



## Mains Practice Question

**Q.** PM-KISAN has the potential to break the cycle of intergenerational poverty and the low income of farmers. Critically Discuss.

19 Apr, 2021 GS Paper 3 Economy

### Approach

- Start the answer by briefly mentioning the objective of PM-KISAN.
- Highlight how PM-KISAN can help farmers.
- Conclude Suitably.

### Introduction

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is one of the universal basic income-type of schemes targeted towards farmers in India. The scheme aims to provide income support (Rs 6000) to farmers for easing their liquidity needs to facilitate timely access to inputs.

### Body

#### How Can PM-KISAN Help Farmers?

- **Easing Liquidity Constraints:** In India more than half of the farming households do not have access to formal credit. Also, producer support in India is very low compared to the other countries.
  - In such a situation, PM-KISAN eases liquidity constraints of farmers for procuring inputs.
- **Aiding Modernisation:** While the scheme is pitched as a general cash transfer scheme for the farmers, its role in the adoption of modern technologies remains an important contributing factor in modernization of agriculture.
  - Moreover, the scheme has significantly stimulated the Krishi Vigyan Kendras impact on the adoption of modern cultivars.
- **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.

#### Associated Issues

- **Inadequate Support:** The merit of cash transfers over loan waivers and subsidies lies in their potential greater efficiency in enabling poor households to directly purchase the required goods and services as well as enhance their market choices.
- **Volatility of Markets:** Due to the volatile market and price fluctuations in different regions, the transferred amount may remain insufficient to purchase the agricultural inputs.
- **Lack of Grievance Redressal Mechanism:** The scheme does not provide a clear design of

transfers and a framework for effective grievance redress.

- For example, in the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA), for instance, State governments still struggle to resolve complaints and curb corruption.

## Conclusion

Though the scheme directly or indirectly helps over 50% of the workforce, still a lot needs to be done to realize the dream of doubling the farmer's income by 2022.

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