BPL) in construction of dwelling units** and upgradation of existing unserviceable kutchha houses by providing assistance in the form of a full grant.
- **Beneficiaries:** People belonging to SCs/STs, freed bonded labourers and non-SC/ST categories, widows or next-of-kin of defence personnel killed in action, ex servicemen and retired members of the paramilitary forces, disabled persons and minorities.
- **Selection of Beneficiaries:** Through a three stage validation - **Socio Economic Caste Census 2011**, **Gram Sabha**, and **geo-tagging**.
- **Cost Sharing:** The cost of unit assistance is shared between Central and State Governments in the ratio 60:40 in plain areas and 90:10 for North Eastern and hilly states.

- **Features:**

- The minimum size of the house has been increased to 25 sq.mt (from 20sq.mt) with a hygienic cooking space.
- The unit assistance has been increased from Rs. 70,000 to Rs. 1.20 lakh in plain and from Rs. 75,000 to Rs. 1.30 lakh in hilly states.
- The assistance for construction of toilets shall be leveraged through convergence with **Swachh Bharat Mission-Gramin (SBM-G)**, **MGNREGS** or any other dedicated source of funding.
- Convergence for piped drinking water, electricity connection, LPG gas connection etc. different Government programmers are also to be attempted.

Source: PIB

Tsirkon Hypersonic Missile: Russia

Why in News

Recently, Russia has fired its **Tsirkon (Zircon) Hypersonic Cruise Missile** from a warship in the north of the country.

Earlier, it was reported that **China tested a nuclear-capable hypersonic glide vehicle** that circled the globe before speeding towards its target.

Key Points

- **About:**

- The **Tsirkon Cruise Missile will join Avangard glide vehicles and the air-launched Kinzhal (Dagger) missiles** in Russia's hypersonic arsenal.
Cruise missiles differ from **ballistic missiles** in that they fly towards their target at lower altitudes, remaining within the Earth's atmosphere throughout their trajectory.
- It is one of the several missiles being developed in Russia that will arm up Russian submarines, frigates, and cruisers.
- **Hypersonic Weapons are much harder to track and intercept** than traditional projectiles because they can travel **more than five times the speed of sound** and maneuver in mid-flight.

- **Hypersonic Technology:**
 - **Speed:** 5 or more times the Mach or speed of sound.
 - **Mach Number:** It describes an aircraft's speed compared with the speed of sound in air, with Mach 1 equating to the speed of sound i.e. 343 metre per second.
 - **Technology Used:** Most hypersonic vehicles primarily **use the scramjet technology**, which is a type of Air Breathing propulsion System.

This is extremely complex technology, which also needs to be able to handle high temperatures, making the hypersonic systems extremely costly.
 - **Types:**
 - **Hypersonic cruise missiles:** These are the ones that use rocket or jet propellant through their flight and are regarded as being just faster versions of existing cruise missiles.
 - **Hypersonic Glide Vehicle (HGV):** These missiles first go up into the atmosphere on a conventional rocket before being launched towards their target.
- **Development of Hypersonic Technology in India:**
 - India, too, is working on hypersonic technologies.

As far as space assets are concerned, India has already proved its capabilities through the test of **ASAT under Mission Shakti**.
 - Hypersonic technology has been developed and tested by both **DRDO (Defence research and Development Organisation)** and **ISRO (Indian Space Research Organisation)**.
 - Recently, DRDO has successfully flight-tested the **Hypersonic Technology Demonstrator Vehicle (HSTDV)**, with a capability to travel at 6 times the speed of sound.
 - Also, a **Hypersonic Wind Tunnel (HWT)** test facility of the DRDO was inaugurated in Hyderabad. It is a pressure vacuum-driven, enclosed free jet facility that simulates Mach 5 to 12.

Indira Gandhi Prize for Peace for 2021

Why in News

Recently, **Pratham, a civil society organisation** has been **conferred the Indira Gandhi Prize for Peace, Disarmament and Development for 2021**.

Pratham is **dedicated to improving the quality of education** among underprivileged children in India and across the world.

Key Points

- **About:**
 - The Indira Gandhi Prize for Peace, Disarmament and Development **was instituted in the memory of the former prime minister by a trust** (Indira Gandhi Memorial Trust) **in her name in 1986.**
 - It consists of **a monetary award of Rs 25 lakh along with a citation.**
 - The award is given **to individuals or organisations** who work towards ensuring international peace and development, ensuring that scientific discoveries are used to further the scope of freedom and better humanity, and creating a new international economic order.
- **Pratham:**
 - **About: Set up in 1995**, Pratham began its work in slum areas by setting up community-based pre-schools and by offering remedial education to students who lagged behind in their classes.
 - Its **Annual Status of Education Report (ASER)**, based on surveying 6,00,000 rural Indian children, is now used as a model to assess education outcomes and learning deficiencies in 14 countries over three continents.
 - To respond to the concerns raised by ASER, in 2007 **Pratham launched its flagship programme, Read India**, which aims to improve children's learning by strengthening basic reading and arithmetic.
 - **Awarded For:** Pratham was **awarded for its pioneering work over more than a quarter century** in seeking to ensure that every child has access to quality education, for its innovative use of digital technology to deliver education, for its programmes to provide skills to young adults, for its regular evaluation of the quality of education, and for its timely response in enabling children to learn during the Covid-19 related school closures.

Source: TH
