Safety Net for Farmers

Dr Jagdeep Saxena

Agriculture is the mainstay of Indian economy accounting for primary livelihood of approximately 52 per cent population and a chief source of raw materials for many major industries. The share of agriculture and allied sectors in total GVA (Gross Value Added) of the economy has a long term trend of 18 per cent which improved to 20.2 per cent (2020-21) and 18.8 per cent recently. Millions of farmers, including fishermen and cattle keepers, diligently contribute to growth story of agriculture which has gained global recognition and accolades in the recent times. Small farmers are generally economically impoverished, earning only 39 per cent of what medium holders earn, and only 13 per cent of what large holders earn. Hence, it was befitting to formulate and implement social security schemes for farming community by and large, and specifically for small and marginal farmers.

Farming in India is dominated by marginal and small farmers (below 1.00 hectare and 1.00-2.00 hectare land holdings respectively) who account for nearly 86 per cent of all the farmers in the country, but own just 47.3 per cent of the crop area (10th Agriculture Census, 2015-16). In comparison, semi-medium and medium land-holding farmers owning between 2-10 hectares of land account for 13.2 per cent of all farmers, but own 43.6 per cent of crop area. Smallholder farmers are unable to capture commensurate value for their farm produce mainly due to low visibility of demand; limited access to efficient and low-cost logistics; and low power of bargaining. A study indicates that small farms are more efficient, especially in cultivating labour-intensive crops or keeping livestock, but land holdings are too small to generate sufficient household income. Hence, small farmers are generally economically impoverished, earning only 39 per cent of what medium holders earn, and only 13 per cent of what large holders earn. Additionally, according to the National Sample Survey (77th Round, 2019), 50.2 per cent of agri-households in India are in debt and an average household has debt equivalent to 60 per cent of its annual income. The annual income of a farm household was Rs 1.23 lakh, and the average debt was Rs 71,100 from July 2018 – June 2019. The survey also showed increasing fragmentation of holdings vis-à-vis increasing number of small farmers. The average size of household ownership holding has declined from 0.725 hectare in 2003 to 0.592 hectare in 2013, and further to 0.512 hectare in 2019. This trend is an issue of concern for policy planners with special reference to the target of doubling the income of farmers in near future.

Hence, it was befitting to formulate and implement social security schemes for the farming community by and large, and specifically for small and marginal farmers.

The author is Former Chief Editor, Indian Council of Agricultural Research, New Delhi. Email: jagdeepsaxena@yahoo.com

At the time of independence, Indian policymakers envisioned welfare and social security for labourers and workers engaged in all sectors. The vision included farmers, farm labourers, and agricultural workers across the agriculture and allied sectors. International Labour Organization (ILO) defines social security as the protection that a society (Government) provides to under-privileged/disadvantaged groups to ensure access to healthcare and to guarantee income security. One of the earliest enactments of independent India concerning social security was the Employees' State Insurance (ESI) Act in 1948. But, the ESI Act required an employer-employee relationship which the farming sector does not have due to obvious reasons. Soon, the Government of India initiated some welfare and social security schemes for economically weaker sections of the society, but an ambitious and exclusive scheme for livelihood/income guarantee of rural people was launched only in 2005. The National Rural Employment Guarantee Act 2005 (later renamed as Mahatma Gandhi NREGA) was passed by the Parliament as a legal social security measure that guaranteed the 'right to work'. Accordingly, a scheme (Mahatma Gandhi NREGS) was launched in a demand-driven model to provide livelihood security to rural households. Basically, it is an employment programme that guarantees at least 100 days of wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. In case of non-offering of work, the beneficiary is eligible for unemployment allowances to be paid by the State as per the provision of MGNREGA. In addition to this, there is a provision for an additional 50 days of unskilled wage employment in a financial year in drought/natural calamity-notified rural areas. Over the years, MGNREGA has emerged as a flagship programme which addresses poverty in a holistic manner by overcoming social inequalities and creating a base for sustainable development through asset creation in rural areas. Various categories of work undertaken in MGNREGA have assured better lives for the poor through wages, income, and durable assets. A major chunk of resources are spent on works related to natural resource management (check dams, ponds, renovation of traditional water bodies, field bunds, water conservation, irrigation works, etc.) which ensure higher income to farmers by enhancing both the area under cultivation and yield of crops. The creation of durable community and individual beneficiary assets (goat sheds, dairy sheds, vermi-compost pits, water soak pits, etc.) have helped the underprivileged to have access to an alternative sustainable livelihood. Solid waste management works have led to cleaner villages, higher incomes, and more diversified livelihoods for the poor. During 2021-22, MGNREGA recorded 15.54 crore active workers; 352.91 crore person-days generated; 51.85 crore DBT transactions; 7.18 crore households benefitted; and 2.27 crore individual category works.

Deendayal Antyodaya Yojana

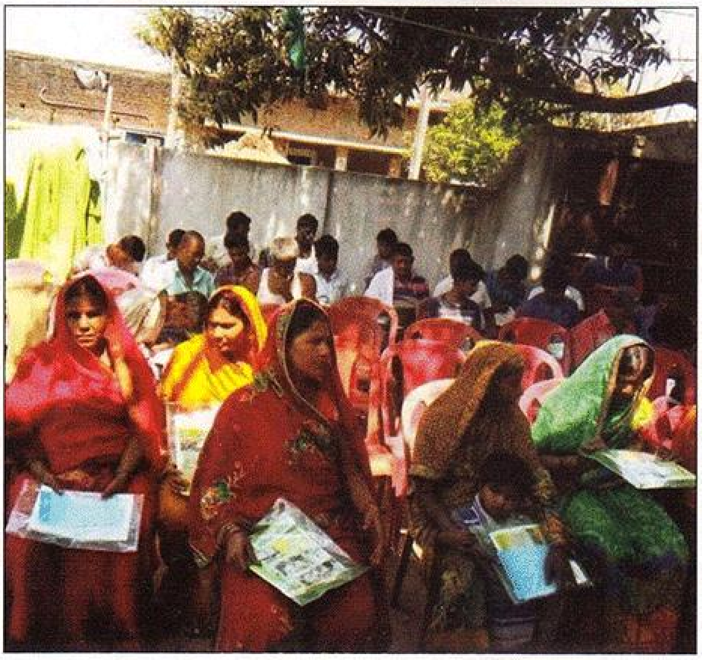
DAY-National Rural Livelihoods Mission (DAY-NRLM) is a unique social security scheme that aims to reduce poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities. The Mission seeks to alleviate rural poverty by mobilising rural poor women into Self Help Groups (SHGs). The Mission aims to mobilise 8-10 crore rural poor households into SHGs in a phased manner and provide them long-term support such that they diversify their livelihoods, and improve their incomes and quality of life. As on February 2022, the Mission is being implemented in 6,789 blocks in 707 districts across all 28 States and 6 Union Territories. Cumulatively, 8.16 crore women have been mobilised into more than 74.98 lakh SHGs.

Financial support is provided to budding SHGs by providing Revolving Fund (at Rs. 10,000 – 15,000 per SHG) and Community Investment Support Fund (upto Rs. 2.50 lakh per SHG). SHGs use these funds to provide loans to their members to undertake income-

> ILO defines social security as the protection that a society (Government) provides to under-privileged/disadvantaged groups to ensure access to healthcare and to guarantee income security. One of the earliest enactments of independent India concerning social security was the Employees' State Insurance Act in 1948.

generating socio-economic activities as per their micro-credit or investment plans. As on 28 February 2022, a total of Rs 17,342 crore of capitalisation support has been provided to SHGs and their federations. Nationalised Banks provide loans to women SHGs under the uniform interest subvention scheme of the Government of India. Under a sub-component of DAY-NRLM (Mahila Kisan Sashaktikaran Pariyojana or MKSP), women farmers are being empowered by making systematic investments to create sustainable and diversified livelihood opportunities for them. Women farmers are trained in several areas of livelihood importance (kitchen gardening and nutrition gardening, development of low/minimum cost diet with high nutrient efficiency, latest agricultural and allied technologies, processing and value addition, rural crafts, etc.) through community resource persons and extension agencies. More than 58,000 Krishi Sakhis were trained by over 730 State Level Resource Persons and 1.23 lakh women farmers participated in special women farmer training conducted by KVK (Ministry of Agriculture and Farmers' Welfare, 2021). About 38 lakh women farmers have been trained under MKSP and a total of around 1.44 crore have been covered under DAY-NRLM (December, 2021). The Ministry of Rural Development operates a wide-angle social security scheme– National Social Assistance Programme (NSAP)— to provide financial assistance to the elderly, widows, and persons with disabilities in the form of social pensions. It covers urban as well as rural citizens that include a large number of farmers, rural artisans, landless labourers, and their families. The programme is being implemented through defined

Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) is a unique social security scheme that aims to reduce poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities.



and structured pension and welfare schemes for target groups. Funded by Central and State Governments, the programme has so far provided financial relief to over 42,51,7900 beneficiaries in different categories. Various other Government-sponsored programmes are contributing towards social security of farmers through income generation, skill development and financial inclusion activities.

Lending a Helping Hand

The majority of Indian farmers, especially small and marginal ones, face financial crisis during sowing season which quite often leads them into the trap of indebtedness. To address the issue, the Government of India launched a path-breaking income support scheme for farmers in 2019. Named as Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), the scheme aims to supplement the financial needs of farmers in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income at the end of each crop cycle. This would also protect them from undue reliance on moneylenders for meeting such expenses and ensure their continuance in the farming activities. Under the Scheme, financial assistance of Rs 6,000 per annum is provided to all landholding farmer families across the country, subject to certain exclusion criteria related to higher-income strata. The amount is transferred in three monthly installments of Rs 2,000 each, directly into the bank accounts of the beneficiary farmers identified by the State/Union Territory Governments. As on 22 February 2022, funds amounting to Rs 1.82 lakh crore in various installments have been released to the beneficiaries across India out of which Rs 1.29 lakh crore has been released during the Covid-19 pandemic period. It has benefitted about 11.78 crore farmers belonging to different categories.

Small and marginal farmers have minimal or no savings to sustain their livelihood during their old ages. Acting proactively on the sensitive issue, the Government of India launched a customised pension scheme for farmers in 2019. Named as Pradhan Mantri Kisan Maandhan Yojana (PMKMY), the Scheme aims to provide a social security net for the small and marginal farmers by way of pension. A minimum fixed pension of Rs 3,000 per month is provided to the eligible small and marginal farmers on attaining the age of 60 years. The Scheme is voluntary and contributory in nature with an entry age of 18 to 40 years. The beneficiary is required to contribute Rs 100 per month at median entry age of 29 years, whereas the Central Government also contributes equal amount to Pension Fund.

The Pradhan Mantri Fasal Bima Yojana (PMFBY) is a uniquely designed social security scheme under which financial assistance is provided to farmers in distress due to loss/damage to crops arising out of natural calamities. Over 36 crore farmers have been insured under the scheme with over Rs 1,07,059 crore of claims which have already been paid as on 4 February 2022. The Scheme has been able to provide financial assistance to the most vulnerable farmers, as around 85 per cent of the farmers enrolled under it are small and marginal farmers.

In addition to centrally sponsored schemes, various State Governments are also operating social security schemes for farmers to address their specific needs. The Government of Maharashtra has been running the 'Gopinath Munde Farmers Accident Insurance Scheme' since 2015. The Scheme covers victims (farmers) of accidental death and those who have been left handicapped by an accident. Under the Scheme, animal attacks, Naxal attacks, murder, electric shocks, etc., are also treated as accidents, and victims are compensated accordingly. The Government of Gujarat is implementing 'Farmer's Accidental Insurance Scheme' since 1996. The Scheme provides insurance coverage to the registered farmers in case of accidental death or permanent disability. The insurance premium (100%) is paid by the State Government; farmers only need to get themselves registered under the unique social security scheme for the agricultural workers. It's a dual purpose scheme that on one side provides pension and on other side also ensures insurance benefits in case of accidental death or disability. Similarly, Uttar Pradesh and other States are also running such accident insurance schemes for farmers.

Besides specific schemes, farmers and agricultural workers need a comprehensive social security programme that must cover all the exigencies as enumerated by ILO. These include death, disability, sickness, health, injury, unemployment and various types of accidents. Such programmes need to be implemented with an effective and widespread infrastructure at the grassroots level so that last mile connectivity is ensured. Details and benefits of such schemes must be disseminated through various media to maximise their impact on the social well-being of farmers. ❑

DO YOU KNOW?

Blue Revolution

Fishery is an important source of food, nutrition, employment, and income in India. The sector provides livelihoods to about 16 million fishers and fish farmers at the primary level and almost twice the number along the value chain. The marine fisheries sector is dominated by the socio-economically backward artisans and small-scale fishers whose lives and livelihoods depend on oceans and seas. Aiming for social security and welfare of fishers, Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying implemented a 'National Scheme of Welfare of Fisherman' for a period of five years. It was one of the components of the comprehensive centrally sponsored scheme, 'Blue Revolution: Integrated Development and Management of Fisheries', which has ended on 31 March 2020.

Currently, the Department of Fisheries is implementing a flagship programme called 'Pradhan Mantri Matsya Sampada Yojana (PMMSY) with a highest ever investment of Rs 20,050 crore for a period of five years (2020-21 to 2024-25). The ambitious scheme aims sustainable and responsible development of fisheries sector, but inter-alia includes some key provisions for social security and welfare of fishers and fish farmers.

Livelihood and nutritional support are provided to socio-economically backward active traditional fishers

families during the fishing ban/lean period. Under this component, financial assistance is provided at Rs 4,500 per fisher which includes Rs 3,000 per fisher to be provided by the Government and Rs 1,500 to be contributed by the beneficiary for three months consisting of fishing ban/lean periods.

Under the component of insurance to fishers, the following compensations are provided –

1. Rs 5,00,000 against accidental death or permanent total disability;
2. Rs 2,50,000 for permanent partial disability; and
3. Insurance coverage for hospitalisation expenses in the event of an accident for a sum of Rs 25,000.

A sum of Rs 369.55 crore of central share has been spent for implementation of this Scheme from 2017-18 to 2021-22 (February, 2022). ❑