Decoding the Priorities

An Analysis of Union Budget 2020-21

February 2020

CBGA

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Centre for Budget and Governance Accountability

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FOREWORD

Centre for Budget and Governance Accountability (CBGA) brings out an analysis of Union Budget soon after its presentation in Parliament every year. The objective of this publication is to facilitate an informed discussion on the Budget, particularly around the social sectors, agriculture, rural development, employment and public provisioning for the marginalised sections of the population.

This publication presents an analysis of the priorities in Union Budget 2020-21, both on public expenditure and resource mobilisation front. It has been divided broadly into five chapters. The first chapter focuses on a host of important aspects under Resource Mobilisation, like domestic tax policy, international taxation policy, financial transparency, and Centre-State resource sharing. The second chapter comments on the important trends and priorities in Union Government's resource provisioning for the Social Sectors such as education, health, nutrition, and water and sanitation. The third chapter looks at budgetary provisions and policy directions pertaining to some of the core areas on the Economic Front like, agriculture and allied activities, employment, rural development, and clean energy. The fourth one analyses the responsiveness of this Budget to the rights and development needs of Marginalised Sections, including women, children, Scheduled Castes, Scheduled Tribes, religious minorities, and persons with disabilities.

The fifth chapter presents a number of tables and charts on the Important Trends pertaining to resource mobilisation and expenditure by the Union Government. The publication also includes a couple of Annexures meant to unpack the technical concepts and terms used in budgets and the process of budget making at the national level.

In line with previous years, we will be sharing this publication with stakeholders across the spectrum. We hope it would help deepen the public discourse in the country on Union Budget and public financing of important development sectors.

CONTENTS

CHAPTER I

Resource Mobilisation

A lot of expectations had been placed on the Union Budget 2020-21 as it comes in the midst of a slowdown facing the Indian economy. As many analysts have noted, slowing down of private consumption which forms about 60 per cent of the economy in nominal terms, lies at the heart of the downturn of the economy. That in turn is largely driven by high unemployment and stagnating real income faced by large sections of the population. In this background, recovery of the economy requires reviving private consumption demand (and investment demand) by putting money into the hands of the people.

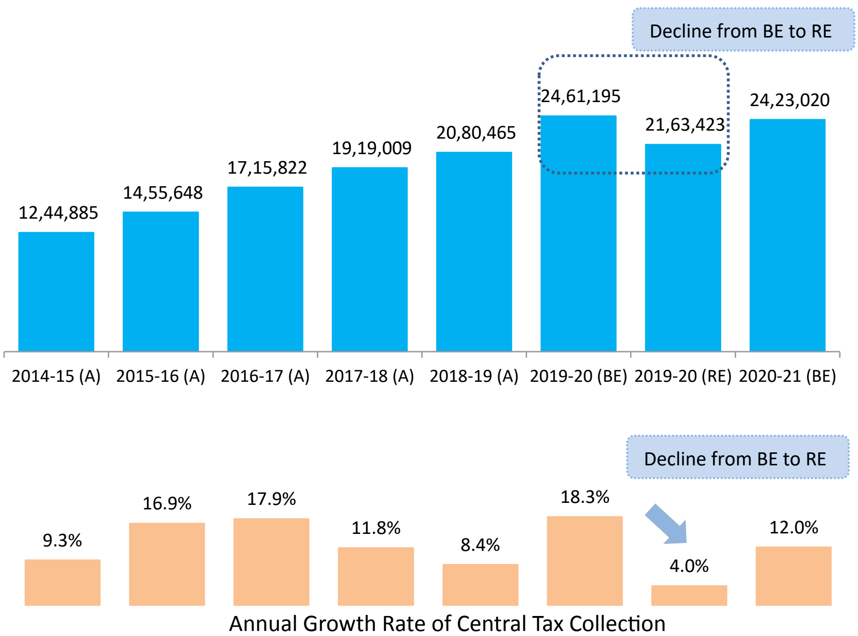
The budget, which reflects the policy direction and priorities of the government, can play an important role in reviving the economy. However, one of the challenges that a slowing economy poses is that with slowdown in growth, tax revenue growth too slows down unless specific measures are taken to increase tax revenue. But in a situation where the government is set on not expanding the fiscal deficit beyond a limit, augmenting resources becomes crucial as less than commensurate revenue mobilisation has adverse implications for public spending. What also needs to be noted is that while the level of resource mobilised is crucial, how resources are being mobilised and whether they are shareable with states are equally critical.

What is also important to note is that in the last few years, the credibility of numbers presented in the budget has got diluted to an extent. This has arisen as the difference between the projections of Budget Estimates (BE) and the Revised Estimates (RE) and/or Actuals (A) have become rather large, especially since 2018-19. In this context, we look at some of the critical aspects of resource mobilisation laid out in the Union Budget 2020-21.

Slow Growth in Total Tax Revenue

Tax policy has been one of the main focus areas of this government, as is evident from the number of announcements in the previous budget and the several other changes brought in even after the budget. These announcements, combined with the slowing growth of nominal GDP, have affected the Centre's tax collection, which has seen the slowest pace of growth since the time of the global financial crisis of 2008-09.

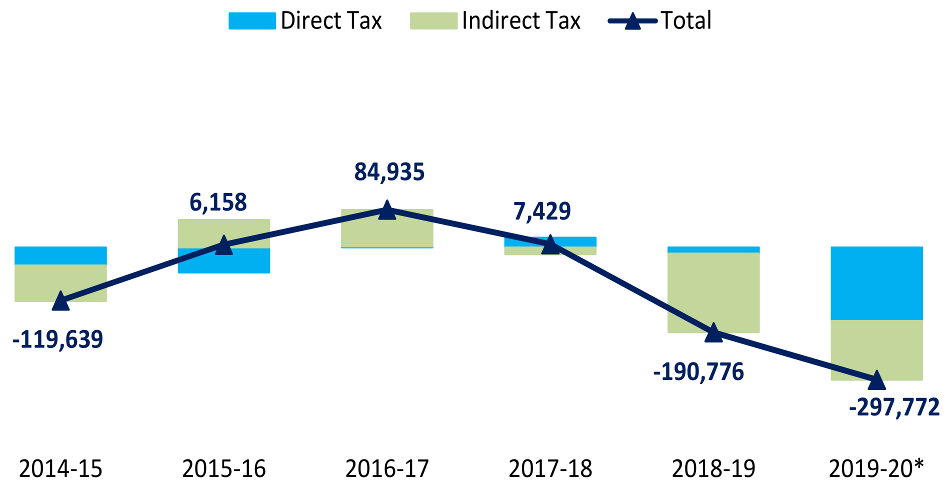
Figure 1.1: Trend of Centre's Tax Collection



Source: Compiled by CBGA from Union Budget documents, various years.

Notwithstanding the steady decline in the growth rate of actual tax collection over the past four years, the Union Budget 2020-21 has projected a high growth of 12 per cent for the next year. This projection, however, should be taken with caution for at least three reasons. One, in the Union Budget 2020-21, the option of lower Personal Income Tax (PIT) rates have been brought in for individual tax payers and dividend distribution tax that was imposed on companies has been abolished[1]. These changes are estimated to lead to revenue loss of Rs. 40,000 crore and Rs. 25,000 crore respectively. Two, the tax buoyancy assumed for the Financial Year (FY) 2020-21 is 1.2, while in the past two years it has been 0.61 and 0.54 respectively. Three, the past two years have witnessed not just a shortfall in total tax revenue compared to the respective Budget Estimates (BE), even the gap between the BE and Actuals and/or RE figures has widened substantially (Figure 1.2).

Figure 1.2: Shortfall of Tax Revenue compared to BE (Rs. crore)



Note: for FY 2019-20, RE has been taken as Actuals become available with a year lag.
Source: Compiled by CBGA from budget documents, various years.

Tax Buoyancy is the ratio of 'growth rate of tax collection' and 'growth rate of nominal GDP'. This ratio is used to gauge how tax collection is growing w.r.t the overall tax base, i.e. nominal GDP.

The gap between BE and RE figures of 2019-20 has been driven mainly by the overestimation of direct tax revenue. The largest share of this shortfall compared to the BE figures came from corporate tax. This was to be expected as corporate tax rates were cut from 30 per cent to 22 per cent in September, 2019, two months after the Union Budget 2019-20 was presented in July 2019. This tax cut not only resulted in corporate tax collection being Rs. 1,50,000 crore less compared to the BE, but also Rs. 53,000 crore less compared to the previous financial year's collection. This is a rare occurrence when collection for corporate tax has fallen in absolute amount as compared to the previous year.

"Race to the Bottom" Phenomenon

The budget speech of the Finance Minister stated that the corporate tax rate was cut "to make sure that India stays globally competitive and a favoured destination for investment". This is a global phenomenon whereby countries have reduced tax rates to attract foreign investment, leading to a continuous loop of declining corporate tax rates. Commentators have described this phenomenon as the 'race to the bottom'. As result, the average tax rates globally[2] have dropped from 31.7 per cent in 2000 to 24 per

1 From now on only individuals are required to pay tax on dividend earned, at applicable rates.
2 Excluding the zero tax countries

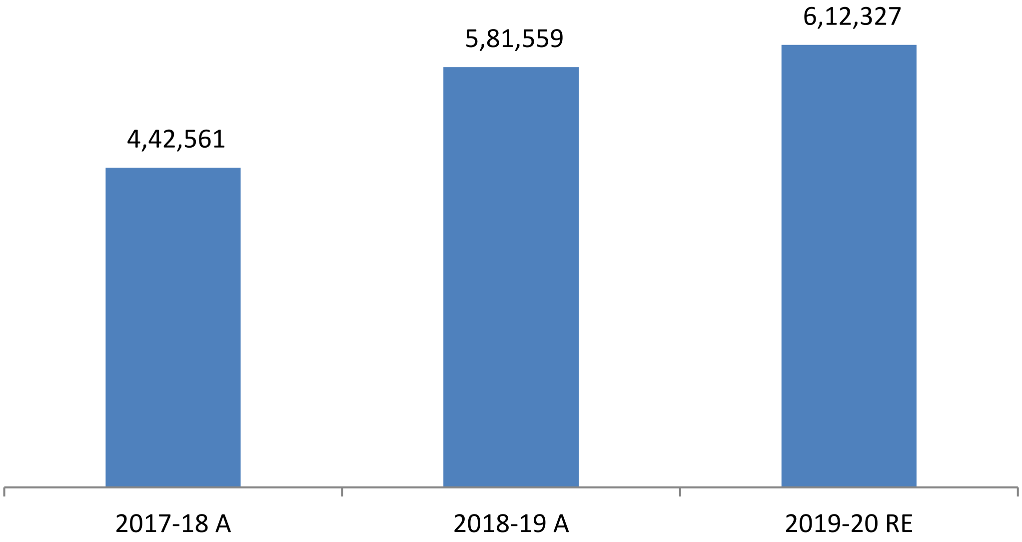
cent in 2018.[3] This has occurred even though research shows that the main determinants of foreign investment are market size, skilled human resources and efficient infrastructure; and tax rates play a limited role in determining investment destinations.[4]

Along with the ineffectiveness of tax cuts to increase foreign investments, another concern is the timing of the tax cut. By the time the tax cuts were announced, the slowing economic growth was apparent, as well the growth of other revenue sources. The tax cut not only resulted in lower resources for spending already committed in the budget, but it also reduced the fiscal space that government could have used for counter-cyclical measures against the slowing growth.

Less than Impressive Indirect Tax Collection despite some Stablisation in GST

In the arena of indirect taxes, the collection with regard to Goods and Services Tax (GST), which comprises around 60 per cent of total indirect taxes, has seen some stabilisation in FY 2019-20 compared to that witnessed FY 2018-19 (Figure 1.3).

Figure 1.3: GST Collection Actuals/Revised Estimate (Rs. crore)



Source: Compiled by CBGA team from budget documents, various years

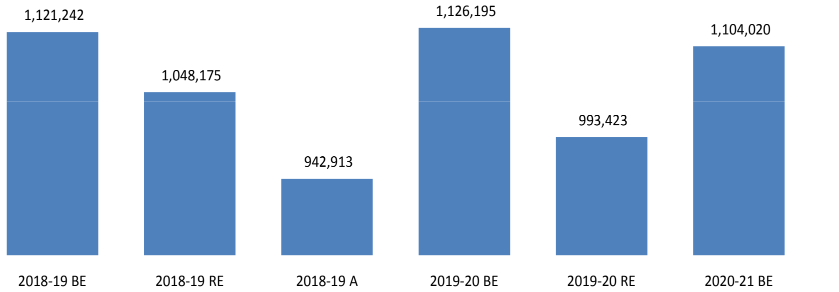
While GST collection has increased somewhat in 2019-20 (RE) compared to 2018-19 (A), the total figure for 2019-20 (RE) masks the fact that since August 2019 GST collection has been much lower than the monthly target of Rs. one lakh crore. While there has been a turnaround in GST collection since November 2019, this has mainly been a result of amendment in certain GST rules brought in. In October 2019, for instance, rules were amended to prevent misuse of input tax credit (ITC) which allowed an entity to get tax credit for taxes already paid on inputs by its supplier. In October this rule was changed such that in case there is a mismatch between ITC claimed by an entity and the details uploaded by its supplier or if details have not been uploaded by the supplier, the entity can claim ITC only up to 20 per cent of the eligible credit available, i.e. where invoices or debit notes uploaded by the suppliers.[5] The restriction on how much ITC can be claimed in case details are not made available by suppliers or there is a mismatch in details claimed by an entity and its supplier, was further increased

3 OECD (2018): Corporate Tax Statistics- First Edition. OECD Publishing
4 OECD (2008): Tax Incentives for Investment: A Global Perspective Experiences in MENA and non-MENA Countries. OECD Publishing; World Bank (2010): World Investment and Political Risk. Multilateral Investment Guarantee Agency, World Bank Group
5 Borpuzari Pranbihanga (2019), "New proposal to claim GST input credit may have significant impact on cash flow", October 11, ET Online, https://economictimes.indiatimes.com/small-biz/gst/new-proposal-to-claim-gst-input-credit-may-have-significant-impact-on-cash-flow/articleshow/71517088.cms?from=mdr

to 10 per cent in December 2019. This, along with other moves, has helped increase GST collection which has been dipping almost consistently since June 2019[6].

The recent turnaround in GST collection notwithstanding, the slowdown of the economy, among other things, has affected total indirect tax collection, with annual growth rate having slowed down in the recent past[7]. Indeed as figure below shows, in absolute terms, indirect tax collection has not been very impressive (Figure 1.4).

Figure 1.4: Ambitious Projections vs. Actuals/Revised Indirect Tax Collection (Rs. crore)

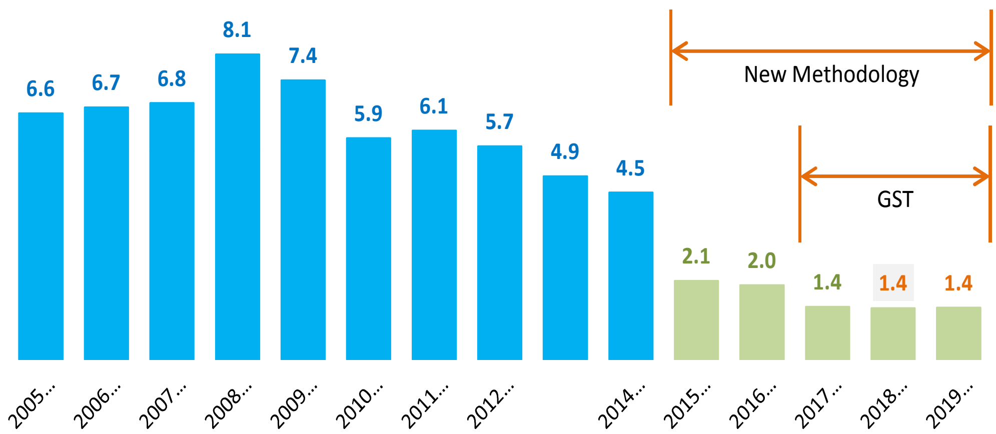


Source: Compiled by CBGA from budget documents, various years

Revenue Foregone due to Tax Incentives Offered

The Union Government provides many tax incentives to both individuals as well as corporates due to which it loses out on potential tax revenue. This loss of potential revenue is known as revenue foregone. After reaching its peak in 2008-09, when the government provided many tax incentives in efforts to stave off the global financial crisis, the revenue foregone has seen a steady decline. The financial year 2015-16, however, saw a break in this trend and revenue forgone declined by more than 50 per cent in just one year. This decline occurred because the methodology of estimating revenue foregone was altered in 2015-16. Another departure from the trend came in 2017-18, when GST, which subsumed most indirect taxes, was introduced. As a result, tax incentives given under the indirect taxes also ceased to exist.

Figure 1.5: Revenue Foregone from Central Taxes (per cent of GDP)



Source: Compiled by CBGA from budget documents, various years.

6 PIB (2020), "GST Revenue collection for December, 2019? 1,03,184 of gross GST revenue collected in the month of December", January 1, https://pib.gov.in/newsite/PrintRelease.aspx?relid=196229
7 Please refer to figure 5.12 in chapter 5, which provides the annual growth rate of indirect taxes

The decline in revenue foregone because of methodology change, however, needs more debate in the public discourse, as the details of the changes given in the budget documents do not provide the complete picture.

A Move to Reduce Tax Abuse by Non-Resident Indians

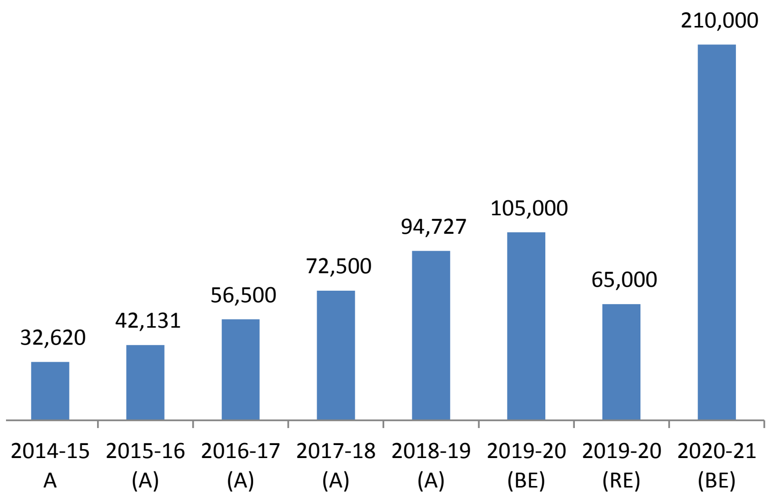
Generally countries decide the imposition of income tax either on the basis of nationality or on the basis of number of days being present in the country. In other words, a person can be liable to pay tax in a country, if he/she is the citizen of that country, or has spent certain number of days as defined in the tax law. In India, the basis of tax liability was a person being present in India 182 days in year, and those Indian citizens, spending fewer numbers of days, were exempted from income tax. One innovative way in which this provision was used to avoid paying tax was that a person spent his/her days divided into many countries, such that he/she does not come under tax liability in any country. Union Budget made two changes to correct this anomaly:

1. Reduced the number of days from 182 to 120 to be a taxable entity in India; and
2. Those with Indian citizenship, who are not paying tax in any other country will be considered taxable entity in India

Increasing Dependence on Dividends and Disinvestments

Given the slowdown in tax receipts, the Union Budget 2020-21 relies on disinvestment proceeds for raising revenue, something that has become a trend in the recent past. The government expects to get a total of Rs 2.1 lakh crore from disinvestment, double of the target Rs 1.05 lakh crore set in 2019-20 (BE). Of the Rs. 2.1 lakh crore projected for 2020-21 (BE), a large chunk (around Rs. 90,000 crore) is expected to be raised by selling a part of the government's share in Life Insurance Corporation (LIC). The rest Rs. 1.2 lakh crore is to come from other sources. However, this again seems ambitious given that against a disinvestment target of Rs 1.05 lakh crore set in 2019-20 (BE), it has managed to raise Rs. 18,000 crore until now, much below even the revised figure of Rs. 65,000 crore quoted in the budget document[8].

Figure 1.6: Increasing Reliance on Disinvestment Proceeds (Rs. crore)

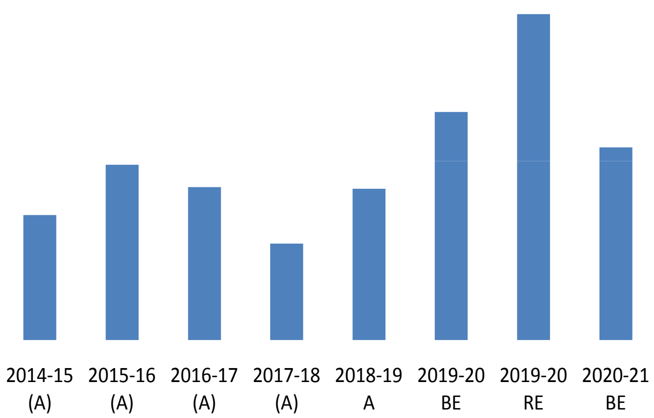


Source: Compiled by CBGA from budget documents, various years.

8 M., Govinda Rao (2020), "Another lost opportunity to revive growth", The Hindu, February, 2, https://www.thehindu.com/opinion/op-ed/another-lost-opportunity-to-revive-growth/article30715465.ece

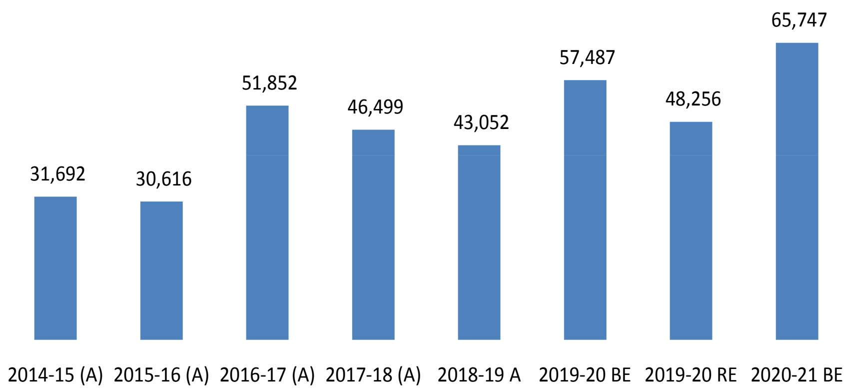
In addition to disinvestment, the government has also been increasing its reliance on dividends from RBI and other financial institutions, as well as from Public Sector Units (PSUs) in the recent past. While the 2020-21 (BE) figures for dividends from RBI and other financial institutions are somewhat lower than the 2019-20 (RE) figures, this is one case where collections have exceeded the projections for 2019-20 (BE). This is because of record high dividend earned from RBI in 2019-20 (RE) (Figure 1.7). While dividend proceeds from other PSUs in 2019-20 (RE) fell short of the projections made for that year, reports show that despite economic slowdown impacting profits of several PSUs, the government has increased its expectation of dividend from certain PSUs[9] (Figure 1.8)

Figure 1.7: Dividends from RBI and Financial Institutions (Rs. crore)



Source: Compiled by CBGA from Union Budget documents, various years.

Figure 1.8: Dividends from PSUs (Rs. crore)



Source: Compiled by CBGA from Union Budget documents, various years.

Devolution from Centre to States Remains Unchanged for FY 2020-21

The Fifteenth Finance Commission's interim recommendations, which have been accepted by the Union Government, have advocated for fixing States' share in central taxes at 41 per cent of the net proceeds from the sharable pool of resources. This one percentage point decline in States' share in central taxes could be due to resource provisioning for additional Union Territories carved out after the scrapping of Article 370 of the Constitution and dissolution of the State of Jammu and Kashmir under the J&K Reorganisation Act, 2019. As per the accepted norm, the share of the States in central taxes is projected at Rs. 7,84,181 crore for FY 2020-21.

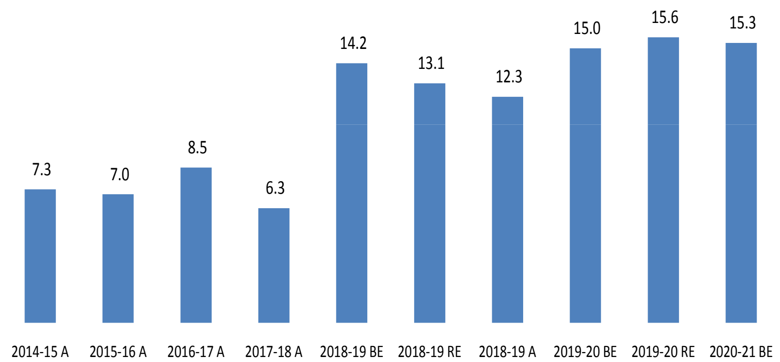
9 Choudhary, Sanjeev (2020), "Government seeks Rs 19,000 crore dividend from oil companies", ET Bureau, January 15, https://economictimes.indiatimes.com/industry/energy/oil-gas/government-seeks-rs-19000-crore-dividend-from-oil-companies/articleshow/73261584.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Similarly, the grants-in-aid recommended for local self-governments (both rural and urban) and post devolution revenue deficit grants are in line with the previous Finance Commission's recommendations. An amount of Rs. 1,49,925 crore has been set aside for this purpose, including grants for State Disaster Relief Fund. What this means is that the share of resources to be devolved to States has not declined in the overall revenue receipts.

But Growing Centralisation of Tax Revenue

While the States' share in central taxes has not been reduced, it also needs to be recognised that there has been an increase in centralisation of overall taxes collected by the Union Government. This in turn has implications for the proportion of total tax revenue that is shared with the States as the revenue collected through cesses and surcharges are not shared with the States. In addition to increase in cesses and surcharges (such as the imposition of surcharge on the super-rich tax payers), revenue earned through certain other taxes such as special excise duty on petrol, do not get shared with the States. While the Union Budget 2019-20 reinforced the tendency towards centralisation of taxes, even in 2020-21 (BE) the share of cesses, surcharges and special excise duty on petro show only a marginal decline compared to 2019-20 (RE). The rise in the share of tax revenue that the Centre does not need to share with the States does not bode well for the States.

Figure 1.9: Proportion in Gross Tax Revenue that remains outside the Divisible Pool of Central Taxes (per cent)



Note: GST Compensation Cess is not included here.
Source: Compiled by CBGA from Union Budget documents, various years

Woes in GST Revenue Sharing Too

The problems faced by States are also compounded by the slowing down of overall GST collection. Reports note, that the Centre has not paid the GST compensation fund to a number of states that is legally due to them. In addition to that, the Centre has also announced that going forward such payments will depend on what is raised from the cess for that purpose rather than what had been agreed upon at the time when GST was introduced.

Developments in Taxing the Digital Economy

An increasingly digitalised economy presents significant challenges to tax authorities in countries across the world, including India. Unlike brick and mortar companies, digital companies do not need a physical presence in a certain country to conduct business operations. There are also different considerations that apply to digital companies that may not deal in tangible products at all.

Addressing the tax challenges raised by digitalisation has therefore been one of the top priorities for the primary norm shaping framework on international taxation, the OECD/G20 Inclusive Framework, in 2019. In January 2019, the Inclusive Framework made two proposals: first, addressing the broader challenges of the digitalisation of the economy and focusing on the allocation of taxing rights between countries (Pillar One); and the introduction of a global minimum tax rule to curb tax abuse (Pillar Two).

The Inclusive Framework's meeting in January 2020 re-affirmed its commitment to reach an agreement on a consensus-based solution to these challenges by the end of the year. In developing the two pillars, the Inclusive Framework has agreed upon pursuing a 'Unified Approach' on Pillar One as the basis for negotiation and welcomed the progress on Pillar Two.

However, there are urgent questions that remain unanswered along with glaring issues with regard to the legitimacy of the process followed by the OECD. First, the Inclusive Framework is premised on all member states having an equal say, but the design of the OECD's Base Erosion and Profit Shifting (BEPS) action plans between 2013 and 2015 excluded non-OECD countries. These non-OECD countries were simply forced to accept and implement the BEPS outcomes after 2015 by being pushed to join the Inclusive Framework. Second, the work that remains to be done under Pillars One and Two is very ambitious and the timeline (that is, end of 2020) looks rather inadequate. Third, the OECD seems to be guided by a couple of its members – mainly the United States (its biggest member) and France (its host country). This has impeded any meaningful reform, and led to disregard of constructive solutions being proposed by groups such as the G24.[10] The Unified Approach which has received the endorsement of the Inclusive Framework has brought about further complexity without benefits, especially for low-income countries. In fact, low-income countries may stand to be further disadvantaged as a result of this process.

India in particular, has been deeply critical of these developments within the OECD, including questioning the legitimacy of the Inclusive Framework. India, which contributed to the G24's proposal to the OECD (disregarded by the Inclusive Framework), has expressed concern over the reduction of taxes that countries such as itself would be able to collect if the OECD's current proposals become the norm. India collected approximately Rs. 550 crore in equalisation levy for FY 2017-18.[11]

Tax Cooperation in Asia-Pacific

Asia is the only developing region in the world that does not have a pan-continental regional forum for tax cooperation. In view of the need to coordinate financing for development across the region to meet the Sustainable Development Goals, the Secretariat of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) had proposed to establish an Asia-Pacific Tax Forum for Sustainable Development under the auspices of ESCAP in 2016. However, this proposal did not succeed.

Lately, India's statements at international and regional platforms have been focused at formalising cooperation on international tax matters in light of the emerging challenges of taxing the digital economy. In Asia-Pacific's context too, India made a strong case for supporting ESCAP's alternative proposal of establishing a working group on tax matters that could address the region's capacity constraints and elevate the region's under-represented concerns and needs at global fora. India has also actively supported the need to upgrade the UN Committee of Experts on International Cooperation on Tax Matters to an intergovernmental body. Asia-Pacific member states, however, did not take forward the proposal of setting up a working on tax matters under UNESCAP.

10 Cobham, Alex (2020), "A Pyrrhic Victory for the OECD?", Tax Justice Network, January 31, https://www.taxjustice.net/2020/01/31/a-pyrrhic-victory-for-the-oecd/
11 Srivats, KR (2019), "Digital tax: Centre rakes in moolah with 'equalisation levy'", The Hindu Business Line, https://www.thehindubusinessline.com/economy/digital-tax-centre-rakes-in-moolah-with-equalisation-levy/article26260963.ece]

Institutionalising Financial Secrecy in India

The International Financial Services Centres (IFSCs) Authority Bill, 2019 was passed by the Indian Parliament in December 2019. An IFSC caters to customers outside the jurisdiction of the domestic economy. Such centres deal with flows of finance, financial products and services across borders. The IFSC Act provides for the establishment of an Authority that would develop and regulate the financial services market in IFSCs in India. The Authority includes nine members, who would belong to the Ministry of Finance, the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority of India and the Pension Fund Regulatory and Development Authority.

The Authority has the jurisdiction to regulate financial products such as securities, deposits or contracts of insurance, financial services, and financial institutions which have been previously approved by any appropriate regulator (such as RBI or SEBI), in an IFSC. India set up its first IFSC in the Gujarat International Finance Tec-City (GIFT City), Gandhinagar in 2017.

The Union Budget 2020-21 has proposed setting up an International Bullion Exchange at GIFT City, which is already home to 19 insurance entities and 40 banking entities. The Government of India is also incentivising trading of Indian rupee derivatives in the IFSC to curb the surge in trading volumes of the Indian rupee in offshore financial centres. Further, the Union Budget proposes a reduction in withholding tax rates from 5% to 4% on interest payment on bonds listed on its exchange, aiming to attract more international investors to the IFSC exchange.

The IFSC enjoys numerous tax concessions such as tax holidays to firms operating in the IFSC along with exemptions on transaction taxes and stamp duties. Capital gains tax does not apply to a transfer of derivatives and certain securities by non-residents in a stock exchange established in the IFSC, including transfers received in foreign currency.

GIFT City has ranked tenth in the Global Financial Centres Index – ahead of Luxembourg, Seoul, Abu Dhabi, Toronto and Beijing. Modelled after offshore financial centres such as Singapore and Dubai, IFSCs in India aspire to attract a high level of non-resident activity, low or no taxes on business or investment income, flexible incorporation and licensing regimes, flexible supervisory regimes and flexible use of special corporate vehicles.

The IFSC incentivises instruments and activities related to speculative investment, which is of great concern for the Indian economy, as it can potentially hamper the country's macroeconomic indicators such as the GDP growth rate and employment growth rate. Furthermore, this has significant impacts on the government's revenue, as the IFSC provides for substantive tax exemptions and tax holidays which may be used for tax abuse.

While India has been proactive with respect to mobilising the international community on matters of tax cooperation both globally as well as regionally in Asia-Pacific, its increasing inclination towards institutionalising financial secrecy within the country is worrying. The move to establish onshore financial services centres is corrosive of revenue and needs to be re-examined.

CHAPTER II

Social Sectors

India is committed to achieving Sustainable Development Goals (SDGs) by 2030, for which social sector development is important. As a large part of the Indian population depends on public provisioning for essential services such as health care, education, nutrition and others, adequate public spending on social sectors and efficiency in the delivery systems is critical.

Given the acute shortage of human resources and basic infrastructure, questions about resource adequacy for the social sectors cannot be ignored. Post the 14th Finance Commission recommendations, with higher devolution of taxes to States, the debate on the role of the Centre and States regarding spending on social sectors has gained prominence. Despite the greater fiscal autonomy of States and the expectations from them to shoulder bigger chunks of public financing of social sectors, the persistence of regional disparities on the country implies that the role of the Union Government in correcting these imbalances is significant. The Union Government not only needs to retain its financial commitment for the social sectors, but also make stronger efforts towards meeting SDGs.

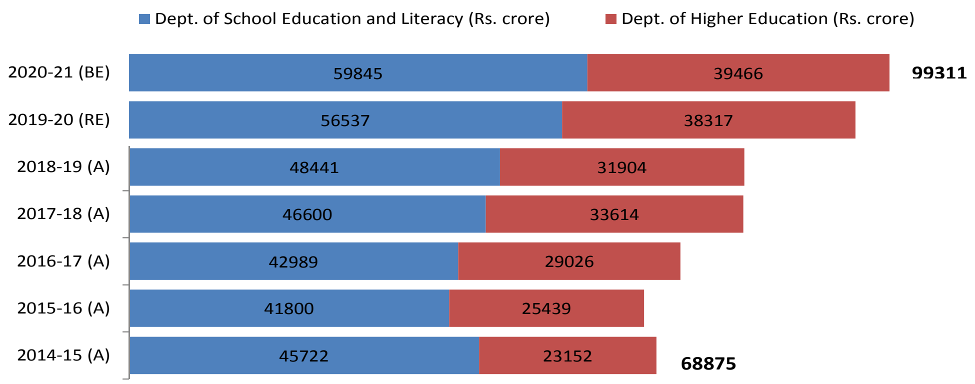
NITI Aayog's recent exercise to measure the performance of States in different social sectors is useful in this direction. However, evidence shows that the Union Government's decision of linking financing of social sector schemes with States' performance could be having an adverse effect on States with poor fiscal health.

In this backdrop, the present chapter examines the priorities in Union Budget 2020-21 towards key social sectors – Education, Health, Nutrition and Water & Sanitation.

Budget Promises and Priorities for Education

In this year's budget 'Education and Skill' has been hailed as one of the important pillars for achieving 'Aspirational India'. The Ministry of Human Resource Development (MHRD) has been allocated Rs. 99,311 crore in 2020-21 (BE), a five per cent increase from the previous year's allocation (Figure 2.1). Of the total budget, 60 per cent is allocated for Dept. of School Education and Literacy and 40 per cent for Dept. of Higher Education.

Figure 2.1: Department Wise Allocation/Expenditure by MHRD (Rs. crores)

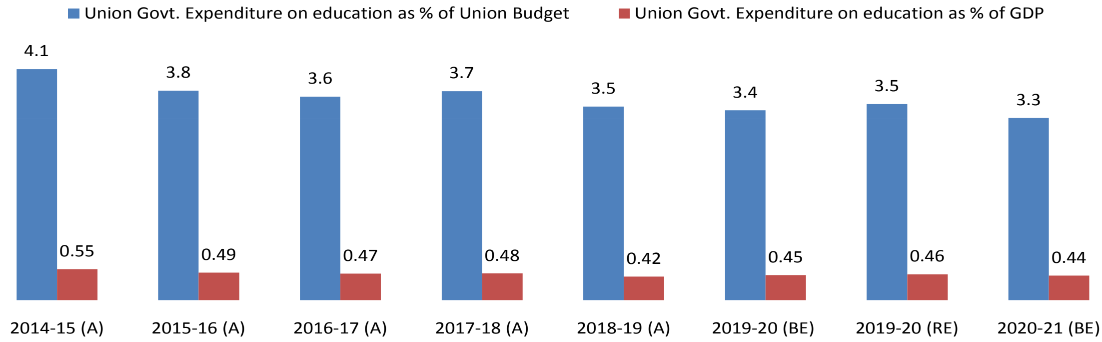


Source: Compiled by CBGA from Union Budget Documents, various years

Though MHRD's budget has been increased in absolute terms, its share in total government expenditure has been continuously declining. A similar trend is observed when the education budget is compared with the country's GDP (Refer to Figure 2.2). This reduced priority is also highlighted in the Economic Survey 2019-20, which shows that of the total public spending of 6.43 per cent of GDP on social sectors (Centre and States combined), 3.1 per cent of GDP is the spending towards education (Refer to Table 5.3). This percentage is the same as what it was in 2010-11.[1]

1 Economic Survey, 2013-14

Figure 2.2: Union Government's Budgetary Spending on Education (per cent)



Notes: GDP figures at current market price (2011-12 series)
Source: Compiled by CBGA from Union Budget Documents, various years

The draft National Education Policy (NEP), 2019 emphasises the need for higher public investment, with a reference to doubling the Centre's spending on education in a period of 10 years. The budget speech also laid emphasis on the need for "greater inflow of finance in education". However, the proposals for investment refer to external commercial borrowings and Foreign Direct Investment (FDI), instead of public investment.

The current pattern of investment adopted by the government neither reflects any serious efforts towards realising the objectives of the NEP, nor meeting the national commitment of total public expenditure on education being raised to six per cent of GDP.

School Education Needs a Bigger Push

The Budget Speech overlooked any discussion on school education or the Right to Education (RTE) Act despite concerns regarding low levels of learning among children.

In 2018-19, the government launched *Samagra Shiksha Abhiyan* (SMSA) by integrating *Sarva Shiksha Abhiyan* (SSA), *Rashtriya Madhyamik Shiksha Abhiyan* (RMSA) and Teacher Education (TE), three major Centrally Sponsored Schemes of the Union Government, to provide holistic education from the pre-nursery to senior secondary stages. However, from its inception, the scheme has remained under-funded. As per the Parliamentary Standing Committee report[2], the Ministry of Finance had approved an outlay of Rs. 34,000 crore in 2018-19 and Rs. 41,000 crore in 2019-20 for SMSA. However, in 2018-19, the Union Budget allocated a total of Rs. 30,892 crore under the three schemes of SSA, RMSA and TE and Rs. 36,322 crore in 2019-20 (BE) (Refer to Table 5.4).

The Union Government's allocation for SMSA depends largely on its collection of education cess. This year, 74 per cent of the SMSA budget has been estimated to be financed through education cess. However, as per the Standing Committee report, Primary Education Cess collected from the 2004-05 to 2016-17 amounted to Rs. 1,92,770 crore, out of which Rs. 1,79,656 crore had been spent in the corresponding period, implying that 6.8 per cent of the total collection remained unutilised.

In June 2019, the MHRD internally proposed[3] an extension of the Mid-Day Meal (MDM) scheme to include the students in Classes IX and X in government schools across the country. The draft NEP also recommended expanding the scheme to provide breakfast to children across all age groups. However, the budget for MDM has not been increased since 2019-20 (BE) and continues at Rs. 11,000 crore for 2020-21 (BE).

2 Report No. 309, Department-related Parliamentary Standing Committee on Human Resource Development, Rajya Sabha, 11th February, 2019
3 'Class IX, X students in government schools to get midday meal from 2020', NewIndia Express, 9th June, 2019

The increased dependence of the Union Government on cess and disinvestment for financing school education is also reflected in the allocation for *Kendriya Vidyalayas* and *Navodaya Vidyalayas*. Instead of the usual Gross Budgetary Support, the total allocation for these schemes has been earmarked from the National Investment Fund (proceeds from disinvestment of Central Public Sector Enterprises) and the Central Roads and Infrastructure Fund (cess on petrol and diesel).

Government Not Investing Adequately in the Demographic Dividend

In the last 10 years, the higher education system in India has seen a massive expansion. This is reflected in the rise in enrolment and infrastructure facilities available for higher education. At present, there are 993 universities, 3.99 lakh colleges and 10,725 stand-alone institutions across the country. The Gross Enrolment Ratio (GER) for the 18-23 years age group has also increased from 10 per cent in 2004 to 26.3 per cent in 2018-19[4].

However, expansion of the system is not improving access to higher education for all. More than 30 per cent of India's youth are neither employed nor in education or training institutes.[5] Unregulated privatisation of higher education has resulted in the proliferation of private institutions. More than 77.8 per cent of colleges are run by private entities, which account for 66.4 per cent of the total enrolment.[6]

Rashtriya Uchchatar Shiksha Abhiyan (RUSA), the only centrally sponsored scheme of MHRD responsible for improving the quality of State Universities and Colleges, has experienced a major cut of Rs.1,800 crore (86 per cent reduction) from previous year's allocation (Refer to Table 5.5).

The government's project of establishing 10 world class institutions has got an allocation of Rs. 500 crore in 2020-21(BE). However, an RTI response reveals that out of Rs 400 crore allocated in 2019-20 (BE), 21.2 per cent .i.e., merely Rs. 80 crore, was spent till December 2019.[7]

In order to reap the benefits of the demographic dividend and produce a skilled labour force, a substantial jump is needed in the budgetary allocation for the higher education sector. But the budget has proposed a meagre 3 per cent increase in the higher education outlay over the previous year's estimate.

Adequate Funds, Utilised Effectively, Can Ensure Quality Education

The demands for higher allocations for the education sector have been countered by some through the narrative that unsatisfactory outcomes in public education sector are not because of fund shortage, rather the problem in resource absorption capacity of the sector is to be blamed.

The problem of under-utilisation of funds is usually noticed at the sub-national level. A compliance audit of RTE by CAG[8] shows that State Governments have failed to utilise Rs. 87,000 crore of the allocated funds in the first six years of the RTE Act. The report observes that State Implementing Societies were consistently unable to utilise funds and the amount of unspent funds varied from 21 per cent to 41 per cent between 2010-11 and 2015-16.[9]

4 All India Survey on Higher Education, 2018-19, Dept. of Higher Education, MHRD, 2019
5 OECD Economic Survey: India 2017
6 All India Survey on Higher Education, 2018-19, Dept. of Higher Education, MHRD, 2019
7 'Key Health, HRD Min schemes fail to utilise allocated funds', The Indian Express, 30th January, 2020 (https://indianexpress.com/article/business/key-health-hrd-min-schemes-fail-to-utilise-allocated-funds-6241828/)
8 Comptroller and Auditor General
9 Report No.23 of 2017 - Compliance audit Union Government Implementation of Right of Children to Free and Compulsory Education Act, 2009

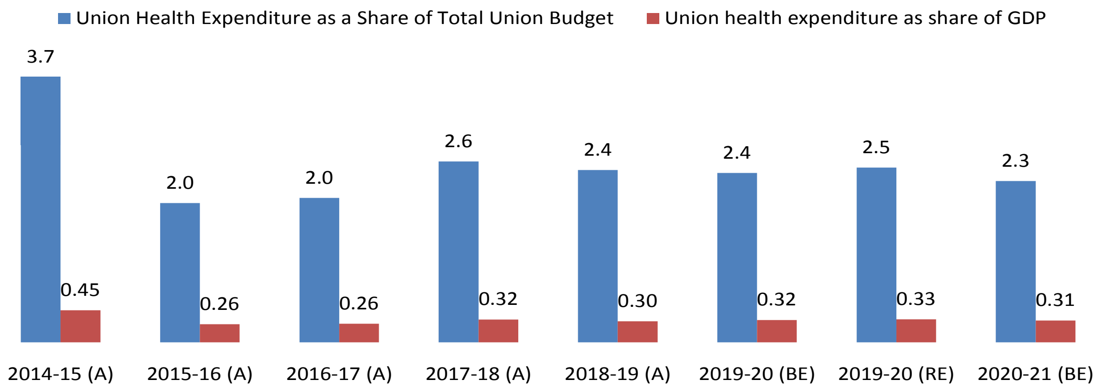
However, a recent study[10] on fund utilisation of development schemes in five districts (across four States) in financial years 2016-17 and 2017-18 shows that more than 85 per cent of allocated funds under SSA were utilised in these districts. This does indicate an improvement in the resource absorption capacity of the districts in schemes like SSA over time. Adequate fund allocation along with effective fund utilisation could go a long way in ensuring quality education.

Union Government's Spending on Health

National Health Policy, 2017 envisioned total public expenditure on health to be 2.5 per cent of GDP by 2025. However, the Centre and States together allocated only up to 1.6 per cent of GDP on health in 2019-20 (BE) (Refer to Table 5.3).

In the 2020-21 Union Budget, Rs. 69,234 crore has been allocated for the Ministry of Health and Family Welfare (MoHFW) and Ministry of *Ayurveda, Yoga & Naturopathy, Unani, Siddha, Sowa Rigpa and Homoeopathy* (AYUSH). This is an increase of four per cent from 2019-20 (BE). The quantum of Union Government's health budget as proportion of GDP remains stagnant at 0.3 per cent, while its share in the total Union Budget has fallen marginally from 2.4 per cent in 2019-20 (BE) to 2.3 per cent in 2020-21 (BE). The share of MoHFW remains 97 per cent of the total health budget while that of AYUSH is around three per cent since 2015-16 (Refer to Figure 5.15).

Figure 2.3: Union Government's Budgetary Spending on Health (per cent)



Source: Compiled by CBGA from Union Budget Documents, various years

A Balancing Act Between Provisioning for and Purchasing of Health Care Services

A continuous effort on part of the Union Government to shift from healthcare provisioning to purchasing has been observed in recent years. National Health Policy, 2017 coined the term 'strategic purchasing' to describe a gradual conversion of the government's role from a provider to a purchaser of healthcare services for its citizens. A large scale health insurance programme – *Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana* (AB-PMJAY) – was launched to that effect in 2018.

The Union Government increased budget allocations for AB-PMJAY to Rs. 6,400 crore in 2019-20 (BE) from Rs. 2,400 crore in 2018-19 (RE). However, the allocation for this scheme remains unchanged in 2020-21 (BE).

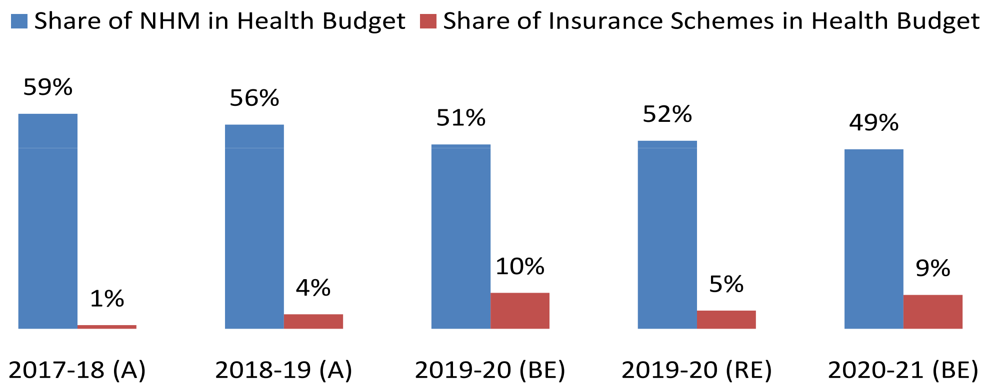
This year, nine per cent of the total health budget has been allocated for three insurance programmes, viz. *Rashtriya Swasthya Bima Yojana* (RSBY), AB-PMAY, and Senior Citizens Health Insurance Scheme,

10 'The Budget Trails: Fiscal Governance Reforms at District Level for Improving Fund Flow and Utilisation in Development Schemes', CBGA-Tata Trust, 2019 (http://www.cbgaindia.org/study-report/budget-trails-fiscal-governance-reforms-district-level-improving-fund-flow-utilisation-development-schemes/)

which amounts to a sum of Rs. 6,439 crore. This is a decline of one per cent from the previous year's allocation (Figure 2.4).

On the other hand, the budget for NHM (including Health and Wellness Centres) has been increased by three per cent from the previous year to Rs. 34,115 crore in 2020-21 (BE).

Figure 2.4: Share of NHM and Insurance Schemes in the Total Health Budget (per cent)



Source: Compiled by CBGA from Union Budget Documents, various years.

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), the scheme for enhancing the tertiary healthcare capacity in clinical care, medical education and research in underserved areas, has seen an increase in budgetary support from Rs. 4000 crore in 2019-20 (BE) to Rs. 6,400 in 2020-21 (BE), an increase of 50 per cent. The Finance Minister announced setting up hospitals, with priority given to aspirational districts with no hospitals empanelled under AB-PMJAY.

Focus on Medical Infrastructure and Human Resources

As per the Economic Survey 2019, the doctor-population ratio in India is 1:1456 against the WHO recommendation of 1:1000.[11] Moreover, a significant proportion of sanctioned projects for new construction and upgradation of public health facilities remains incomplete (Refer to Table in Chapter 5). This year's NHM budget shows a 10 per cent increase in the allocation for Human Resources for Health and Medical Education, compared to the previous year (Refer to Table 5.8).

Table 2.1: Status of New Construction and Upgradation of Primary Health Infrastructure under NHM

Types of Health Centres	New Construction		Upgradation	
	Sanctioned	Completed	Sanctioned	Completed
Sub-centers	27573	21014	18707	15345
Primary Health Centres	2920	2264	13324	11462
Community Health Centres	604	473	6692	5771
Sub District Hospitals	240	139	1150	963
District Hospitals	172	129	3201	2325

Source: Economic Survey 2019-20 (as in June 2019).

Performance Based Funding for NHM

According to the Health Strengthening and Conditionality Report (2018-19) by MoHFW, States

11 Ministry of Finance Department of Economic Affairs, Government of India. (2020). Economic Survey 2019-20.

would receive 80 per cent of resources earmarked for NHM and the remaining 20 per cent would be transferred on the basis of States' performance on certain indicators. It was anticipated that poor States would lose more while competing with their richer counterparts, if funds are distributed from a single pool; thus five different fund pools were created.

However, the report showed that 14 States were penalised in 2018-19. Most of these are economically weaker States, with poor infrastructure and low human development indicators. Penalties imposed on such States, in terms of loss of resources from the Centre, might adversely affect the underprivileged sections in this States as they depend heavily on public provisioning for health.

Promises of Better Nutrition Provide Food for Thought

In an effort towards improving health and nutrition indices in the country, especially among vulnerable groups like children, adolescent girls and pregnant and lactating women, the government has announced a provision of Rs. 35,600 crore for "nutrition-related programmes" in the Union Budget 2020-21. It is however not clear which schemes and programmes would be covered under this head. The government also proposed setting up of a task force to review women's age of marriage for lowering the maternal mortality rate and improving nutrition levels.

Trends in Allocation and Expenditure on Major Nutrition Schemes

While the composition of the Rs. 35,600 crore outlay for nutrition in the budget is unclear, Rs. 27,057 crore has been earmarked for five major nutrition-specific schemes[12] under the Ministry of Women and Child Development (MWCD). This marks an increase of 15 per cent from 2019-20 (RE).

An allocation of Rs. 20,532.4 crore has been made for *Anganwadi* Services under Integrated Child Development Services (ICDS) in 2020-21 (BE), which is an increase of nearly 16 per cent from 2019-20 (RE), and 3.5 per cent from 2019-20 (BE).

The budgetary allocation for the Prime Minister's Overarching Scheme for Holistic Nutrition*, POSHAN Abhiyaan* (earlier National Nutrition Mission) has gone up by nine per cent from Rs. 3,400 crore in 2019-20 (RE) to Rs. 3,700 crore in 2020-21 (BE). The outlay for *Pradhan Mantri Matru Vandana Yojana* (PMMVY) also increased by nine per cent from Rs. 2,300 crore in 2019-20 (RE) to Rs. 2,500 crore in 2020-21 (BE) (Refer to Table 5.9).

The budgetary allocation for the Scheme for Adolescent Girls (SAG) has gone up from Rs. 150 crore in 2019-20 (RE) to Rs. 250 crore in 2020-21 (BE). This increase needs to be looked at against the backdrop of poor utilisation of funds in previous years. In 2019-20, the utilisation in several States, including Gujarat, Andhra Pradesh and Madhya Pradesh, was well below the quantum of funds released by the Centre.[13]

Food Subsidy, which indirectly impact nutrition, has seen a visible cut in allocation. The outlay for Food Subsidy has been reduced by Rs. 68,650 crore, compared to 2019-20 (BE).

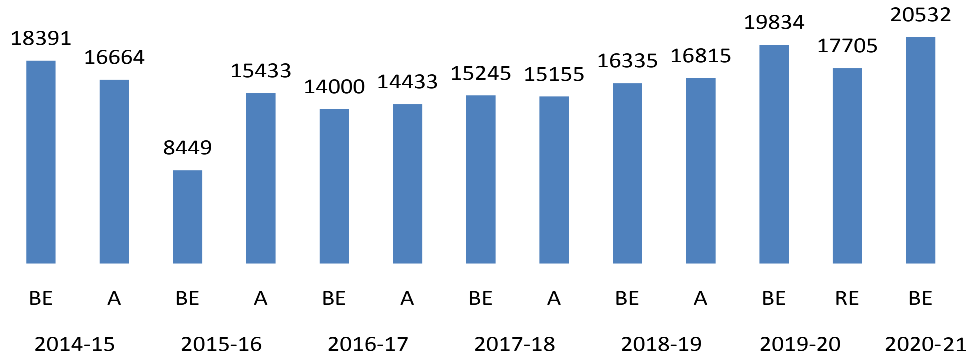
Fund Utilisation under ICDS

The utilisation of funds under *Anganwadi* Services has been high in the last few years (Refer to Table in Chapter 5). In some years, the actual expenditure has exceeded budget allocations. High fund

12 The five schemes included here are as follows: Anganwadi Services (core ICDS), National Nutrition Mission, Rajiv Gandhi National Creche Scheme, Pradhan Mantri Matru Vandana Yojana and Scheme for Adolescent Girls.
13 GoI, Ministry of Women and Child Development, Lok Sabha Unstarred Question No. 1178, accessed at http://164.100.24.220/loksabhaquestions/annex/171/AU1178.pdf

utilisation has also been observed at the sub-national level. A study of fund flows in five districts across India found the utilisation rate for ICDS to be over 90 per cent in four of the districts in 2018-19.[14] In two of the districts, its expenditure was evenly distributed across quarters, indicating a good quality of fund utilisation as well.

Figure 2.5: Union Government's Allocation and Expenditure for Anganwadi Services (Rs. crore)



Source: Compiled by CBGA from various Union Budget documents, various years.

The pattern of expenditure under ICDS at different levels indicates that there is a need for higher resource allocation. A Standing Committee report shows consistent gaps between projected demands by MWCD and allocations made to it, over the years. In 2018-19 (BE), MWCD got 23 per cent less funds than its projected demand.[15] This impedes effective coverage and implementation of nutrition schemes.

Low Fund Flow and Utilisation under POSHAN Abhiyaan

POSHAN Abhiyaan – the government's flagship programme for convergence of various nutrition schemes, leveraging of technology for better implementation, capacity building of frontline workers and behaviour change communication through *jan andolans* – requires timely release and utilisation of funds for tackling undernutrition. It has been reported that only 32.4 per cent of funds allocated for the programme in 2019-20 were utilised by January 2019.[16] Moreover, as of November 2019, no funds had been released from the Centre to as many as 15 states.[17]

PMMVY Needs Wider Ambit

Under PMMVY, pregnant and lactating women are eligible for conditional cash transfers of Rs. 5,000 in three instalments, for their first live birth. Actual expenditure for PMMVY in 2018-19 was 44 per cent of the BE for that year. Limited coverage under the scheme could be a reason for less than half of funds getting utilised. A study based on MWCD data notes that only 51 per cent of eligible beneficiaries were enrolled under the scheme in 2018-19, and of them, only 61 per cent received all three instalments.[18] Moreover, as the scheme only covers the first live birth, a large number of pregnant and lactating

14 CBGA (2020), Extent of Fund Utilisation in Social Sector Schemes: Does it Conceal More Than it Reveals?, accessed at http://www.cbgaindia.org/study-report/budget-trails-fiscal-governance-reforms-district-level-improving-fund-flow-utilisation-development-schemes/

15 Parliament of India, Rajya Sabha (2018), Action Taken by the Government on the Observations/Recommendations contained in the Three Hundred Fourth Report on the Demands For Grants 2018-19 of the Ministry of Women and Child Development

16 Yadav S. (2020), 'Amid higher expenditure level of Ministries, funds in welfare schemes remain underutilised', Indian Express, accessed at https://indianexpress.com/article/business/amid-higher-expenditure-level-of-ministries-funds-in-welfare-schemes-remain-underutilised-6240292/

17 Paul and Kapur (2020), Budget Briefs: Vol 12, Issue 9: POSHAN Abhiyaan, GoI, 2020-21 (Pre-Budget) Accountability Initiative, Centre for Policy Research, accessed at https://accountabilityindia.in/publication/poshan-abhiyaan-pre-budget/

18 Dreze and Khera (2019), Jaccha Baccha Survey (JABS), Briefing Note, accessed at https://www.indiaspend.com/wp-content/uploads/2019/12/JABS-Briefing-Notes-all-in-one-18-Nov-2019.pdf

women are left out of the net altogether. The study shows that in 2018-19, only 23 per cent of all women who had live births that year were enrolled under the scheme.

The *Mamta* scheme for maternity benefits implemented in Odisha since 2011 covers two live births, and every birth for women belonging to vulnerable tribal groups.[19] Similarly, Tamil Nadu's Dr. Muthulakshmi Maternity Benefit Scheme (DMMBS) covers two live births for all BPL women. DMMBS has gradually expanded coverage to include other vulnerable women. Given the success of these schemes, the Centre could consider widening PMMVY coverage to include more women.

DMMBS offers cash assistance of Rs. 18,000 and two nutritional kits to the beneficiaries. It has been successful in bringing down infant and maternal mortality rates in the state.[20] Taking a cue from these schemes, the Union Government could consider raising the amount of cash transfers under PMMVY.

ICDS Procurement Plagued By Corruption and Non-Supply

In adherence to the Supreme Court's directive of 2006, the procurement method under ICDS needs to be reformed in order to eradicate the problems of corruption and non-supply. Lessons can be learnt from Odisha, which took steps in April 2011 to revitalise ICDS and ensure "universalisation with quality" through decentralisation, by doing away with involvement of contractors. All materials are procured locally by *Anganwadi* Workers (AWWs), except wheat and rice which are procured from the Food Corporation of India (FCI). It has been recommended that self-help groups (SHGs) and *Mahila Mandals* can be mobilised for supply and distribution to enable higher accountability.[21] Further, funds for procurement of food materials can be transferred directly into the joint accounts of AWWs.

Human Resource Shortfalls and Gaps in State Outcomes

Quality of service delivery depends on availability of trained human resources. AWWs in particular are responsible for delivering a wide range of nutrition interventions. However, high vacancies at different levels of ICDS functionaries are hampering the programme objectives. The latest set of MWCD estimates show that 5.6% of sanctioned AWW posts and 7.9% of *Anganwadi* Helper (AWH) posts lie vacant.[22] The gradual reduction in the Centre's contribution towards staff salaries under ICDS and passing on a bigger part of the responsibility to States has important implications for fiscally weaker States. These States may not have the capacity to recruit large numbers of staff for the sanctioned ICDS posts. The Central Government therefore needs to support such States towards addressing human resource shortfalls and strengthening capacity for service delivery.

Safe Water and Comprehensive Sanitation in Budget 2020-21

The Finance Minister in her 2020-21 Budget Speech highlighted the importance of safe water (*Jal Jeevan* Mission) and comprehensive sanitation programme (*Swachh Bharat* Mission) to support the government's "health vision" and reduce the disease burden among the poor. In the Union Budget 2020-21, the Ministry of *Jal Shakti*[23] has witnessed a marginal increase of seven per cent from the previous year's allocation (Refer to Table 5.9). Further, outlays for the Department of Drinking Water & Sanitation have not seen any significant increase in 2020-21 (BE). The allocation for the National Rural

19 Ali (2019), 'Maternity Benefits: What Centre Can Learn From Tamil Nadu, Odisha', Indiaspend, accessed at https://www.indiaspend.com/maternity-benefits-what-centre-can-learn-from-tamil-nadu-odisha/

20 Lakshmi and Rajkumar (2019), Awareness regarding maternity benefit schemes among antenatal women in rural Tamil Nadu, International Journal of Clinical Obstetrics and Gynaecology 2019; 3(5): 220-223

21 Niti Aayog, Government of India (2015), Social Sector Service Delivery: Good Practices Handbook, pp. 151-157.

22 GoI, Ministry of Women and Child Development, Lok Sabha Unstarred Question No. 933, accessed at http://164.100.24.220/loksabhaquestions/annex/172/AU933.pdf

23The Ministry ofJal Shakti was set up by integrating two erstwhile ministries-Department of Drinking Water & Sanitation and Department of Water Resources, Department of River Development and Ganga Rejuvenation in July 2019.

Drinking Water Programme (NRDWP) has been increased by 14.9 per cent in 2020-21 (BE) compared to the allocation made last year (Refer to Table 5.12).

Besides providing piped water supply to all households, the *Jal Jeevan* Mission places emphasis on augmenting local water sources and recharging existing sources; it also promotes water harvesting and desalination. For this purpose, the slight increase in the allocation may not be sufficient in implementing the government's ambitious plan.

Swachh Bharat Mission - Rural (SBM-R) has recorded an increase of 19.8 per cent in Union Budget 2020-21 allocations in comparison to 2019-20 (RE) (Refer to Table in Chapter 5). Since urban sanitation is a neglected area, the increase in budgetary allocation from Rs. 1300 crores in 2019-20 (RE) to Rs. 2,300 crores in 2020-21 (BE) for SBM-Urban (SBM-U) is noteworthy. However, the reduction in 2019-20 (RE) compared to the allocation of 2019-20 (BE) implies that the Centre was unable to utilise the proposed allocation in 2019-20. Hence, more efforts are required to address the procedural bottlenecks in fund flow and fund utilisation under this programme.

Efforts Taken by Government Post SBM

Since the launch of the SBM-R in 2014, over 10 crore toilets have been built in rural areas, and over 5.9 lakh villages, 699 districts, and 35 States/UTs have declared themselves ODF.[24] Five years into SBM, in October 2019, the government declared India Open Defecation Free (ODF).[25] The next step, as highlighted in the Budget Speech 2020-21, is to transition into "ODF Plus". In order to sustain ODF behaviour, ODF Plus focuses on liquid and grey water management, solid waste collection, source segregation, and processing and awareness on personal hygiene. This signals the Ministry's intent towards making sanitation sustainable. The government's priority to sustain behavioural change is also reflected in the 10 Year Rural Sanitation Strategy (2019-2029) of the Department of Drinking Water and Sanitation.

Ministry of *Jal Shakti*: Convergence or Confusion?

Jal Shakti Abhiyan (JSA) was launched in July 2019 to accelerate progress on water conservation activities in the most water-stressed blocks and districts of India. JSA has delivered over 3.5 lakh water conservation measures in 256 districts. Out of these, 1.54 lakh are water conservation and rain water harvesting measures, 20,000 projects relate to the rejuvenation of traditional water bodies, over 65,000 are reuse and recharge structures, and 1.23 lakh are watershed development projects.

After the setting up of the Ministry of *Jal Shakti*, it remains to be seen how convergence will be brought about between schemes and programmes of the Departments of Water Resources and the Department of Drinking Water and Sanitation. At present, both departments work independently.

Implementation of the Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)

The Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS), which aims at rehabilitation of manual scavengers and their dependents in a time bound manner, has been inadequately and inconsistently funded at the level of both Union Government and State Governments since 2014-15. The low level of utilisation of the budget allocated for this scheme is critical, as it leads to further cuts in budgetary outlays. It may be noted that no SRMS funds were utilised from 2014-15 to 2017-18 by the Union Government. However, in this year's Union Budget, the scheme has got a marginal increase of Rs. 110 crore, compared to Rs. 99.9 crores in 2019-20 (RE).The utilisation figures have improved significantly since 2014-15 (A) to 2018-19 (A) (Table 1).

24 Economic Survey 2019-20, GoI
25https://sbm.gov.in/sbmdashboard/Default.aspx

Table 2.2 Budgetary Allocations for Self Employment Scheme for Rehabilitation of Manual Scavengers Scheme (SRMS) (Rs. crore)

2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (RE)	2020-21 (BE)
0	0	0	0	85.7	99.9	110

Source: Compiled by CBGA from Union Budget documents, various years

To help in more effective implementation of the scheme, the government should take the following actions on priority basis: (i) provide funds for a comprehensive survey for proper identification of manual scavengers in the country; (ii) provide funds for increasing awareness about the scheme among potential beneficiaries as well as government officials; and (iii) review the norms and guidelines of the SRMS scheme.

CHAPTER III

Economic Sectors

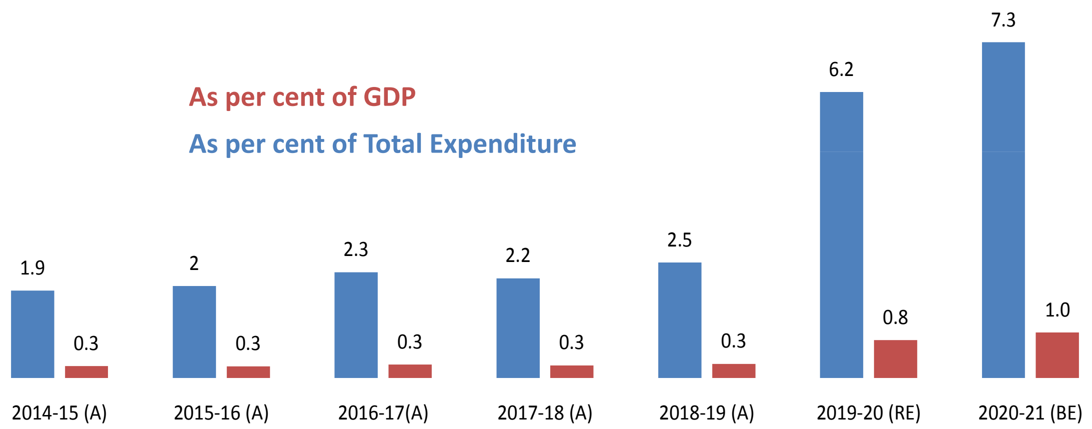
A series of promises towards addressing long-standing agrarian distress and rising unemployment have been made since 2014-15. Union Budgets of the recent years have introduced several schemes and interventions for agriculture, employment and rural development such as, direct income support for farmers, crop insurance, loan waiver, skill development and access to credit for small and medium enterprises, among other measures. However, the success of these programmes is contingent upon adequate budgetary provisions by the Union Government and its effective utilisation on the ground. The present chapter examines the key measures and priorities for agriculture and other allied activities, employment, rural development and clean energy.

Budgetary priorities for agriculture and allied activities sector

Agriculture and Allied Activities Sector remains an important part of the Indian economy because of its contribution to employment (around 50 per cent of the total workforce) and economy (16.5 per cent in Gross Value Added (GVA) in 2019-20)[1]. The growth of the sector is critical for vulnerable sections as more than 86 per cent of farmers are small and marginal[2] and 73.2 per cent rural women are engaged in this sector[3]. This sector is susceptible to the vagaries of nature and 53 per cent of arable land is either dryland or in rainfed areas[4]. The slow and fluctuating growth of agriculture and allied activities has severe implications for the economy as sustainability of the livelihoods of millions of people directly or indirectly is dependent upon it.

With the overarching objective of easing agrarian distress, the Union Government adopted various strategies in the recent years for doubling farmers' income by 2022, taking 2015-16 as the base year. Three focus areas were adopted to realise this goal –access to credit, crop insurance, and enhancing irrigation facilities. With a policy shift towards reviving the sector, a higher share of the Union Budget has been earmarked for the sector since 2018-19, which has now reached 7.3 per cent of the total Union Budget. Expenditure share for this sector (in the total Union Government expenditure) has increased by more than one per cent in 2020-21 (BE) as compared to 2019-20 (RE).

Figure 3.1: The Allocation / Expenditure for MoA as Proportion of Total Union Budget and GDP (per cent)



Note: Gross Value Added (GVA) figures are at 2011-12 basic prices (at current prices), data taken from Economic Survey 2019-20.
Source: Compiled by CBGA from Union Budget documents, various years

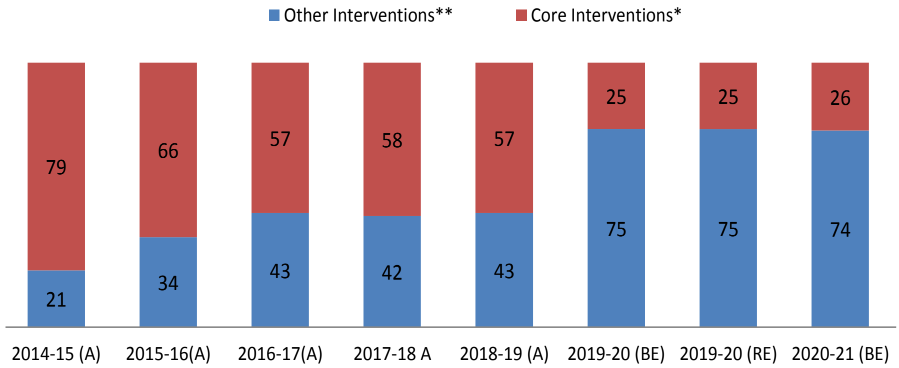
1 Economic Survey, 2019-20, Government of India
2 Agriculture Census, 2015-16, Government of India
3 Periodic Labour Force Survey (PLFS), 2017-18, Government of India
4 Agriculture Census, 2011, Government of India

MoA's priority shifting towards cash transfer interventions

The increase in the budgetary priority for the sector is due to higher allocations towards cash transfers through various schemes. However, the share of budgetary expenditure towards crop and non-crop sectors has remained low. There has been huge increase in expenditure towards cash transfers since 2018-19, which was due to the introduction of direct income support (now known as *Pradhan Mantri Kisan Samman Nidhi (PM Kisan)*). Along with *PM Kisan*, other cash benefit schemes such as *Pradhan Mantri Fasal Bima Yojana (PMFBY)* and interest subvention also provide some short-term relief. However, they do not address the root causes of agrarian distress in the country.

Secondly, the benefits of cash transfer schemes may not accrue to the tenant farmers and women farmers (as less than 14 per cent holdings[5] have been reported as women operated holdings) because the schemes are meant for land owners only. Despite the fact that women farmers are crucial to agriculture in India, no specific measures, including budgetary measures, have been adopted to ensure their inclusion in the priority interventions. Similarly, *PM Kisan* and *Rhythu Bandhu* Scheme of Telangana have not explicitly mentioned the benefits accruing to lessee cultivators or share croppers. KALIA scheme in Odisha offers benefit of Rs. 10,000 per sharecropper / lease holder per year, though identification of tenant farmers continues to be a huge challenge there. Therefore, solution to the problem lies in legalising the land leasing system. Finance Minister in her 2020-21 budget speech has also urged the States to implement Model Agricultural Land Leasing Act, 2016 for inclusive implementation of various schemes providing cash transfers.

Figure 3.2: Shares of Union Government Expenditure on Core Vs. Other Interventions for Agriculture and Allied Activities Sector (per cent)



Note: * Core Interventions include the schemes meant for crop and non-crop sectors and other systemic interventions in Agriculture and Allied Activities sector. ** Non-core Interventions include Budget allocations / expenditure on PM Kisan, Crop Insurance, Price Support and Interest Subvention to Farmers

Source: Data compiled by CBGA from Union Budget, various years

Policy thrust on PPP model

Union Budget 2020-21 has announced various initiatives to augment agricultural infrastructure, especially expanding irrigation coverage in 100 of the most water-stressed districts. It proposes covering 20 lakh farmers through the setting up of stand-alone solar pumps and aims to encourage 15 lakh farmers to shift from grid-connected pump sets to solar pump sets. This strategy could be significant towards reducing the costs of farming in rainfed areas, though the budget allocated this year may not be adequate.

The Union Budget 2020-21 also makes provisions to enhance the capacity and quality of storage in the

5 Agriculture Census, 2015-16

country. The existing capacity of 162 million tonnes of agri-warehousing, cold storage will be updated under Warehouse Development and Regulatory Authority (WDRA) norms. Additional storage capacity at the block / *taluk* level, through the public-private partnership (PPP) mode, and village storage capacity, to be run by self-help groups, have also been proposed. Although these measures aim to empower rural women economically, additional allocations for the purpose are missing in the Union Budget.

Market access has been considered as one of the major problems in realising remunerative prices for agricultural produce. The budget has announced two schemes- *Kisan Rail* and *Krishi Udaan* to boost supply chains and provide market linkages to perishable products namely, fish and milk nationally and internationally. It aims to boost the marketing of horticulture products in tribal districts as well as North-East India. However, there is no budget allocation for *Krishi Udaan* as it will be launched in due course. *Kisan Rail* in PPP mode has been launched by the Ministry of Railways with the objective of developing a national cold supply chain for perishable products. However, the budget allocation for the PPP projects (overall) under the Ministry of Railway has declined from Rs. 28,100 crore in 2019-20 (BE) to Rs. 25,292 crore in 2020-21 (BE).

Other interventions for agriculture

Given that the sector is vulnerable and faces income instability, the Union Government is encouraging agricultural households to diversify their source of income from crop to non-crop sectors, which provide seasonal employment. Considering its high rate of growth, Union Budget 2020-21 has accorded more priority to development of livestock and fisheries. Capacity of milk processing is proposed to be doubled by 2025 whereas fish production is pegged to be raised to 200 lakh tonnes by 2022-23. The overall budget allocation for facilitating Farmer Producer Organisations (FPO) under NABARD is Rs. 500 crore.

The budget has made a special provision for an integrated farming system in rainfed areas through a mix of multi-tier cropping, bee-keeping, solar pumps, solar energy production and Zero-Budget Natural Farming. Coastal areas have also been prioritised through involvement of youth in fishery extension by appointing 3,477 *Sagar Mitras* and 500 Fish FPOs.

This budget envisages expansion in the agricultural credit flow, from Rs. 13.5 lakh crore in 2019-20 (BE) to Rs. 15 lakh crore in 2020-21 (BE) which is a welcome step towards boosting the agricultural investment and growth. However, no specific measure has been adopted to reduce the skewed regional distribution of credit. A low credit disbursement has been observed in North Eastern, Hilly and Eastern States[6] where a significant proportion of tribal population resides.

Urgent need for boosting rural employment

According to the Periodic Labour Force Survey (PLFS) of 2017-18, total employment in India dropped by 1.2 million, from around 472.5 million in 2011-12 to 471.3 million in 2017-18, with rural female employment declining by 24.7 per cent. The decline in rural female employment had offset the marginal increase in rural male, urban male and urban female workers by 4.6, 14.7 and 4.1 per cent respectively. The fall in rural employment was primarily due to non-profitability of the agriculture sector along with poor labour absorption capacity of rural non-farm sectors. The increase in landlessness and cultivation on small size land holdings have made agriculture economically unviable, due to which around 27.1 million people gave up cultivation during the period. Besides the rate of growth in urban male employment from 2011-12 to 2017-18 was lower than corresponding figures for 2004-05 to 2011-12.[7]

6 Economic Survey, 2019-20, Government of India.
7 Roychowdhury, A. (2019), Why Aggregate Employment in India Is Shrinking: PLFS data shows that the jobs crisis prominently visible

Indian economy requires an expansionary fiscal policy and employment generation measures to pull it out of the current situation of depressed demand. In this context, the provisions under Union Budget 2020-21, especially announcements relating to employment generation and the outlays for women-oriented self-employment schemes like *Mahila Coir Yojana* and *Jan Shikshan Sansthan* need close examination.

Box 3.1: Policy measures for employment generation announced in Union Budget 2020-21

- Village Storage Scheme to be run by Self Help Groups.
- MGNREGS to be dovetailed with development of fodder farms.
- Bridge courses for medical practitioners to attract overseas employment opportunities.
- Generation of employment in manufacturing industry.
- Unified procurement system of goods and services to help MSMEs.
- Employment opportunity for youth in construction, operation and maintenance of infrastructure.
- Growth in employment through expansion of tourism.
- Easy availability of chemicals for textiles at competitive prices to generate employment.

Self-employment Vs. wage employment

The NDA government reiterated its inclination towards promoting self-employment in this budget as well, with importance given to MSMEs, manufacturing, construction, skill development and the *Pradhan Mantri Mudra Yojana (PMMY)*). New avenues like tourism and professional courses to increase employment have also been envisaged.

The Finance Minister has proposed constructing 'Village Storage' facilities in *gram panchayats*, which would be run by women SHGs. Along with strengthening of the food storage system in one lakh *panchayats*, the scheme aims to generate employment. The SHGs will get financial support through the MUDRA scheme even though the outlay for the *Yojana* have remained stagnant at around Rs. 510 crore in 2020-21 (BE). The allocation for MSMEs has increased by eight per cent from Rs. 7,011.29 crore in 2019-20 (BE) to Rs. 7,572.2 crore in 2020-21 (BE). The budget speech emphasised on skill development programmes with special training packages to be introduced jointly by the Ministry of Skill Development and Entrepreneurship and the Ministry of Health to train medical professionals at par with international standards. However, allocation of funds for skill development has increased marginally by 0.4 per cent – from 2019-20 (BE) to 2020-21 (BE) – and around 91 per cent this outlay is for the *Pradhan Mantri Kaushal Vikas Yojana* (PMKVY). According to a Parliamentary Standing Committee report, the ministry could not utilise the entire budget under PMKVY in last three years and achieved only 49 per cent of its physical target.[8] Jobs and skill development programmes under the Ministry of Labour and Employment received an allocation of Rs. 2,646.39 crore in 2020-21 (BE)

Over 96 per cent of total allocation for MGNREGS for 2019-20 was exhausted by the third quarter with only Rs. 2,500 crore remaining for the last two months of the financial year[9]. Despite the shortfall, the outlay for the job scheme has only been increased by 2.5 per cent for 2020-21 (BE), over 2019-20 (BE).

among rural females earlier has now spread to the rural male segment, The WIRE, Available at: https://thewire.in/labour/why-aggregate-employment-in-india-is-shrinking

8 Chatterjii, S. (2019), Skill funds lie unspent for last 3 years, scheme to train people short of target, Hindustan Times. Available at: https://www.hindustantimes.com/india-news/skill-funds-lie-unspent-scheme-short-of-target/story-D72xrZhLbCTvmf7GAQwRTI.html

9 The Wire (2020), MGNREGA Is Running Out of Funds. Will Budget 2020 Fix That? MGNREGA's financial statement as of January 26 has shown as many as 15 states in the red. Available at: https://thewire.in/labour/mgnrega-funds-budget-2020

Rural women's em ployment on back burner

The *Mahila Coir Yojana* under the Ministry of Micro, Small and Medium Enterprises focuses on women's employment in the coir industry, particularly in rural areas. However, the budgetary allocation for the women-oriented self-employment programme is pegged at just Rs. two crore in 2020-21 (BE). Allocation for women-specific schemes like National Skill Training Institution and *Jan Shikshan Sansthan* under Ministry of Skill Development and Entrepreneurship has witnessed a decline of Rs. 107 crore in the budget as compared to 2019-20 (BE). Both schemes promote skill development and entrepreneurship among women workers and hence the drop in their budgetary allocations raises a concern.

Unorganised sector workers without adequate safety net

The ILO report: 'Social Security Reform in India' (2016) stated that only one per cent of agricultural workers in India have access to social security cover while almost all casual workers are deprived of such safety nets. According to the National Commission for Enterprises in the Unorganised Sector (NCEUS), only eight per cent of the informal sector is covered under any social security scheme. Thus, the unorganised sector has largely been left out of social security schemes and the ambit of labour regulations. On account of this casualisation of the workforce, the percentage of wage workers availing benefits dropped from 33 per cent in 1999-2000 to 29 per cent in 2004-05, and to 26 per cent in 2009-10.

Given the nature of employment conditions and absence of social safety nets, the government introduced 'The Code on Social Security, 2019' in the Lok Sabha for providing universal social security benefits to the 47.41 crore-strong workforce of the country. The code incorporates in its purview medical, pension, death and disability benefits and seeks to expand fund sourcing through various schemes and from corporate social responsibility. Apart from other provisions, it provides for payment of gratuity in case of fixed-term employment on pro-rata basis even if the term of contract is less than five years and provides for maternity benefit to female employees. A major hurdle, however, is the fact that unorganised sector workers are mostly daily wage labourers and providing monthly contribution towards their social benefit schemes would prove an uphill task for themselves.

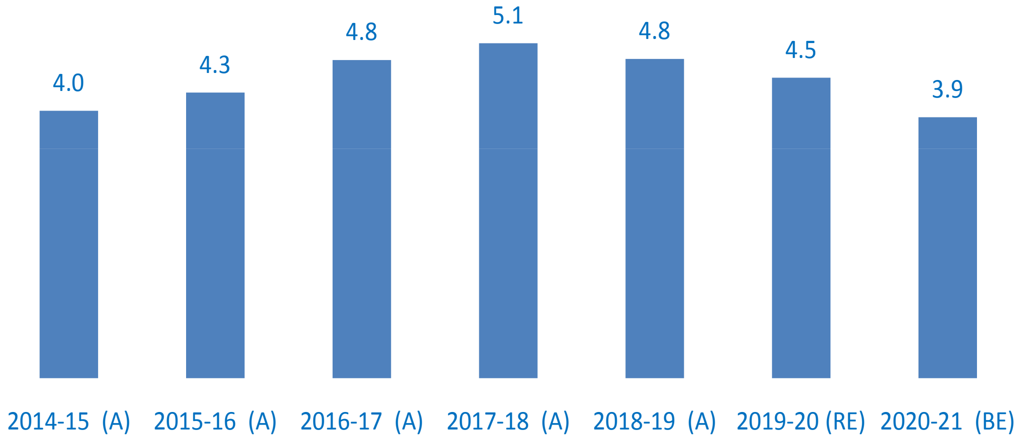
The two significant schemes pertaining to social security of unorganised sector workers under the Ministry of Labour and Employment are *Pradhan Mantri Jeevan Jyoti Bima Yojana* [the allocation of which increased to Rs. 200 crore in 2020-21 (BE) from Rs. 17 crore in 2019-20 (BE)] and *Pradhan Mantri Shram Yogi Maandhan* [increased from Rs. 568 crore in 2019-20 (BE) to Rs. 680 crore in 2020-21 (BE)].

Budgetary priorities for rural development programmes

One of the three prominent themes of the Finance Minister's budget speech for 2020-21 is "Aspirational India", which focuses on plans and programmes relating to rural development, agriculture, irrigation, wellness, water and sanitation, education and skills. The Union Budget has announced that MGNREGS would be dovetailed to develop fodder farms but the outlay for the flagship rural job scheme has actually gone down from the Revised Estimate for 2019-20. It also proposed that the 58 lakh self-help groups (SHGs) under the *Deen Dayal Antyodaya Yojana* (National Rural Livelihood Mission) for alleviation of poverty will be expanded, though the outlay for NRLM has remained more or less stagnant.

Rural India has been facing the chronic problems of poor social infrastructure, lack of basic amenities, agrarian distress, migration, unemployment, and low consumption demand. But Department of Rural Development's (DoRD) share in the total Union Budget has decreased from 4.5 per cent in 2019-20 (RE) to 3.9 per cent in 2020-21 (BE) (Table 5.15).

Figure 3.3: Budget Allocations / Expenditure for Department of Rural Development (DoRD) in the Union Budgets since 2014-15 (Rs. crore)



Source: Compiled by CBGA from Union Budget Documents, various years

Budget allocation and utilisation of funds in major schemes

Besides the MGNREGS and NRLM, there are two other important interventions in the rural development sector – *Pradhan Mantri Awas Yojana* (PMAY) and *Pradhan Mantri Gram Sadak Yojana* (PMGSY). These programmes are aimed at poverty alleviation through diversification of income and provision of financial support during periods of agrarian distress, creation of employment, and strengthening of the rural infrastructure. There is a nominal increase in allocations for the other schemes but the outlay for MGNREGS has been reduced from Rs. 71,001 crore in 2019-20 (RE) to Rs. 61,500 crore in 2020-21 (BE). Higher allocation for MGNREGS would have increased the money in the hands of the poor and unemployed in rural areas and given a fillip to rural consumption demand.

Table 3.1: Allocations and Utilisation of Funds in Major Rural Development Schemes

Select Schemes of DoRD	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
MGNREGA	37341	48215	55166	61815	60000	71002	61500
NRLM	2514	3158	4327	5783	9024	9024	9210
PMAY-G	10116	16071	22572	19308	19000	18475	19500
PMGSY	18290	17923	16862	15414	19000	14070	19500

Source: Compiled by CBGA from Union Budget Documents, various years

In view of poor allocations, the Departmentally Related Standing Committee on Rural Development 2019-20 has highlighted several issues and challenges in MGNREGS implementation and suggested reforms in the scheme, which are as given below.

Rejuvenation of traditional water bodies under natural resource management*: There has been a consistent decline in the water level in many States due to drought. Besides, many of the traditional water bodies have become clogged due to garbage and require dredging in order to be revitalised and restored along with creation of new water bodies.*

Disparity in wage rates: *There is a long-standing problem of disparity in wages guaranteed under MGNREGS and the minimum wages fixed by each State. The prevalent wage rate under the scheme is much less compared to the corresponding minimum wage rate in the States, which has caused dissatisfaction among beneficiaries and also discouraged unskilled labourers. Fixing wages in hilly terrains that have unique geographical challenges needs to be given special consideration. It is* *suggested that wages be linked to a pragmatic index that takes into account inflation.*

Delay in wage payments: *The MGNREG Act mandates that payment of wages be made to workers within 15 days of completion of work by the nodal agencies. Despite the clear guideline, there are still inordinate delays in wage payment in various States, which needs to be resolved at the earliest. An electronic payment mechanism through Public Finance Management System (PFMS) has been introduced but more efforts are required to ensure the wage payment issue is resolved.*

Adherence to wage-material ratio of 60:40: *There is a ratio of fixed wages to material costs stipulated at 60:40 and this ratio should be strictly maintained at all levels. However, there is a rampant violation of this norm in most places. Machines are being used in many places instead of employing manual labour.*

Unemployment allowances: *There are instances of non-payment of unemployment allowances in cases of failure to provide jobs to the workers within the stipulated 15 days. It is the responsibility of the state to provide unemployment allowance, frame rules of the payment procedure and to make the necessary budgetary provisions for payment of the unemployment allowance. However, there are several cases where the demand for work is not met within the stipulated time-frame and the allowances not paid. DoRD should issue guidelines to the states and monitor actual enforcement of the provision.*

Widening the ambit of public works: *The type and nature of sanctioned works under the scheme needs to be expanded and include in its ambit works pertaining to agriculture, fencing of farms, sanitation in schools, Anganwadi centres and health centres. Such works would create more assets, improve social and economic development, and include more beneficiaries under the job scheme.*

The priority of the government towards rural development seems to have waned. The sector suffers from lack of basic amenities, poor social infrastructure, agrarian distress, migration, low consumption demand and unemployment – problems that could be mitigated with enhanced budgetary support for the various schemes and programmes.

Budgetary priorities for clean energy

Goal 7 and 13 of the Sustainable Development Goals (SDGs) aim to correct the enormous imbalance of access to affordable, reliable, and sustainable energy services by everyone. India considers clean energy from renewable energy sources as a major action for achieving SDGs and accruing several benefits such as meeting energy security, curbing Green House Gases Emission for mitigating climate change, reducing health impacts due to reduced air pollution and decreasing government spending on importing high priced fossil fuels. Government is progressively working for addition of renewable energy capacities in the country. 85 GW of grid connected renewable energy has been added till December 2019, out of the total target of 175 GW by 2022. Experts believe that the sector is facing many challenges, which are diminishing its growth such as lack of evacuation infrastructure, poor financial health of power Distribution Companies (DISCOMs), poor uptake of renewable technologies due to lack of competitive pricing etc. and that the sector requires government's policy, institutional and financial support to reach its full potential. Nevertheless, large scale grid connected renewable energy is mainly being invested by private investors, but government budget support for the sector holds immense importance in creating a more conducive ecosystem for the sector. Following sections reflect upon government's budgetary support for the sector.

Budget outlays for the nodal Ministry (New and Renewal Energy)

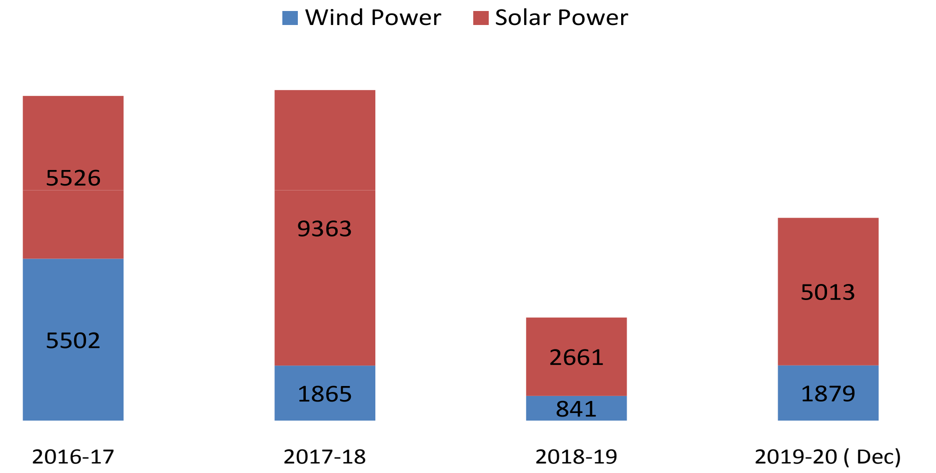
Intended Nationally Determined Contribution (INDC), a part of Paris Agreement of 2015, by India have indicated that it will achieve about 40 percent cumulative electric power installed capacity from clean energy resources by 2030. This year's budget is decisive for the sector, as effective implementation of

INDC targets will begin from January 2021. Despite the need for additional investment, the budgetary allocation for the sector saw a nominal increase from Rs. 5,131 crore in 2019-20 (BE) to Rs. 5,646 crore in 2020-21 (BE). The Finance Minister in her budget speech announced an allocation of Rs. 4,400 crore for clean air measures for reducing air pollution from coal based thermal power plant. Ironically, the allocation for Ministry of Coal in 2020-21 (BE) is Rs. 18,467 crore, which is much higher than that for Ministry for New and Renewable Energy.

Low allocations for schemes meant for grid connected renewable energy

Low magnitudes of allocations have been made for schemes and programmes dealing with grid connected renewable energy capacity addition. The budget for grid-connected renewable energy has an outlay of Rs. 1,299 for wind power, Rs. 2,150 crore for grid-connected solar power. According to the Economic Survey 2019, the requirement of total investment for setting up 100 GW of grid connected solar energy by 2022 is around Rs. 6,00,000 crore. This investment for the sector is being drawn through public-private partnerships where government is largely responsible for setting policy and regulatory measures, setting tariff, providing power evacuation infrastructure and making timely payment through State Power Utilities for supply of energy. Government Schemes meant for providing evacuation and grid stability infrastructure are Green Energy Corridor and Smart Grid which has been allocated Rs. 300 crore and Rs. 33 crore respectively. The scheme meant for improving the poor financial health of state power utilities by reducing transmission and distribution losses that is, *Integrated Power Distribution System* has been allocated Rs. 5,300 crore in budget 2020-21[10]. Allocations for these schemes have been in line with the trends from past years.

Figure 3.4: Progress of Renewables in India during the last five years in Mega Watt (MW) (2014-15 to 2019-20 as on 31.12.2019)



Source: https://mnre.gov.in/physical-progress-achievements

Continued government support for schemes meant for off -grid renewable energy

Budget for schemes meant for promotion of distributive and decentralised renewable energy technologies such as solar roof top technologies, remote village electrification, improved cook stoves, other energy applications such as solar cities, green buildings, demonstration of Renewable Energy Applications, solar cooker, solar lamps etc. are Rs. 1,184 crore (Table 5.19). Most of the government support under schemes for distributive and decentralised renewable energy have been provided

10 According to PRAAPTI data (Payment Ratification and Analysis in Power Procurement for Bringing Transparency in Invoicing of Generators), total outstanding dues owed by distribution companies spiked 45 per cent to Rs 81,085 crore in November 2019 over the same month previous year, reflecting stress and poor financial conditions of power utilities

through subsidies released to the consumers. Experts believe that there is a need for gradual reduction in government subsidies for this segment in order to provide competitive and sizeable market to private investors. While this could be considered by the government in coming years, the marginalized and poor communities should be kept in mind so that government subsidies can be extended.

Launch of KUSUM scheme for providing means of earning income by farmers using solar energy

The Union Budget 2020-21 has laid a major emphasis on use of solar energy for farming under the ambitious *Pradhan Mantri-Kisan Urja Suraksha evam Utthan* (PM-KUSUM) scheme. The Ministry of New and Renewable Energy has formulated a scheme for setting up Decentralised Ground Mounted Grid Connected Solar Power Plants, installation of Stand-alone Solar Water Pumps for agriculture and Solarisation of existing Grid Connected Agriculture Pumps with the objective of providing financial and water security to farmers. State Government / DISCOMs will be encouraged to put in place a mechanism through which surplus solar power could be purchased by the distribution companies .The target of the scheme has been expanded to 15 lakh farmers from previous year's target of 10 lakh farmers. Scheme is aimed at reducing poor farmers' dependence on diesel based agricultural pumps and linking them to solar energy through off-grid mode of technologies. The budget outlays for installation of grid-connected and off- grid solar pump installation under KUSUM scheme are Rs. 2,150 crore and Rs. 700 crore respectively. The KUSUM scheme has been envisioned in a way to produce co-benefits of raising farmer's income through installing solar pump-set on their barren land for selling power to utilities is a step in right direction. However, experts believe that the scheme should be implemented while considering ground water regulation to avoid over extraction of groundwater, and that small and marginalized framers should be given priority under grid connected component of the scheme. Another concern being raised by experts is that there is no mention of plan for gradually reducing huge burden of free power supply or diesel subsidies to farmers by the government.

No budgetary support for innovations and manufacturing in energy storage technologies

Support for battery storage technologies and manufacturing is crucial if India wants to become energy independent and stabilise the grid. The Union Government should have allocated appropriate funds to encourage scientific research and innovation in energy storage technologies and other areas, which stands at a mere Rs. 20 crore in Union Budget 2020-21 (Table 5.19). This is definitely a missed opportunity to accelerate the sector.

Faster rollout of battery manufacturing in India is a prerequisite for successful electric vehicle mission launched in previous year budget. There is no allocation of budgetary outlays for the proposed subsidy for NITI Aayog's "Giga Factory" manufacturing plan for energy storage batteries in budget 2021.[11]

11 According to NITI Aayog, India will need 6 gigawatt-scale facilities with each having 10 GWh capacities by 2025 and 12 by 2030 to cater the domestic demand for energy storage. NITI Aayog had proposed for setting up mega-manufacturing plants for solar photovoltaic cells, lithium storage batteries and solar electric charging infrastructure for energy storage and for providing impetus to grid stability for renewable energy and electric mobility.

CHAPTER IV

Marginalised Sections

The last few years have witnessed a renewed focus on budget responsiveness towards certain marginalised sections of the population like women and children at the level of the Union Government. The initiatives taken at the national level have also been adopted by various State Governments in developing separate statements on Gender and Child Budgeting, in putting together orientation and capacity building programmes on these issues. However, such a focus on reforms in budgetary processes has remained concentrated on a few population groups only and has not been extended to several other marginalised groups like Scheduled Castes, Scheduled Tribes, Persons with Disabilities, Transgender Persons and Religious Minorities. Further, there is scope for improving not only the responsiveness of budgeting for schemes but also in the policy design itself.

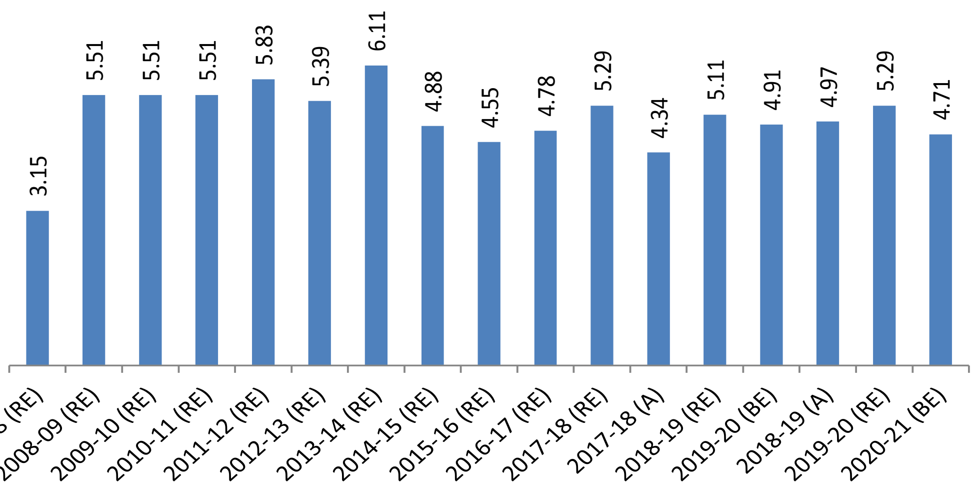
One of the primary challenges of looking at any such population group is the fact that their needs and concerns are multi-dimensional and intersecting and involves not one but a number of different government departments and implementation entities. The 2030 agenda for sustainable development calls for an inclusive, democratic and equitable society with an aim to leave no one behind. In the same spirit, the national and sub-national governments need to place a greater focus on the marginalised through a multi-pronged approach of adequate public provisioning, effective and timely utilisation of available resources and strengthening the institutions responsible for implementing government programmes. It is only through such a holistic approach that India can move towards achieving the Sustainable Development agenda.

The present chapter looks at the Union Budget 2020-21 from the perspectives of different marginalised sections. The chapter focuses on gender and child budgeting, budgets for Scheduled Castes, Scheduled Tribes, religious minorities and persons with disabilities.

Need for strengthening the gender framework in budgeting

The Gender Budget Statement (GBS) captures budgetary resources earmarked for women and girls by various Union Ministries and Departments. It comprises two parts: Part A enlists schemes and programmes that allocate their entire budget for the benefit of women and girls, while Part B reports schemes meeting the minimum floor requirement of 30 per cent allocations for the benefit of women and girls. The number of Demands for Grants reported in the GBS in Part A is 25 and that for Part B is 33. The total magnitude of the GBS has increased by 4.8 per cent i.e. from Rs. 1,36,934 crore in 2019-20 (BE) to Rs. 1,43,461.72 crore in 2020-21 (BE). Part A has increased by 4.2 per cent and Part B has increased by 4.9 per cent from 2019-20 (BE).

Figure 4.1: Total Allocations Reported in the Gender Budget Statement as a Proportion of the Total Union Budget



Source: Compiled by CBGA from Union Budget Documents, various years

There has been some shuffling in the schemes and demands in the GBS, with some new schemes and demands being reported from various departments, while others have been removed. In Part A, the Ministry of Road Transport and Highways reported Rs. 174.36 crore under 'Scheme for Safety of Women on Public Road Transport'. The Department of Justice reported 'Fast Track Courts' under GBS for the first time, the funds for which have been met by the Nirbhaya Fund since 2019-20 (BE) (Refer to Table 4.1). Other schemes added to the GBS include 'Research Studies by ICMR' (Rs. 40.68 crore) by the Department of Health Research, 'Home for Widows' (Rs. 5 crore) by the Ministry of Women and Child Development (MWCD) and 'Indira Gandhi National Widow Pension Scheme' (Rs. 1,937 crore) by the Ministry of Rural Development[1]. Schemes like 'Aid to Voluntary Organisations Working for the Welfare of Scheduled Tribes' (Ministry of Tribal Affairs), 'Estate Management' (Department of Posts) and 'Salt Commissioner' (Department for Promotion of Industry and Internal Trade) were removed from PART A of the GBS.

Analysis of the GBS highlights that a few ministries, which are important from the perspective of gender are still out of the purview of the GBS. For instance, the Ministry of Jal Shakti, which covers safe sanitation facilities has a direct bearing on women's health, nutrition and safety but is not reported under the GBS. On the other hand, many schemes in Part B are included based on arbitrary assumptions of proportion of women among scheme beneficiaries. The GBS must explain the key objectives of schemes included along with explanatory notes and also provide disaggregated beneficiary data.

There is also an urgent need to expand and move beyond the current binary framework of gender. In this regard, the GBS should reflect schemes on transgender persons. Allocations for schemes for Transgender Persons saw an increase from Rs. 5 crore in 2019-20 (BE) to Rs. 10 crore in the 2020-21 (BE). However, the scheme continues to suffer from low levels of utilisation.

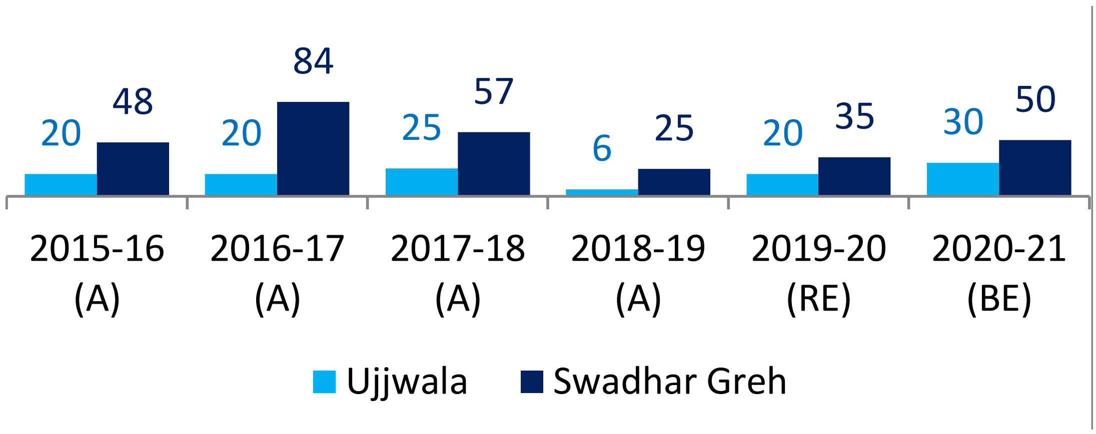
Key schemes to address gender based violence

According to the National Crime Records Bureau, there were 33,977 cases of rape, 1,04,165 cases of cruelty by husband or relative and 75,333 cases of kidnapping of girls and women in 2018. The severity of crimes against women and girls requires attention and a holistic approach on behalf of the state. While the government iterates its responsibility on the urgent need to reduce gender-based violence, key schemes under the MWCD that are meant to prevent such violence and provide institutional support for rehabilitation like Ujjwala and Swadhar Greh continue to suffer from low levels of utilisation. With 307 shelter homes in 2013-14, a total of 417 shelter homes have been constructed by the Government of India (GoI) under the Swadhar Greh scheme catering to 12,978 occupants as of November 29, 2019 (according to Lok Sabha unstarred question no. 2009).

Beti Bachao Beti Padhao, which aims at creating awareness and providing welfare services for girls, has seen a dip of 21.4 per cent in 2020-21 (BE) from 2019-20 (BE) despite being heralded a success in the Budget Speech. Schemes like Women's Helpline and One Stop Centres (OSCs), which in design are meant to respond to immediate crises and distress calls, have witnessed an increase of 68.72 per cent and 40.5 per cent respectively in 2020-21 (BE). The year-end review of the MWCD (2019-20) reveals that out of 728 One Stop Centres, 595 are currently operational. Given these budgetary allocations on addressing gender-based violence, there is a perceptible shift in the approach adopted by the GoI – from a preventive approach to a response-based one.

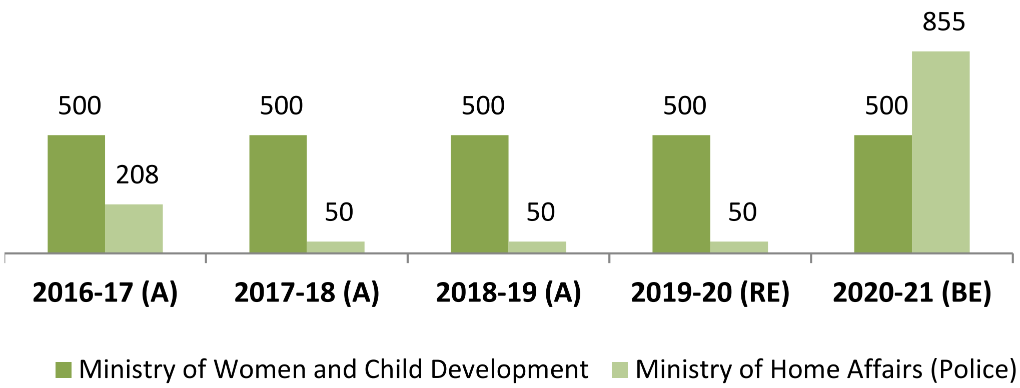
1 These are new additions to the GBS in 2020-21.

Figure 4.2: Schemes for Safety of Women (Rs. crore)



Source: Compiled by CBGA from Union Budget documents, various years.

Figure 4.3: Transfer to Nirbhaya Fund (Rs. crore)



Source: Compiled by CBGA from Union Budget documents, various years.

Table 4.1: Expenditure from Nirbhaya Fund (Rs. crore)

Ministry/Department	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Ministry of Women and Child Development		692	614	501.94	701.21	775	580
Ministry of Road Transport and Highway				33.64	174.36	174.36	174.36
Ministry of Home Affairs (Police)	3.23	440	195	898.66	941.23	901.75	1710.46
Department of Justice				-	100	140	150
Ministry of Electronics and Information Technology		2.44	1.02				

Source: Compiled by CBGA from Union Budget documents, various years
Note: This is a non-lapsable corpus fund to enhance safety and security of women in the country introduced in 2013-14. The focus of the proposals submitted by States/ UTs under the *Nirbhaya* Fund is associated with addressing the incidence of violence rather than addressing more fundamental concerns.

The Cybercrime Prevention against Women and Children under the Ministry of Home Affairs which meets its resource requirements from the Nirbhaya Fund has reported zero utilisation (according to Unstarred Lok Sabha question No. 4554 dated 19.07.2019). Funds released by the Department of

Justice to States/Union Territories (Rs. 78.96 crore) also met from the Nirbhaya Fund reported zero utilisation across states (as per the year-end review of MWCD dated 23.12.2019).

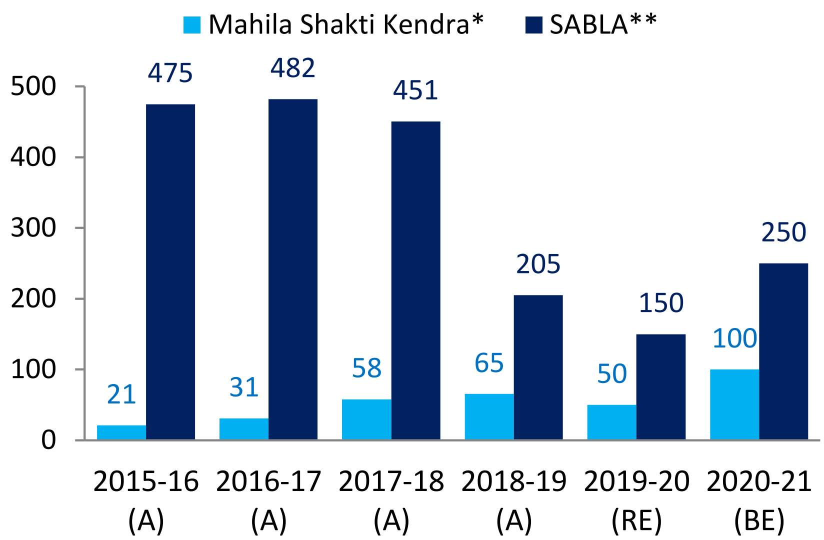
There is also a discrepancy in the reporting of funds released and utilised. Rajya Sabha question No. 2870 dated 12.12.19 reported the utilisation of funds by the Ministry of Road Transport and Highways as Rs. 34.93 crore, while the year-end review of the MWCD reported this figure to be Rs. 33.30 crore. The same Rajya Sabha question (No. 2870) also reported allocations sanctioned by Department of Justice to be of Rs. 88.84 crore to States/Union Territories, whereas the year-end review of the MWCD reports the allocations as Rs. 78.98 crore. The lack of a comprehensive roadmap on the operationalisation of the Nirbhaya Fund has made it hard to understand the progress made in the sanctioned projects.

Examining the Budget Priority for Women and Work

The policy framework continues to perceive 'work' through an economic lens. Both conceptually and structurally, when it comes to assessing women's work in India, the labour market suffers from contradictory trends – the invisible and open unemployment of women (Ghosh, 2016); only to find feminisation of the informal sector. Mahila Shakti Kendra, aimed specifically at empowering rural women through community participation has seen a decline of 33.3 per cent from 2019-20 (BE) to 2020-21 (BE) and the scheme on Support to Training and Employment Programme (STEP) for women does not report any allocations for the year 2020-21 (BE) (Refer to Figure 5.17).

The LPG subsidy connection provided to poor households, reported in Part A of the GBS has seen a decline in 2020-21 (BE). A possible reason for this decline is the indicator used to identify the regularity of LPG connections for refilling given to the households after the free connection was established. The economic condition of BPL households inhibits them from being able to bear the costs of continuing to refill the LPG connection. In such a case, the government should endeavour to retain the level of subsidy provided and this condition attached to providing the subsidy to households must be revisited.

Figure 4.3: Schemes for Empowerment of Women and Girls (Rs. crore)



*Notes: * Mahila Shakti Kendra previously known as National Empowerment for Women*
Source: Compiled by CBGA from Union Budget documents, various years.

Land rights remain a central issue for women farmers. The income guarantee scheme of Rs. 6,000 per annum under the Pradhan Mantri Kisan Samman Nidhi Yojana for farmers owning less than 2 hectares of land continues to be outside of the gender framework, as women do not own land. In the absence of women centric schemes, there is little the GoI has been able to achieve to minimise gaps in land

and asset ownership, access to credit and recognition in entitlements among others. Mahila Kisan Sashaktikaran Pariyojana (MKSP) under the Deen Dayal Antyodaya Yojana-National Rural Livelihood Mission (NRLM) is the only sub-programme specifically aimed at empowering women farmers. As of September 20, 2019, a total of 36.06 lakh mahila kisans have been covered in 30,900 villages and the total budgetary allocation for this sub-programme in 2019 was Rs. 847.48 crore (Lok Sabha Starred Question no. 33). The total budgetary allocation for MKSP in the year 2018-19 (BE) was Rs. 1,000 crore. While the allocations for NRLM have increased over the years, the allocations for MKSP have not been raised proportionately as it is a demand driven programme with no provision for state-wise allocation every year. The Department of Agriculture, Cooperation and Farmers' Welfare has dropped the reporting of the National Mission on Oil Seeds and Oil Palm in Part B of the GBS this year which requires further explanation.

The importance of focusing on children

India has the largest child population (approximately 356 million) in the world, with children accounting for around 40 per cent of the country's population. As a population group, children include infants, young children and adolescents who have varied developmental needs based on attributes like gender, geographical location, socio-economic conditions, etc. Throughout the journey in a child's life, they are exposed to hazards pertaining to mortality during the first few weeks, lack of appropriate nutrition and early childhood care, education and protection, among others. India records a high infant mortality rates (34 per 1,000 live births), high percentage of stunting in Under-5 category of children (38 per cent), high incidence of anaemia among children (58.6 per cent)[2] and rapidly declining child sex ratio. The quality of education and high drop-out rates at secondary and higher secondary levels are a few of the other challenges which require urgent attention. It is therefore imperative to address the various gaps in child related outcomes through adequate public provisioning and their proper utilisation.

Priority for Children shows a decline in Union Budget 2020-21

A look into the Child Budget Statement (CBS) of 2020-21 reveals that the share of child focused allocations in the total Union Budget has declined from 3.29 per cent in 2019-20 (BE) to 3.16 per cent in 2020-21 (BE) (Refer to Figure 5.18 for Total Budgetary Allocations and Expenditure on Child Focused Interventions) while as a proportion of GDP, the percentage has remained stagnant at 0.43 over the past two years. This is lower than the recommended level of at least 5 per cent of the total Union Budget for children as specified in the National Plan of Action for Children in 2016[3], and reflects the declining priority of Union Government towards them. A number of schemes for children have witnessed a drop in outlays namely, Beti Bachao Beti Padhao (Rs.280 crore in 2019-20 (BE) to Rs.220 crore in 2020-21 (BE)), Grants-in-Aid to Maulana Azad Education Foundation (Rs.90 crore in 2019-20 (BE) to Rs.82 crore to 2020-21 (BE)) and Boys and Girls Hostels for Scheduled Castes (Rs.53.88 crore in 2019-20 (BE) to Rs.15 crore in 2020-21 (BE)[4].

Reporting in the Child Budget Statement

The Child Budget Statement (CBS) has been one of the primary tools for undertaking child responsive budgeting, both at the Union and State levels. Statement 12, titled, Allocations for the Welfare of Children, is being brought out by the Union Government consistently since 2008. In a welcome step in terms of transparency in reporting, actual expenditures have been included in addition to the budget allocations since 2018-19. However, the present reporting structure only allows for reporting the quantum of resources for children without providing any details of the objectives of interventions or

2 The figures have been taken from Sample Registration System 2016 and NFHS 4.
3 Ministry of Women and Child Development (2016), "National Plan of Action for Children, 2016", Government of India
4 Allocations for the Welfare of Children, Statement 12, Union Budget 2020-21

the rationale for including them in the statement in the first place. It is in this regard, that the inclusion of budget heads like 'Atomic Research Centres' under the Department of Atomic Energy or the 'Salt Commissioner' under the Department for Promotion of Industry and Internal Trade needs to be scrutinised more carefully.

In terms of having a robust mechanism of reporting and developing Child Budget Statements, quite a few states like Bihar, Kerala, Assam and Odisha have taken innovative steps. One such mechanism, adopted by states like Assam, has been to segregate child specific interventions (like Mid-Day Meal, Integrated Child Development Services (ICDS), etc.) from composite schemes (like National Health Mission, National Rural Drinking Water Mission, etc.) and reporting them in two separate parts of the statement. Moreover, there has been an attempt, in some states, to introduce an outcome orientation in the schemes and programmes meant for children as an effort to move beyond mere reporting in CBS and incorporate a children's lens in the entire cycle of planning, budgeting, implementation, monitoring and evaluation.

Outlays in different domains of child development

In the backdrop of completion of 30 years of the United Nations Convention on the Rights of the Child (UNCRC)[5], it is necessary to take a look at the cross-sectoral developmental needs of children and how they have been resourced (Figure 5.19 for Allocations and Expenditure in Select Major Schemes for Children) in recent years. This attains a particularly important place since India, being a signatory to UNCRC, is committed towards fulfilling the rights of the child in the country. HAQ Centre for Child Rights[6], in their analysis of current Union Budget for children, has pointed out that in terms of sectoral shares, education accounts for the highest share (69.17 per cent) of total child budget in 2020-21, followed by child development (25.49 per cent), child health (3.36 per cent) and child protection (1.98 per cent).

How has child protection been funded in the budget of 2020-21?

The low levels of outlays for child protection had remained a source of concern over the years and last year's jump in the outlays for Integrated Child Protection Services (ICPS) (107 per cent increase in 2019-20 (BE) from 2018-19 (BE) (Figure 5.19 for Allocations and Expenditure in Select Major Schemes for Children)) was a welcome move. However, the trend of increasing outlays under ICPS has not been carried further in the current Union Budget, wherein the budget estimates for ICPS reports the same allocation of Rs.1,500 crore as in 2019-20 (BE). In fact, in terms of the sectoral share in total child budget, allocations for child protection has registered a decline from 2.11 per cent in 2019-20 to 1.98 per cent in this year's Child Budget.

Early Childhood Care and Education continues to be a source of concern

One of the other areas of concern for the long-term development of a child has been the lack of focus on early childhood care and education. The National Early Childhood Care and Education (ECCE) Policy formulated in 2013 with the Ministry of Women and Child Development as the nodal entity, calls for the bringing together of "the inseparable elements of care, health, nutrition, play and early learning

5 United Nations (1989), "United Nations Convention on the Rights of the Child"
6HAQ (2020), "Together with All, Development for All, the Trust of All (Except) Children" Union Budget 2020-21', New Delhi

within a protective and enabling environment" for all children in the age group of 0-6 years[7] . While the policy also urges for carrying out disaggregated child budgeting with specific focus on early childhood for identifying the resource gaps and utilisation challenges, it still remains to be undertaken as an exercise at the Union Government level.

The primary vehicle for early childhood care has been the wide network of almost 1.4 million anganwadi centres provisioned under ICDS which have faced long-drawn-out issues of underfunding, staff shortages, etc[8]. The Annual Status of Education Report (ASER 2019) on 'Early Years'[9] notes that while access to early childhood care has improved in recent years (more than 90 per cent of young children in the age group 4-8 years are enrolled), the quality of pre-school learning still remains a challenge. In terms of policy implications, there is an urgent need to expand and strengthen the network of anganwadi centres to implement appropriate 'school readiness' activities among 3 and 4 year olds. Against this backdrop, a mere 3.5 per cent increase in the anganwadi services component of the umbrella ICDS in 2020-21 (BE) from the previous year may not be enough to address the issues pertaining to early childhood.

As we enter the last decade of the Sustainable Development Goals (SDGs), it is time to reprioritise the needs of children with adequate public provisioning, better utilisation of resources and consistent monitoring efforts. Such an approach in the domains of education, health, development and protection can go a long way towards fulfilling not just one, but a number of different SDG targets, all of which are relevant for children.

Scrutinising budgetary priorities for Scheduled Castes (SCs) and Scheduled Tribes (STs)

The SC and ST households comprise the lowest wealth quintiles, have restricted access to higher education and hence, employment opportunities and one of the worst nutritional and health indicators among all social groups. Compounding the issue further, is the persistent discrimination and ostracisation faced by the community placing them at the fringes. The STs face a multitude of development deficits owing to their exclusion from the mainstream growth trajectory, geographical isolation leading to poor access to public service delivery, persistent discrimination and rising incidents of violence, and a host of socio-cultural-political factors which lead to poor development indicators across all spheres of well-being.

This section reviews the allocations made for key ministries and departments under the priority areas announced in the Budget Speech to discern their potential impact on the lives of people belonging to the SC and ST communities.

In the Union Budget 2020-21, the outlays earmarked for SCs and STs (as per statements 10A and 10B) accounts only for 4.5 per cent of the overall budget allocations. The allocation for SCs is Rs. 83,257 crore, and for STs is Rs. 53,652.86 crore in 2020-21 (BE). Compared to the previous year, there has been a marginal increase in allocations for SC and ST communities by 2.4 per cent and 1.5 per cent respectively.

Is the budget inclusive of the priorities of SCs and STs?

Aspirational Society, a highly emphasised theme in the budget speech of 2020-21, is where "all sections of the society seek better standards of living, with access to health, education and better jobs". One of the most instrumental vehicles of social upliftment and development for nurturing an Aspirational Society is education. Allocations for the Department of School Education and for the Department of

7 India has 158.7 million children in the age group of 0-6 years according to Census 2011.
8 Bardman and Sandhu (2018), "Making Early Childhood Education a Priority", Livemint (Link: https://www.livemint.com/Opinion/iY8Xb-c1fz9RX0BmoUCTszI/Opinion--Making-early-childhood-education-a-priority.html)
9 Annual States of Education Report (ASER) (2020), "Early Years" (Link: http://img.asercentre.org/docs/ASER%202019/ASER2019%20re-port%20/aserreport2019earlyyearsfinal.pdf)

Higher Education and Literacy for SC and ST communities have remained almost stagnant with a sharp decline in the 'Scholarship for College and University Students' (Department of Higher Education). For SCs, this has fallen from Rs. 39 crore in 2019-20 (BE) to Rs. 15 crore in 2020-21 (BE) and for STs, from Rs. 19.5 crore in 2019-20 (BE) to Rs. 8 crores in 2020-21 (BE).

More importantly, Rashtriya Uchhatar Shiksha Abhiyan (RUSA) (Department of Higher Education) funds earmarked for SCs and STs have also been cut from Rs. 412 crore to Rs. 50 crore for SCs and from Rs. 222.7 crores to Rs. 25 crores for STs. (This will adversely imapct the attainment of higher education by these communities.) Some increased allocations have been provided support towards IITs and UGC. A Special Scholarship for Jammu and Kashmir has been introduced for which the allocation for SCs is Rs. 25 crore and for STs, Rs. 12 crore. Allocations for Pre- and Post-Matric Scholarships meant for SCs and STs have been falling short of demand, year after year, posing a major impediment to inclusion of children from marginalised backgrounds in the educational sphere[10]. This year too, there has been only an incremental change in these Scholarships.

There has been a marginal increase of 3 per cent in allocation for both SCs and STs under Department of Agriculture, Cooperation and Farmer Welfare. Allocation for Pradhan Mantri Awas Yojana (PMAY) (Department of Rural Development), which is a scheme meant to provide for building a house for families below poverty line (BPL), has been increased by 2.5 per cent for SCs however, for STs, it has been reduced by 27 per cent. This substantial reduction in PMAY allocations for STs is going to adversely impact the community's wellbeing and contradicts the objectives laid out under 'Aspirational Society' theme of the government.

There is a strong emphasis on skill development and entrepreneurship in the budget speech. This can be seen in the overall increase of 15.9 per cent in allocations for skill development and entrepreneurship in 2020-21 (BE). Upon analysing the allocations for SCs and STs under the same scheme for this year, it has been found that there is a decline of 5.6 per cent and 2.5 per cent respectively. Furthermore, allocations under the 'Development of Skills' head have been drastically reduced as well and two new heads namely 'Skill Acquisition and Knowledge Awareness for Livelihood Promotion' and 'Skill Strengthening for Industrial Value Enhancements' have been introduced and budgeted for[11].

While the intention of the government behind prioritising these areas is in the right place in terms of the inclusion of SCs and STs in the developmental trajectory, the above analysis and data points (Refer to Figure 5.21) depict that this has not translated into robust budgetary allocations to spearhead the desired outcomes.

Is the Budget taking SCs and STs along on the path of 'Economic Development'?

The overall allocation of Ministry of New Renewable Energy (MNRE) is at Rs. 5,753 crore, an increase of nearly 10 per cent as compared to 2019-20 (BE) and the share of increase for SCs and STs has also been nearly 10 per cent. A new scheme named Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM) has been introduced with Rs. 95 crore and Rs. 50 crore for SCs and STs in this year's budget. Allocations for Wind Power have also been substantially increased for both the communities. However, MNRE has reduced allocations for Solar Power and Green Energy Corridors for both SCs and STs.

The share of SCs and STs in the MSME has been increased by 10 and 13 per cent respectively, with substantial increase in the Scheme for Fund for Regeneration of Traditional Industries (SFURTI) and Prime Minister Employment Generation Programme (PMEGP). There is no budgeting in the statement 10B[12] for the Krishi Udaan scheme aimed at benefitting farmers from the ST community, which was announced in the budget speech.

10 Kundu, P. (2020), Shrinking Education Budget Has Hit Scholarships For Students From Deprived Communities, Indiaspend.
11 Statement 10A and 10B of expenditure profile of the Union Budget 2020-21.
12 Statement 10B is Allocation for the Welfare of Scheduled Tribes.

While budgeting for 'Economic Development' of SCs and STs seems to be encouraging (Figure 5.22), most of this budgeting is done under non-targeted schemes/programmes, the benefits of whom may not be directly meant for the intended community. The National Campaign for Dalit Human Rights also raises these concerns in its annual publication 'Dalit Adivasi Budget Analysis 2020-21'.

Provisioning of basic services

The Union Budget claims to promote a 'Caring India', which is humane and compassionate. The nodal Ministries that promote this theme are Ministry of Women and Child Development (MWCD), Ministry of Environment, Forest and Climate Change (MEFCC) and the Ministry of Culture. The share of the MWCD as a percentage of the total budget is 0.98 per cent. Increase in the share of allocations for both SCs and STs within this ministry is at 2.8 per cent, equal to the overall increase in the budget for the ministry as compared to last year. However, SC and ST women are poor and marginalised and are the most dependent on public provisioning of basic services. The government has allocated only 0.8 per cent for SC women and 0.34 per cent for ST women out of the total eligible Central Sector Schemes and Centrally Sponsored Schemes[13].

Further, the worst impact of climate change and natural disasters are felt by the SCs and STs. Allocations for the MEFCC has increased by 9 per cent for SCs and 23 per cent for STs. Although the percentage increase is substantial, especially for the STs, the overall quantum of allocation is not satisfactory (see table). Moreover, as the NCDHR report has noted, the allocations for disaster preparedness are low and do not focus on SCs and STs.

Speaking of culture, the budget speech this year was woven around the rich and diverse cultural heritage of India but allocations for the Ministry of Culture remain low at Rs. 3,150 crores or 0.1 per cent of the budget. For the SC community, there has been no increase in the budget from last year and for the STs, it has been reduced by 29 per cent. Statements of the expenditure profile show that allocations under the head 'Centenaries and Anniversaries, Celebrations and Schemes' have been increased but those under 'Development of Libraries and Archives' and 'Support to Akademies' have been completely slashed. The Finance Minister had announced that a Tribal Museum would be opened in Ranchi, but 'Support to Museums' for STs has not been budgeted for.

These gaps in budgetary provisions show that there is a long way to go to build a compassionate and 'Caring Society', keeping the specific requirements of the poorest and the most marginalised section of the society in focus.

Unpacking budgets for manual scavengers

Despite The Prohibition of Employment as Manual Scavengers and Their Rehabilitation Act, 2013, the practice of manual scavenging has continued. The Union Ministry of Social Justice and Empowerment (MSJE), in a reply to Rajya Sabha unstarred question No. 2701, revealed that 282 sanitation workers died while cleaning sewers and septic tanks in the country between 2016 and November 2019. Inspite of the government's vision to move towards an India where there is no manual cleaning of sewers or septic tanks as mentioned in the budget speech, the allocations for 'Self Employment Scheme for Rehabilitation of Manual Scavengers' (SRMS) saw no increase from 2019-20 (BE) to 2020-21 (BE). However, 'Pre-Matric Scholarship for Children of those engaged in unclean occupations and prone to heath hazards' reflected a significant increase from Rs. 5 crore in 2019-20 (BE) to Rs. 25 crore in 2020-21 (BE). While the pre-matric scholarship is aimed at increasing enrollment, Post-Matric Scholarships which are meant to enable students to continue with their education, faced massive budget cuts in 2019-20. Budgetary allocations for 'National Commission for Safai Karamcharis' have reported a marginal increase to Rs. 10 crore in 2020-21 (BE).

13 NCDHR (2020). Dalit Adivasi Budget Analysis 2020-21.

This year's budget speech did not reflect the specific concerns of SCs and STs communities (except for manual scavengers) and the budgetary allocations made for them reflect the same lack of priority. The stated priorities are not backed by adequate budgeting in most cases. Important concerns of the community like disaster preparedness and adequate budgeting for women, who face double disadvantage, among many others, have not been addressed. Nevertheless, some of the new initiatives like Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Prime Ministers Employment Generation Programme (PMEGP) and Scholarship for Jammu and Kashmir are steps to be welcomed. The budget does not seem to be very promising when it comes to delivering on the priorities of making a New India, which is caring, aspirational and economically developed for the Scheduled Caste and Scheduled Tribes population and leaves much to be desired.

Budgeting for Religious Minorities

Religious minorities, particularly Muslims, require special attention in the area of educational and economic empowerment. Budgets for their development are allocated by the Ministry of Minority Affairs (MoMA) and the Department of School Education (Madrasa Modernisation Programmes), but a meagre 0.17 per cent of the total outlay of Union Budget 2020-21 has been earmarked for them. Development indices of the minorities have remained poor, due to low allocation and poor utilisation of funds, among other factors. Poor utilisation of funds has persisted because of various reasons such as non-submission of proposals by the States on time and procedural delays in their approval, delays in construction work, non-payment of honorarium to teachers in madrasas, poor coverage of scholarship beneficiaries along with low unit cost of scholarship. MoMA proposes to spend Rs. 5,029 crore in 2020-21 (a 7 per cent increase of over the budget for 2019-20) with priority accorded to education empowerment (50.27 per cent), area development programmes (31.28 per cent), skill development (12 per cent) and allocation for support to institutions and special needs (5.9 per cent). However, the Centre has not introduced any new programmes or schemes for the welfare of the minorities nor have they chalked out a comprehensive plan of implementation of the existing ones.

Allocations and Utilisation in Ministry of Minority Affairs

In 2019-20, the ministry made a demand of Rs. 5,795.26 crore but was allocated only Rs. 4,700 crore. Of this Rs. 4,700 crore (allocated in both 2019-20 and 2018-19), MoMA was able to utilise only Rs. 3,564.17 crore (75.8 per cent) in 2018-19 and Rs. 1,291 crore (27.4 per cent) up to October 2019. Funds amounting to Rs.1135.8 crore, which could not be utilised, were surrendered by the ministry during the year 2018-19. The under utilisation of funds was more marked in important schemes relating to education and skill development.

Table 4.2: Budget Allocation and Utilisation by Ministry of Minority Affairs (Rs. crore)

Year	BE	RE	Actual	Percentage of Utilisation (per cent)
2016-17	3827.25	3827.24	3049	79.67
2017-18	4195.48	4195.48	4139	98.66
2018-19	4700	4700	3564.17	75.8
2019-20@	4700	7400	1291	27.4
2020-21	5029			

Note: @ As on 30 October, 2019

Source: Note on Demand for Grants, MoMA, 2020-21 and Departmentally Standing Committee on Social Justice- Demand for Grants, Ministry of Minority Affairs 2019-20.

The expenditure incurred by the ministry (in 2019-20) for different schemes was 27 per cent till October 31, 2019, which means 73 per cent of the allocations were to be utilised in the remaining four months. The reasons given by MoMA to the standing committee include receipt of lesser than expected proposals from States/UTs/Central Waqf Council, lower number of beneficiaries identified under Post-Matric/Merit-cum-Means scholarship schemes, unspent balances with Maulana Azad Education Foundation (MAEF). Some other reasons cited by the ministry were lack of proposals/ demands from the University Grants Commission (UGC), Free Coaching, Hamari Dharohar, Nai Manzil and non-signing of Memoranda of Understanding with Programme Implementing Agencies of Skill Development scheme due to imposition of the Election Code of Conduct. The following table captures the quarter wise expenditure plan.

Table 4.3: Quarterly Expenditure Plan and Releases/Expenditure by MoMA in 2019-20 (Rs. crore)

Quarter	Expenditure	Releases/Expenditure
1st	47	37
2nd	893	800
3rd@	1880	454
4th	1880	-
Grand Total	4700	1291

Note: @ As on 30 October, 2019
Source: Departmentally Standing Committee on Social Justice- Demand for Grants, Ministry of Minority Affairs 2019-20.

Challenges in Implementation of Pradhan Mantri Jan Vikas Karyakram (PMJVK)

PMJVK is an area development scheme introduced by the National Democratic Alliance (NDA) government that includes projects to be taken up through the state governments/Union Territories for improvement of the infrastructure in education, health, skill development, etc. The major reasons cited by MoMA for unspent funds under the scheme are non-availability of free land as well as lack of basic facilities such as electricity and water that are pre-requisites for early and smooth implementation of the construction projects. Moreover, the states/UTs have not followed procedural formalities mentioned in PMJVK in a time-bound manner required for award of work to the implementing agencies. Neither have there been review meetings on the progress or monitoring of the utilisation of funds by states/ district concerned. For PMJVK, not a single project was approved in 2018-19 in Goa, Himachal Pradesh, Nagaland, Puducherry, Tamil Nadu, Jammu and Kashmir, Delhi, Haryana, Jharkhand, Madhya Pradesh and Andaman & Nicobar Islands.

Table 4.4: Status of Pending Utilisation Certificate and Unspent Balance under Pradhan Mantri Jan Vikas Karyakram (Rs. crore)

Year	Pending Utilisation Certificate	Cumulative Unspent Balance#
2017-18	2657.94	3853.69
2018-19	2792.13	3932.63
2019-20	3737.91	4858.1

Note: #Figures include value of funds released in the last financial year for which Utilisation Certificate is not yet due.
Source: Departmentally Standing Committee on Social Justice- Demand for Grants, Ministry of Minority Affairs 2019-20.

Budgetary Allocations and Utilisation in Scholarship Schemes

The Pre-matric, Post-matric and Merit-cum-Means scholarship schemes are plagued with implementation issues with regard to poor coverage of beneficiaries and low unit cost. The MoMA has fixed targets for fresh applications of these scholarships at 30 lakh, 5 lakh and 60,000 respectively. A total of 73.37 lakh and 44.60 lakh applications were received for the Pre-matric Scholarship during 2018-19 and 2019-20 (up to September 2019) respectively. Similarly, 17.45 lakh and 9.36 lakh applications were received for the Post-matric scholarship during the same period respectively.

The Union Government announced that it would provide one crore scholarships annually under the umbrella scholarship programme. However, it is less than the current total number of applications received annually by ministry (Departmentally Standing Committee on Social Justice- Demand for Grants, Ministry of Minority Affairs 2019-20).

The Standing Committee raised concerns about the inadequacy in the unit cost of Pre-Matric, Post-Matric and Merit-cum-means scholarships given to the students. The unit cost for scholarships has not been revised since the introduction of the schemes in 2007-08. The amount is too less compared to the rate. Only Rs. 1,000 per annum is given to day-scholars in Pre-Matric Scholarship Scheme. The scheme for Post-Matric Scholarship provides financial support of Rs. 7,000 per annum in terms of admission and tuition fees for classes XI and XII and maintenance allowance of Rs. 380 per month and Rs. 230 per month for hostellers and day-scholars respectively. A total of 85 institutes for professional and technical courses have been listed under the scheme. Eligible students from the minority communities admitted to these institutions are reimbursed the full course fee. A course fee of Rs. 20,000 per annum is reimbursed to students studying in other institutions. Students are also provided maintenance allowances of Rs.500 a month for day-scholars and Rs.1,000 a month for hostellers. There are also proposals for making family income the sole eligibility criteria for scholarships and for doing away with the 50 per cent marks in the previous class criteria (Departmentally Standing Committee on Social Justice- Demand for Grants, Ministry of Minority Affairs 2019-20).

Budgetary Allocations and Utilisation under Umbrella Programme for Development of Minorities

The umbrella programme covers the Education Scheme for Madrasas and Minorities Access and Equity. It has seen an increase in allocation to Rs.220 crore in 2020-21(BE) from Rs.120 crore in 2019-20 (BE). In 2018-19, Rs. 18.4 crore (15.3 per cent) was utilised out of the allocated Rs.120 crore. It is due to this poor utilisation of funds that teachers in madrasas have not been paid honoraria and there have been delays in construction work.

Despite the grave need for educational and economic empowerment of minorities, the chronic issues with regard to adequacy of budget allocations and under utilisation of funds persist. The Union Government should make scholarship schemes for minorities demand-driven by looking at the total number of applications received. There is also a need to increase the quantum of allocations and utilisation of the same for minorities. Unit cost for scholarship schemes for minorities should be increased and made inflation indexed.

Mapping the Institutional Architecture for Persons with Disabilities

The Department for the Empowerment of Persons with Disabilities (DEPwD) under the Ministry of Social Justice and Empowerment is the nodal agency for addressing the issues concerning Persons with Disabilities (PwD). The objective of this department is to ensure that persons with disabilities are effectively included in the development agenda of the nation. The Union Government through this department has the mandate to implement the international laws such as the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) and other international commitments. It is the responsibility of the Government to oversee their implementation across the country.

Recommendations of the Committee on the Rights of Persons with Disabilities

The Government had the obligation to consider the recommendations of the concluding observations of the CRPD committee[14] that was released in September 2019. The committee has specifically made recommendations for resource allocations in many sections of the recommendations. The following are a few to highlight:

14 CRPD/C/IND/CO/1 Committee on the Rights of Persons with Disabilities, Concluding Observations on the initial report of India.

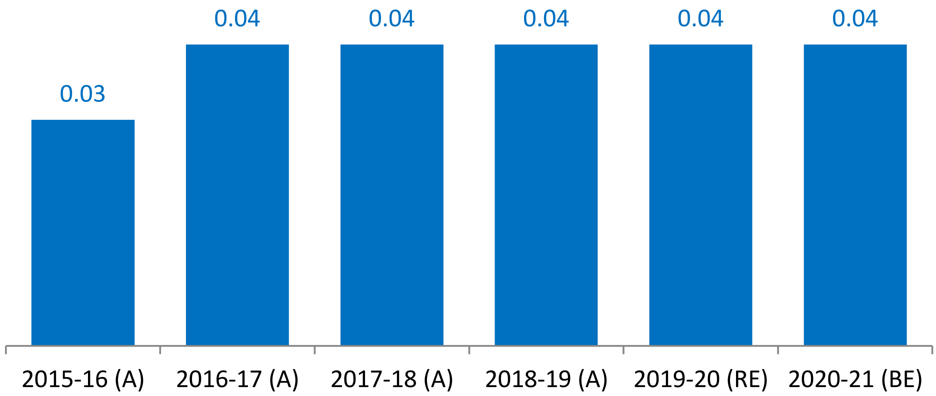
1. An action plan for implementation of the convention and the legislations in the country by adopting policy efforts with adequate human and financial resources;
2. Adequate resources for the removal of barriers and inclusive information for enabling participation of persons with disabilities;
3. Allocation of financial resources to ensure inclusion in basic public services and support for all children with disabilities, including in early childhood, ensuring accessible early development centres for all children;
4. To arrive at a de-institutionalisation plan;
5. Provision and enhancement of sign language interpreter services;
6. Reaching out all services, accessibility of infrastructure in rural areas and
7. Introduce and ensure that all persons with disabilities access entitlements to cover disability-related extra costs, disability pensions, and strengthen identification procedures for accessing pensions and increasing pension wages;

Analysis of budgets for Persons with Disabilities

Given the above mandate, an allocation amounting to 0.04 per cent of the total expenditure of the Government is grossly inadequate to fulfil the demands. Additionally, it must be noted that the allocations for the department have remained constant for the last three years (Refer to Figure 5.23 for Allocation and Expenditure of DEPwD as a percentage of total Union Government expenditure.

It is to be noted that almost all schemes that lead to the participation of persons with disabilities such as Assistance to Disabled Persons for purchasing/fitting of aids/appliances (ADIP), Artificial Limbs Manufacturing Corporation of India (ALIMCO), National Handicapped Finance and Development Corporation (NHFDC) show a declining trend. The Research and Rehabilitation Institutes and as well as the Institute of Sign Language find no allocation this financial year. Scheme for Implementation of Persons with Disabilities Act (SIPDA), which is looking at accessibility and district rehabilitation, finds a reduction of Rs. 63.50 crore when compared to 2019-20 (BE).

Figure 4.5: Allocation and Expenditure of DEPwD as a Percentage of Total Union Government Expenditure

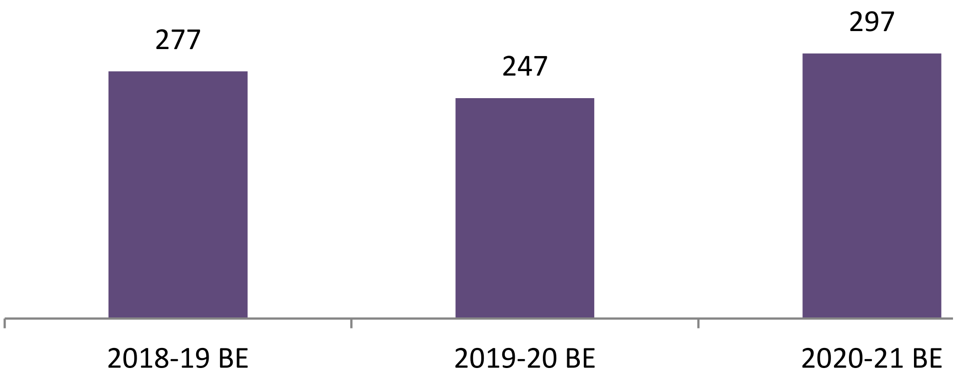


Source: Compiled by CBGA from Union Budget document, various years
Note: It is to be noted that between 2014-15 and 2018-19, Rs.354.54 crore remain unspent. However, the gap between allocation and utilisation is reducing."

Trends in Indira Gandhi National Disability Pension Scheme (IGNDPS)

The Indira Gandhi National Disability Pension is the only social security benefit offered by the Union Government. It is obvious that a small increase of Rs. 50 crore from 2019-20 (BE) will not do justice to the aspirations of persons with disabilities for an adequate standard of living. It would also not adhere to the CRPD committee recommendations to compensate the additional costs of disability as well as ensuring an adequate standard of living or the budget commitments to design social protection systems in lines with international standards.

Figure 4.6: Allocation for IGNDPS (Rs. crores)



Source: Compiled by CBGA from Union Budget document, various years

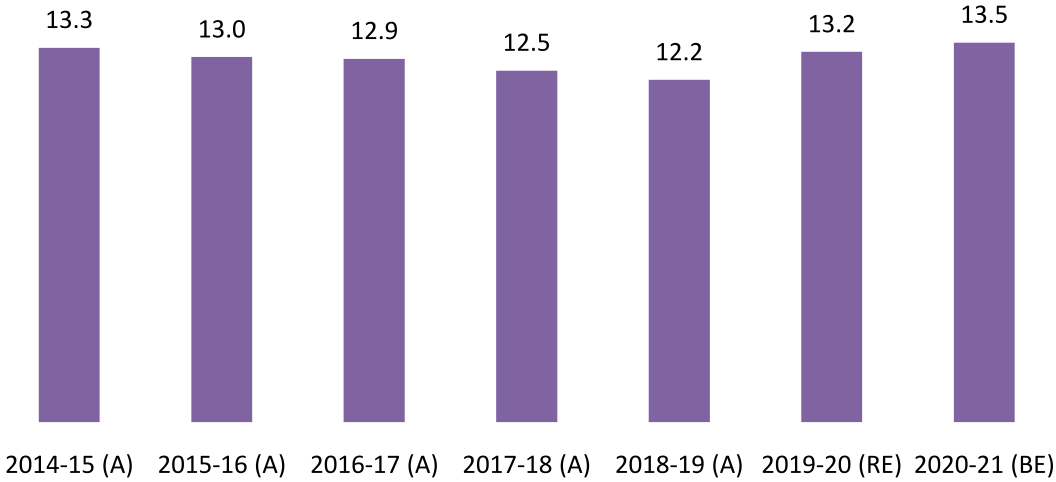
The specific allocation by the Department of Health and Family Welfare sees a decreasing trend in this year's budget. However, it is to be noted that majority of allocation has gone to Psychiatric Institutions, which is highly debated within the disability movement as there is a lack of transition plan for persons with psychosocial disability to live in the community on an equal basis with others.

The Department of School Education has an inclusive education component under the Samagra Shiksha Abhiyan. However, disaggregated data for the current year is not yet available. As programs get subsumed under larger schemes of the Government, data on disability gets invisible. This is a key issue in ensuring accountability and monitoring. To conclude, it is time that the Government comes up with an action plan with financial commitments involving the sectoral Ministries and Departments as recommended by the CRPD committee in order to "Make the Right Real" for persons with disabilities.

CHAPTER V

Important Trends in Receipts and Expenditure

Figure 5.1: Total Union Budget Expenditure as a Proportion of Gross Domestic Product (GDP) at market prices (per cent)

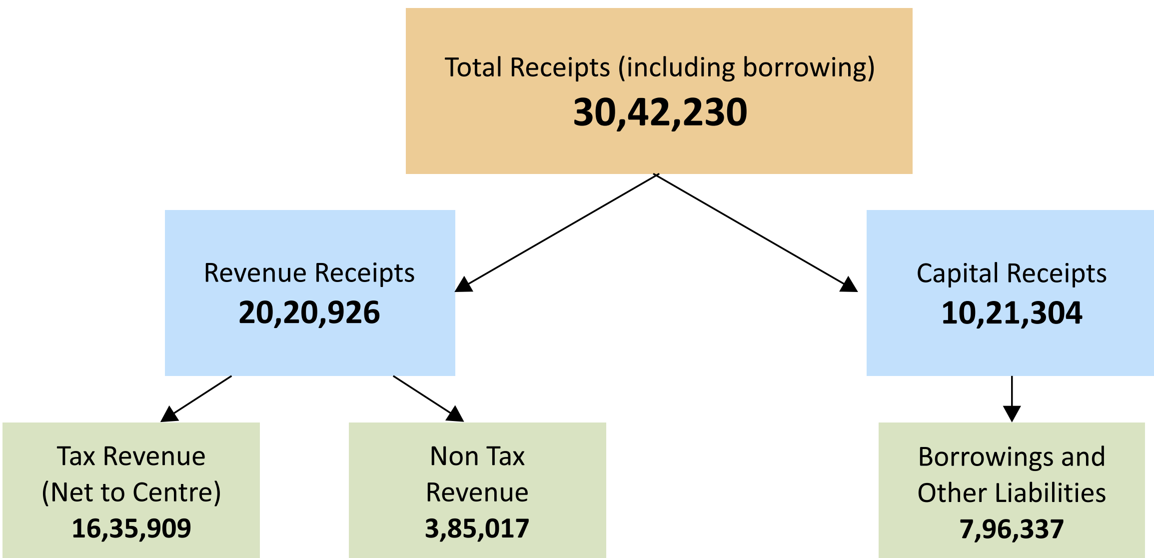


Source: Compiled by CBGA from Union Budget, various years

Figure 5.2: Gross Receipts and Gross Outlays in Union Budget: A Break Up

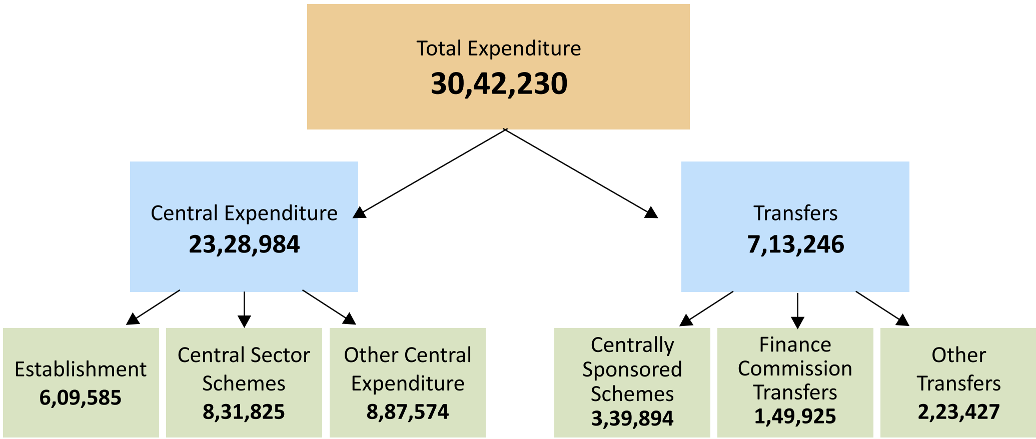
Source: Compiled by CBGA from Union Budget Documents 2020-21

Figure 5.3: Sources of Receipts-Union Budget 2020-21 (BE) (Rs. crore)



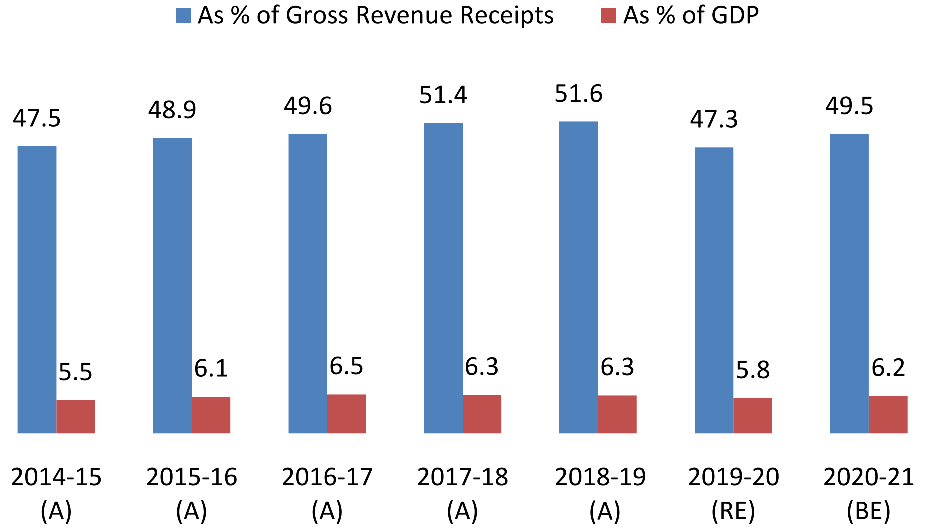
Source: Compiled by CBGA from Union Budget Documents 2020-21

Figure 5.4: Summary of Expenditure-Union Budget 2020-21 (BE) (Rs. crore)



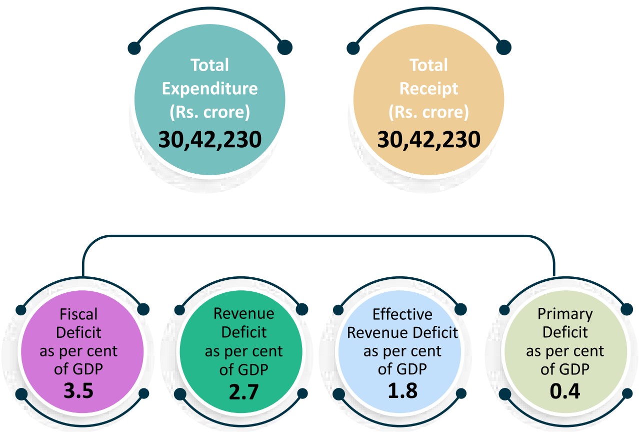
Source: Compiled by CBGA from Union Budget Documents 2020-21

Figure 5.5: Transfer of Resources to States



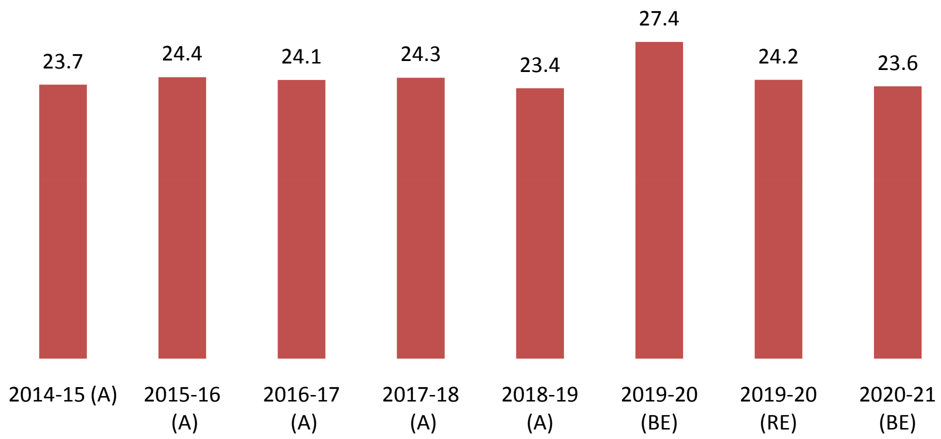
Note: Figure for transfer of resources to states prior to 2015-16 is not not strictly comparable with figures for 2015-16 onwards due to the change in fund devolution pattern instituted since 2015-16.
Source: Compiled by CBGA from Union Budget Documents 2020-21

Figure 5.6: Key Deficit Indicators 2020-21 (BE)



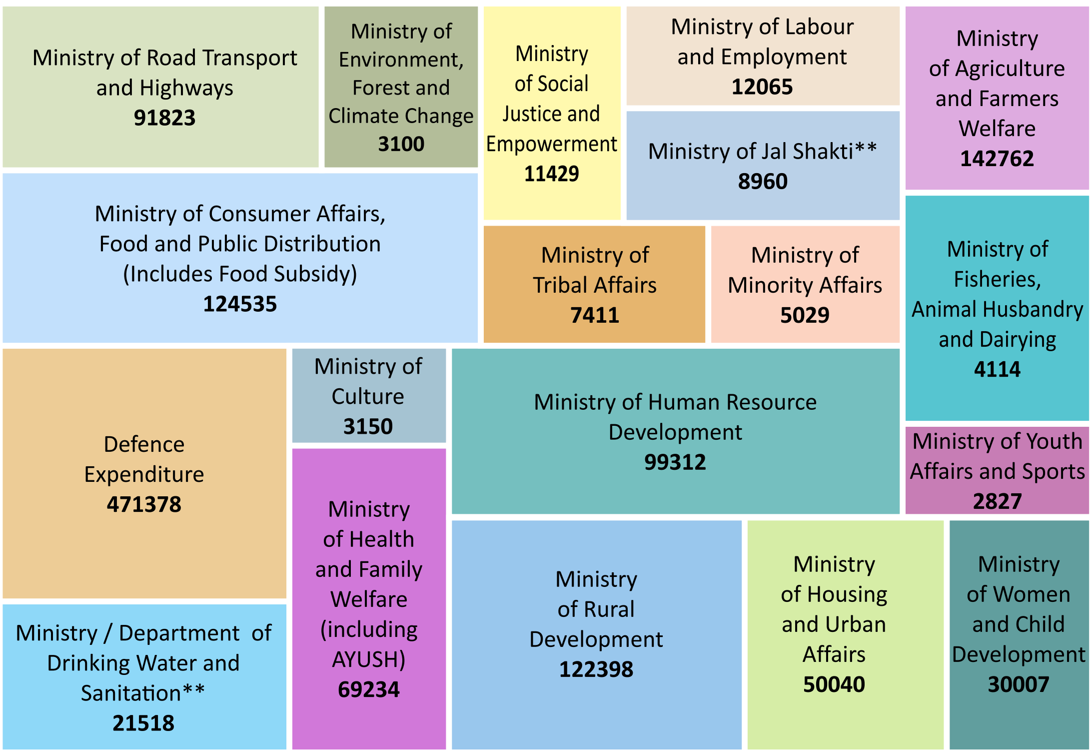
Source: Compiled by CBGA from Union Budget Documents 2020-21

Figure 5.7: Share of Allocations for Select Union Government Ministries* in Total Union Budget (per cent)



Note: * Ministry of Culture; Ministry / Department of Drinking Water and Sanitation; Ministry of Health and Family Welfare (including AYUSH); Ministry of Human Resource Development; Ministry of Labour and Employment; Ministry of Minority Affairs; Ministry of Social Justice and Empowerment; Ministry of Tribal Affairs; Ministry of Housing and Urban Affairs; Ministry of Women and Child Development; Ministry of Youth Affairs and Sports; Ministry of Agriculture and Farmers's Welfare; Ministry of Environment, Forest and Climate Change; Ministry of Rural Development; Ministry of Consumer Affairs, Food and Public Distribution (includes Food Subsidy); Ministry of Fisheries Animal Husbandry and Dairying; Ministry of Jal Shakti.
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.8: Budget for Select Union Government Ministries - 2020-21 (BE) (Rs. crore)



Source: Compiled by CBGA from Union Budget Documents, various years.

Table-5.1: Union Budget Allocation/Expenditure for Select Social Sectors Ministries/Departments (Rs. crore)

Sl. No.	Ministries / Departments	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
1	Ministry of Culture	2064	2007	2297	2520	2592	3042	2547	3150
2	Ministry / Department of Drinking Water and Sanitation**	12091	11081	16476	23939	18412	20016	18360	21518
3	Ministry of Health and Family Welfare (including AYUSH)	32154	35190	40241	54645	56236	66499	66466	69234
4	Ministry of Human Resource Development	68875	67239	72016	80215	80345	94854	94854	99312
5	Ministry of Labour and Employment	4138	4642	4743	6516	9286	11184	11184	12065
6	Ministry of Minority Affairs	3089	3655	2832	4057	3564	4700	4700	5029
7	Ministry of Social Justice and Empowerment	5784	6308	7289	7669	11080	10090	9985	11429
8	Ministry of Tribal Affairs	3852	4480	4817	5317	5994	6895	7340	7411
9	Ministry of Housing and Urban Affairs	15982	20180	36946	40061	40612	48032	42267	50040
10	Ministry of Women and Child Development	18539	17249	16874	20396	23026	29165	26185	30007
11	Ministry of Youth Affairs and Sports	1121	1423	1574	1689	1723	2217	2777	2827
12	Ministry of Agriculture and Farmers' Welfare *	30095	33682	42642	44340	53620	138564	109750	142762
13	Ministry of Environment, Forest and Climate Change	1599	1521	2278	2627	2586	2955	2658	3100
14	Ministry of Rural Development	69817	78945	96728	110333	113706	119874	124549	122398
15	Ministry of Consumer Affairs, Food and Public Distribution (Includes Food Subsidy)	118323	140810	122399	109578	108848	194513	117290	124535
16	Ministry of Fisheries, Animal Husbandry and Dairying	1822	1410	1858	2022	3171	3737	3490	4114
17	Ministry of Jal Shakti**	5480	6862	4714	5313	7422	8245	7518	8960
18	**Total Expenditure for the Select Ministries (1 to 17)**	**394825**	**436684**	**476724**	**521237**	**542221**	**764582**	**651920**	**717892**
19	Ministry of Road Transport and Highways	33048	46913	52232	61015	77301	83016	83016	91823
20	Defence Expenditure	285005	293920	351550	379704	403457	431011	448820	471378

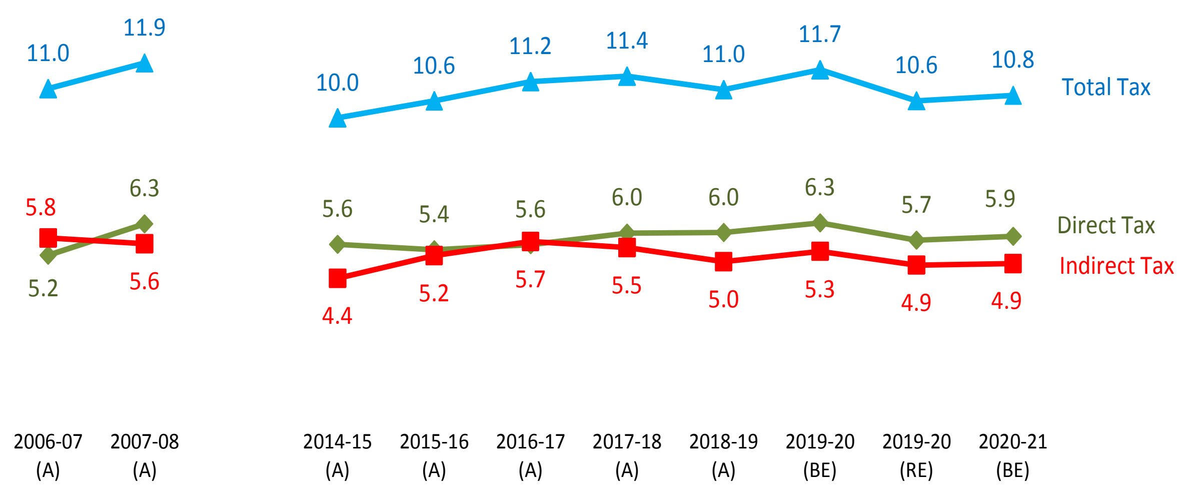
Notes: *Department of Animal Husbandry, Dairying and Fisheries becomes a separate ministry (Ministry of Fisheries, Animal Husbandary and Dairying), which was initially part of the Ministry of Agriculture and Farmers' Welfare. For comparability, across years, we have adjusted relevant numbers here. ** Ministry of Drinking Water Sanitation and Ministry of Water Resources, River Development and Ganga Rejuvenation have been dropped in FY 2019-20 and this becomes two departments of the New Ministry "Jal Shakti". However, for consistency and comparability, we have made relavant adustments here.
Source: Compiled by CBGA from Union Budget Documents, various years.

Table 5.2: Macro Indicators for the Union Budget (Rs. crore)

Items	2015-16 (A)	2016-17 (A)	2017-18 (A	2018-19 (A)	2019-20 (RE)	2020-21 (BE)
1. Revenue Receipts (of which)	1195025	1374203	1435233	1552916	1850101	2020926
a. Tax Revenue (Net to Centre)	943765	1101372	1242488	1317211	1504587	1635909
b. Non Tax Revenue	251260	272831	192745	235705	345514	385017
2. Capital Receipts (of which)	595758	600991	706740	762197	848451	1021304
a. Borrowings and Other Liabilities	532791	535618	591062	649418	766846	796337
3. Total Receipts (including Borrowing) [1+2]	1790783	1975194	2141973	2315113	2698552	3042230
4. Total Union Budget Expenditure	1790783	1975194	2141973	2315113	2698552	3042230
5. Fiscal Deficit	532791	535618	591062	649418	766846	796337
6. Fiscal Deficits as per cent of GDP	3.9	3.5	3.5	3.4	3.8	3.5
7. Revenue Deficit as per cent of GDP	2.1	2.6	2.4	2.4	2.4	2.7
8. Effective Revenue Deficit as per cent of GDP	1.0	1.4	1.4	1.4	1.5	1.8
9. Primary Deficit as per cent of GDP	0.4	0.4	0.4	0.4	0.7	0.4

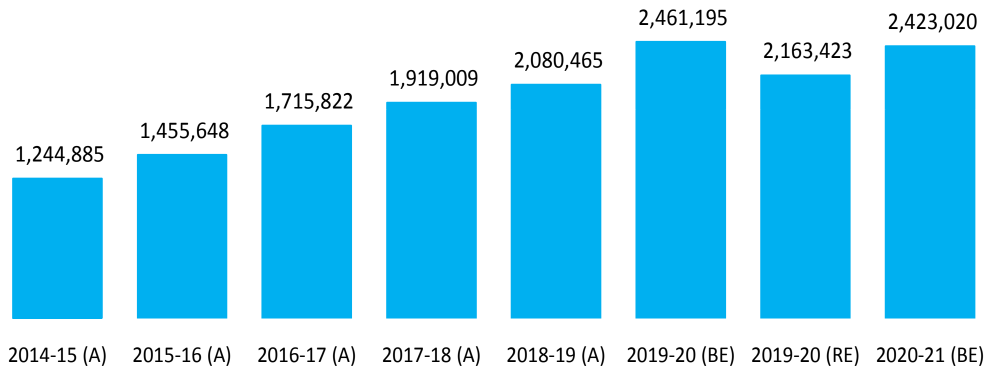
Notes: Data on Total Union Budget Expenditure from 2017-18 onwards are not comparable with that of previous years due to inclusion of GST Compensastion Cess as part of Total Union Budget Expenditure.
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.9: Central Tax-GDP Ratio (per cent)



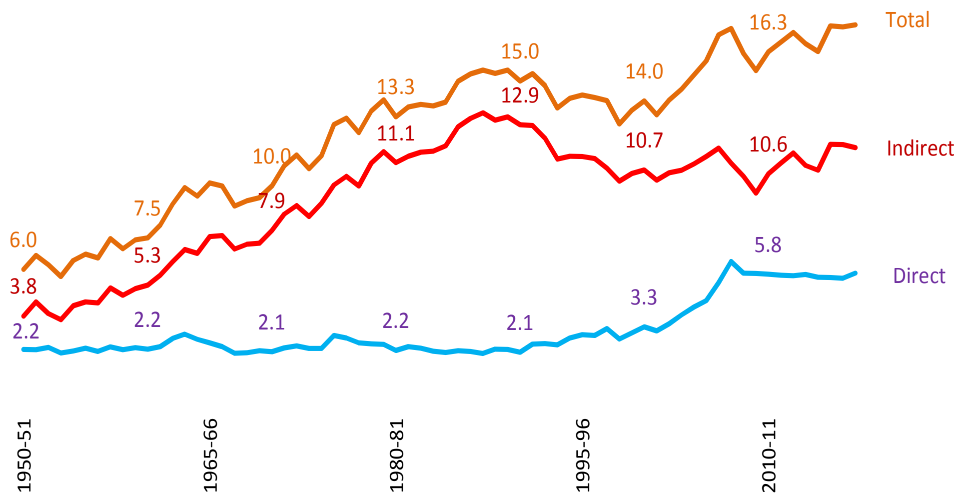
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.10: Trends in Central Tax Collection (Rs. crore)



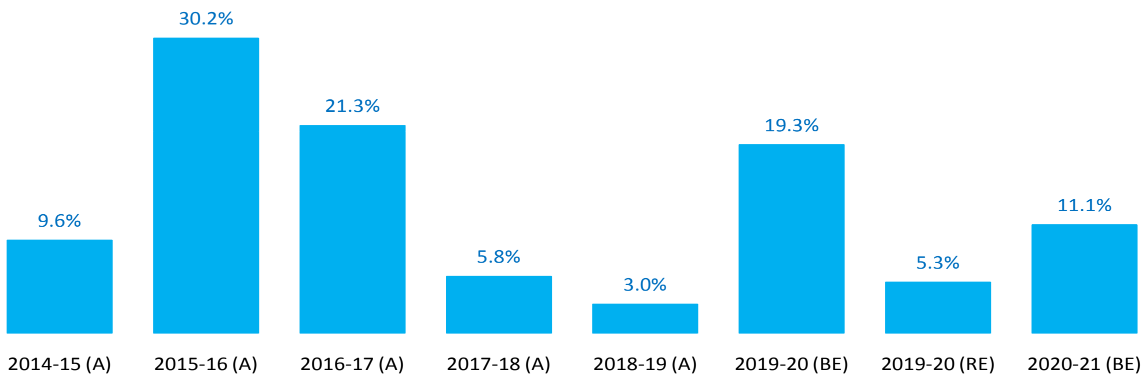
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.11: Tax - GDP Ratio (from 1950-51 to 2017-18 BE)



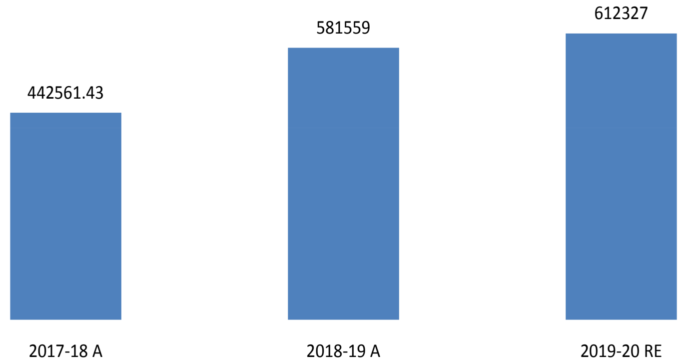
Notes: The data for 2016-17 and 2017-18 are RE and BE respectively.
Source: Compiled by CBGA from Indian Public Finance Statistics, Ministry of Finance, Government of India

Figure 5.12: Annual Growth Rates of India's Indiret Tax (per cent)



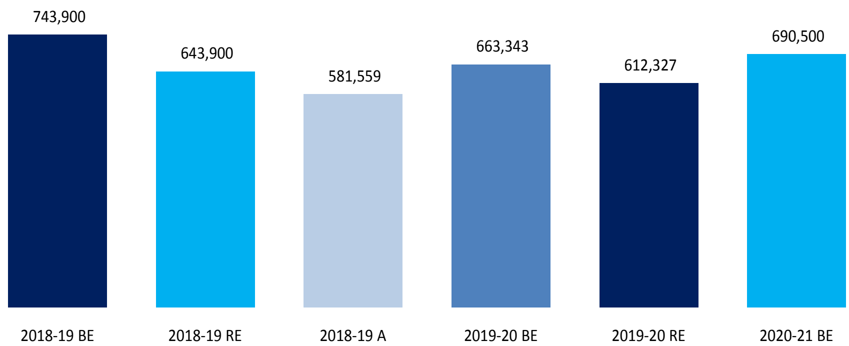
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.13: GST Collection Actuals and/or Revised Estimates (Rs. crore)



Source: Compiled by CBGA from Union Budget documents, various years.

Figure 5.14: Projection Vs. Realisation in GST Collection (Rs. crore)



Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.3: Trends in Education and Health Sector Expenditure by General Government (Combined Centre and States)

Total Budgetary Expenditure (In Rs. Lakh Crore)	32.85	37.61	42.66	45.16	55.17	60.72
Expenditure on Social Services (In Rs. Lakh Crore)	7.68	9.16	10.41	11.4	14.47	15.79
Total Expenditure on Education (In Rs. Lakh Crore)	3.54	3.92	4.35	4.83	5.81	6.43
Total Expenditure on Health (In Rs. Lakh Crore)	1.49	1.75	2.13	2.43	2.92	3.24
As percentage to GDP (In %)						
Expenditure on Social Services	*6.2*	*6.6*	*6.8*	*6.7*	*7.6*	*7.7*
Total Expenditure on Education	*2.8*	*2.8*	*2.8*	*2.8*	*3.1*	*3.1*
Total Expenditure on Health	*1.2*	*1.3*	*1.4*	*1.4*	*1.5*	*1.6*
As percentage to Total Budgetary Expenditure (In %)						
Expenditure on Social Services	*23.4*	*24.3*	*24.4*	*25.2*	*26.2*	*26*
Total Expenditure on Education	*10.8*	*10.4*	*10.2*	*10.7*	*10.5*	*10.6*
Total Expenditure on Health	*4.5*	*4.7*	*5*	*5.4*	*5.3*	*5.3*

Notes: 1. Social services include, education, sports, art and culture; medical and public health, family welfare; water supply and sanitation; housing; urban development; welfare of SCs, STs and OBCs, labour and labour welfare; social security and welfare, nutrition, relief on account of natural calamities etc.

2. Expenditure on 'Education' pertains to expenditure on 'Education, Sports, Arts and Culture'.

3. Expenditure on 'Health' includes expenditure on 'Medical and Public Health', 'Family Welfare' and 'Water Supply and Sanitation'.

4. The ratios to GDP at current market prices are based on 2011-12 base. GDP for 2019-20 is First Advance Estimates released by National Statistical Office (NSO) on January 07, 2020.

Source: Budget Documents of Union and State Governments, Reserve Bank of India.

Table 5.4: Budgetary Allocation for Select Schemes for School Education (Rs. crore)

Schemes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
National Education Mission	29070	27066	27616	28209	29437	36447	36292	38861
Sarva Shiksha Abhiyan (SSA)	24097	21661	21685	23484	25616			
Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	3398	3563	3698	4033	3399			
Strengthening of Teachers Training Institutions	-	-	495	478	374			
#Samagra Shiksha Abhiyan					29389	36322	36274	38751
Mid Day Meal	10523	9145	9475	9092	9514	11000	9912	11000
Kendriya Vidyalaya Sangathan (KVS)	3243	3278	3987	4997	5007	5012	6006	5517
Navodaya Vidyalaya Samiti (NVS)	2013	2285	2620	3185	3213	3068	3388	3300
National Scheme for Incentive to Girl Child for Secondary Education	154	-	45	292	165	100	88	110
National Means cum Merit Scholarship	-	127	39	-	319	368	335	373

Notes: # Samagra Shiksha: The erstwhile schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Strengthening of Teacher Training Institutions have been merged to form the scheme Samagra Shiksha Abhiyan. The merger intends to give a holistic approach to School Education.
Source: Compiled by CBGA from Union Budget Documents, various years

Table 5.5: Budgetary Allocation for Select Schemes/Institutes for Higher Education (Rs. crore)

Schemes/Institutes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Rashtriya Uchchatara Shiksha Abhiyan (RUSA)	417	926	1416	1246	1393	2100	1380	300
World class institutions	-	-	-	-	129	400	325	500
Indian Institute of Technologies (IITs)	3936	4365	5380	8337	5590	6330	6330	7182
Indian Institute of Managements (IIMs)	321	464	722	821	351	446	501	476
University Grants Commission (UGC)*	8906	4186	4472	4685	4666	4601	4421	4693
scholarship for college and university**	193	217	240	267	306	365	381	366
Students financial aid	1737	2177	2090	2218	1897	2306	2321	2316
Higher Education Financing Agency (HEFA)	-	-	-	-	2263	2100	2100	2200

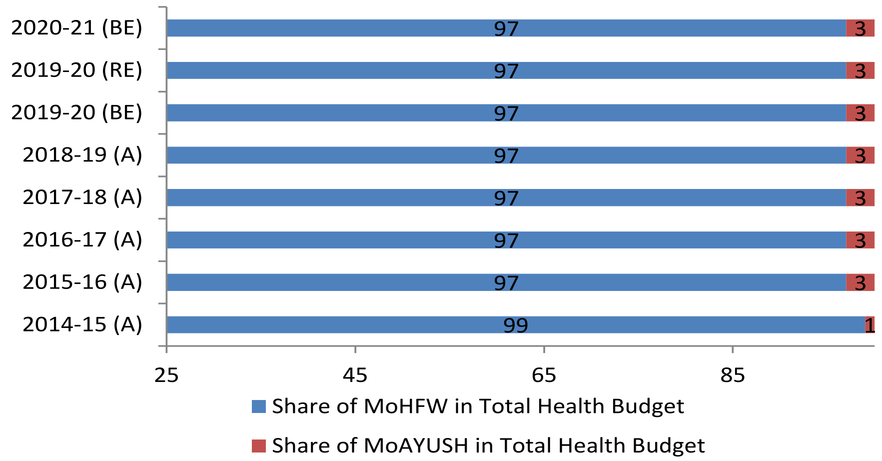
Note: *UGC figure for 2014-15 (A) includes Grants to Central universities; ** 2020-21 (BE) figures include special scholarship for J&K
Source: Compiled by CBGA from Union Budget Documents, various years

Table 5.6: Budgetary Allocation on Health by Union Government (Rs. crore)

Ministries	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Ministry of Health and Family Welfare	61676	34114	38995	53114	54682	64559	64609	67112
Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	617	1075	1246	1531	1554	1940	1857	2122
Total Health Budget	62293	35189	40241	54645	56236	66499	66466	69234

Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.15: Ministry wise Spending on Health (per cent)



Source: Compiled by CBGA from Union Budget Documents, various years

Table 5.7: Budget Expenditure on Major Health Sector Schemes (Rs. crore)

Schemes	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Total NHM (MOHFW & MoAYUSH)	32000	31502	33651	34290	34115
Pardhan Mantri Swasthya Suraksha Yojana (PMSSY)	3159	3797	4000	4733	6020
Rashtriya Swasthya Bima Yojana (RSBY)	456	227	156	114	29
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	0	1998	6400	3200	6400
Senior Citizens Health Insurance Scheme		0	0	0	10

Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.8: Expenditure on Different Components under NHM (Rs. crore)

Components	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
National Rural Health Mission	26178	25495	27039	27834	27039
National Urban Health Mission	664	868	950	950	950
Strengthening of State Drug Regulatory System	0	179	206	206	175
Tertiary Care Programs	654	289	550	300	550
Human Resources for Health and Medical Education	4025	4214	4250	4500	4686
National Health Mission component in MoAYUSH	479	457	656	501	705
Total National Health Mission	32000	31502	33651	34290	34115

Source: Compiled by CBGA from Union Budget Documents, various years

Table 5.9: Budgetary Allocation for Nutrition Specific Schemes (Rs. crore)

Schemes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Core ICDS/ Anganwadi services, i	16664	15433	14433	15155	16815	19834	17705	20532
National Nutrition Mission	20	56	199	893	2622	3400	3400	3700
National Creche Scheme	98	133	125	49	30	50	50	75
IGMSY/MBP/ PMMVY	343	233	75	2048	1055	2500	2300	2500
SABLA	622	475	482	451	205	300	150	250
Total Nutrition Specific Expenditure	**17747**	**16330**	**15314**	**18596**	**20727**	**26084**	**23605**	**27057**

Notes: i) Name changed from FY 2017-18 onwards
Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.10: Budgetary Allocations for Nutrition Sensitive Schemes and Programmes (Rs. crore)

Schemes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
National Health Mission	19924	20213	22870	32000	31187	33651	34290	34115
Food subsidy	117671	139419	110173	100282	171298	184220	108688	115570
Mid-day Meal (MDM)	10523	9145	9475	9092	9949	11000	9912	11000
RMSA i	3398	3563	3698	4033	4164			
Jal Jeevan Mission (JJM)/ National Rural Drinking Water Mission	9243	4370	5980	7038	5500	10001	10001	11500
SBM (Rural + Urban)	3700	7469	12619	19427	16978	12644	9638	12294
MGNREGA	32977	37341	48215	55166	61084	60000	71002	61500
NLM (NRLM + NULM)	2116	2783	3486	4926	6294	9774	9774	10005
NSAP	7084	8616	8854	8694	8900	9200	9200	9197

Schemes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
NFSM	1873	1162	1286	1377	1510	2000	1777	2100
NMSA	1268	686	670	717	1048	1109	789	1229
NMOOP	316	306	328	264	352	0	0	0
RKVY ii	8443	3940	3892	3560	3600	3745	2760	3700
White Revolution	1299	937	1309	1574	2431	2240	1799	1805
Blue Revolution	388	200	388	321	501	560	455	570
National Horticulture Mission	1955	1696	1493	2027	2100	2225	1584	2300
Total Nutrition-Sensitive	**202254**	**221633**	**211866**	**218498**	**295709**	**308718**	**237379**	**242770**

Note:
i) In 2019-20, RMSA was subsumed under Samagra Shiksha Abhiyaan (SMSA). As it is not possible to get disaggregated data on the RMSA component from the SMSA budget, no allocation has been included for RMSA from 2019-20 onward.
ii) Includes all under the departments of Agriculture and Animal husbandry
Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.11: Budgetary Allocation for Ministry / Department of Drinking Water and Sanitation / Ministry of Jal Shakti (Rs. crore)

Year	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Ministry / Department of Drinking Water and Sanitation*	12091	11081	16476	23939	18412	20016	18360	21518

Note: * Ministry of Drinking Water Sanitation and Ministry of Water Resources, River Development and Ganga Rejuvenation have been dropped in FY 2019-20 and this becomes two departments of the New Ministry "Jal Shakti". However, for consistency and comparability, we have made relevant adjustments here.
Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.12: Allocations for Schemes under Ministry of Drinking Water and Sanitation and Ministry of Housing and Urban Affairs (Rs. crore)

Programmes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
National Rural Drinking Water Programme	9,242	4,370	5,980	7,038	5484	10001	10001	11500
Swachh Bharat Mission (R)	2,841	6,703	10,484	16,948	12913	9994	8338	9994
Swachh Bharat Mission (U)	859.5	766	2,135	2,539	2462	2650	1300	2300

Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.13: Union Budget Allocation for the Ministry of Agriculture and Farmers' Welfare (MoA), (Rs. crore)

Departments	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (RE)	2020-21 (BE)
Department of Agriculture, Cooperation and Farmers Welfare (Excluding Interest subvention and Income support scheme)	19255	15296	23515	24351	34581	84041	113225

Department of Agricultural Research and Education	4840	5386	5729	6943	7544	7846	8363
Ministry of Fisheries, Animal Husbandry and Dairying*	1822	1410	1858	2022	3171	3490	4114
Interest Subvention for providing Short Term Credit to Farmers	6000	13000	13397	13046	11496	17863	21175
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)					1241	54370	75000
Total Expenditure under MoA (Including Interest Subvention and	31917	35092	44499	46362	58032	167610	221876

Note: *From 2019-20 Onwards Department of Animal Husbandry, Dairying and Fisheries becomes a separate ministry(Ministry of fisheries, Animal Husbandry and Dairying) , which was initially part of the Ministry of Agriculture and Farmers Welfare

Source: Compiled by CBGA from Union Budget documents, various years

Table 5.14: Allocation for Major Schemes in Agriculture Sector (Rs. crore)

Schemes	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Pradhan Mantri Fasal Bima Yojana (PMFBY) *	2983	11052	9419	11937	14000	13641	15695
Pradhan Mantri Krishi Sinchai Yojana (PMKSY)- Per Drop More Crop	1556	1991	2819	2918	3500	2032	4000
Pradhan Mantri Krishi Sinchai Yojana (Under Deptt. of Land Resources)	1527	1511	1774	1864	2227	1900	2251
Accelerated Irrigation Benefit & Flood Management Programme""	2999	1001	0	0	1	1	1
Har Khet ko Pani	1499	440	1355	2180	1070	1021	1051
Pradhan Mantri Krishi Sinchai Yojana (Ministry of Water Resources, River Development and Ganga Rejuvenation and Jal Shakti)	4698	1632	2123	3439	4116	4026	5127
Total Allocations for Pradhan Mantri Krishi Sinchai Yojana (PMKSY)**	7781	5282	6716	8221	9843	7958	11378
Green Revolution (out of which)	9777	10105	11057	11758	12561	9965	13320

Rashtriya Krishi Vikas Yojana (RKVY)	3940	3892	3560	3370	3745	2760	3700
National Food Security Mission (NFSM)	1162	1286	1377	1606	2000	1777	2100
Paramparagat Krishi Vikas Yojana (PKVY)	219	153	203	329	325	299	500
National Mission on Oil Seed and Oil Palm (NMOOP)	306	328	264	341	-	-	-
National Mission on Horticulture (NMH)	1697	1493	2027	1997	2225	1584	2300
White Revolution	937	1309	1574	2422	2240	1799	1805
Blue Revolution	200	388	321	485	560	455	570
Interest Subvention for Providing Short Term Credit to Farmers	13000	13397	13046	11496	18000	17863	21175
Price Stabilization Fund (in the Department of Consumer Affairs)	660	6900	3500	1500	2000	1820	2000
Market Intervention Scheme and Price Support Scheme (MIS-PSS)	48	146	701	1400	3000	2010	2000
Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)							500
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)				1241	75000	54370	75000

Notes: *Allocations for PMFBY includes budget for earlier schemes like NAIS, MNAIS and WBIS. ** PMKSY includes allocations under Ministry of Agriculture & Farmers Welfare, Ministry of Rural Development and Ministry of Water Resources, River Development & Ganga Rejuvenation.
“”Impact Assessment Studies: Provision is for Impact Assessment Studies of the major and medium irrigation projects executed under Accelerated Irrigation Benefits Program (AIBP) in water sector
Source: Compiled by CBGA from Union Budget, various years

Table 5.15: Budget Allocations to Select Ministries Important for Creating/promoting Employment Generation (Rs. crore)

Items	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Ministry of MSME (of which)	2767	2829	3262	6202	6509	7011	7011	7572
PM’s employment generation programme (credit-based)		1429	1935	4113	3178	3274	3370	2800
Entrepreneurship and skill development		200	181	152	187	480	461	556
Ministry of Skill Development (of which)		1007	1553	2198	2619	2989	2531	3002
PM’s Kaushal Vikas Yojana		999	1522	2150	2563	2677	2247	2726

Ministry of Labour and Employment (of which)	4138	4642	4743	6516	9286	11184	11184	12065
Jobs and skill development (including PM's Rozgaar Protsahan Yojana)			198	573	3563	4584	3502	2646
Ministry of Rural Development (of which)	69817	78945	96728	110333	113706	119874	124549	122398
MGNREGS	32977	37341	48215	55166	61815	60000	71002	61500
NRLM	1413	2514	3158	4327	5783	9024	9024	9210
Ministry of Housing and Urban Affairs (of which)	15982	20180	36946	40061	40612	48032	42267	50040
NULM	703	269	329	599	498	750	750	795
Department of Commerce (of which)	5461	4955	4491	5540	6146	6219	7219	6219
Leather and Leather Product Sector #	181							
Footwear, Leather and Accessories		110	25	15	10	10	10	0
Department of Industrial Policy and Promotion (of which)	1867	2415	1991	4049	6018	5675	6490	6606
Indian Leather Development Programme (ILDP)	270	235	400	166	239	458	372	370
Department of Financial Services (of which)	17495	42104	30647	16648	5479	4690	7734	11125
Pradhan Mantri Mudra Yojana (PMMY)(through NCGTC)	0	500	1500	510	510	510	510	510

Note: * The Ministry of Housing and Poverty Alleviation was removed and a new Ministry of Housing and Urban Affairs was established in 2016-17. However these were not mere replacements and hence the budgetary allocation for the ministry for 2015-16 and thereafter are not comparable. # No budget was allocated on Leather and Leather Product Sector since 2016-17. No justification provided by the government. Source: Compiled by CBGA from Union budget documents, various years

Table 5.16: Social Security Programme for Unorganized Sector Workers in the Union Budget (Rs. crore)

Ministry	Scheme	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Labour and Employment	Creation of National Platform of Unorganized Workers and allotment of Aadhaar seeded identification number		45	0	0	1	1	1	50
	Bima Yojana for Unorganised Workers				50	49	17	190	200
	RSBY*	551							
Health and Family Welfare	National Health Protection Scheme/ RSBY*			466	456	227	156	114	29
	Ayushman Bharat - Health and Wellness Centres (NIF)#				0	1192	1600	0	1600
	Ayushman Bharat - Health and Wellness Centres (GBS)^					0	0	1600	0
Rural Development	National Social Assistance Programme (NSAP)	7087	8616	8854	8694	8418	9200	9200	9197
Finance (Dept. of Financial Services)	Swavalamban Scheme	195	251		53	0	0	0	0
	Govt. contribution to Aam Admi Bima Yojana**	175	438	100	0				
	Atal Pension Yojana	0	173	36	168	155	205	340	299
	Interest Subsidy to LIC for Pension Plan for Senior Citizens	111	102	125	245	171	160	117	115
	Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana (Publicity and Awareness)	0	0	5	20	5	10	5	10
	Total	**16237**	**19076**	**191311**	**9687**	**10218**	**11349**	**11567**	**11500**

Notes: i) *Rashtriya Swasthya Bima Yojana (RSBY), originally under the Ministry of Labour and Employment, was shifted to Ministry of Health and Family Welfare and renamed as Rashtriya Swasthya Suraksha Yojana (RSSY) in 2016-17. Thus, there is no allocation for RSSY in the 2016-17 (BE) and 2017-18 (BE). National Health Protection Scheme, with similar mandate, was announced in 2016-17. However in Union Budget, 2018-19, RSBY has been reintroduced into the Health and Family Welfare Department. Hence, over the years, the allocations for health protection for unorganised workers have been recorded under different scheme names.
ii) ** The Aam Admi Bima Yojana was under the Department of Financial Services till 2017-18 after which it has been shifted to the Department of Labour and Employment under the name of Bima Yojana for Unorganised Workers. The name had been changed to Pradhan Mantri Shram Yogi Manthan in 2019-20.
iii) # NIF implies National Investment Fund.
iv) ^ GBS implies Gross Budgetary Support.
Source: Compiled by CBGA from Union Budget Documents, various years.

Table 5.17: Budget Allocations / Expenditure for Department of Rural Development (DoRD) in the Union Budgets since 2014-15 (Rs. crore)

Year	Total Budget for the Department	Total Union Budget Expenditure	Share of Department's Budget as in Union Budget (per cent)
2014-15 (A)	67,311	1663673	4.0
2015-16 (A)	77,369	1790783	4.3
2016-17 (A)	95,069	1975194	4.8
2017-18 (A)	1,08,560	2141973	5.1
2018-19 (A)	1,11,842	2315113	4.8
2019-20 (RE)	1,22,649	2698552	4.5
2020-21 (BE)	1,20,147	3042230	3.9

Source: Compiled by CBGA from Union Budget, various years

Table 5.18: Budgetary Allocations for Ministry of New and Renewable Energy (Rs. crore)

Year	IEBR	Allocation for Centre Sector Schemes + NCEF
2015-16 (A)	6,113	4,065
2016-17(A)	8,641	7,476
2017-18(A)	10,491	7,329
2018-19 (A)	10,459	4,403
2019-20 (BE)	12,354	5,131
2019-20 (RE)	12,466	3,743
2020-21 (BE)	13,727	5,646

Notes : i) IEBR= Internal and Extra Budgetary Resources and constitute the resources raised by the PSUs through profits, loans and equity ii) Centre sector schemes includes Grid connected Renewable Energy (RE), off- grid RE power, Research & Development programme and Other supporting programme iii)Figure included Transfer from National Clean Energy Fund (NCEF)

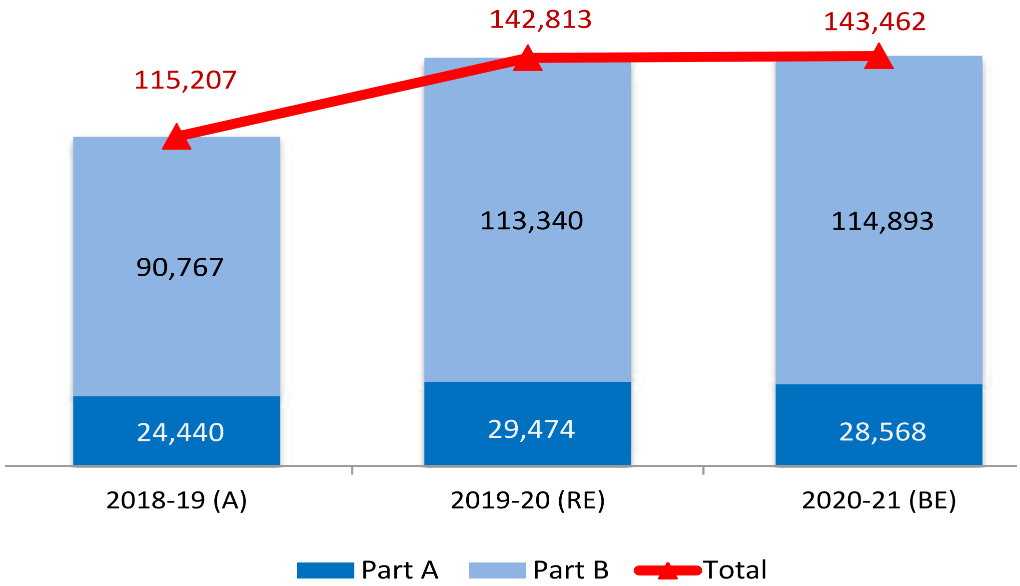
Source: Compiled by CBGA from Union Budget documents, various years.

Table 5.19: Allocations for Major Programmes / Schemes under MNRE (Rs. crore)

Major Programmes / Schemes of MNRE	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (RE)	2020 -21 (BE)
Grid Interactive Renewable Power	2824	2556	3622	3090	4350
Off- Grid/Distributive and decentralised Renewable Power	689	990	670	550	1184
Research, Development and International Cooperation	227	73	25	15	20
Wind Power Grid connected	489	750	950	1026	1299
Solar Power Grid connected	1992	1001	1904	1790	2150
Green Energy Corridors	200	500	500	53	300
Kisan Urja Suraksha Evam Utthaan Mahbhiyan (KUSUM) Grid connected					300
Kisan Urja Suraksha Evam Utthaan Mahbhiyan (KUSUM) off grid					700

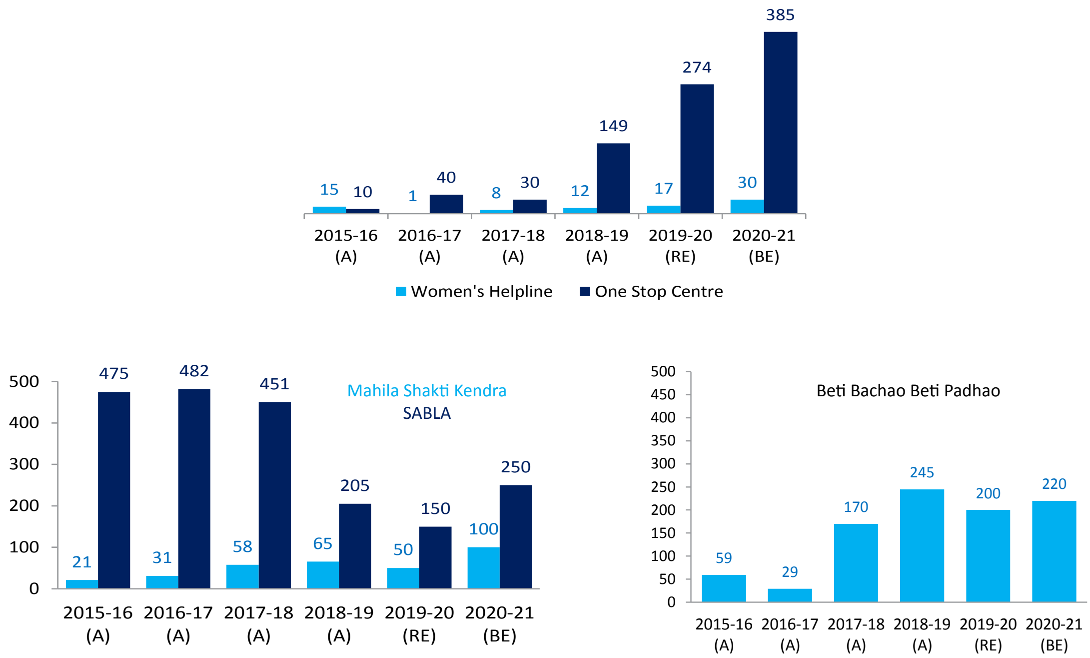
Source: Compiled by CBGA from Union Budget documents, various years.

Figure 5.16: Trends in Gender Budgeting (Rs. crore)



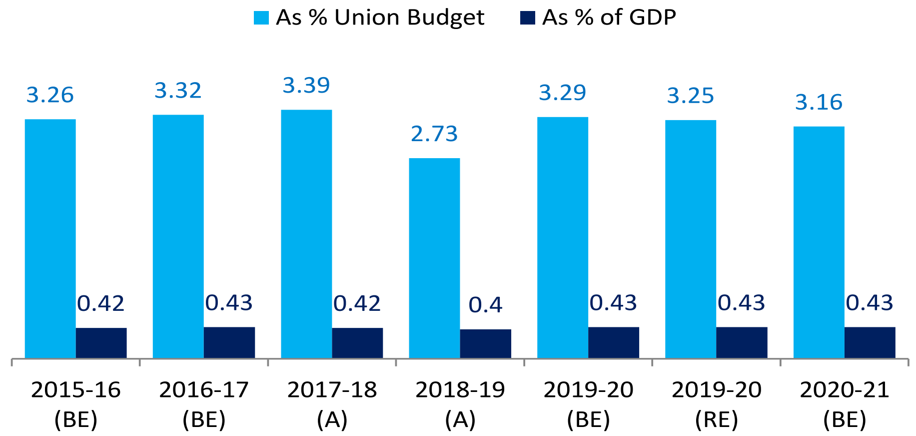
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.17: Allocations for Key Schemes under MWCD (Rs. crore)



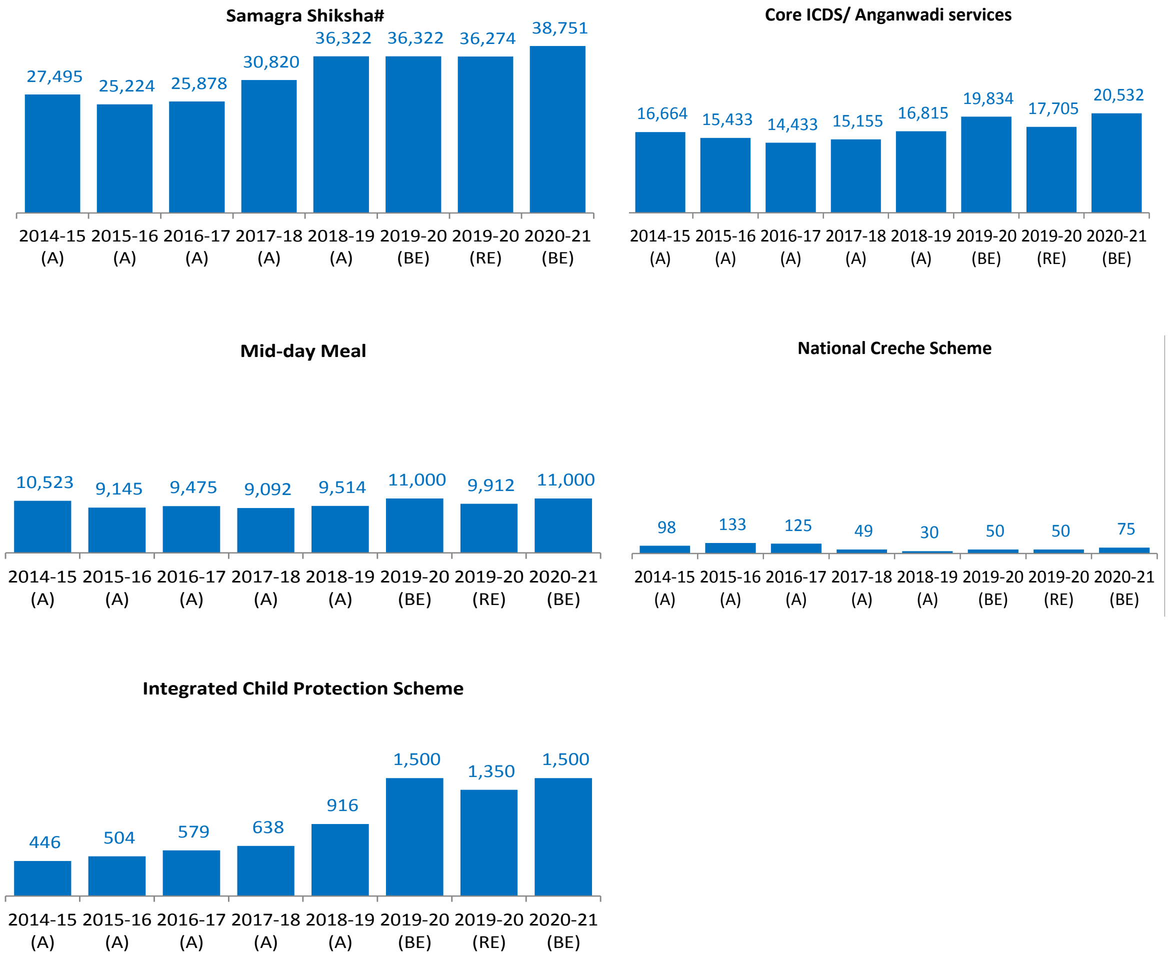
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.18: Budgetary Allocations and Expenditure on Child Focused Intervenons (per cent)



Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.19: Allocations and Expenditure in Select Major Schemes for Children (Rs. crore)



Notes: #Samagra Shiksha Abhiyan has been introduced in financial year 2018-19 by merging the three erstwhile schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Strengthening of Teacher Training Instuons. For the purpose of comparability, the above menoned three schemes have been added up for all the years to represent the composite scheme under the name of Samagra Shiksha Abhiyan

Source: Compiled by CBGA from Union Budget, various years

Table 5.20: Budgetary Outlays for Major Schemes under DSJE (Rs. crore)

Major Schemes	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21
	BE	A	BE	A	BE	A	BE	A	BE	A	BE	RE	BE
Schemes for Educational Development of SCs*	2442	2670	2550	3046	3647	3585	3863	3818	3670	6355	3815	3407	4102
Of which:													
Post-Matric Scholarship	1500	1960	1599	0	0	2799	3348	3414	3000	5928	2927	2690	2987
Pre-Matric Scholarship for SC Students	834	514	843	0	0	507	50	63	125	116	355	355	700
Pradhan Mantri Adarsh Gram Yojana	100	30	200	196	90	63	40	39	70	168	390	718	700
Strengthening of Machinery for Enforcement of Protection of Civil Rights Act 1995 and Prevention of Atrocities Act 1989	90	147	91	119	150	223	300	356	404	406	530	630	550
Self-Employment Scheme for Rehabilitation of Manual Scavengers	439	0	461	0	10	0	5	5	20	86	110	100	110
Special Central Assistance to Scheduled Caste Sub plan	1038	700	1091	800	800	798	800	731	1000	897	1100	1100	1200
Interventions for Entrepreneurial Development of SCs**	0	0	0	0	259	248	238	203	327	197	355	315	396
Other programmes of the Department of Social Justice and Empowerment***	0	0	0	0	199	203	194	193	99	78	125	124	161

Source: Compiled by CBGA from Union Budget documents, various years

Notes: *Schemes for Educational Development of SCs include the various scholarship schemes for SCs and for children of those engaged in unclean occupations as well as hostels for SC girls and boys(National Fellowship for SCs, National Overseas Scholarship for SCs, Top Class Education for SCs, Education Empowerment)

**Interventions for Entrepreneurial Development of SCs include: State Scheduled Castes Development Corporations, National Scheduled Castes Finance and Development Corporation, National Safai Karmacharis Finance and Development Corporation, Venture Capital, State Scheduled Castes Development Corporations and Credit Guarantee Fund for Scheduled Castes, Investment in Public Sector Enterprises.

***Other programmes include: Baba Saheb Dr. B.R. Ambedkar Foundation, Dr. B.R. Ambedkar International Centre, Dr. Ambedkar National Memorial, Assistance to Voluntary Organisations for SCs, National Commission for Scheduled Castes, National Commission for Safai Karmacharis, Other schemes for welfare of SCs

Table 5.21: Budgetary Outlays for Major Schemes under MoTA (Rs. crore)

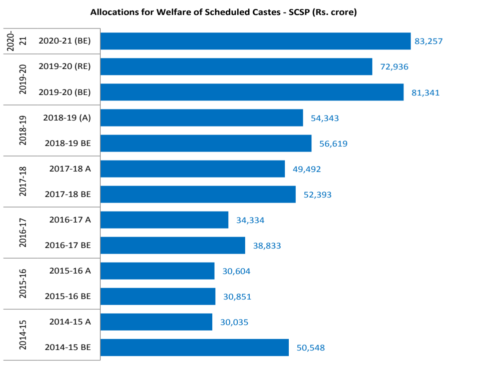
Major Schemes	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21
	BE	A	BE	A	BE	A	BE	A	BE	A	BE	RE	BE
Special Central Assistance to Tribal Sub Plan	1200	1040	1250	1132	1250	1195	1350	1350	1350	1350	1350	1350	1350

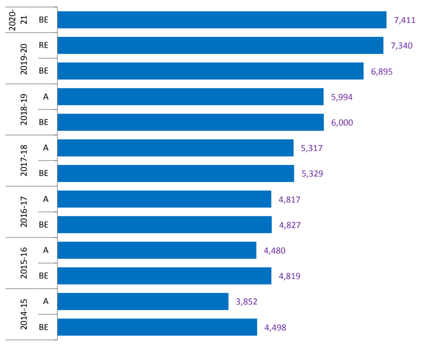
Scheme under proviso to Article 275(1) of the Constitution	1317	1133	1367	1392	1400	1266	1500	1511	1800	1820	2663	2663	1350
Umbrella Scheme for Development of STs: Vanbandhu Kalyan Yojana	100	100	200	629	505	469	505	373	420	373	407	468	431
Umbrella Scheme for Education of ST children* Which includes, among others:	1058	1059	1155	1221	1505	1740	1756	1873	2038	2061	2056	2368	2402
Pre-Matric Scholarship							265	294	350	312	340	440	400
Post-Matric Scholarship							1347	1464	1586	1648	1614	1826	1900
Ashram School							10	7					
Boys and Girls Hostel							3	7					
Total Budget for MOTA	4498	3852	4819	4480	4827	4817	5329	5317	6000	7562	6895	9115	7833

Notes: *Umbrella Scheme for Education of ST children includes Pre-Matric Scholarship, Post-Matric Scholarship, Ashram School, Boys and Girls Hostel, National fellowship and Scholarship for higher education of ST students and scholarship to the ST students for studies abroad

Source: Compiled by CBGA from Union Budget documents, various years

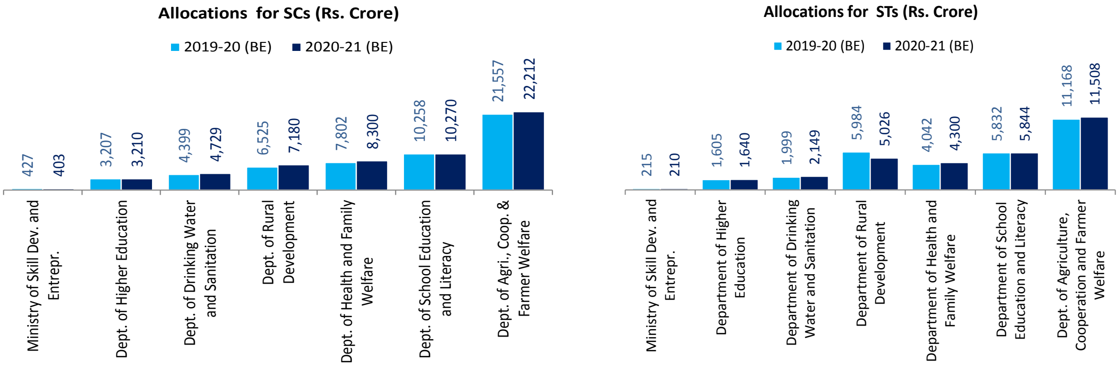
Figure 5.20: Allocations for Welfare of Scheduled Castes and Scheduled Tribes (Rs. crore)





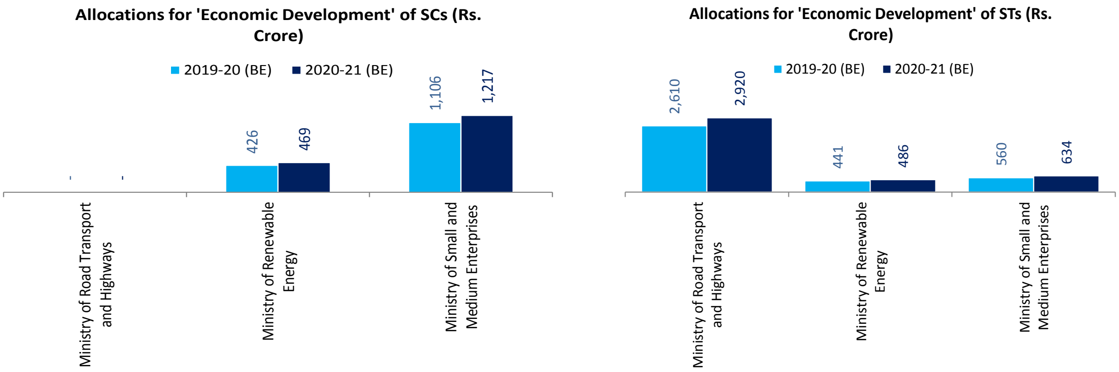
Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.21: Allocations for Welfare of Scheduled Castes and Scheduled Tribes for Select Ministries



Source: Compiled by CBGA from Union Budget Documents, various years

Figure 5.22: Allocations for Economic Development of Scheduled Castes and Scheduled Tribes for Select Ministries



Source: Compiled by CBGA from Union Budget Documents, various years

Table 5.22: Budget Allocation for Major Scheme under Ministry of Minority Affairs (Rs. crore)

Schemes	2014-15 (A)	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Maulana Azad Education Foundation (MAEF)	113	113	114	113	36	90	90	82
Merit Cum Means Scholarships	381	315	220	389	261	366	362	400
Free Coaching and allied schemes for Minorities	31	45	40	46	45	75	40	50
Pre-Matric Scholarship for Minorities	1129	1016	369	1026	1176	1220	1200	1330
Post-Matric Scholarship for Minorities	501	553	287	480	355	496	483	535
Maulana Azad Fellowship	0	56	120	125	98	155	130	175
Grants and Equity to SCAs/ NMDFC	30	120	140	170	167	102	162	162
MSDP/PMJVK	768	1121	1082	1198	1156	1470	1589	1600

Source: Compiled by CBGA from Union Budget documents, various years. Note: NMDFC: National Minorities Development and Finance Corporation

Table 5.23: Allocation and Expenditure of Select Schemes of DEPwD (Rs. crore)

Select Schemes	2018-19 BE	2019-20 BE	2020-21 BE
Assistance to Disabled Persons for Purchase / Fitting of Aids and Appliances	220	230	230
SIPDA	0	315	252
Deendayal Disabled Rehabilitation Scheme	70	75	130
Research on disability related technology	1	0	0
RCI	7	5	6
Indian Sign Language, Research and Training Centre	5	5	0
National institute of Mental Health and Rehabilitation	14	20	0
NHFDC	34	41	0.01
ALIMCO	5	60	50

Source: Compiled by EQUALS from Union Budget 2020-21.

Table 5.24: Allocations for Schemes Specific to Children from the Marginalised Groups (Rs. crore)

Schemes	2015-16 (A)	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
National Scheme for Incentive to Girl Child for Secondary Education	154	45	292	165	100	88	110
National Child Labour Project	94	107	102	-	100	79	120
Pre-Matric scholarship for SC Students	525	507	63	116	355	355	700
Upgradation of Merit of SC Students	3	1	1	-	-	-	-
Umbrella Scheme for Education of ST children*	1221	1740	1873	2059	2056	2368	2402
Beti Bachao Beti Padhao	59	29	169	245	280	200	220
Scheme for welfare of working children in need of care and protection	7	2	-	-	-	-	-

Notes: *Umbrella Scheme for Education of ST children includes Pre-Matric Scholarship, Post Matric Scholarship, Ashram School, Boys and Girls Hostel, National fellowship and Scholarship for higher education of ST students and scholarship to the ST students for studies abroad

Source: Compiled by CBGA from Union Budget documents, various years

Table 5.25: Trends in Revenue Receipts Projection Vs. Actual Realisation in the Union Budget since 2000-01 (Rs. crore)

Year	Budget Estimates	Actual Realisation	Difference between Actual Realisation and Budget Estimates	Percentage Deviation in ActualRealisation from Budget Estimates (In %)
2000-01	203673	192605	-11068	-5.7
2001-02	231745	201306	-30439	-15.1
2002-03	245105	230834	-14271	-6.2
2003-04	253935	263813	9878	3.7
2004-05	309322	305991	-3331	-1.1
2005-06	351200	347077	-4123	-1.2
2006-07	403465	434387	30922	7.1
2007-08	486422	541864	55442	10.2
2008-09	602935	540259	-62676	-11.6
2009-10	614497	572811	-41686	-7.3
2010-11	682212	788471	106259	13.5
2011-12	789892	751437	-38455	-5.1
2012-13	935685	879232	-56453	-6.4
2013-14	1056331	1014724	-41607	-4.1
2014-15	1189763	1101473	-88290	-8.0
2015-16	1141575	1195025	53450	4.5
2016-17	1377022	1374203	-2819	-0.2
2017-18	1515771	1435232	-80539	-5.6
2018-19	1725738	1552915	-172823	-11.1
2019-20	1962761			
2020-21	2020926			

Notes: (-) sign indicates that realisation is less than projection
Source: Compiled by CBGA from Union Budget Documents, various years.

Table 5.26: Trends in Budget Allocations Vs. Actual Realisation in the Union Budget since 2000-01 (Rs. crore)

Year	Budget Allocation	Actual Expenditure	Difference between Actual Expenditure and Budget Allocation	Percentage Deviation in Actual Expenditure from Budget Allocation (per cent)
2000-01	338487	325592	-12895	-3.81
2001-02	375223	362310	-12913	-3.44
2002-03	410309	413248	2939	0.72
2003-04	438795	471203	32408	7.39
2004-05	477829	498252	20423	4.27
2005-06	514344	505738	-8606	-1.67
2006-07	563991	583387	19396	3.44
2007-08	680521	712671	32150	4.72
2008-09	750884	883956	133072	17.72
2009-10	1020838	1024487	3650	0.36
2010-11	1108749	1197328	88578	7.99
2011-12	1257729	1304365	46636	3.71
2012-13	1490925	1410372	-80554	-5.40
2013-14	1665297	1559447	-105851	-6.36
2014-15	1794892	1663673	-131219	-7.31
2015-16	1777477	1790783	13306	0.75
2016-17	1978060	1975194	-2867	-0.14
2017-18	2146735	2141973	-4762	-0.22
2018-19	2442213	2315113	-127101	-5.20
2019-20	2786349			
2020-21	3042230			

Notes: (-) sign indicates that realisation is less than projection
Source: Compiled by CBGA from Union Budget Documents, various years.

ANNEXURE I:
GLOSSARY OF BUDGET CONCEPTS AND DOCUMENTS

Every Budget broadly consists of two parts, viz. (i) Expenditure Budget and (ii) Receipts Budget. The Expenditure Budget presents the information on how much the Government intends to spend and on what, in the next fiscal year. On the other hand, the Receipts Budget presents the information on how much revenue the Government intends to collect for meeting its expenditure requirements and from which sources, in the next fiscal year.

Classification of Government Receipts

Capital Receipts:
Those receipts that lead to a reduction in the assets or an increase in the liabilities of the government.

- Capital Receipts leading to 'reduction in assets': Recoveries of Loans given by the government and Earnings from Disinvestment
- Capital Receipts leading to 'increase in liabilities': Debt.

Revenue Receipts:
Those receipts that do not affect the asset-liability position of the government.

- Revenue Receipts comprise proceeds of taxes (like Income Tax, Corporation Tax, Goods and Services Tax, Customs, Excise etc.) and
- Non-tax revenue of the government (like Interest Receipts, Fees / User Charges, and Dividend & Profits from PSUs)

Classification of Government Expenditure

Capital Expenditure	Revenue Expenditure
Those expenditure by the government that lead to an increase in the assets (construction of a new flyover, Union Govt. giving a loan to the State Govt.) or a reduction in the liabilities of the government (Union Govt. repays the principal amounts of a loan it had taken in the past.)	Those expenditure by the government that do not affect its asset-liability position. E.g.: Expenditure on food subsidy, salary of staff, procurement of medicines, procurement of text books, payment of interest, etc.

Classification of Government Expenditure

State Specific Schemes	Central Sector Schemes	Centrally Sponsored Schemes
Only the state government provides funds for these, with no direct contribution from the Centre.	The Central Government provides entire funds for these.	Both the Central Government and the State Government provides funds for the scheme. The ratio of their contributions depends on the design of the scheme.

Deficit and Debt

Excess of government's expenditure in a year over its receipts for that year is known as Deficit; the government covers this gap by taking a Debt.

Classification of Government Expenditure

Fiscal Deficit	Revenue Deficit
It is the gap between government's Total Expenditure in a year and its Total Receipts (excluding new Debt to be taken) that year. Thus, Fiscal Deficit for a year indicates the amount of borrowing to be made by the government that year.	It is the gap between Revenue Expenditure of the government and its Revenue Receipts.

Budget Estimates and Revised Estimates

The estimates presented in a Budget for the approaching fiscal year are Budget Estimates (BE), while those presented for the ongoing fiscal year based on the performance in the first six months of the fiscal year are Revised Estimates (RE).

Taxation: Concepts and Trends

The government mobilises financial resources required for financing its interventions mainly through taxes, fees / service charges and borrowings.

1. Tax Revenue and Non-Tax Revenue

Tax Revenue	Non-Tax Revenue
Tax refers to the money collected by the government through payments imposed by legislation.	Non-Tax Revenue refers to revenue raised by the government through instruments other than taxes such as fees / user charges, dividends and profits of PSUs, interest receipts, penalties and fines, etc.

2. Direct and Indirect Tax

Government revenue through taxation can be broadly divided into Direct Taxes and Indirect Taxes.

Direct Tax	Indirect Tax
Those taxes for which the tax burden cannot be shifted or passed on are called Direct Taxes. Any person, who directly pays this kind of tax to the government, bears the burden of that tax. E.g.: Personal income tax, corporate income tax, capital gains tax, etc.	Those taxes for which the tax burden can be shifted or passed on are called Indirect Taxes. Any person who directly pays this kind of tax to the government, need not bear the burden of that particular tax; they can ultimately shift the tax burden to other persons later through business transactions of goods or services. E.g.: Goods and services tax, customs duties, excise duties, etc.

Indirect tax on any good or service affects the rich and poor alike. Unlike indirect taxes, direct taxes are linked to the taxpayer's ability to pay and hence are considered to be progressive.

3. Division of Taxation Powers between Centre and States

The Constitution of India provides a clear division of the roles and responsibilities of the Central Government and State Governments, which has translated into a division of expenditure responsibilities and taxation powers between the two. The power to levy taxes and duties has been divided at three tiers of governance, i.e. Central Government, State Governments, and Local Governments. With the implementation of the Goods and Services Tax, the GST Council is now a constitutional body with a specific method of division of GST.

Central Government	State Governments	GST Council	Local Governments
Personal and Corporate Income Tax, Customs Duties	Sales Tax and Value Added Tax (on petroleum products and alcohol), Stamp Duty (a duty on transfer of property), State Excise (a duty on manufacturing of alcohol), Land Revenue (a levy on land use for agricultural and non-agricultural purposes), Duty on Entertainment and Tax on Professions.	The GST Council is a constitutional body that governs the Goods and Services Tax, an indirect tax. The proceeds from Central GST (CGST) go towards the Central Government, proceeds from State GST (SGST) go towards State Governments and proceeds from Integrated GST (IGST) are divided between the Central Government and State Governments.	Tax on property (buildings etc.), Tax on Markets, Tax / User Charges for utilities like water supply, parking, drainage, etc.

4. Distribution of Revenue collected in the Central Tax System

A Finance Commission is set up once every five years to suggest sharing of financial resources between the Centre and the States, a major part of which pertains to the sharing of revenue collected in the Central Government Tax System. At present, the total amount of revenue collected from all Central Taxes – excluding the amount collected from cesses, surcharges and taxes of Union Territories, and an amount equivalent to the cost of collection of central taxes – is considered as sharable / divisible pool of Central tax revenue. In the recommendation period of the 14th Finance Commission (from 2015-16 to 2019-20), 42 per cent of the shareable / divisible pool of Central tax revenue is transferred to States every year and the Centre retains the remaining amount for the Union Budget.

5. Tax-GDP Ratio

Gross Domestic Product (GDP) is an indicator of the size of a country's economy. In order to assess the extent of the government's policy intervention in the economy, some important fiscal parameters, like total expenditure by the government, tax revenue, deficit, etc. are expressed as a proportion of the GDP. Accordingly, we need to pay attention to a country's tax-GDP ratio to understand how much tax revenue is being collected by the government as compared to the overall size of the economy.

Definitions of some important taxes

Corporation Tax: This is a tax levied on the income of companies under the Income Tax Act, 1961.

Taxes on Income: This is a tax on the income of individuals, firms, etc. other than companies, under the Income Tax Act, 1961. This head also includes other taxes, mainly the Securities Transaction Tax, which is levied on transactions in listed securities undertaken on stock exchanges and in units of mutual funds.

Goods and Services Tax: GST is an indirect tax that was implemented in 2017. It has subsumed many indirect taxes in the country, and is levied on the supply of goods and services. It is a comprehensive, multi-stage, destination-based tax.

Customs Duties: It is a type of tax levied on goods imported into the country as well as on goods exported from the country.

Excise Duties: It is a type of tax levied on goods manufactured in the country and are meant for domestic consumption.

Union Budget Documents

Category	Documents in this category
Summary Documents	**Budget Speech:** Highlights the main expenditure and tax proposals
	Budget at a Glance: Provides a brief overview on total funds raised by the government (through taxes or borrowing), how that money is to be spent along with information on budget deficit / surplus.
	Annual Financial Statement: Similar to 'Budget at a Glance' but organized in a different way to reflect requirements under Article 112 of the Constitution.
Expenditure Documents	**Expenditure Profile:** Presents a summary of the total expenditure of all ministries. Also, it presents expenditure according to different categories of interest, i.e. summary of funds allocated to schemes for women, children, scheduled castes and scheduled tribes.
	Expenditure Budget: Presents a detailed breakdown of the expenditure of each ministry.
	Demands for Grants / Appropriation Bill: Two documents required under the Constitution, asking Parliament to allocate the stated amount of funds to different ministries and schemes. Parliament votes to pass these two documents.
Receipts Documents	**Receipts Budget:** Presents detailed information on how the government intends to raise money through different sources.
	Finance Bill: A Bill presented to Parliament (and to be voted on) containing the various legal amendments to bring into effect the tax changes proposed by the government.
	Memorandum on the Finance Bill: Explains the various legal provisions contained in the Finance Bill and their implications in simple language.
FRBM Documents	**Macro-Economic Framework:** Explains the government's assessment of the growth prospects of the economy.
	Medium-Term Fiscal Policy: A statement setting limits on the size of the budget deficits for the next three years, as well as targets for tax and non-tax receipts.
	Fiscal Policy Strategy: A statement explaining the government's efforts to follow sound fiscal policies and reasons for any departure from the targets set by it for deficits under the FRBM Act.

Source: PRS Legislative Research. Overseeing Public Funds: How to scrutinise budgets.

Which of these Union Budget documents are the most useful for analysis of the Budget?

- Analysing Expenditure by the Union Government: Budget Speech, Budget at a Glance, Expenditure Profile, and Expenditure Budget
- Analysing Resource mobilisation: Receipts Budget, Memorandum on Finance Bill
- Macroeconomic analysis: Budget at a Glance, Macro-Economic Framework Statement, and Medium-Term Fiscal Policy Statement

ANNEXURE II:
THE UNION BUDGET CYCLE

There are four stages of a budget cycle.

Budget cycle starts with Budget formulation and ends with Auditing. The entire budget cycle spreads over four calendar years. It starts in the month of August-September of calendar year 1 and gets over by months of March-April of calendar year 3.

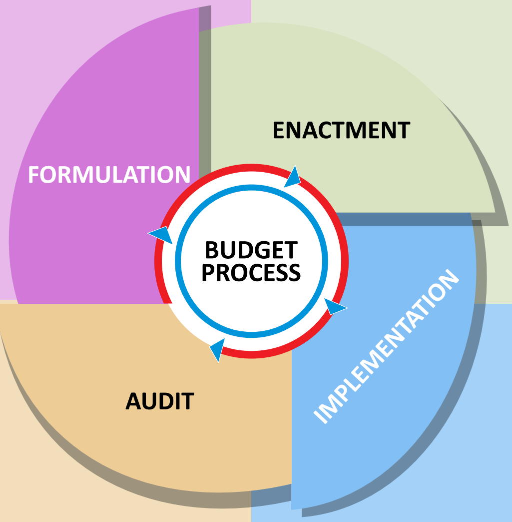
Starts: August of a calendar year and Ends 31st January of next calendar year (CY)

Steps:

- Notification of Budget Circular - **August-September of CY 1**
- Each Administrative Ministry (Expenditure) shares the Statement of Budget Estimates (SBE) with Budget Division - **September CY 1**
- Pre-Budget Meetings by Secretary, Expenditure with the Secretaries / Financial Advisers of the expenditure ministries are organised - Starts in **October** and continues till the **first week of November of CY 1**
- The final ceilings for the schemes are decided separately by the Ministry of Finance - latest by **15th January every year (CY 2)**
- Finance Minister holds Pre-budget meetings with various groups /stakeholders to get suggestions and recommendations on the priority setting of the budget - **December (CY 1) and January (CY 2)**
- Finance Minister holds meetings with officials of Revenue Department and prepares the Receipt Budget for the country - **January (CY 2)**
- The tentative budget gets approved in the Council of Ministers and final Printing of Budget documents starts - **mid of January every year (CY 2)**

Starts: 1st February Ends: 31st March of CY 2

- FM presents Budget in the Parliament - **1st February every year (CY 2)**
- FM introduces the Appropriation Bill and Finance Bill in the Lok Sabha **February-March (CY 2)**
- General discussion on the budget in the Parliament (Lok Sabha) **first week of February (CY 2)**
- Detailed Demands for Grants- discussed in Lok Sabha **(February CY 2)**
- Passing of Appropriation Bill and Finance Bill **(March CY 2)**



Starts: 1st April of CY 3 and Ends 1st March of CY 4

Audit findings are presented approx. after 8 months after that

- Auditing of the various expenditure and receipts proposals carried out by the office of the Comptroller and Auditor General once the Financial year ends in **31 March of CY 3**
- Auditors prepare Financial and Performance Reports during the period between **1st April of CY 3 and 31 March of CY 4**
- These audit reports are scrutinised by the Public Accounts Committee of the Parliament in **CY 3 and CY 4**

Starts: 1st April of CY 2 and Ends: 31st March of CY3

- Once the budget is passed, the executives carry out implementation of various expenditure and revenue proposals **(April of CY2 to March of CY3)**

About CBGA

Centre for Budget and Governance Accountability (CBGA), an independent think tank based in New Delhi, analyses public policies and budgets in India and advocates for greater transparency, accountability and scope for participation in budgets. For further information about CBGA's work, please visit www.cbgaindia.org or write to us at: info@cbgaindia.org.

Please visit the open data portal on budgets in India at:
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