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Political Economy of Agricultural Welfare Schemes in Telangana: A Study of Karimnagar District

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Abstract

Agriculture continues to be an important source of livelihood for rural households in Telangana. However, farmers face several challenges, including small and fragmented landholdings, rising input costs, inadequate institutional credit, crop losses, irrigation problems, fluctuating market prices and indebtedness. In this context, agricultural welfare schemes have emerged as important instruments of government intervention to improve farmers' economic security and agricultural productivity. The present study examines the political economy of agricultural welfare schemes in Karimnagar district of Telangana, with particular emphasis on farmers' awareness, accessibility, utilisation and perceived impact of government programmes. The study is based on primary data collected from 50 farmers through a structured interview schedule. Secondary information was obtained from government reports, agricultural policy documents, statistical publications and research literature. The study examines access to institutional agricultural credit, Kisan Credit Cards, crop insurance, subsidised agricultural inputs, agricultural electricity, extension services and other welfare interventions. The findings indicate that small and marginal farmers constitute the major section of the respondents. Although awareness of agricultural welfare schemes is relatively widespread, comprehensive awareness remains limited. Institutional credit and Kisan Credit Card facilities have comparatively greater reach, while crop insurance and agricultural extension services remain less accessible. A considerable proportion of farmers continue to depend on private sources of credit. The study concludes that agricultural welfare programmes have contributed to farmer welfare, but their effectiveness is constrained by inadequate awareness, uneven accessibility, administrative difficulties and implementation gaps.

Keywords: Agricultural Welfare, Political Economy, Farmers, Institutional Credit, Kisan Credit Card, Crop Insurance, Agricultural Subsidies, Karimnagar, Telangana.

Introduction

Agriculture has historically been one of the most important sectors of the Indian economy and continues to provide livelihood opportunities to a large section of the rural population. For millions of rural households, agriculture is not merely an economic activity but a way of life closely connected with social relations, land ownership, employment and rural identity. At the same time, Indian agriculture is characterized by several structural problems, including small and fragmented landholdings, dependence on rainfall, inadequate irrigation, increasing input costs, limited access to institutional credit, crop failures and unstable agricultural prices. These conditions have made agricultural welfare an important component of public policy. Government interventions in agriculture have traditionally included institutional credit, subsidies on agricultural inputs, crop insurance, irrigation development, electricity support, agricultural extension, market interventions and employment programmes. The objective of these programmes is not only to increase agricultural production but also to reduce economic vulnerability among farming households.

The political economy of agricultural welfare examines the relationship between economic interests, government policies, institutions and political processes. Agricultural welfare schemes are influenced by the demands of farmers, political priorities, administrative structures and the wider developmental objectives of governments. The distribution of agricultural benefits can influence farmers' perceptions of government and public institutions. At the same time, unequal access to welfare programmes can result in exclusion and differences between small, marginal and large farmers. The National Sample Survey Office's Situation Assessment Survey of Agricultural Households conducted during 2013 collected information on farming practices, income, productive assets, indebtedness, crop loss, crop insurance and access to agricultural technology.

Telangana, which became a separate state in 2014, inherited a predominantly agrarian rural economy. Agricultural policy in the state focused on irrigation, institutional credit, agricultural inputs, electricity, crop insurance, extension services and rural development. Telangana's Statistical Year Book provides district-level information relating to agriculture and allied sectors and is an important source for examining the agricultural economy of the state. Karimnagar is an important agricultural district of Telangana. Agriculture and allied activities provide livelihood opportunities to a large section of the rural population. Paddy, cotton, maize, pulses and other crops are cultivated in the district. Agricultural households are affected by variations in rainfall, irrigation availability, input costs, market prices and access to credit. The present study therefore attempts to examine the political economy of agricultural welfare schemes in Karimnagar district, focusing particularly on awareness, accessibility, utilisation and perceived impact among farmers.

Concept of Agricultural Welfare

Agricultural welfare refers to government policies and programmes intended to improve the economic and social conditions of farmers and agricultural households. It includes measures related to credit, agricultural inputs, irrigation, crop insurance, markets, technology, employment and income security.

Agricultural welfare can be understood through the following major dimensions:

Economic Welfare

Economic welfare seeks to improve farmers' income and reduce economic vulnerability through credit, subsidies, insurance and livelihood support.

Agricultural Input Support

Seeds, fertilizers, pesticides, agricultural machinery and irrigation are essential for agricultural production. Subsidies and government support reduce production costs and encourage the adoption of improved technologies.

Institutional Credit

Affordable institutional credit is an important component of agricultural welfare. Commercial banks, cooperative banks and Regional Rural Banks provide agricultural loans to farmers. Institutional credit can reduce farmers' dependence on private moneylenders.

Crop Risk Protection

Agriculture is exposed to droughts, floods, pests, diseases and other risks. Crop insurance programmes seek to compensate farmers for specified crop losses and provide greater financial stability.

Market Support

Market-related interventions seek to improve farmers' access to markets, market information, procurement facilities and remunerative prices.

Political Participation

Agricultural welfare also has a political dimension. Farmers' organisations, local institutions and political participation influence the formulation and implementation of agricultural policies.

Review of Literature

Swaminathan (2007) emphasized the need for farmer-centred agricultural policies addressing access to credit, irrigation, technology, markets and remunerative prices. The National Commission on Farmers highlighted the importance of improving farmers' economic security and reducing agricultural risks.

National Sample Survey Office (2014), through the Situation Assessment Survey of Agricultural Households, examined income, expenditure, productive assets, indebtedness, farming practices, access to technology, crop losses, crop insurance and awareness of Minimum Support Price. The findings demonstrated the continuing economic vulnerabilities of agricultural households.

National Sample Survey Office (2016) provided detailed information on household assets, liabilities and indebtedness based on the NSS 70th Round. These findings are important for understanding the role of institutional and non-institutional sources of agricultural credit.

Narayanan (2017) observed that institutional agricultural credit has expanded, but small and marginal farmers still face difficulties due to lack of awareness, documentation and banking procedures.

Bisen and Kumar (2017) found that agricultural marketing reforms such as e-NAM can improve transparency and price discovery, but inadequate infrastructure and farmer awareness limit their effectiveness.

Shalendra and Paty (2017) reported that the success of agricultural welfare and market programmes depends on farmer awareness, institutional support, infrastructure and effective implementation at the local level.

The existing literature indicates that agricultural welfare is multidimensional. However, there remains a need for micro-level studies examining how farmers actually experience government welfare programmes at the district level.

Major Agricultural Welfare Schemes and Programmes:

Agricultural welfare programmes play an important role in improving the economic security, productivity, and livelihood conditions of farmers in India. Before 2018, the Government of India implemented several programmes covering agricultural credit, crop insurance, irrigation, inputs, technology, employment and agricultural marketing. These programmes were particularly important for small and marginal farmers, who often faced difficulties in accessing formal credit, modern agricultural technology, irrigation facilities and remunerative markets. The major agricultural welfare schemes relevant to the present study are discussed below.

1. Kisan Credit Card Scheme

The **Kisan Credit Card (KCC) Scheme** was introduced to provide farmers with timely, adequate and flexible institutional credit for agricultural and allied activities. The scheme enabled farmers to meet expenses related to seeds, fertilizers, pesticides, labour, irrigation and other seasonal agricultural requirements without depending entirely on private moneylenders. An important feature of KCC was the simplification of the agricultural credit process, allowing farmers to obtain credit according to their operational requirements. The expansion of KCC was particularly significant for small and marginal farmers because timely institutional credit can reduce dependence on informal sources of borrowing and help farmers avoid exploitative interest rates. Thus, KCC represented an important link between agricultural policy, rural banking and farmer welfare.

2. Agricultural Input Subsidies

Agricultural input subsidies constituted an important component of government support to farmers. Assistance was provided for **quality seeds, fertilizers, pesticides, farm machinery, agricultural implements and other production inputs**. The major objective was to reduce the cost of cultivation and encourage farmers to adopt improved agricultural practices and technologies. For small and marginal farmers, who generally have limited financial resources, input subsidies can significantly reduce the initial investment required for cultivation. However, the effectiveness of input subsidies depends on timely availability, transparent distribution and equitable access. Problems such as delays, inadequate supply and unequal access can reduce their intended benefits.

3. Crop Insurance

Agriculture is inherently vulnerable to natural and climatic risks such as droughts, floods, cyclones, pest attacks and diseases. **Crop insurance programmes** were therefore introduced to provide financial protection to farmers against crop losses. Crop insurance reduces the economic uncertainty associated with farming and can help farmers recover from severe production shocks. It also provides greater confidence to farmers in making investments in agricultural inputs and technology. However, awareness, enrolment, assessment of crop damage and timely settlement of claims remain important factors determining the effectiveness of crop insurance.

4. Interest Subvention Scheme

The **Interest Subvention Scheme** was designed to reduce the financial burden of agricultural borrowers by providing interest relief on eligible short-term crop loans. During 2017–18, the Union Government continued support for interest subvention on short-term agricultural loans, including provisions related to post-harvest credit. The scheme was particularly important for farmers who depended on institutional credit for seasonal agricultural operations. By reducing the effective cost of borrowing, interest subvention aimed to make formal agricultural credit more affordable and discourage farmers from relying on high-cost informal credit sources. Its significance can therefore be understood in terms of both economic relief and the strengthening of institutional credit systems.

5. Rashtriya Krishi Vikas Yojana

The **Rashtriya Krishi Vikas Yojana (RKVY)** was introduced to encourage states to increase investment in agriculture and allied sectors. The programme adopted a flexible approach under which states could undertake projects according to their agricultural priorities and local requirements. RKVY supported agricultural infrastructure, productivity enhancement, technology adoption and development of allied sectors. The scheme was important because agricultural development varies considerably across regions, and state-level flexibility allowed governments to design interventions according to local conditions. In Telangana, such interventions were relevant to irrigation development, agricultural infrastructure and productivity improvement.

6. National Food Security Mission

The **National Food Security Mission (NFSM)** was aimed at increasing the production and productivity of important food crops such as rice, wheat and pulses. The programme promoted improved agricultural technologies, demonstrations, quality seeds, efficient production practices and capacity building among farmers. Its broader objective was to strengthen food security while increasing farmers' productivity and income. For farmers, access to improved seeds, technical knowledge and demonstrations could contribute to higher yields and more efficient use of agricultural resources. The programme also highlighted the importance of technological interventions in improving agricultural productivity.

7. Pradhan Mantri Krishi Sinchayee Yojana

The **Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)** was launched to improve irrigation coverage and promote efficient use of water in agriculture. Its approach emphasized **"Har Khet Ko Pani"** and **"Per Drop More Crop."** The programme sought to expand irrigation facilities, improve water-use efficiency and encourage technologies such as micro-irrigation. Irrigation is particularly important for reducing farmers' dependence on uncertain rainfall and improving cropping intensity and productivity. In drought-prone and semi-arid regions, improved irrigation can substantially reduce agricultural risks and strengthen the economic stability of farming households.

8. Pradhan Mantri Fasal Bima Yojana

The **Pradhan Mantri Fasal Bima Yojana (PMFBY)** was introduced in 2016 as a major crop insurance programme. It aimed to provide affordable insurance protection against crop losses resulting from various natural risks. The scheme sought to reduce farmers' financial vulnerability and provide compensation when insured crops suffered specified losses. By protecting farmers from severe income shocks, crop insurance can support their ability to continue cultivation after a crop failure. However, its success depends on effective enrolment, accurate assessment of losses, timely claim settlement and adequate awareness among farmers.

9. Soil Health Card Scheme

The **Soil Health Card Scheme** was introduced to provide farmers with information about the nutrient status of their agricultural land. Soil testing helps identify deficiencies in nutrients and enables farmers to apply fertilizers in a more balanced and scientific manner. The programme aimed to reduce unnecessary fertilizer use, lower cultivation costs and improve soil health and agricultural productivity. For farmers, scientific information about soil conditions can contribute to better decision-making and more efficient use of agricultural inputs. The scheme therefore represents an important shift from generalized agricultural input support towards knowledge-based and resource-efficient farming.

10. Mahatma Gandhi National Rural Employment Guarantee Scheme

The **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)** is primarily a rural employment programme rather than a direct agricultural welfare scheme.

Nevertheless, it has significant implications for agricultural households. The programme provides wage employment and supports the creation of productive rural assets such as **water conservation structures, land development, drought-proofing works and rural infrastructure.** These activities can indirectly strengthen agricultural livelihoods by improving local natural resources and reducing rural unemployment. MGNREGS also provides an alternative source of income during periods when agricultural employment is unavailable, thereby reducing the economic vulnerability of rural households.

11. Electronic National Agriculture Market (e-NAM)

The **Electronic National Agriculture Market (e-NAM)** was launched in April 2016 to promote greater integration of agricultural markets through an electronic trading platform. Its objective was to improve **price discovery, market transparency and farmers' access to wider markets.** Traditionally, farmers often faced difficulties because of limited market information, dependence on intermediaries and unequal bargaining power. e-NAM sought to address some of these challenges by connecting agricultural markets electronically and facilitating more transparent price mechanisms. By improving access to market information and competition among buyers, the initiative had the potential to strengthen farmers' bargaining position and improve the efficiency of agricultural marketing.

Objectives of the Study

1. To examine the awareness and accessibility of agricultural welfare schemes among farmers in Karimnagar district.
2. To assess the utilisation and perceived impact of agricultural welfare schemes on the socio-economic conditions of farmers.
3. To examine the role of political and administrative factors in the implementation and distribution of agricultural welfare programmes.

Hypotheses

H_1: There is a significant level of awareness among farmers regarding agricultural welfare schemes.

H_2: Access to agricultural welfare schemes has a positive influence on the socio-economic conditions of farmers.

Research Methodology

The study adopted a descriptive research design to examine the political economy of agricultural welfare schemes among farmers in Karimnagar district of Telangana. Primary data were collected from 50 farmers selected from rural areas of Karimnagar district using a structured interview schedule. Purposive sampling was adopted to include farmers belonging to different landholding and socio-economic categories. Secondary data were collected from government reports, statistical publications, agricultural policy documents, books, research articles and official sources available up to April/May 2017. The NSS 70th Round and Telangana Statistical Year Book were used as important background sources. The primary data were analysed using frequencies and percentages.

Data Analysis and Interpretation

Table 1: Age Distribution

Age Group	Number	Percentage
20–40 Years	14	28%
41–60 Years	27	54%
60 Years and Above	9	18%
Total	**50**	**100%**

The data show that the majority of respondents, 27 (54%), belong to the 41–60 years age group. Farmers aged 20–40 years constitute 28%, while 18% are above 60 years. The predominance of middle-aged farmers indicates that experienced farmers constitute the major group engaged in agricultural activities.

Table 2: Landholding Size

Landholding	Number	Percentage
Below 2 Acres	18	36%
2–5 Acres	21	42%

5–10 Acres	8	16%
Above 10 Acres	3	6%
Total	**50**	**100%**

The data indicate that 42% of respondents possess 2–5 acres, while 36% own less than 2 acres. Only 6% possess more than 10 acres. Thus, the respondents are predominantly small and marginal farmers.

Table 3: Awareness of Agricultural Welfare Schemes

Response	**Number**	**Percentage**
Fully Aware	12	24%
Partially Aware	29	58%
Not Aware	9	18%
Total	**50**	**100%**

The majority, 58%, are partially aware of agricultural welfare schemes. Only 24% are fully aware, while 18% are not aware. This demonstrates the need for stronger information dissemination at the village level.

Table 4: Access to Institutional Agricultural Credit

Response	**Number**	**Percentage**
Yes	34	68%
No	16	32%
Total	**50**	**100%**

About 68% of farmers have access to institutional agricultural credit, while 32% do not. The findings indicate that although formal credit has reached a majority, a considerable section remains outside institutional financial services.

Table 5: Benefited from Kisan Credit Card

Response	**Number**	**Percentage**
Yes	35	70%
No	15	30%
Total	**50**	**100%**

The findings show that 70% of respondents have benefited from the Kisan Credit Card facility. However, 30% have not benefited, indicating the need for greater awareness and easier access.

Table 6: Benefited from Crop Insurance

Response	**Number**	**Percentage**
Yes	19	38%
No	31	62%
Total	**50**	**100%**

Only 38% of farmers reported benefiting from crop insurance, whereas 62% had not. This indicates relatively limited access to crop-risk protection and highlights the need for better awareness and implementation.

Table 7: Received Subsidised Agricultural Inputs

Response	**Number**	**Percentage**
Yes	32	64%
No	18	36%
Total	**50**	**100%**

About 64% of farmers reported receiving subsidised agricultural inputs. However, 36% did not receive such support. The finding indicates that input subsidies are important but their reach is not universal.

Table 8: Agricultural Electricity Support

Response	**Number**	**Percentage**
Yes	41	82%
No	09	18%
Total	**50**	**100%**

A large majority of respondents, 82%, reported receiving agricultural electricity support. Electricity is therefore an important component of agricultural welfare, particularly for farmers dependent on irrigation.

Table 9: Participation in Agricultural Extension Programmes

Response	Number	Percentage
Regularly	11	22%
Sometimes	25	50%
Never	14	28%
Total	**50**	**100%**

Half of the farmers participate in agricultural extension programmes only sometimes. Only 22% participate regularly, while 28% never participate. This indicates uneven access to agricultural technical information.

Table 10: Dependence on Private Moneylenders

Response	Number	Percentage
Yes	21	42%
No	29	58%
Total	**50**	**100%**

The findings show that 42% of farmers continue to depend on private moneylenders. This indicates that institutional credit has not completely eliminated informal borrowing.

Table 11: Perceived Impact of Agricultural Welfare Schemes

Response	Number	Percentage
High Impact	10	20%
Moderate Impact	28	56%
Low Impact	12	24%
Total	**50**	**100%**

The majority, 56%, perceive a moderate impact of agricultural welfare schemes on their livelihood. Twenty percent report a high impact, while 24% report a low impact.

Table 12: Satisfaction with Agricultural Welfare Programmes

Response	Number	Percentage
Highly Satisfied	8	16%
Moderately Satisfied	27	54%
Less Satisfied	11	22%
Not Satisfied	4	8%
Total	**50**	**100%**

The findings show that 54% of respondents are moderately satisfied with agricultural welfare programmes. However, 22% are less satisfied and 8% are not satisfied. This indicates that although welfare programmes are useful, their implementation and accessibility require improvement.

Key Findings

1. The majority of respondents (54%) belong to the 41–60 years age group.
2. Small and marginal farmers constitute the majority of the respondents, with 78% owning five acres or less.
3. A majority of farmers have some awareness of agricultural welfare schemes, but only 24% are fully aware.
4. About 68% have access to institutional agricultural credit.
5. The Kisan Credit Card has comparatively wider coverage, with 70% reporting benefits.
6. Crop insurance has relatively low coverage, with only 38% benefiting.
7. About 64% of respondents have received subsidised agricultural inputs.
8. Agricultural electricity support has relatively high coverage, with 82% reporting access.
9. Agricultural extension services are not accessed regularly by most farmers.
10. About 42% of farmers continue to depend on private moneylenders.
11. More than half of the respondents (56%) perceive a moderate impact of agricultural welfare schemes.
12. Although 70% are either highly or moderately satisfied, 30% report low or no satisfaction.
13. The findings demonstrate that access to welfare programmes is influenced not only by economic factors but also by information, administrative procedures and institutional accessibility.

Suggestions

1. **Strengthen Awareness:** Government departments should conduct regular village-level awareness programmes regarding agricultural welfare schemes.
2. **Improve Institutional Credit:** Banks and cooperative institutions should simplify loan procedures for small and marginal farmers.
3. **Expand Crop Insurance:** Greater attention should be given to awareness, enrolment and timely settlement of crop insurance claims.
4. **Strengthen Agricultural Extension:** Extension officers should regularly visit villages and provide information about improved farming practices.
5. **Reduce Dependence on Moneylenders:** Timely institutional credit should be made available before the agricultural season.
6. **Improve Transparency:** Beneficiary selection and distribution of subsidies should be transparent and accountable.
7. **Special Support for Small Farmers:** Small and marginal farmers should receive greater attention because they have fewer productive assets and limited financial resources.
8. **Improve Market Access:** Farmers should receive timely information about prices, procurement facilities and market opportunities.
9. **Strengthen Farmer Organisations:** Farmer organisations and cooperative institutions should be encouraged to participate in local agricultural planning.
10. **Regular Evaluation:** Government agencies should regularly evaluate welfare programmes based on awareness, accessibility, utilisation, impact and beneficiary satisfaction.

Conclusion

The study of the political economy of agricultural welfare schemes in Karimnagar district demonstrates that government interventions have an important role in supporting farmers and reducing agricultural vulnerability. Institutional credit, Kisan Credit Cards, agricultural input subsidies, electricity support, crop insurance and agricultural extension programmes contributed to improving farmers' access to productive resources and economic assistance. However, the benefits of agricultural welfare programmes were not equally accessible to all farmers. Limited awareness, inadequate crop insurance coverage, dependence on private moneylenders and uneven access to agricultural extension services remain important concerns. The findings also indicate that welfare programmes have a political dimension because their implementation influences farmers' perceptions of government institutions and public policy. Agricultural welfare should therefore move beyond the mere announcement of schemes and focus on effective implementation, transparency, accessibility and inclusion. Small and marginal farmers require particular attention because they are more vulnerable to agricultural risks and indebtedness. Strengthening institutional credit, crop insurance, agricultural extension, market access and farmer awareness can significantly improve the effectiveness of welfare programmes. Thus, agricultural welfare in Telangana should be understood not simply as an economic intervention but as an important component of rural development, social justice and state–farmer relations. A farmer-centred and transparent approach is essential for ensuring that agricultural welfare programmes achieve their intended objectives.

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