International Journal of Applied Social Science
(An International Double Blind Peer Reviewed / Refereed Research Journal of Social Science)
Volume 11 (7&8), July & August (2024): 319-325
Received: 11.06.2024; Revised: 26.06.2024; Accepted: 11.07.2024

RESEARCH PAPER
ISSN: 2394-1405 (Print)
DOI: 10.36537/IJASS/11.7&8/319-325

Direct Benefit Transfer Bonanza: A Case Study of Kalia Scheme in Odisha

GITANJALI PANDA*[1], BALABHADRA JENA[2] AND MAMATA MEHER[3]
[1]Associate Professor and [2&3]Research Scholar
F.M. University, Balasore (Karnataka) India

ABSTRACT

Whether transferring money to the accounts of small, marginal, and landless farmers through a specialized scheme called KALIA yojana in the State of Odisha has achieved its goal is a matter to be questioned. Krushak Assistance for Livelihood and Income Augmentation (KALIA), was launched by the Govt. of Odisha as a State Scheme aiming to improve agricultural households by transferring money to the farmers' bank accounts under Direct Benefit Transfer (DBT) mechanism. The KALIA scheme supports cultivators, small farmers, and landless agricultural laborers to encourage cultivation and associated activities. The scheme aimed to relieve the debt-ridden farmers from the debt trap, keeping a pragmatic vision to directly attack poverty by providing financial assistance to the vulnerable. The scheme envisaged a financial benefit of Rs. 25000.00 per beneficiary which is to be provided by the Govt. in five equal installments in five years. To date, each beneficiary has received Rs.10000.00 under three phases with three unequal installments of Rs. 5000.00, Rs. 3000.00, and Rs. 2000.00. Present paper, based on primary data obtained from 150 beneficiary households from three villages of Gobara Gram Panchayat under Talcher Block in Angul district analyses the end use of KALIA supported money. The beneficiaries' perceptions about the scheme's benefits are also analyzed. There are a large number of factors of inclusion and exclusion for finalizing the beneficiaries list, The amount of money disbursed through the scheme has resulted in smoothening consumption rather than achieving the goal; of encouraging and strengthening agricultural activities. As perceived by the respondents, the amount of direct benefit transfer should be proportional to the costs of cultivation, which is meager.

Keywords: DBT, Bonanza, Farm family, Beneficiaries, End-use

INTRODUCTION

The government of India introduced in Jan 2013 the Direct Benefit Transfer System to streamline government-provided subsidies in India to improve the delivery system and target the real beneficiaries. To provide financial assistance to farm families, particularly the small farmers, cultivators, and landless agricultural laborers, the Government of Odisha introduced a scheme called Krushak Assistance for Livelihood and Income Augmentation (KALIA), popularly called KALIA Scheme or Kalia Yojana. The KALIA Yojana started inthe *Rabi* season of 2018-19 under the aegis of the Department of Agriculture and Farmers' Empowerment. A Farm Family as defined in the scheme guidelines constitutes all the members of the family who use the same ration card. A farm family constitutes a farmer, his/her spouse, and their dependent children[1]. As per scheme provisions, each small and marginal farmers' farm family will receive financial assistance of Rs. 25000/farm over five agricultural seasons that can be used by the beneficiaries for their immediate short-term financial requirements such as the purchase of inputs like seeds, fertilizers, and pesticides. KALIA Scheme, at the time

1. Guidelines of KALIA Scheme

How to cite this Article: Panda, Gitanjali, Jena, Balabhadra and Meher, Mamata (2024). Direct Benefit Transfer Bonanza: A Case Study of Kalia Scheme in Odisha. *Internat. J. Appl. Soc. Sci.,* **11** (7&8): 319-325.

of introduction, was a type of large-scale DBT scheme ever introduced by any of the State Governments in India. "When the Kalia scheme was rolled out in January 2019, the Centre did not have the PM-Kisan scheme. Now that PM-Kisan has already covered more than 36 lakh farmers of Odisha". This is worth mentioning that the KALIA scheme's beneficiaries also became the PM-Kisan scheme's beneficiaries. Receiving the DBT via the PM-Kisan program and the KALIA scheme is therefore seen as a DBT jackpot, enjoyed by a large section of agricultural farmers.

The present paper is an attempt to understand the beneficiaries' opinions regarding the end-use pattern of the monetary benefits of the KALIA scheme, and their access and usage apart from assessing the socio-economic characteristics of the beneficiaries.

Review of Literature:

Here an effort has been made to review the critical findings of earlier literature relating to discussions on the advantages and disadvantages of Direct Benefit Transfer schemes *vis-à-vis* transfers in kind in the context of countries like India and other countries.

Banerjee, Arindam in his article titled "Contestations over food subsidy policy: An examination of the High-Level Committee Recommendations" analyzed the recommendations of the High-Level Committee on reorienting the role and restructuring of Food Corporation of India which has tried to redefine the approach to the food subsidy policy in India. the HLC has charted out a path for downsizing the FCI's interventions in the foodgrains market through procurement and distribution. Rather, the HLC envisages the FCI as a supervisory and managerial body in the future. The author has discussed the pitfalls of introducing direct cash transfers in the domain of food security.The win-win situation as envisaged by the HLC from physical distribution of food to cash transfer is based on the dubious assumption that the NFSA mainly covers farmers and farm workers in rural India, and the 'effective subsidy' is the difference between the MSP and the issue price. The marginal farmers and rural farmers are buying substantial amounts of food grain from the open market where the open market price is much higher than the MSP. Secondly, the HLC does not take into account the dynamic effects of a shift to cash transfers. The analysis of cash transfers in a static, partial equilibrium framework is bound to be incorrect. A shift to cash transfers and complete dependence on the private sector for grain supplies would dynamically change the market price of food grain. Cash transfers can never replace the PDS as the network of ration shops is often the only means to reach food grains in interior, backward regions.

Theoretically, cash transfers are preferable to in-kind transfers since they consistently outnumber restricted transfers, according to the author Lester. C. Thurow (1974), in the article "Cash versus in-kind transfers." The argument for limited transfers should always have the burden of evidence since the overall economic justification for cash transfers is so compelling. They should show that the assistance is motivated by certain positive externalities, such as the fact that it fulfills a certain social welfare function in our framework of the person and the society. It respects a fundamental principle for people with less consumer sovereignty.

Amarante and Brun (2018) have made a comparative analysisof eight Latin American countries regarding the design and effects of cash transfers (CTs) based on household survey data to examine its impact on importance in household income as well as effects on poverty reduction and income redistribution in their article "Cash Transfers in Latin America: Effects on Poverty and Redistribution." To a large segment of the population in Latin America, cash transfers offer a stable source of income for low-income households with children. Nonetheless, the comparative research in this article highlights significant differences between nations in terms of program coverage and efficacy. Though these transfers do assist beneficiary households to live better and experience less poverty, their benefits on the eradication of poverty or reduction of inequality in the situations examined in this research are limited, mostly due to the large amount of resources needed. Budget increases have not kept pace with the expansion of program coverage. Even in the most optimistic scenario, where resources are doubled and perfectly targeted, poverty rates would still stay nearly unchanged and there would be very little income redistribution. In other words, resources are far from sufficient to raise households beyond the poverty line. According to previously available outcome evaluations, CTs appear to have taken less financial space in the examples examined in this research to improve people's living conditions and produce favorable outcomes in a variety of dimensions. The resources required to eliminate present poverty or drastically redistribute income would be substantially larger given the size of the region's prevailing poverty gaps, and beneficiary households remain overwhelmingly vulnerable despite the transfers.

Das *et al.* (2005) have noted that, although there are benefits to unconditional financial transfers, conditionality is frequently essential to achieve particular objectives. For example, when there are positive externalities associated with a household decision, the household's optimal investment might result in underinvestment relative to the societal optimum, conditional cash transfer serves to reconcile the two.

Filmer and Schady (2009) There is increasing evidence that conditional cash transfer programs can have large impacts on school enrollment, including in very poor countries. However, little is known about which features of program design—including the amount of the cash that is transferred, how frequently conditions are monitored, whether non-complying households are penalized, and the identity or gender of the cash recipients—account for the observed outcomes. This paper analyzes the impact of one feature of program design—namely, the magnitude of the transfer. The analysis uses data from a program in Cambodia that deliberately altered the transfer amounts received by otherwise comparable households. The findings show clear evidence of diminishing marginal returns to transfer size even though even the larger transfers represented on average only 3 per cent of the consumption of the median recipient households. If applicable to other settings, these results have important implications for other programs that transfer cash with the explicit aim of increasing school enrollment levels in developing countries.

Filmer and Schady (2009) There is mounting proof that conditional cash transfer schemes, even in extremely underdeveloped nations, can significantly affect student enrolment. However, little is known about whether program design elements—such as the quantity of money provided, the frequency of condition monitoring, the possibility of household penalties for noncompliance, and the gender or identity of cash recipients—account for the observed outcomes. The impact of one program design element—the size of the transfer—is examined in this research. Data from a program in Cambodia that purposefully changed the transfer amounts received by otherwise comparable households are used in the analysis. The findings show clear evidence of diminishing marginal returns to transfer size despite the fact that even the larger transfers represented on average only 3 per cent of the consumption of the median recipient households. If applicable to other settings, these results have important implications for other programs that transfer cash with the explicit aim of increasing school enrollment levels in developing countries.

Narayanan (2011) article reviewed select empirical evidence from across the world on different kinds of transfers. He observed that the relative efficacy of cash transfers, in whatever form, is highly context dependent. In-kind transfers make sense for a large class of food and health related interventions. There also appears scope to use "cash-assisted kind" transfers for agricultural inputs, such as fertilisers, in the form of vouchers. However, it is evident that these inherit the problems of targeting and corruption associated with traditional forms of subsidisation. Tackling these would be crucial if they are to both achieve their goals and remain cost-effective. According to him a reframing of the cash transfer de bates in India is essential so as not to undermine the promise of such a middle ground.

Sharma and Thaker (2010) in their article examined the trends in fertiliser subsidy and issues of equity in its distribution between farmers and the industry, across regions/states, crops and different farm sizes. The study shows that fertiliser subsidy is more concentrated in a few states and interstate disparity in its distribution is still high though it has declined over the years. A fair degree of equity exists in the distribution of fertiliser subsidy among farm sizes. According to him the proposed policy of direct transfer of fertilizer subsidy to farmers that is based on unrealistic assumptions is misconceived its adverse effects outweigh the perceived benefits.

Mittal *et al.* (2017) examined that efforts to reform energy subsidies have a mixed record of success. This paper provides a detailed picture of India's reform of household subsidies for the purchase of LPG cooking gas—the largest cash transfer program in the world. It has been found that the reform has been achieved in lowering LPG linkage and diversion to the commercial marketand raising the standard of service for eligible users.

This analysis of review literature relating to different forms of government subsidies like food subsidies, energy subsidies,and fertilizersubsidies along with the efficacy of cash transfers in removing poverty has brought different perspectives and the merits of the provisions. With this background, the study tries to analyzethe DBT scheme of Govt. of Odisha to the farmers concerning its end use, access and usage of the transfers, and the socio-economic background of the target beneficiaries.

Objectives:

1. To analyze the socio-economic characteristics of farm families covered under the KALIA scheme.
2. To understand the extent of access and usage of the KALIA scheme by the beneficiaries.
3. To examine the end-use pattern of the monetary benefits received by the farm families under the KALIA scheme.

METHODOLOGY

The study is based on an analysis of primary data obtained from 150 beneficiaries of the KALIA Scheme. The beneficiaries are selected from the official list of beneficiaries covered at three villages, *i.e.,* FCI, Gobara village, and Karadapilli of Talcher block in Anugul district. The beneficiaries are selected on the basis of simple random sampling. 15 respondents from FCI, 75 from Gobara, and 60 from Karadapilli are selected, respectively. Keeping in view the objective of the study, quantitative and qualitative data are analyzed. For quantitative data analysis, only descriptive statistics are used. For analyzing the end-use pattern, likert scale data on five-point Ordinal scale is used so as to facilitate ranking and ordering of the end-use pattern of the monetary benefits received under the scheme.

RESULTS AND DISCUSSION

Socio-Economic Characteristics of Beneficiary Families:

Most beneficiaries are in the age group of 40-50 years followed by 30-40 years. These two groups jointly account for around 80 per cent of all KALIA beneficiaries

Table 1: Socio Economic Characteristics of the sampled-out farm families

Sr. No.	Characteristics	Category	No. of beneficiaries	% Share
1.	Age (years)	30-40	57	38.0
		40-50	63	42.0
		50-60	30	20.0
		Total	150	100.0
		Median Age		46 years
2.	Education	Primary	6	4.0
		Upper primary	21	14.0
		Secondary	42	28.0
		Higher secondary	36	24.0
		Above higher secondary	45	30.0
		Total	150	100.0
3.	Principal Occupation	Business	27	18.0
		Labour	102	68.0
		Salaried	21	14.0
		Total	150	100.0
4.	Supplementary Occupation	Agriculture	90	60.0
		Livestock	60	40.0
		Total	150	100.0
5.	Annual family income (Rs.)	Upto 50000	3	2.0
		50000-100000	75	50.0
		100000-150000	30	20.0
		150000-200000	33	22.0
		> 200000	9	6.0
		Total	150	100.0
		Median annual income (Rs.)		95000
6.	Farmer Category	Landless	57	38.0
		Medium Farmers	9	6.0
		Marginal Farmers	54	36.0
		Small Farmers	30	20.0
		Total	150	100.0
		Mean Landholding (Hectares)		0.634

Source : Primary data collected from Gobara Panchayat, Talcher in the study area. The median age of beneficiaries is found at 46 years. MostKalia beneficiaries around 82 per cent have an educational background above the secondary level of education. This implies that most of the KALIA beneficiaries are relatively educated. The principal occupationof beneficiaries under the scheme is wage earning through labourfollowed by business and salary earning. It is pertinent to note that none of the beneficiaries is found with agriculture as their main occupation. However, concerning supplementary occupation, as high as 60 per cent of beneficiaries are in agriculture, and the remaining 40 per cent are in livestock-based occupationsIn this background, it may be fair to state that the KALIA scheme has contributed to the secondary or supplementary occupation of the beneficiary families. The median annual household income from principal as well as supplementary occupations is calculated at Rs. 96000.00. A good chunk of beneficiaries, around 38 per cent are landless followed by marginal farmers (36.0%). Landless and marginal households jointly account around 74 per cent. Another 20 per cent of households are small farmers. Despite the mandate of covering landless, marginal and small farmers under the scheme, about 6 per cent of medium category of farmers having more than 2 hectares of land are also covered as the beneficiaries of KALIA scheme (Table 1).

Access and Usage of Kalia Assistance:

The Table 2 reflects how the beneficiaries got to know about the scheme and applied for the scheme through offline mode and received the money at different phases.When the KALIA scheme came out, there was a need to cover a greater number of farmers as beneficiaries of the scheme. So, the local PRIs were instructed by the Govt. to spread awareness and influence

Table 2 : Access and usage of Kalia Scheme

Sr. No.	Factors influencing access and usage of KALIA scheme	Response type	No. of respondents	% Share
1.	How did you know about KALIA scheme?	Fellow Farmers	21	14.0
		Information provided by the PRI members	51	34.0
		News paper	39	26.0
		Village Headman	39	26.0
		Total	150	100.0
2.	How did you assess that you are eligible to become a beneficiary of KALIA scheme?	Don't have good income from other sources	36	24.0
		PRI members identified the eligibility	63	42.0
		Village headman identified the eligibility	51	34.0
		Total	150	100.0
3.	How did you apply for KALIA scheme?	Online	27	18.0
		Off line	123	82.0
		Total	150	100.0
4.	How did you know that you have got scheme benefits	Bank Message	150	100.0
5.	Have you got scheme benefits in all of the phase	1st Phase	150	100.0
		2nd Phase	150	100.0
		3rd phase	150	100.0
6.	How much money you received during all the three phases	1st Phase	Rs. 5000.00	-
		2nd Phase	Rs. 3000.00	-
		3rd phase	Rs. 2000.00	-
7.	After how many days you withdrew the amount received under KALIA Scheme	1st phase (average days)	6.4(S.D. = 3.8)	-
		2nd phase (average days)	6.9 (S.D. = 3.4)	-
		3rd phase (average days)	7.3 (S.D. = 3.6)	-
8.	Did you withdraw money phase wise or once for all	Phase wise	33	22.0
		Once for all	117	78.0
		Total	150	100.0

Source:Primary data collected from Gobara Panchayat ,Talcher farmers to apply for the scheme to become beneficiaries of the scheme. Th respondents were of the view that they had known about the scheme from their respective PRI members. The headman of the village and the newspaper also had an impact on the farmers' decision to apply the KALIA plan.A relatively lesser number of farmers were also influenced by fellow farmers.

In the process of inclusion of farmers as beneficiaries of KALIA scheme, about 42 per cent of beneficiaries were identified by the PRI members and an additional 34 per cent were identified by the village headman. So, bulk majority of beneficiaries to the extent of around 75 per cent were included in KALIA scheme as per the final decision of PRI members and village headman. The remaining 25 per cent of the respondents, owing to their lower income and lack of better employment opportunities had willingly applied for the scheme to become its beneficiaries.

Despite online and offline mode of application forms, the majority of applications were submitted through offline mode. As the KALIA money was transferred to bank A/Cs of the beneficiaries through DBT mode of payment, all of the respondents had received messages from the banks that KALIA money is credited to their bank A/Cs. All of the beneficiaries received KALIA money in three phases *viz.*, *Rabi* 2019, *Kharif* 2019 and *Rabi* 2020. The amount of money received in first phase, second phase and third phase stand at Rs. 5000.00, Rs. 3000.00 and Rs. 2000.00, respectively. Majority of beneficiaries withdrew the money from their respective banks within 10 days form the date of credit to their A/C. The mean days of time of withdrawal of money was 6.4 days' time during first phase, which slightly improved 6.9 days during second phase and 78 days during the third phase. About 78 per cent of KALIA beneficiaries had withdrawn the whole amount at one time and the remaining 22 per cent in a phased manner (Table 2).

End Use of Money Received from KALIA Scheme:

To assess the end use of the money received by the beneficiaries, nine indicators as detailed in the following table were evaluated by the respondents on a Likert scale ranging between 1-5 points. Taking into account people's opinions, a weighted total score is calculated and subsequently, the weighted total scores of all indicators are ranked. The overwhelming end use of KALIA money as having the highest score and consequently occupying rank is that due to KALIA money households could be able to recharge their mobile phones at least for one year. The other most important end use of KALIA money is

Table 3 : Most important items of the end use of money received under KALIA Scheme

Sr. No.	Type of end use	No. of beneficiaries saying the end use of KALIA Scheme*						Ranking
		1	2	3	4	5	Total Score	
1.	KALIA is a very good scheme capable enough to support the working capital needs of the SFs/MFs.	66	63	15	6	0	261	4th
2.	KALIA is a very good scheme capable enough to meet the household expenditure in the very short period.	18	24	30	36	42	510	3rd
3.	KALIA is a very good scheme capable enough to meet the household entertainment expenditure in the very short period.	3	3	21	63	60	624	2nd
4.	KALIA is a very good scheme capable enough to meet the household mobile recharge expenditure for at least one year.	6	6	9	57	72	633	1st
5.	KALIA is a very good scheme supporting repayment of small loans incurred by the household.	75	60	6	6	3	252	5th
6.	KALIA is a very good scheme supporting purchase of fertilizer and pesticides in agricultural seasons.	81	51	9	3	6	252	6th
7.	KALIA is a very good scheme supporting repair and maintenance of farm machineries and equipment.	87	42	12	6	3	246	9th
8.	KALIA is a very good scheme supporting purchase of livestock assets.	75	60	6	6	3	252	7th
9.	KALIA is a very good scheme supporting purchase of fodder for livestock.	87	45	6	6	6	249	8th

N: B: *[Beneficiary opinions about the end use of KALIA benefit money in 1–5-point Likert Scale (Strongly disagree-1, disagree-2, somehow agreed-3, agreed-4, strongly agreed-5)]
Source: primary Data Analysed

that the beneficiaries and household members could be able to spend money on entertainment. Perhaps, such entertainment in the short run might not have been possible without getting such DBT bonanza of KALIA money. Apart from entertainment expenditure, KALIA benefits has also contributed to consumption smoothening of the beneficiary households in the short run, *i.e.,* upto two three weeks of getting KALIA money. The areas of such consumption smoothening include purchase of vegetables, fish, chicken etc. It has also contributed to working capital support of small and marginal farmers (Table 3).

Concluding Remarks:

Based on educational background, it is noticed that compared to less educated and illiterate farmers, more educated farmers are benefitted under the scheme. Further, elected representatives and village headmen have been involved in the finalisation of the beneficiaries. Sometimes, medium farmers who are supposedly not the intended beneficiaries of the scheme are included in the scheme. All these things point out that there are good deal of inclusion and exclusion factors in the finalisation of beneficiaries' list. Further, beneficiaries say that the amount of monetary support under KALIA scheme is not that much sizable which could help undertake agricultural activities of the farm families. The relative merit of KALIA money is that it has contributed consumption smoothening of households in the short run along with the promotion of household entertainment. Farmers think that, the amount of monetary support under KALIA scheme should be linked with the cost of cultivation.

REFERENCES

Amarante, V., & Brun, M. (2018). Cash transfers in Latin America: Effects on poverty and redistribution. *Economía*, **19**(1) : 1-31.

Banerjee, A. (2015). Contestations over food subsidy policy: An examination of the high level committee recommendations. *Social Scientist*, **43**(7/8) : 41-57.

Das, J., Do, Q.T. and Özler, B. (2005). Reassessing conditional cash transfer programs. *The World Bank Research Observer*, **20**(1) : 57-80.

Filmer, D. and Schady, N. (2009). Are there diminishing returns to transfer size in conditional cash transfers?. *World Bank Policy Research Working Paper*, (4999).

Mittal, N., Mukherjee, A. and Gelb, A. (2017). Fuel subsidy reform in developing countries: Direct benefit transfer of LPG cooking gas subsidy in India. *Center for Global Development. Retrieved from https://www. cgdev. org/sites/default/files/fuel-subsidy-reformdeveloping-countries-india. pdf*.

Narayanan, S. (2011). A case for reframing the cash transfer debate in India. *Economic & Political Weekly*, 41-48.

Sharma, V.P. and Thaker, H. (2010). Fertiliser subsidy in India: Who are the beneficiaries?. *Economic & Political Weekly*, 68-76.

Thurow, L.C. (1974). Cash versus in-kind transfers. *The American Economic Review*, 190-195.

****