

YES, NO, IT'S COMPLICATED

# Will the ₹6,000 farmer payout help?

**YES**



**ASHISH KUMAR BHUTANI** is Joint Secretary in the Department of Agriculture Cooperation and Farmers Welfare

The PM-KISAN scheme will provide farmers assured supplemental income

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, announced in the Interim Budget, is the biggest scheme launched by the Government of India till date for providing structured support to small and marginal farmers.

**For farmers' welfare**

Under the scheme, ₹6,000 per year will be provided to farmers holding cultivable land of up to two hectares. This has been done because the government is aware that the smaller the land holding, the greater

the need for financial support.

This is a Central Sector Scheme and will be funded fully by the Government of India. The guidelines of the scheme have been issued. The government has developed a portal for managing the scheme (<http://pmkisan.nic.in>), which has gone live. The States have to upload the data of the beneficiaries on the portal. The Ministry of Agriculture and Farmers' Welfare will transfer the benefit directly into the accounts of the beneficiaries. The amount will be credited into the ac-

count of the beneficiary within 48 hours of its release by the government.

In the 2018-19 Budget, the government announced that minimum support price (MSP) would be 1.5 times the cost of production for all the notified commodities. The Pradhan Mantri Anadata Aay Sanrakshan Abhiyan was approved by the Cabinet last year to ensure remunerative prices to the farmers. There have been various interventions to boost the production of pulses and oilseeds. Earlier, in 2016, the government launched the Pradhan Mantri Fasal



Bima Yojana to provide insurance to farmers from all risks. Thus, in the broader framework of farmers' welfare, it is easy to understand the importance of the PM-KISAN scheme.

**Institutional credit**

The government was concerned that although our farmers work very hard, and we have had record foodgrain production in the last three years, they were unable to get good prices for their produce, especially for non-MSP commodities, because of the adverse terms of trade, including depressed interna-

tional prices.

What has gone unnoticed is that the government is also trying to bring all farmers into the fold of institutional credit. The target is to bring more than six crore farmers into the Kisan Credit Card (KCC) regime. Directions have been issued for this to the States and banks. They have been advised to issue KCCs within 15 days of application by the farmers. All the charges which were being levied by the banks, including documentation and inspection charges, up to ₹3 lakhs have been waived. Credit should go to the Indian Banks' Association for taking such a farmer-friendly decision.

It is important to keep in mind that the average annual income of small and marginal farmers is well below the average income of all farmers. The benefit being given to small and marginal farmers through PM-KISAN will provide them assured supplemental income and also meet their emergent expenses, especially immediately after harvest. The scheme will be implemented with an estimated expenditure of ₹1 lakh crore till 2019-20, benefiting 12.50 crore small and marginal farmer families.

Besides being unique, the scheme is also sustainable and will increase the confidence of small and marginal farmers.

**NO**



**TATHAGATA SATPATHY** is a Biju Janata Dal MP

The amount is not even enough for farmers to fill diesel in their hired tractors

Earlier, we were told there was a battle cry during India's freedom struggle. It went like this: "Mujhe khoon do, mein tumhey azaadi doonga (give me blood and I will give you freedom)." When the Interim Budget was being read out by Finance Minister Piyush Goyal, it sounded more like, "Mujhe vote do, mein tumhey paisa doonga (give me votes and I will give you money)."

Politics in India is not 'accidental' as in *Uri*, the movie. The farm crisis is real. Admittedly, it is not a recent phenomenon. It is not the

creation of this particular party in power. It is the result of policies adopted by most of the political outfits that have governed this nation and its States for the past many decades.

The explanation for politicians turning a blind eye to the crisis is simple. While solutions to the bottlenecks in business and industry could be dished out in comfortable offices in New Delhi or State capitals, agriculture, for long, had no spokesperson or lobby in India. All the so-called elites of India looked down on farmers as poor and un-

wanted citizens that the country could well do without.

**No vikas for farmers**

All this suddenly changed. The drastic alteration took place when three of the five States that went to polls at the end of 2018 turned hostile to the BJP. Those victories were not so much victories for the Congress as they were a resounding defeat for the BJP. The underlying message was crystal clear: All the noise about 'vikas' (development) meant nothing to the farmer. The toiling Indian in the field decided, after 71 years of utter neglect, that enough is enough. The farmers



realised that numbers favoured them. They were not willing to be pawns in the hands of those who debated whether or not the Constitution of India could be printed on a postage stamp.

Such a realisation also implied deep understanding. The farmers decided that the neo-liberals want a laissez faire economy only to help big businesses.

The past and present governments were concerned primarily with restructuring corporate laws, refunding financial institutions that were sick because of bad lending, providing subsidies to industries and attracting foreign investments.

They completely forget or knowingly ignore the fact that real India is in no way involved with their cocktail circuits, foreign jaunts, and monogrammed jackets.

**The farm crisis is real**

Farmers with two hectares of land want not just ₹2,000 every four months, as the Pradhan Mantri Kisan Samman Nidhi promises. That is not even enough to fill diesel in their hired tractors. Farmers are not begging for doles. The system of governance has to understand who the small farmer is. What does the word share-cropper imply? Who is a tenant farmer? Are the land records sorted out in rural India, or are they all being purpose-

fully kept vague to enable big sharks to grab large tracts? What is land settlement and why has most of the country not gone through this process? These are the questions that we need to ask.

**Imagining a New India**

It is time for a New India. This New India requires modern irrigation facilities. It needs seeds and scientific and modern technological knowledge that can help and guide in reducing costs. It needs a rapid transition to cost-effective organic farming. It needs timely delivery of inputs and transport systems to enable commercialisation of agricultural products and activities. It does not need doles.

**IT'S COMPLICATED**



**YOGINDER K. ALAGH** is an economist and a former Union Minister

Build rural infrastructure in markets and provide tariff protection against subsidised imports

In the Interim Budget, the government has made a number of major political statements, which is understandable in an election year.

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) gives direct annual income support to farmers with a land holding of two hectares. This borrows from Arvind Subramanian's basic income support scheme for substantial sections of the rural workforce. Congress president Rahul Gandhi had stated this as his objective for the economy as a whole, if voted to power, despite

criticism. However, the Budget has shown an implicit appreciation of the idea and proposed it for a large part of the rural labour force. Landless labourers are a category in the Census and National Sample Survey Office, but as the Finance Secretary clarified, they cultivate at least kitchen plots, and so are marginal farmers for revenue purposes and are eligible for the scheme.

When we count the economic costs we factor in the terminal costs (for the year when the scheme is fully implemented) as a percentage

of, say, GDP or agricultural GDP, but such schemes take time to implement and the initial costs are lower.

**Will it work?**

Of course, there is no way of testing if sufficient funds have been provided for the scheme. Small farmers till around two-fifths of the land but are two-thirds of the labour force, since agricultural labourers also till small plots of land. The Budget speech compares the revised estimates for this year with the Budget estimates for the next fiscal. Since Budgets get scaled down when the fiscal crunch be-



comes a constraint. The Interim Budget has rhetoric, but the NITI Aayog, which wrote this, does not have any fund allocation powers, unlike the reformed Chinese planning set-up where strategic plans are buttressed with funds. So, you live from day to day. Direct Transfers are then the oxygen you need.

The Budget speech also reiterates the government's stated goal of doubling farmers' income. The government is obviously sceptical of this; otherwise an additional Direct Transfer sounds rather excessive, even in the months before an election. The budgeted figure for MSP or other support will have to be based on a cost concept that in-

cludes rent and interest on farm investments, as a committee I chaired on cost concepts for MSP had argued.

**Direct Transfers to stay**

By calling it an Interim Budget, a legal constitutional hassle has probably been avoided. But the argument that the amount that a new government can spend can be decided now is unconvincing. The new lot, even if the same party comes to power, will not be that generous in giving credit to their predecessors. The fun and games will start with the rains. Knowing our country, we can be reasonably confident that Direct Transfers have come to stay.

SINGLE FILE

## Irking the Dragon

By walking out of the INF treaty, the U.S. may have dragged China and Russia into a new arms race

ATUL ANEJA



China has predictably criticised the U.S.'s decision to walk out of the landmark Intermediate-Range Nuclear Forces (INF) treaty, which was signed in 1987 by U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev to eradicate conventional and nuclear missiles ranging

from 500 to 5,500 km from their arsenals.

Of all countries following the crumbling of the major arms control treaty, China seems to be the most impacted. The Chinese expect that the Americans will now reinforce their tactical missiles, both nuclear and conventional, in Guam, a large military base in Micronesia, at the heart of the U.S. deterrent in the Pacific. It is also expected that the Americans will pack other U.S. bases in the Pacific, especially those in Okinawa – a string of islands in the East China Sea that belong to Japan – with intermediate range missiles. By doing so, the U.S. would be able to virtually box in the movement of Chinese naval ships in the West Pacific, especially by safeguarding strategic gateways to the open sea, such as the Miyako Strait in Japan.

China is aware that the post-INF missile deployments can significantly undermine its own deterrent, especially its mid-range missiles. Currently, the Americans have no answer to China's DF-21D missiles. These weapons have been tailored to destroy U.S. aircraft carriers even at a distance of 1,450 km. China recently flaunted its DF-26 ballistic missiles, which can deliver a strike on Guam.

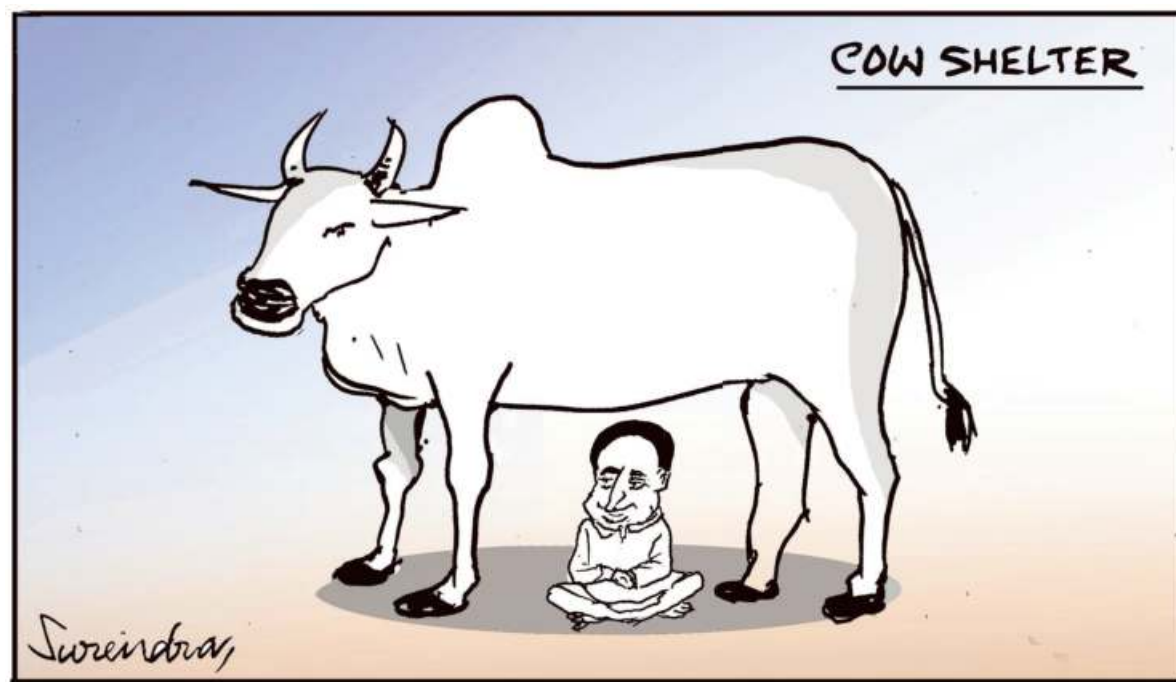
Chinese media reports reveal Beijing's apprehension that the Americans are at some point likely to propose a fresh arms control dialogue, sharply focusing on China's mid-range missiles. The new treaty targeting China's intermediate range missiles is expected to seek termination of the Chinese challenge to Washington's military dominance in the West Pacific.

But Beijing will not be second-bested by Washington in the tense ongoing tussle for equivalence, and in writing the rules, in the waters of the Pacific. A write-up published in *China Military Online*, a website affiliated with the People's Liberation Army, points out that in view of the anticipated moves by the U.S., China must rapidly reinforce its nuclear arsenal, through qualitative rather than quantitative improvements.

Besides, Beijing would have no choice but to beef up its conventional deterrence by developing hypersonic missiles, which can smash into targets at five times the speed of sound, unharmed by any existing ground-based missile defences. The next generation of strategic bombers as well as long-range air-launched cruise missiles could also be on Beijing's radar.

By taking the miscalculated step of walking out of the INF treaty, the U.S. may have dragged China, as well as Russia, into a new and unpredictable arms race, with the potential of destabilising the Indo-Pacific.

The writer is The Hindu's China correspondent



DATA POINT

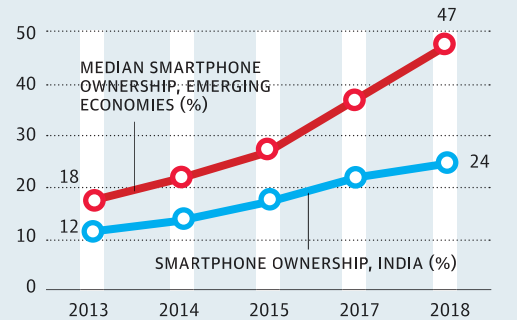
### Upwardly mobile

Nearly 64% of Indian respondents who were part of a global survey in 2018 owned a mobile phone and 24% owned a smartphone. While India's smartphone ownership has increased over time, the rise has been slow compared to other emerging economies\*.

By Varun B. Krishnan

**One in four have smartphones...**

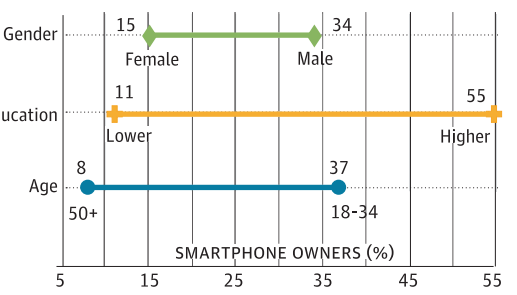
...But the gap between smartphone ownership in India and other emerging economies has widened over the years



**Demographics change**

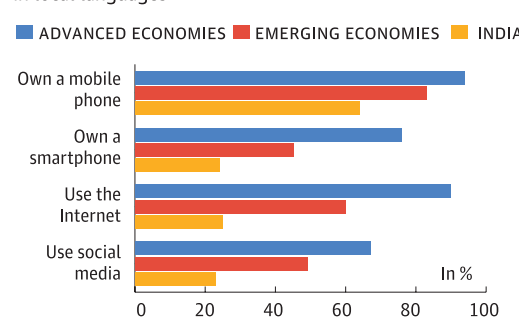
In India, the sharpest contrast in smartphone ownership was among those with different education levels\*. Its gender gap was also the highest among the countries surveyed

\*Lower education: below secondary; higher: secondary or above



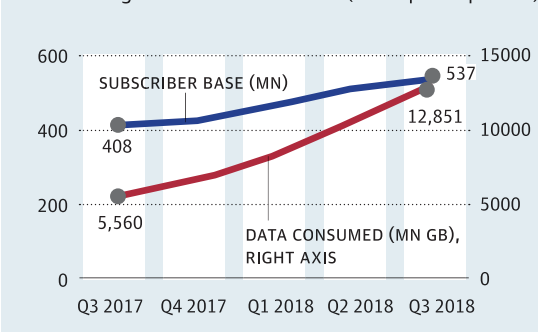
**Global comparison**

The percentage of Indians who use social media is low, but the numbers are expected to grow due to falling costs of data, and the availability of smartphones and social media in local languages



**On the upside**

However, the no. of wireless data subscribers in India, a proxy for smartphone usage, indicates that there has been consistent growth in the no. of users (Data up to Sep. 2018)



FROM The Hindu ARCHIVES

FIFTY YEARS AGO FEBRUARY 8, 1969

### Admission to degree courses

A proposal to abolish the age limit for admission to colleges for degree courses is under the consideration of the University Grants Commission. This step is being taken to simplify procedures for admissions. The U.G.C. has already recommended the scrapping of the cumbersome requirement regarding migration certificates. In regard to the age restriction, more than 50 universities in the country have prescribed age limits for admission to various degree courses. In Delhi, for instance, unless a student completes 16 years he is not admitted into the B.A. first year. The U.G.C. has taken the view that it is unfair to refuse admission to a student just because he has not completed the prescribed age. Even if a candidate is short by a few days, he is not eligible for higher studies now. Only last year, the student who stood first in the higher secondary examination, Delhi, with record marks, was refused admission to a college because he was under-aged.

A HUNDRED YEARS AGO FEBRUARY 8, 1919

### Germany's War Guilt.

At the International Socialist Conference, Eisener, head of the Bavarian Government speaking in the debate on the responsibility for the war, pleaded guilty on behalf of German Socialists, but argued that Germany could expiate her guilt by advancing on the path of Socialism [according to a Feb. 5 report from Berne]. He claimed that Germany was now the most democratic country in the world. Kantsky German Independent Socialist declared that documents proved Germany's guilt. Bethmann Hollweg's statement that France attacked first was a lie. Doctor Adler, German Majority Socialist, placed on the table a declaration that the war was due to the Imperialist policy of the old German Government and recognising the need for inquiry. He admitted that attempts to justify the invasion of Belgium which was a breach of international law had been a pronounced failure. He stated that the German Republic did not wish to escape any guilt which might be established.

### CONCEPTUAL Ethical intuitionism

PHILOSOPHY

Also known as moral intuitionism, this refers to the philosophical belief that there are objective moral truths in life and that human beings can understand these truths intuitively. In other words, what is right or wrong is considered by ethical intuitionists to be self-evident in nature and cannot be known through human experience. The idea was popularised by American philosopher Michael Huemer in his 2005 book *Ethical Intuitionism*. Critics of ethical intuitionism argue that people may come to different moral conclusions even after consulting their inner intuition. Others question whether people can arrive at moral conclusions at all using their intuition.

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