



Extension of Pradhan Mantri Garib Kalyan Anna Yojana

For Prelims: [Pradhan Mantri Garib Kalyan Anna Yojana](#), [National Food Security Act, 2013](#), [Antyodaya Anna Yojana](#), Targeted Public Distribution System, e-Rupi.

For Mains: Issues Arising out of Design and Implementation of Government Policies, Beneficiaries under NFSA.

Source: IE

Why in News?

Recently, the Indian Prime Minister has announced an extension of the [Pradhan Mantri Garib Kalyan Anna Yojana \(PMGKAY\)](#) for an additional five years.

What is PMGKAY?

- The **PMGKAY** was first introduced in 2020 during the [Covid-19 pandemic](#), and was designed to provide 5kg free foodgrains to eligible ration card holders under the [National Food Security Act, 2013 \(NFSA\)](#).
- Initially set to **expire in December 2022**, the scheme was extended till **December 2023** and now, it has been **extended for an additional five years**.
- Since its inception, the government has allocated 1,118 lakh metric tonnes of foodgrains from its central procurement pool at a cost of **Rs 3.9 lakh crore**.

What is the National Food Security Act, 2013?

- **About:**
 - **National Food Security Act, (NFSA) 2013** marks a paradigm shift in the approach to food security from **welfare to rights based approach**.
- **Beneficiaries:**
 - The Act legally entitled **upto 75% of the rural population and 50% of the urban population** to receive subsidized food grains under **Targeted Public Distribution System**.
 - About **two thirds of the population therefore is covered under the Act** to receive highly subsidized foodgrains.
 - It encompasses two categories of ration card holders: [Antyodaya Anna Yojana \(AAY\)](#) and **Priority Households (PHH)**.
 - As a step towards **women empowerment**, the eldest woman of the household of **age 18 years or above** is mandated to be the head of the household for the purpose of issuing ration cards under the Act.
- **Provision:**
 - Under this program, **AAY households are entitled to receive 35 kg of foodgrains every month**, regardless of the number of family members.
 - Priority Households receive food grains based on family size, **with each member getting**

5 kg per month.

▪ **Merger of PMGKAY and NFSA:**

- In January 2023, the **PMGKAY was integrated with the NFSA**, resulting in the provision of all rations for AAY and PHH families at no cost.
- This merger **eliminated the extra provisions that were introduced during the Covid-19 pandemic** by incorporating the free component of the PMGKAY into the NFSA.

What are the Impacts of the Extension of PMGKAY?

▪ **Positive Impacts:**

- **Addressing Immediate Food Security Needs:** The extension provides **relief to lower-income households**, ensuring continued access to essential food supplies, addressing immediate food security concerns.
 - In times of economic distress or natural disasters, the **program provides a safety net**, offering immediate relief to those facing sudden hardships, ensuring basic sustenance during crises.
- **Boosting Rural Economy:** The **procurement of foodgrains** for the scheme provides support to local farmers and agricultural communities, **contributing to [rural economic growth and stability](#)**.
- **Social Cohesion:** The program fosters a sense of community welfare, where government initiatives ensure **no one goes hungry, promoting social cohesion** and a sense of collective responsibility towards those in need.

▪ **Negative Impacts:**

- **Long-term Fiscal and Economic Concerns:** The program's extension incurs significant fiscal costs.
 - Over time, the **cost may escalate due to rising procurement expenses**, leading to a burden on the government's budget.
 - There is a risk of straining the fiscal deficit, especially if accompanied by lack of corresponding revenue increases.
- **Distortion in Market Dynamics:** The extended scheme, by providing free or highly subsidized foodgrains, **might disrupt market dynamics, impacting the agricultural sector and distorting prices**.
- **Dependency and Sustainability Issues:** The perpetuation of free foodgrains could **create dependency among beneficiaries**, reducing the drive for self-sufficiency or alternative livelihood efforts.
 - Depending on government handouts may not be a sustainable, long-term solution for addressing poverty and hunger.
- **Competitive Populism and Policy Consistency:** This extension might lead to **competitive populist measures** among political parties, which may drive unsustainable policies and put pressure on public finances.

Way Forward

▪ **Short Term:**

- **Digital Vouchers for Food Access:** Utilizing [e-Rupi](#) as **digital vouchers** specifically for purchasing essential food items.
 - The government can allocate E-Rupi vouchers to targeted beneficiaries, **ensuring that the funds are utilized solely for purchasing nutritious food**.
- **Crowdsourced Distribution Networks:** Developing technology platforms or apps that facilitate the **distribution of excess food from individuals, restaurants, and supermarkets to those in need**.
 - This would involve community participation in identifying surplus food and efficiently distributing it to those who require it.

▪ **Long Term:**

- **Economic Empowerment Programs:** Instead of perpetual handouts, there is a need to **invest in programs that empower individuals economically**.
 - This could include [skill development](#), **job training, and entrepreneurial opportunities** to help people become self-sufficient.
- **Gradual Reduction of Subsidies:** Instead of abruptly stopping the free ration program,

gradually phase it out while simultaneously implementing other support systems. This can help avoid sudden shocks to vulnerable populations and the economy.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. With reference to the provisions made under the National Food Security Act, 2013, consider the following statements: (2018)

1. The families coming under the category of 'below poverty line (BPL)' only are eligible to receive subsidised food grains.
2. The eldest woman in a household, of age 18 years or above, shall be the head of the household for the purpose of issuance of a ration card.
3. Pregnant women and lactating mothers are entitled to a 'take-home ration' of 1600 calories per day during pregnancy and for six months thereafter.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 3 only

Ans: (b)

Mains

Q.1 In what way could replacement of price subsidy with Direct Benefit Transfer (DBT) change the scenario of subsidies in India? Discuss. **(2015)**

Q.2 What are the salient features of the National Food Security Act, 2013? How has the Food Security Bill helped in eliminating hunger and malnutrition in India? **(2021)**