



AIR Discussions (August 2nd Week)

AIR SPOTLIGHT: PM KISAN SCHEME AND ITS ROLE IN FARMERS WELFARE

CONTEXT: The Prime Minister released the next installment of financial benefit under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN).

MORE ON THE NEWS:

- This enabled the transfer of an amount of more than Rs. 19,500 crores to more than 9.75 crores beneficiary farmer families.
- It was the 9th installment of the financial benefit.
- Rs 1 lakh 60 crore has been given to farmers so far. Out of which Rs 1 lakh crore were transferred to small farmers during the pandemic period.

ABOUT THE SCHEME:

- The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), a central sector scheme is the first universal basic income-type of scheme targeted towards landed farmers.
- It is in effect from December 2018 to manage agricultural stress.
- The Union budget had allocated Rs 75,000 crore to this scheme in 2020-21.
- Under PM-Kisan, the government provides annual income support of ₹6,000 to every land-owning farmer with a valid enrolment.
- The money is paid in three equal cash transfers of ₹2,000, once every four months.
- The scheme was launched on 24 February 2019.
- Any farmer can enroll for PM-Kisan by applying at local revenue offices or a state's nodal officer for the scheme, who is nominated by the state government.
- Farmers can also self-register through the PM-Kisan portal and common service centres, a network of public-services offices.
- The identification of beneficiaries is the responsibility of state governments
- States have to upload data to a centralised public finance management system, a platform that auto verifies bank accounts and checks biometric Aadhaar details of beneficiaries sent by states. These are then sent back to states for physical signatures.

Benefits and Eligibility conditions

- All land holding eligible farmer families (subject to the prevalent exclusion criteria) are to avail of the benefits under this scheme.
- The revised Scheme is expected to cover around 2 crore more farmers, increasing the coverage of PM-KISAN to around 14.5 crore beneficiaries.
- Earlier, financial benefit has been provided to all Small and Marginal landholder farmer families with total cultivable holding upto 2 hectares.

Exclusion Categories

The following categories of beneficiaries of higher economic status shall not be eligible for benefit under the scheme:



- All Institutional Land holders.
- Farmer families in which one or more of its members belong to following categories
- Former and present holders of constitutional posts
- Former and present Ministers/ State Ministers and former/present Members of LokSabha/ RajyaSabha/ State Legislative Assemblies/ State Legislative Councils, former and present Mayors of Municipal Corporations, former and present Chairpersons of District Panchayats.
- All serving or retired officers and employees of Central/ State Government Ministries /Offices/Departments and its field units Central or State PSEs and Attached offices /Autonomous Institutions under Government as well as regular employees of the Local Bodies (Excluding Multi-Tasking Staff /Class IV/Group D employees)
- All superannuated/retired pensioners whose monthly pension is Rs.10,000/-or more (Excluding Multi-Tasking Staff / Class IV/Group D employees) of above category
- All Persons who paid Income Tax in last assessment year
- Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with Professional bodies and carrying out profession by undertaking practices.

Twin Factors Aiding Success of PM-KISAN:

- **Direct benefit transfer** is now possible, as banking infrastructure created through Pradhan Mantri Jan Dhan Yojana (PMJDY) plays a key role in the fund disbursal.
- State governments have **digitised the complete database of farmers** who were now registered in the system with their credentials.

SIGNIFICANCE:

- **Easing Liquidity Constraints:** more than half of the farming households do not have access to formal credit. In such a situation, PM-KISAN eases liquidity constraints of farmers for procuring inputs.
- **Aiding Modernisation:** scheme's role in the adoption of modern technologies remains an important contributing factor in modernization of agriculture.
- **Turning Farmers Competitive:** Cash transfer increases the net income of farmers and thus, in turn, may enhance farmers' risks-taking capacity, leading to undertaking riskier but comparatively productive investments.
- **Non-Discriminatory in Nature:** There is no selection bias in choosing the PM-KISAN beneficiaries based on attributes like caste and land size.
- It is the **first universal basic income-type of scheme** targeted towards landed farmers.
- It is a **useful vehicle to provide support to farmers during the lockdown and it was included in the Pradhan Mantri Garib Kalyan Package.**

CHALLENGES:

- **Ad-hoc export and import policies, lack of infrastructure, and uncertainty in agricultural markets** have adversely affected agricultural productivity and stability of farm incomes.
- **Inadequacy:**
 - The **income support of ₹17 a day for a household, which is the amount offered by PM-KISAN, is largely insufficient for even bare minimum sustenance of vulnerable farmers.**
 - Due to the volatile market and price fluctuations in different regions, it is important to index the cash transfers to local inflation.
- **No grievance redressal:** The scheme does not provide a clear design of transfers and a framework for effective grievance redress.



- **PM-KISAN is not a pro-poor scheme:** While PM-KISAN aims to cover small and marginal farmers (85% of farmer population), **landless agricultural laborers and tenant farmers are left in the lurch.**
- **Administrative challenges:**
 - The scheme leaves unanswered questions like, **if beneficiary farmers wish to lease their lands to tenant farmers or keep their lands fallow for some time, are they eligible to receive cash benefits? Who will be accountable to check the opportunistic behavior of farmers?**
 - The mammoth drive of implementing PM-KISAN can **increase opportunity costs of critical (human) resources, operational risks and, eventually, shoot up operating expenses and strain the fiscal health of concerned states.**
 - There are **concerns at operational level land record reconciliation, digitization of land records, costs incurred in consolidation of land records.**
 - The **situation is slightly more complicated in the northeastern States**, as land ownership rights in the region are community-based, making it difficult to identify beneficiaries.

WAY FORWARD:

- **Adequacy:** To be effective, any cash transfer scheme should **first ensure that there is enough cash provided to help bring an affected community out of poverty**. For instance, the Rythu Bandhu in Telangana provides ₹4,000 per acre to each farmer in each season, and the Krushak Assistance for Livelihood and Income Augmentation scheme (KALIA) in Odisha offers a direct cash transfer of ₹5,000 for a farm family over five seasons, among other benefits.
- **Multiplier effect:** Government can **encourage farmers to invest some or all part of the income support in productive assets for achieving the multiplier effect of PM-KISAN.**
- **IT infrastructure:** The scheme needs back-end infrastructure and institutions in place to be effective.
- **Implementation:** An alternative **bottom-up strategy and well-planned implementation mechanism** should be identified and implemented at the local level.
- The Centre should **allow public and private institutions and market agencies to render services to the farm sector at a fair price.**
- **Proactive role of Banks:** Banks involved in primary sector lending or disbursement of crop loans, etc. needs to be sensitized properly on their critical role in implementation of PM-KISAN.
- **Responsibility of the State Governments:**
 - The State Governments must convene special meetings of the State Level Bankers Committee (SLBC) with the Lead Banks positively driving the intention.
 - Underwriting processes related to crop loss assessment and claim payout need to be authentic and fastened by insurance agencies at the auspices of state governments.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1744019>

<https://indianexpress.com/article/opinion/columns/pm-kisan-farmer-scheme-lockdown-6536208/>

<https://vikaspedia.in/agriculture/policies-and-schemes/crops-related/pradhan-mantri-kisan-samman-nidhi>

<https://www.indiatoday.in/information/story/what-is-pm-kisan-samman-nidhi-yojana-how-to-register-for-pm-kisan-scheme-1753363-2020-12-26>

<https://indianexpress.com/article/what-is/what-is-pm-kisan-samman-nidhi-yojana-6197409/>

<https://www.hindustantimes.com/india-news/govt-to-release-19k-cr-under-pm-kisan-modi-101628016039206.html>

<https://www.thehindubusinessline.com/opinion/giving-pm-kisan-the-multiplier-effect/article30812647.ece>



NEWS IN BRIEF: PRELIMS SPECIAL

Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi (PM-DAKSH) Yojana

- The government has launched 'PM-DAKSH' portal and app to make the skill development schemes accessible to the target groups of Backward Classes, Scheduled Castes and Safai Karamcharis.
- The scheme is being implemented by the Ministry of Social Justice and Empowerment from the year 2020-21.
- Under the scheme, eligible target groups are being provided skill development training programmes on up-skilling/reskilling, short term training programme, long term training programme and entrepreneurship development program (EDP).

<https://newsonair.com/2021/08/07/soje-minister-dr-virendra-kumar-launches-pm-daksh-portal-pm-daksh-mobile-app/>

India's 5-point agenda to enhance maritime cooperation

- Prime Minister Narendra Modi recently presided over a UN Security Council (UNSC) Open Debate on the topic- Enhancing Maritime Security.
- The UN Security Council then adopted India's presidential statement on maritime security.
- **Five-point agenda laid down by PM to increase maritime cooperation:**
 1. Removal of barriers to legitimate maritime trade.
 2. Resolution of maritime disputes peacefully in accordance with international law.
 3. Fight threats from natural disasters, non-state actors.
 4. Conservation of marine resources.
 5. Promoting responsible maritime connectivity.

<https://newsonair.com/2021/08/09/live-at-530-pm-pm-modi-to-chair-high-level-unsc-debate-on-maritime-security/>

National Mission on Edible Oil-Oil Palm (NMO-OP)

- Prime Minister Narendra Modi has announced this new national initiative on palm oil production to help increase farm incomes.
- The scheme involves investment of over Rs 11,000 crore.
- **Aims and Objectives of the scheme:**
 - Achieve self-reliance in edible oil.
 - Harness domestic edible oil prices that are dictated by expensive palm oil imports.
 - To raise the domestic production of palm oil by three times to 11 lakh MT by 2025-26.
- **The special emphasis of the scheme will be in India's north-eastern states and the Andaman and Nicobar Islands.**
- Under the scheme, oil palm farmers will be provided financial assistance and will get remuneration under a price and viability formula.

<https://newsonair.com/2021/08/11/pm-modis-palm-oil-initiative-to-usher-an-aatmanirbhar-bharat/>



The Bill provide that the President may notify the list of socially and educationally backward classes only for purposes of the central government.

This central list will be prepared and maintained by the central government.

The Bill enables states and union territories to prepare their own list of socially and educationally backward classes.

This list must be made by law, and may differ from the central list.

671 castes in the country would benefit from it and restore the States' rights to make their own list of OBCs.

About

Implications

Constitution 127th Amendment Bill, 2021

Context

Background

Parliament passed a constitutional amendment aimed at restoring the rights of the States and the Union Territories to maintain their own list of Socially and Economically Backward Classes (SEBCs), commonly known as Other Backward Classes (OBCs).

In May, while scrapping a separate quota for the Maratha community in Maharashtra, the Supreme Court had ruled that after a 2018 amendment in the Constitution (102nd constitutional amendment), only the central government could notify socially and educationally backward classes (SEBCs) – not the states.

The 102nd constitutional amendment (Inserted Articles 338B and 342 A after Article 342) was related to giving constitutional status to the National Commission of Backward Classes and interpretation of this constitutional amendment effectively struck a blow to the authority of state governments in identifying backward classes and provide them with reservation benefits.

<https://newsonair.com/2021/08/10/constitution-amendment-bill-2021-for-restoring-states-right-to-make-obj-lists-introduced-in-lok-sabha/>

Ujjwala 2.0 scheme

- The government has **launched the second phase of the Ujjwala gas connection scheme for the poor.**
- Launched in 2016.
- **A deposit-free LPG connection is given to the eligible household with financial assistance of Rs 1,600 per connection by the Centre.**
- The scheme gained traction with its ambit being expanded to **include 80 million poor families** from the earlier target of 50 million families with an additional allocation of Rs 4,800 crore.
- **Applicant must a woman above the age of 18 and a citizen of India.**
- Applicant should belong to a BPL (Below Poverty Line) household.
- No one in the applicant's household should own an LPG connection.
- The household income of the family, per month, must not exceed a certain limit as defined by the government of the Union Territories and State Government.
- **Under Ujjwala 2.0, Migrant workers would no longer have to struggle to get address proof documents to get the gas connections. They workers would only be required to submit a self-declaration of their residential address to get the gas connection.**

<https://newsonair.com/2021/08/10/pm-modi-launches-pradhan-mantri-ujjwala-yojana-2-0-at-mahoba-in-uttar-pradesh/>

Al-Mohed Al-Hindi 2021

- It is the maiden bilateral naval exercise between India and Saudi Arabia. It is being held in Saudi.

<https://newsonair.com/2021/08/12/al-mohed-al-hind-the-first-ever-joint-naval-exercise-between-india-saudi-arabia/>

GSLV-F10 launch



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- The **launch of earth observation satellite EOS-03 onboard GSLV-F10 was unsuccessful** recently because of an anomaly in the rocket's cryogenic upper stage.
- **GSLV-F10 was ISRO's eighth flight with indigenous cryo**, 14th GSLV flight.
- **EOS-3 was the first state-of-art agile Earth Observation Satellite** which would have been placed in a geosynchronous orbit around the Earth.
- The **GSLV expands to geosynchronous satellite launch vehicle**.
- These satellites can weigh up to 2,500 kg and are first launched into transfer orbits that have a distance from Earth of 170 km at closest approach and about 35,975 km at furthest approach which is close to the height of the geosynchronous orbit.

<https://newsonair.com/2021/08/11/isro-launcher-gslv-f10-to-launch-earth-observation-satellite-eos-03-in-sriharikota-tomorrow/>