

PM KISAN, A GAME CHANGER DBT SCHEME

Relevant for: Indian Economy | Topic: Issues related to direct & indirect Farm Subsidies and MSP

PM KISAN Scheme is a Central Sector Scheme to supplement financial needs of land holding farmers. Financial benefit of Rs. 6000 per year is transferred into the bank accounts of farmer families through direct benefit transfer. Certain categories of higher economic status are excluded from the scheme.

This ambitious scheme, which was launched on 24th February, 2019 by Hon'ble Prime Minister, is one of the largest DBT Schemes in the world. The scheme has been able to reach out to crores of farmers, with no middlemen involved in between. Maintaining absolute transparency in the process of registration and verification of beneficiaries, Government of India has been able to transfer benefits within minutes of press of a button by Hon'ble Prime Minister during the bulk release events.

The release of benefits for any installment period under PM KISAN has now crossed 10 crore farmers from 3.16 crore for the first instalment period – more than 3 times increase in over 3 years.

PM KISAN through a span of over 3 years has successfully provided assistance of more than Rs. 2 lakh crores to crores of needy farmers. Of this amount, more than Rs 1.6 crores has been transferred since the lockdown due to Covid Pandemic.

PM KISAN is an evolving scheme. The scheme was initiated with eligibility of the farmers determined on self-certification by each farmer. Improvements have been made overtime in the way farmers are registered and verified by the States.

The success of this scheme lies in the improvements introduced over time for verification and validation of the farmer details. Mandatory fields have been put in place since inception for the first level check. Once the data of eligible farmers is checked and verified by the States, it is updated on the PM KISAN portal and the same is sent to PFMS for validation of financial details; to UIDAI server for authentication of Aadhar; to income tax server to check income tax payee status; and to NPCI to verify Aadhaar seeding of the bank accounts. This has enabled the Government in continuous validation and verification of the existing and new beneficiaries.

PM KISAN is a major shift in the nature of government support to farmers in India and is one of the finest examples of good governance and use of digital public goods to reach out directly to the citizens. Taking advantage of extensive use of digital technologies in implementation of PM KISAN, the Government has also initiated steps for building a digital ecosystem for agriculture or Agri stack. This will be another digital public good in the agriculture sector, using PM KISAN data as the basis of a federated farmers database to be maintained by the States.

The building of the Agri stack also provides opportunity to Government in saturating PM KISAN scheme with all eligible farmers and to re-verify all the existing beneficiaries, as per the operational guidelines of the scheme. The land details of the existing beneficiaries are thus being seeded, as per the land records of the States, so that in future dynamic linkage with the digital land records of the States is ensured smoothly. E-KYC of the farmers and payments using Aadhar Payment Bridge (APB) have also been initiated by the Ministry of Agriculture to bring in further transparency in the scheme. This exercise will also help in weeding out farmers who may have passed away in between and have sold away their land, and may have meanwhile entered into exclusion criterion prescribed under the scheme.

There are many studies and findings, which indicate that the PM KISAN scheme has helped farmers towards productive investment in agriculture activities. This, in turn, through a multiplier effect, has contributed in overall improvement of the agricultural sector.

For instance, in an empirical study conducted in association with ICAR, the International Food Policy Research Institute (IFPRI), found that the scheme has enabled greatly in addressing the liquidity constraints of farmers for buying agricultural inputs. Further, for the small and marginal farmers, it has not only helped them to meet their requirement of funds for farm inputs, but also for their daily consumption, education, health and other incidental expenses.

Truly, PM KISAN has been a game changer in reaching out directly to the farmers in the country, every four months, and in time of their need.



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