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4 August 2022

Online at <https://mpra.ub.uni-muenchen.de/118662/>
MPRA Paper No. 118662, posted 04 Oct 2023 13:27 UTC

Socio-Economic Status and Utilization of PM-KISAN Financial Assistance: An Empirical Analysis of Davanagere District Beneficiaries in Karnataka

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Abstract

The population which has more farmers that economy usually depends on primary sector. In such circumstances, obviously there are many obstacles for the development of the country. Due to family issues and drawbacks of the land reforms the land fragmentation was raised and simultaneously that enhanced the amount of Small and Marginal Farmers (SMFs). Those farmers have lots of issues for their usual agronomic practices, to eradicate such problems the PMKISAN scheme was launched in December 1st 2018. The study intends to analyse the utilisation pattern of scheme benefit and to evaluate the socio-economic condition of the beneficiaries in the study area. The study used both descriptive and inferential statistics research methods to interpret the gathered information and found that most of the SMFs have been utilising the scheme financial benefit in productive way and still the scheme required to enhance the socio-economic condition of Schedule Caste and Schedule Tribe (SC/ST) beneficiaries rather than the others.

Key words: Land reforms, Land fragmentation, SMFs, Agronomic, Socio-Economic

Introduction

The most developing countries economy based on agriculture and considered as the core sector which provides the livelihood to a significant proportion of the populace, especially in rural areas. The India's agriculture and allied sector share has been in declining tendency in gross domestic product (GDP), though the agriculture sector is considered as a backbone of the rural India. Besides the contribution of agriculture in GDP, employment and exports, it is also a base for the industrial sector as it provides surplus labour as well as raw material such as cotton textile, jute, sugar etc. to the industrial sector. Thus, the agriculture and allied sectors in the context of Indian economy play a vital role not only in providing employment to rural population, but also act as a raw material and catalyst for other sectors in the economy.

The agricultural and allied activities share was around 51.9 percent in 1950-51, gradually it was declined to 13.9 percent in 2012-13 in GDP [Economic Survey, Various Issues]. At the same, the occupational share in agriculture was 73 percent in 1951 and declined to 48.9 percent in 2011-12 [Misra & Suresh, 2014]. Nonetheless, the India's agriculture spread around many changes in terms of cropping pattern, advancement of technology, transformation of employment, enhancement of landholding, etc. But during past few decades there are some adverse effects caused and resulting the declining tendency for the share of agriculture contribution in GDP.

The size of small and marginal farmers' (SMFs) has been increasing gradually as the problems of farmers rise. Since, this sector has been burdening by many issues among the significant are unemployment and poverty. Most of the problems face by SMFs, henceforth to increase the productive capacity of SMFs through higher financial support has been an important goal in developing countries. It has been suggested that due to limited scope for expansion of arable land there is a need to increase yields to their technically highest levels through appropriate investment in basic infrastructure, human development, and research and extension services [Chavas 2006, Zepeda 2006]. The small landholding caused by the subject to fragmentation because of land ceiling acts, family disputes in some cases and ultimately, it is around an average size of land holdings is less than 20,000 m². Due to small holding agronomic practices, disguised unemployment and lower productivity has been severely influencing the primary sector in India [Nidhi Dwivedy, October 2, 2011].

To upliftment of SMFs' who has landholding below 2 hectares, the central government of India introduced many programs among PM-KISAN Yojana is also one which provides a financial inducement to the farmers through instalments under certain duration gap since December 1st of 2018. The scheme aims to provide financial support to the small and marginal farmers to get hold of various inputs such as crop health and appropriate yields, proportionate count on with the farm income at the end of each crop. This would also protect them from falling in the clutches of moneylenders for meeting such expenses and ensure their continuance in the farming activities.

The SMFs landholder farmer family is defined as "a family comprising of husband, wife and minor children who collectively own cultivable land upto 2 hectares as per land records of the concerned State/UT". This scheme provides an annual income of Rs. 6000 within 3 instalments of Rs.2000 per each instalment with the gap every 4 months. That's restricted to

Small and Marginal farmers of the nations. In India, as per financial Year 2018-19 the projected amount of SMF's was 13.54 crore but 12.50 crore had been considered due to few certain categories' exclusion.

A study which analysed the performance of PMKISAN as a farmers income assistance programme revealed that, large proportion of the beneficiaries belong to Uttar Pradesh (22%), followed by Maharashtra (10.2%) and Madya Pradesh (7.2%). The states such as Manipur, Punjab, Andaman & Nicobar Islands, Assam and Haryana rank high while the states like Sikkim, Goa, Lakshadweep, Puducherry, Tripura, Bihar, etc., appear at the bottom. There are many responsible factors which determine the scheme effectively, they are adequate finance, advancement of infrastructure, greater spread of technology dissemination [H N Kavita et. al., 2020].The primary condition for the accomplishment of the developmental goals is derived from the allocation and spending patterns of the central and state governments in this area which will help in realization of the targets in the six key areas, viz., income and poverty, education, health, women and children, infrastructure and environment[Karnam, April 2018]. As a result of a study, that the system of some schemes successfully, small and marginal farmers are capable of setting up the system themselves and they utilizing the opportunities efficiently. There are still many constraints like lack of knowledge and capital, no incentives to raise production, etc. [Anderson L, March 2005].

An author strongly noticed that, the targeted SMFs who come under Dr. B R Ambedkar Development Corporation they are very less aware towards schemes [Devarajappa, Feb 2018].Sustainable agricultural financial institutions systems needed to build and provide required necessities and marketing infrastructures. These kinds of inducements change the farmers thinking habits towards good agronomic practices and allied activities [Mohan, 2006].

Based on these research studies the current article intends to analyse the below objectives. Because the studies which have done so far, analysed and suggested few financial assistances from central and state governments towards farmers and financial institutions support for the agricultural area and how SMFs have awareness among some public schemes. But no studies have done PMKISAN financial assistance towards SMFs socio-economic conditions and their utilisation pattern analysis.

Objectives

- To analyse the productive and unproductive use of PMKISAN benefits.
- To critically evaluate the Socio-Economic status of PMKISAN beneficiaries.

Methodology

The study used an inferential and descriptive method of research designs and considered primary data to interpret the undertaken objectives. The entire study region is Davanagere district of Karnataka State, is divided into two broad areas based on redressal of Regional Imbalances such that backward and developed taluks. The obtained two-taluks picked with the help of lottery method and in each taluk by the side of dry land region (20), semi dry land region (20) and irrigated region (20) three villages were chosen. Finally, 120 beneficiaries have drawn from six villages of two taluks with the help of random sampling. Systematic questionnaire, observation and field survey are the tools and method for the data collections respectively. To test the first objective F test has been used and to depict the data, study used percentage method in a systematic tabulation. Many of the secondary sources had been used such as PMKISAN website source, journal articles, economic survey reports, agriculture statistics, newspapers information, etc.

Results and Discussions

Since beginning so far, the scheme has been completed six instalments, most of the beneficiaries have been getting the benefit of the scheme. But in general, across all the categories of the beneficiaries have not been adequately utilizing the scheme benefit. Usually, the family of farmers which have good standard of living invest the benefit in non-agronomic practices and at the same time families which have poor background in the society invest in agricultural activities due to get basic and essential livelihood.

Basically, the study identified the SMFs expenditure determinants in few aspects where the farmers invest their money more, with the focus of only scheme financial assistance. The identified factors are like,

- | | |
|------------------------------|-----------------------------------|
| a) Expenditure on Seeds | g) Expenditure on Fertilizers |
| b) Expenditure on Pesticides | h) Borewell maintenance Expense |
| c) Wages given to Labourers | i) Transportation Cost |
| d) Animal Husbandry Expense | j) Petty shop maintenance Expense |
| e) Groceries Expense | k) Health Expense |
| f) Personal Expenses. | |

Most of the beneficiaries (3/4th) do productive expenditure and there is relatively less unproductive expenditure. The previous paper which has used F test to test the difference between these expenditures across the categories (SC, ST and Others) resulted that, except all only expenditure on seeds, groceries and health have significant difference at 1% level of significance and expenditure on fertilizer has significant difference at 5% level of significance.

There will be usually difference in the expenditure among the categories of the scheme beneficiaries. Broadly the categories have been dividing as SC, ST and Others. Their expense determines their socio-economic status, to evaluate the socio-economic profile the study taken few socio-economic factors such as,

- a) Categorical Analysis
- b) Age-wise Analysis
- c) Literacy Status Analysis
- d) Occupational Structure Analysis
- e) Size of land holding Analysis

With these the study described that the beneficiary's socio-economic status across the different categories. The Table 1.1 shows the socio-economic status of study area beneficiaries with respect to categories.

Table 1.1 Socio-Economic Profile of Beneficiaries with different Categories

Particulars		SC	ST	Others	Total
Age	Young Adult	3	1	0	4
		8.57%	2.5%	0%	3.33%
	Middle Adult	25	19	20	64
		71.42%	47.5%	44.44%	53.33%
	Older Adult	7	20	25	52
Total	20%	50%	55.55%	43.33%	
Education	Illiterates	17	18	20	55
		48.57%	45%	44.44%	45.83%
	Primary	7	15	11	33
		20%	37.5%	24.44	27.5%
	Secondary	7	3	9	19
		20%	7.5%	20%	15.83%
Elementary	4	4	5	13	
Total	11.42%	10%	11.11%	10.83%	
Farmer land Size	Marginal	35	40	45	120
		28.57%	40%	51.11%	40.83%
	Small	25	24	22	71
		71.42%	60%	48.89%	59.16%

	Total	35	40	45	120
Occupation	Farmer	26	30	33	89
		74.28%	75%	73.33%	74.16%
	Petty Trader	2	4	6	12
		5.71%	10%	13.33%	10%
	Self Employed	7	6	6	19
20%		15%	13.33%	15.83%	
Total	35	40	45	120	

Source: Primary Information collected by the Author

1. **Category:** Most of respondents were having a place with the others category 45 (37.5%) classification. There are 40 (33.33%) of them were ST, and 35 (29.5%) had a place with SC category. Unfortunately, the backward class SMFs are from beneath the neediness line and they don't have an awareness from some issues and other kinds of administration. In this manner, most of the upper community SMFs have been getting benefit rather than the SC/STs.
2. **Age:** It is a major socio-economic factor which strengthens the living standard of the farmers. It is broadly classified into 3 ways, they are namely young adults (18-35), middle adults (35-55) and older adults (55 above). The classification is to understand the distribution of beneficiaries across different age group. Most of the beneficiaries are middle adults, comparatively majority (71%) of the SC beneficiaries from middle age then followed by ST(47%) and Others (44%). There are more old adult beneficiaries from others (55.5%) followed by ST (50%) and SC (20%). The young adults' rate is high in SC (8.75%) rather than ST (2.5%) and in others category there is no young adult beneficiaries, because most of the families who come in others category, usually they prefer education for their young adults.
3. **Literacy:** The classification for this is, illiterates (Zero level of schooling), primary (1-7), secondary (8-10) and elementary (11-12) schooling. The examination found that a large portion of the respondents were unskilled and illiterates. 55 (45.83%) were uneducated beneficiaries, 33 (27.5%) and 19 (15.83%) were from primary and secondary respectively, only 13 (10.83%) had complete elementary education out of 120 beneficiaries. Most of the ST beneficiaries 15 (37.5%) had completed primary schooling than others 11 (24.4%) and SC 7 (20%). There is equal secondary education between SC and others (20%) but only 3 (7%) were ST. The elementary education is also high from others 5 (11.11%), SC and STs were 4 (11%) and 4 (10%)

respectively. It is clear that the other category beneficiaries of SMFs have been preferring education more than SC and STs.

4. **Land holdings:** This is the asset which shows the property of farmers to assess their standard of living. Broadly farmers are classified into 2 parts based on land holdings, marginal farmers (1-2.5 acre/ below or equal to 1 hectare) and small farmers (2.5-5 acre/ below or equal to 2 hectares). Most of the farmers had small size 71 (%) land holding and 49 (%) had marginal land holdings. Under small land holdings, 25 (75.42%) were SC, 24 (60%) ST and only 22 (48.88%) were others. This reveals most of the SC/STs are below the small landholdings than others. Similarly, there is a paradox in marginal landholding, there were 23 (51.11%) of the other SMFs, 16 (40%) of ST and only 10 (28.57%) were SC, which resulted that there are majority of SC/ST SMFs landless and not able to have at least minimum land holdings.

5. **Major Occupation of the Beneficiaries:** The majority of the families originated their labour force to primary sector, it is 89 (74.16%) and 19 (%) beneficiaries from the self-employment labour force and just 12 (%) were petty traders. Since, majority were from agricultural background under that ST 30 (75%) higher, SC 26 (74.28%) and others 33 (73.33%). In the petty trading employment, there were ST 4 (10%), SC 2 (5.71%) and others were 6 (3.33%). Many of the self-employed from SC 7 (20%) followed by ST 6 (15%) and others 6 (13.33%). The result found that majority of the SC/STs have been doing agronomic practices, there are very less petty trading and skilled work such as garage, tinkering, tailoring, etc. as well.

Findings

1. Majority of the beneficiaries (3/4th) do productive expenditure and relatively less unproductive expenditure.
2. Most of the other category (37.5%) SMFs have been getting benefit rather than the SC/STs.
3. The other category beneficiaries educated are (55.55%) and also prefer education for their young adults.
4. A result revealed most (40.83%) of the SC/STs are below the small landholdings than others.

5. There are majority of SC/ST SMFs landless and not able to have at least minimum land holdings.
6. The result found that majority (46.66%) of the SC/STs have been doing agronomic practices and less petty trading and skilled work such as garage, tailoring, etc.

Suggestions

1. There is less awareness among SC/STs towards the public schemes and specially accessibility and working mechanism of the scheme.
2. Most of the SMFs of SC/STs are below small landholdings and many of them have not minimum land. For this, government should uplift them to have lands by giving loans and advances.
3. The scheme enhances the financial assistance towards allied and non-agricultural activities along with the agricultural activities.

Conclusion

There are several programmes which uplift the SMFs standard of living, among PM-KISAN has been performing a vital role by giving annual financial support. Obviously, there is improvement and enhancing the agronomic activities of SMFs of India and in the study area as well. As per the study most of the small and marginal farmers (3/4) have been utilising the financial assistance in a productive manner rather than the unproductive. Moreover, except all the undertaking factors only expenditure on seeds, groceries and health have significant difference at 1% level of significance and expenditure on fertilizer has significant difference at 5% level of significance. This shows the expenditure varies sometimes based on essentials and needed factors. Where the essential factors are more there is no such a great difference between them across the categories and for the non-essentials which varies the expenditure based on the need varies the expenditures.

The socio-economic background of the targeted beneficiaries also had difference across the different categories among many factors. There is most of the SMFs from the side of other community background and less SC/STs. Because still there is need of awareness for the backward community farmers. There is most of the other community SMFs preferred education and good standard of living, but backward community SMFs till required good amount of education, landholding and well occupation compare to other communities. Therefore, along with the financial assistance government should make some remodifications

in the scheme guidelines which they brought a drastic change in the socio-economic and standard of living of the lower communities of the beneficiaries with the comparison to others.

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