

VAID'S ICS LUCKNOW

NOTICE:

Daily Answer Writing Programme (DAWP):

Topics-Editorials from the Hindu/ET

Today's Question (05/ 07/2019)

Q. The economy needs stimulus & the budget has to push for growth while ensuring fiscal responsibility. Discuss.

250 words

अर्थव्यवस्था को प्रोत्साहन की आवश्यकता है और बजट में राजकोषीय उत्तरदायित्व सुनिश्चित करते हुए विकास पर जोर देना होगा। चर्चा कीजिए।

(Model Answer of the last Day Question)

‘The PM Kisan Yojana is limited in both scope & implementation’. Examine *250 words*

- The PM- Kisan Yojana was launched to provide income support at the rate of Rs. 6,000 per year to **vulnerable landholding farmer families, having cultivable land upto 2 hectares**. This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal installments of **Rs. 2,000 each**.

Significance of the scheme:

- It has immediate impact on **reducing hunger and rural poverty**.
- They can help households to overcome credit constraints and manage risk. This can increase **productive investment, increase access to markets and stimulate local economies**.

- Income support can be used to make a repayment or at least activate a bank account which can then receive a loan.
- It can increase investment in **agricultural inputs**, including farm implements and livestock.
- It can serve as an important complement to a broader rural development agenda, including a **pro-poor growth strategy** focusing on agriculture.

Challenges -

- Landless labourers are not being covered under PM-KISAN.
- Cash transfers are not greatly superior in terms of leakages compared to other schemes of in-kind transfer such as the **public distribution system (PDS)**.
- Cash transfer scheme such as PM-KISAN cannot be substituted for subsidies and other institutional support systems such as the **National Food Security Act**-powered public distribution system.
- Cash transfers do not solve the following problems which are the reasons for the **current agrarian crisis**.
- Cash transfer is neither a substitute for the **structural reforms** needed in agriculture, nor does it **adequately compensate** the farmer for the risks and uncertainty of crop cultivation.
- In the absence of proper tenancy records, it will also benefit the **absentee landlords**.
- It is no substitute for the lack of investment in agriculture, which has declined at **2.3% per annum in real terms**.

Thus the PM Kisan Yojana will be more productive & effective if the structural reforms are taken more seriously. The government should focus on irrigation, electricity, market supply chain, procurement, mixed farming, contract farming & private investment.

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