

## A COMPREHENSIVE ANALYSIS OF PM-KISAN BENEFITS, IMPLEMENTATION, AND CHALLENGES IMPACTING FARMERS IN INDIA

B. Shrishailam\*, U. K Bhattacharyya, A. Kiran Kumar Singh, Tilling Tayo, Vikas, Amit Kumar, Deep Narayan Mishra  
 ICAR – Krishi Vigyan Kendra, Longding, ICAR – Research Complex for NEH Region, Arunachal Pradesh Centre, Basar.

Corresponding e-mail- sribathini15@gmail.com,

Manuscript No: KN-V3-2/010

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is the first universal basic income-type of scheme targeted towards farmers. Initially, the scheme was targeted at small and medium farmers, but with the declining growth in gross value added of the agricultural sector, it was extended to all farmers in May 2019. The scheme aims to provide income support to farmers for easing their liquidity needs to facilitate timely access to inputs. The PM-KISAN Samman Nidhi Scheme, initiated in 2019, serves as a crucial financial support system for Indian farmers, offering an annual Rs 6,000 subsidy distributed in three instalments directly to their bank accounts. Allocating more than 50% of the Department of Agriculture and Farmers Welfare's budget to the PMKISAN scheme in 2022-23 and 2023-24 underscores the high priority the Union government places on the initiative.

Various studies show that the scheme has significantly helped those who are relatively more dependent on agriculture and have poor access to credit. Nearly, 93% of non-beneficiary farmers had already applied for the scheme, depicting awareness and potential uptake. 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 of 2022.

### Twin Factors Aiding Success of PM-KISAN

- \* Enabling Direct Transfers to Farmers: 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.
- \* Digitization of Records: State governments have digitised the complete database of farmers who were now registered in the system with their credentials.

### Advantages of PM-KISAN

- \* Easing Liquidity Constraints: India, 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.
  - This is extremely pertinent in India, as more than 50% farmers rely on informal credit and one-fifth farmers purchase inputs on credit.
  - Producer support in India is very low compared to the other countries and the scheme will help in supplementing that.
- \* 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 Kendra's 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.

## Way Forward

\* **Raising Economic Support:** The impact of a welfare measure such as PM-KISAN can only be realised through financial support that provides farmers with adequate purchasing power to meet their daily basic necessities.

- Therefore, 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 ₹5,000 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.

\* **Technology Choices for Farmers:** It is realised that the adoption of technology for resolving liquidity issues is just one cog in the wheel.

- Knowledge and extension support is also needed to bring about adoption.
- Investing more in agricultural advisory services, the 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.

\* **Back-end Support:** The scheme needs back-end infrastructure and institutions in place to be effective.

- Adoption of modern technologies is one of the most promising strategies to increase farm incomes.
- Also, an alternative bottom-up strategy and well-planned implementation mechanism should be identified and implemented at the local level.
- The most effective modalities can then be scaled nationally and ensure success.
- Issues That Need to Be Addressed

\* **Ad-hocism:** Ad-hoc export and import policies, lack of infrastructure, and uncertainty in agricultural markets have adversely affected agricultural productivity and stability of farm incomes.

\* **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.

- Given that India's poverty line is ₹32 per person per day in rural areas and ₹47 in urban areas, according to the Rangarajan Committee, 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.

\* **Volatility of Markets:** Due to the volatile market and price fluctuations in different regions, it is important to index the cash transfers to local inflation.

- Also, the failure of Direct Benefit Transfer in kerosene in Rajasthan is a case in point, where the cash transferred to families has been insufficient to purchase kerosene, as the market price increased substantially.

\* **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.

### **Introduction of AI Chatbot into the PMKISAN Scheme**

The obstacles encountered by those using the scheme within its digital framework. Trace changes in two specific aspects of the digital framework: access to information, and changing compliances. The changes in both aspects since 2019 impact not just ‘entitlement holders’ experience of the scheme, but also potentially hamper the seamless flow of benefits. From the case studies gathered in Andhra Pradesh (AP), Gujarat, Odisha, Rajasthan and Telangana, we illustrate the struggles of farmers and local officials in navigating PMKISAN’s digital landscape. This journey underscores the necessity for streamlined and accessible information systems to ensure any welfare programme’s success.

### **Access to information**

The story of Pongo Donno, an Adivasi farmer from Odisha, whose journey to uncover his PMKISAN status illustrates how changes in the system have transformed his efforts to access this information over time. Donno’s primary concern is to stay informed about his payment status, the associated bank accounts, entitled and received instalments, as well as reasons for non-payment if any instalment is missed. This information is valuable for farmers, and is also the basic expectation from any portal providing information on a scheme. Since 2019, the essential requirement for farmers – understanding their PMKISAN status – has undergone four changes. Just as farmers and officials understood one change, another system emerged. In Donno’s case, the initial process relied on Aadhaar for ‘KNOW YOUR STATUS’ (Formerly ‘Beneficiary Status’) verification. Local officials would verify his PMKISAN status using his Aadhaar and provide the necessary information. They would also navigate through other details on PMKISAN’s Management Information System (MIS) to provide any missing information. However, this method later shifted towards verification through registration numbers or phone numbers, and later evolved to using registration numbers exclusively. For Donno, these methods proved futile as he lacked access to his registration number or didn’t have a functioning phone number linked to his PMKISAN account, which is the situation for many farmers.

Eventually, the system evolved to allow access to the registration number by using Aadhaar details. However, acquiring registration numbers remained a cumbersome task for Donno. He has to navigate the “know your registration number” option on MIS. Upon entering the OTP sent to his Aadhaar-linked mobile, Donno could access his PMKISAN registration number. This system proved less effective for farmers like him residing in areas with no network coverage, rendering the Aadhaar-phone link insignificant. Additionally, the phone number linked with the PMKISAN account option offered little help to Donno due to the frequent non-functionality of his mobile. The option of a simple paper trail would have resolved the challenges faced by farmers like Donno. This holds true for many entitlement-holders that reside in remote, network-poor areas, especially tribal farmers.

According to PMKISAN operational guidelines, ‘beneficiary lists’ should be posted at Panchayats for transparency. States/UTs should send SMS notifications to beneficiaries upon benefit sanction. But such measures are rarely followed. Even when the beneficiary lists are showcased, they lack payment details or reasons for non-payment, resulting in their ineffectiveness.

### **Challenges with changing compliances**

The changes in the compliance structure of PMKISAN fund transfers also significantly impacted farmers like ‘KorraJimbo’ from Andhra Pradesh. Originally registering in 2019 without submitting his Aadhaar, Jimbo faced halted payments post the third instalment due to the newly-mandatory Aadhaar authentication. Cross-

verifying Aadhaar names with the PMKISAN list caused nationwide payment disruptions, leaving over 97,000 farmers in AP unpaid, as reported by a 2021 LibTech India study.

Compliance evolution didn't halt there. In December 2021, E-Kyc emerged on ground, requiring farmers to submit biometrics for Aadhaar authentication either at the geographically scarce Customer Service Centre points or through the PMKISAN website via linked phone numbers, challenging those with unlinked Aadhaar-phone connections.

Came across several instances of farmers meeting the mandatory criteria of a bank account registered for Aadhaar-based payments, completed EKyc, and proper land seeding status, who faced challenges in receiving PMKISAN payments. Investigations showed their instalments were halted citing vague reasons like "Untraceable Beneficiary" and 'Old district to new district transfer', and lacked clarity on the specific reasons and resolutions.

The shift from Account Based payment to Aadhaar Based Payment System (ABPS) in March 2022 further complicated matters. Mangiben's case from Gujarat illustrates how the transition from a simple account transfer system to the ABPS in PMKISAN caused problems. Despite previously receiving funds in a known bank account, Mangiben missed her last two payments without explanation. ABPS requires farmers' bank accounts to be linked with Aadhaar and the National Payments Corporation of India (NPCI) mapper. However, for farmers who are not eligible for ABPS, the MIS incorrectly displays 'Aadhaar not linked to Bank account,' leading to confusion.

Login procedures for officials facilitating PMKISAN implementation have also evolved, from a straightforward user ID and password process to including OTPs. The Agricultural Department limited logins to NIC-registered officials, who were directed to download Kavach, an app generating OTPs for each login which was later rolled back. This convoluted procedure discouraged regular logins to address problems by local officials, further worsening challenges for vulnerable farmers. Though no clarity exists about the rationale behind the system changes, insights from official interviews suggest these modifications aim to prevent wrongful inclusions.

In conclusion, acknowledge the complex challenges posed by PMKISAN's evolving compliance landscape, the introduction of technological solutions that reduce the hardships to people are welcome. However, it is crucial to recognise that vulnerable sections, as often face digital disadvantages due to various reasons. Therefore, while embracing technological advancements, it is imperative not to compromise offline systems that have traditionally served as a lifeline for those with limited digital access. The integration of AI Chatbots should complement, not replace, existing offline mechanisms. For farmers like Donno and Jimbo, grappling with network issues and changing digital requirements, maintaining robust offline support is essential. By adopting a balanced approach that harnesses the power of technology while safeguarding the accessibility of offline systems, we can ensure not only that the benefits of social welfare programmes reach every corner of society but also make it easier for people to access their entitlements, leaving no one behind. A direct transfer scheme like PM-KISAN is a game-changer and can have significant effects if it is timely, not transaction cost heavy and is provided with complementary inputs such as extension services.

## References

Kumar, D., & Phougat, S. (2021). *Analysis Of Pradhan Mantri Kisan Samman Nidhi (Pm-Kisan) Scheme: With Special Reference to Haryana STATE*. *Journal of Global Agriculture and Ecology*, 12(2), 1-8. Retrieved from <https://www.ikpress.org/index.php/JOGAE/article/view/7064>

*Kumar P, & Kishore Babu B. (2018). A Study on Farmers Awareness Towards Pradhan Mantri Kisan Samman Nidhi Yojana in The Guntur District. Anveshana's International Journal of Research in Regional Studies, Law, Social Sciences, Journalism and Management Practices, Volume 3, Issue 3.*

*Naik, Vasudev, et al. 'Performance Of PM-Kisan Samman Nidhi Yojana in Karnataka'. Asian Journal of Agricultural Extension, Economics & Sociology, May 2022, Pp. 40–46. DOI.Org (Crossref), <https://doi.org/10.9734/Ajaees/2022/V40i930973>.*

*Bhadwal, Shiwani, And Virender Kumar. 'Fund Utilization Pattern Of PM-KISAN Beneficiaries'. Journal Of Krishi Vigyan, Vol. 11, No. 1, 2022, Pp. 185–91. DOI.Org (Crossref), <https://doi.org/10.5958/2349-4433.2022.00127.1>.*