



Centre for Budget Accountability

The Marginalised Matter

DEMYSTIFYING THE BUDGET 2003-04



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BUDGET HIGHLIGHTS

A Social Sector Perspective

A careful at the relevant numbers in 2003-04 seems to suggest that there are major areas of concern, which remain unaddressed.

Resource Mobilisation:

1. **FDI cap in banking sector is to be raised from 49% to 74%.** This will give foreign banks a significant control over banking sector of India as a result of which the government might be unable in future to ensure any flow of credit to the priority sectors.
2. **Surcharge on income tax has been increased to 10% for annual incomes exceeding Rs. 8.5 Lakhs.** However, this step cannot be expected to generate enough resources as last year only 75000 people had reported incomes higher than Rs. 10 Lakhs per annum.
3. The Budgetary proposal of swapping of debts presumably requires the states to earmark 20% of their small savings collection to retire the past debts. This means **the states may be forced to constrain their ability to borrow and spend in the present for retiring the high cost debts procured in the past.**
4. **The Budget is highly urban centric.** It offers the urban salaried class a higher standard deduction, tax rebates for *educational* expenses, a new subsidised pension scheme and abolition of the 5% surcharge on income tax. It also goes for abolition of dividend tax and exemption long-term capital gains from taxes on an experimental basis for a year.

Agriculture:

1. The real capital allocation on *agriculture* and *allied activities*, continuing with the earlier trend since 1998-99, has fallen sharply in Budget 2003-04. It has **fallen to Rs. 16.6 crores in 2003-04 from Rs. 50.45 crores in the Budget allocation of 2002-03.**
2. The proposed hike in the prices of chemical fertilisers like urea and di-ammonium phosphates could mean greater hardships for small and marginal farmers.
3. In the 2003-04 Budget, **the real plan allocations for minor irrigation have gone down.**
4. The Budgetary allocations for **capital expenditure on irrigation and flood control at constant 1993-94 prices has declined** from Rs. 6.3 crores last year to Rs. 3.36 crores in 2003-04.
5. **Revenue expenditure on rural employment declined** from Rs. 4596 crores in the Budget 2002-03 to s.4487.5 crores in the Budget 2003-04.
6. **Real plan expenditure on rural employment has declined** from Rs.2706.71 crores in 2002-03 to Rs. 2515.41 crores in 2003-04.

Food Security & Poverty Eradication:

1. The allocation of Rs.507 crores to be made under the **Antyodaya Anna Yojana** to cover 50 lakh more families with a wish to uplift 1/4th of all BPL families in rural areas is a grossly inadequate step.
2. **Balwadi Nutrition program underwent major fund cuts** in the last 6 years. The scheme has witnessed continuous slashing of grants coming down from Rs.5.54 crores in 1997-98 to Rs. 1 crores in 2001-02. In 2002-03 no more allocations were made to it as it was dropped under the zero based budgeting exercise since integrated child development services has been universalised.
3. There has been **a reduction in total expenditure on overall nutrition programme from Rs. 7.92 crores in 2002-03 to Rs. 7.77 crores.**
4. The budgetary allocation for food storage and warehousing has gone up from Rs. 21433.46 crores to Rs.28040 crores implying a **possible rise in the price of TPDS items in the near future.**

Welfare of the marginalized:

1. ***The real per capita budgetary allocation for total SC/ST welfare has declined from Rs.39.2 in 2002–03 Budget to Rs.36.9 in 2003-04.***
2. ***Even the miniscule capital account allocation for family welfare has found no mention in the Budget allocation for 2003-04.***
3. ***The share of housing in total capital account allocation for social sectors is still much less than the figure for 2001-02.***
4. ***Not even one percent of the Total Budgetary allocation is meant for Capital outlays in Social Sector.***
5. ***As a proportion of total Revenue and Capital Account expenditures, the Social Sector experienced a decline.***
6. ***Funds to the Rashtriya Mahila Kosh have been granted only Rs. 1 crore in the Budget estimate of this year.***

Education:

1. There is only a marginal increase in real per capita planned Budgetary allocation in education.
2. The amount spent is very small and needs to be enhanced substantially in order to achieve a significant improvement in human development.
3. Revenue account under non-plan allocation in education has declined in real per capita allocation in education from a meagre Rs. 15.40 paisa per head in 2002-03 to Rs. 14.68 paisa per head in 2003-04.
4. ***Plan capital allocation on education has declined from 30 paisa per head in 2002-03 to 18 paisa per head in 2003-04.***
5. The ***National Program for Women's Education has been scrapped*** and put under the Sarva Siksha Abhiyan.

Health:

1. The ***pre capita real Budgetary allocations for medicine and public health, declined*** for both revenue and capital account under plan and non-plan heads.
2. The ***growth rate of revenue account real per capita allocation for medicine and public health has become negative*** in 2003-04.
3. The per capita real capital allocation for medicine and public health is too small and in fact has negative expenditure in case of non-plan allocation.
4. The Budget 2003-04 ***encourages increasing privatisation of the health care sector.*** The stated objective of making India a global health destination, promotion of health tourism seems to be the main concern of the budgetary provision on health.
5. The proposal for community based universal health insurance scheme to be designed by LIC and GIC is ridiculous as only ***a very small chunk of the economically deprived sections of our population will be able to spend thousands of rupees on healthcare at private hospitals. So, the people who benefit most out of it will be those who can spend such amounts and get it reimbursed later.***

To contextualise this years Budget better, we have put its provisions in a comparative perspective by looking at the relevant data in the Union Budgets since 1995-96. A careful look at the relevant numbers seems to suggest that much is being claimed without adequate basis, and there are major areas of concern, which remain unaddressed. Hopefully, such a position will become clearer as we go along in this brief note.

Resource Mobilisation

1. Interest rates on Small Savings and Public Provident Fund has been slashed by 1%. This has been done to boost investment. However, past evidence shows that investment in the economy does not have a simple monotonous relationship to the changes in interest rate. Moreover, this move may reduce the interest burden of the government only at the cost of small savers.
2. The Budget 2003-04 attempts at fiscal consolidation through the introduction of service tax. General service tax rate is to be enhanced from 5% to 8% and a levy is to be imposed on ten new services.
3. Surcharge on income tax has been increased to 10 % for annual incomes exceeding Rs. 8.5 lakhs. However, this cannot generate enough resources, since last year only 75000 people had reported incomes higher than Rs. 10 lakhs per annum.
4. The proposed swapping of high cost debts between the centre and the states may not actually help the states in reviving their finances. The details and the implications of the proposals need to be looked at carefully. During the discussions prior to the Budget being presented, two major states, West Bengal and Maharashtra were unwilling to accept the proposal of the Central Government. A major source of states' resources is small savings. The interest rates on small savings have come down substantially in the last couple of years, and the cost of borrowing for the states on account of these has gone down significantly. The Budgetary proposal of swapping of debts presumably requires the states to earmark 20% of their small savings collection towards their past debts. This means the states may be forced to constrain their ability to borrow and spend in the present, for retiring the high cost debts procured in the past.
5. Income from housing projects for construction of residential units of prescribed specifications approved by the local authorities up to March 31st 2005 will be exempt from income tax. This means the government would be giving tax-sops to the builders.
6. Royalty income up to Rs. 3 lakhs per annum received by the authors of literary, artistic and scientific books and also royalty received by individuals from exploitation of patents will be fully exempted. This again means that the government is giving tax-concessions to the well off sections of the population and losing a part of its potential resources.
7. All listed equities that are acquired on or after March 1st 2003 and sold after the lapse of a year are to be exempted from incidence of capital gains tax. The surcharge on corporation tax is to be halved from 5% to 2.5%. Going completely against the Kelkar Committee recommendations, the Union Budget 2003-04 expands the 'exemption Raj' and also reduces some of the tax rates. This is clearly meant for the urban salaried class, which forms a major support group of the government. The Budget offers them a higher standard deduction, tax rebates for educational expenses, a new subsidised pension scheme and abolition of the 5%

surcharge on income tax. It also goes for abolition of dividend tax and exempting long-term capital gains from taxes on an experimental basis for a year.

8. There is no harm with the government borrowing money from the market provided it is spent significantly on capital disbursements or under economic services and social services. However, the borrowings of the government for 2003-04 are projected to be roughly Rs.7000 crore more than the revised figure for the year 2002-03. But the expenditure on defence is estimated to go up by 17% over the revised figures for 2002-03 whereas the allocations on many of the social and economic services have actually declined in real terms.
9. On the basis of budgetary estimates, the tax GDP ratio shows a decline for 2003-04. Also, the share of indirect taxes in total taxes, which is already quite high, is going to increase in 2003-04. All these tax concessions are supposed to boost growth. But this might not happen, as there is little evidence to suggest such a simple and strong relation between the two.
10. The gap between Fiscal Deficit and Primary Deficit still remains quite high. This shows that a large part of government expenditure will go towards interest payments and hence, the impact of government expenditure in terms of stimulating demand in the economy is going to be limited.

Infrastructure

1. Among the major proposals that are supposedly growth inducing, provisions for infrastructure have received much acclaim. Major proposals include 48 new road projects at an estimated cost of Rs 40 thousand crore, *National Rail Vikas Yojana* at an estimated cost of Rs 8000 crore and renovation of two airports and two seaports at an estimated cost of Rs.11000 crore. However, out of the total of Rs 60 thousand crore to be spent, government will provide only Rs 2000 crore, the rest it expects to mobilize from private players. This raises doubt on whether these schemes will be implemented or remain mere schemes on paper.

Agriculture and Rural Economy

2. Capital expenditure on *agriculture and allied activities* at constant (1993-94) prices has come down from Rs 50.45 crore in Budget 2002-03 to Rs 16.6 crore in this Budget. On *irrigation and flood control*, it has come down from Rs. 6.3 crore to Rs. 3.36 crore. These trends are in sharp contrast to the expenditure trend on *defence services*, which has increased steadily. In Budget 2003-04, real capital expenditure on *agriculture and allied activities* has fallen to Rs. 16.6 crore from Rs. 50.45 in the Budget allocation of 2002-03.
3. The real capital allocation on *agriculture and allied activities* continuing with the earlier trend since 1998-99, has fallen sharply in this year's Budget. Apart from that, many of the initiatives proposed in the Budget pose a serious threat to the farming community. The proposed hike of Rs. 12 and Rs 10 in the prices of fertilisers like urea and di-ammonium phosphates (per 50 kg bag) could mean greater hardships for small and marginal farmers. The proposed additional cess of 50p on diesel for mobilising funds to be spent on roads in rural areas (and the additional Excise duty of Rs. 1.50 per litre on light diesel oil) could actually translate into higher prices of essential commodities all over the country. It also could be harmful for the small and marginal farmers in terms of higher prices for using pumps and tractors. Higher price of diesel could also raise the cost of transportation of farm products of the farmers. These measures will not only adversely affect the growth and incomes in the farm sector, but may also mean higher prices for essential commodities all over the country.
4. No special scheme has been announced for boosting agriculture or *rural development*, although 2002-03 has been a drought year. On the contrary, a lot of measures in the present Budget may adversely affect the agricultural sector. Giving tax concessions to the well off sections cannot generate demand in rural areas and therefore is doubtful to provide any boost for the revival of the economy. The resource generation projected by the Finance Minister is

based on a large extent on the expectations of 6 to 6.5 % growth in GDP in the coming year, which might well remain a pious wish. On the other hand, the budgetary provisions meant for the middle class are not going to benefit the marginalized sections of the economy in any significant way. Therefore, in terms of macro economic management, the Budget 2003-04 cannot ensure a major industrial recovery, as it does nothing to boost demand in the rural areas.

5. Revenue expenditure on *rural employment* also registers a decline from Rs 4596 crore in the last Budget to Rs 4487.5 crore in this Budget. Real plan expenditure on *rural employment* has declined from Rs 2706.71 crore in 2002-03 to Rs. 2515.41 crore in 2003-04. The real plan expenditure on *agriculture and allied activities* has also fallen. All these taken together have significant negative implications for the level of effective demand in the economy and consequently for its growth prospects.
6. An additional allocation of Rs 507 crore will be made under the ***Antyodaya Anna Yojana*** to cover 50 lakh more families. The Finance Minister claims that this step will bring one-fourth of all BPL families in the rural areas under the scheme. Roughly 72% of India's population lives in rural areas and 37% of the people living in rural areas are below the poverty line. This means that at least 260 million people or around 52 million families (taking an average family size of 5) in the rural areas are BPL. Even if the proposed sum of Rs. 507 crore successfully covers another 5 million families, the figure would still be nowhere near one-fourth of all poor families, as only 5 million families have been covered till now. We may also note that an allocation of 507 crore rupees for 5 million families works out to roughly Rs1000/- per family. It should also borne in mind that a good proportion of this money will be spent on expenses incurred in administering the scheme. This is inadequate in terms of a BPL family making the shift to the APL category.

SSIs

1. 75 more items are to go off the SSI reservation list. Small-scale industrial units in the country need to be protected not only from foreign firms, but also from larger firms in the domestic economy as well. The process of economic liberalisation has already made way for cheaper imports penetrating the domestic markets and this proposal may worsen the prospects of the SSIs further.

Economically Marginalised

1. The real capital allocation on *social security and welfare* has gone down from Rs. 8.24 crore to Rs. 5.61 crore in 2003-04. The real capital allocations on *village and small industries* after declining steadily for six years shows a marginal increase in 2003-04.. However, the real capital allocation for *urban development* continues to be relatively high at Rs. 137.33 crore
2. In the 2003-04 Budget, the real plan allocations have gone down for *minor irrigation* (Rs. 59.78 crore in 2002-03 to Rs.49.14 crore), *labour and employment* (Rs. 73.24 crore in 2002-03 to 69.26 crore) and *urban development* (Rs.146.7 crore in 2002-03 to Rs. 142.6 crore). The real plan allocation for *major and medium irrigation* shows only a marginal increase.
3. While the allocations for loans and advances for *urban development* have gone up sharply from Rs. 2.35 crore (budget estimate in 2002-03) to Rs. 386.7 crore (budget estimate 2003-04) that for *village & small industries* have fallen drastically from Rs. 271.8 crore (budget estimate in 2002-03) to Rs. 0.06 crore in 2003-04 at constant (1993-94) prices.

Socially Marginalised

1. The real per capita Budgetary allocation for total SC/ST welfare has declined from Rs. 39.2 in 2002-03 Budget to Rs. 36. 9 in 2003-04.

2. The allocation for Social Sector under Revenue and Capital Accounts as a proportion of Total Budgetary Expenditure has shown a declining trend since 1998-99 from 5.21% and 0.39% to 4.63% and 0.24% respectively.
3. In the 2003-04 Budget, there has been a reduction in the composition of revenue account budgetary allocation of selected social services for example, in general education the proportion has declined from 34.6% 2002-03 to 32.8% in 2003-04. (Table 10 in appendix)
4. There has also been a compositional cut in the selected social sectors in total capital account allocation for social sectors. For instance, in water supply and sanitation it has declined from 1.86 % of total social sector allocations in 2002-03 to 0.5% in 2003-04 (Refer table 7 for a comprehensive comparative analysis)
5. The miniscule capital account allocation for family welfare has found no mention in the Budget allocation for 2003-04.
6. Though there is a marginal increase (from 50.81% in 2002-03 to 51.2% in 2003-04) in share of housing in total capital account allocation for social sectors, it is still much less than the figure for 2001-02.

Education

1. There is a marginal increase of 3.9% in real per capita planned budgetary allocation in *education*. However, the amount spent is very small and needs to be enhanced substantially in order to achieve a significant improvement in human development. (Refer Table 8)
2. For the revenue account under non-plan allocation this sector has actually shown a decline in real per capita allocation in *education* sector from a meagre Rs. 15.40 paise per head in 2002-03 to Rs. 14.68 paise per head in 2003-04.
3. In case of plan Capital allocation on *education* there has been an actual decline from 30 paise per head in 2002-03 to 18 paise per head in 2003-04. In case of non-plan capital expenditure, the amount allocated has been so small that the per capita real allocation has become almost equivalent to zero
4. The rate of growth of both total revenue and capital per capita allocations in real terms have actually gone down from 17.2 and 30.4 % in 2002-03 to 1.3 and -40% in 2003-04 as compared to the previous years. It is pertinent to note that the growth of capital expenditure has become negative. (Refer Table 8)

Health

1. In all budgetary allocations related to *medicine and public health*, there has been a decline in the per capita real allocation of both revenue and capital account under plan and non-plan heads of -12.6% and - 3.8% respectively. (Refer table 9)
2. The growth rate of revenue account allocation for *medicine and public health* has become negative in the reference year i.e. from -3.09 to -8.64% between 2002-03 and 2003-04
3. The per capita real capital allocation for *medicine and public health* is as small as 26 paise in 2002-03 and 19 paise in 2003-04
4. The Budget 2003-04 states that the benefit of S.10 (23g) of the Income Tax Act will be extended to such financial institutions will be extended to provide long-term capital to private hospitals with hundred beds or more. Thus, instead of taking steps towards strengthening of public health care infrastructure; the Budget encourages increasing privatisation of the health care sector. The government is doing so with expectations from the private sector that they will provide a part of their services at cheaper rates to the poorer sections. But it is well known that violations of such rules and guidelines by the private hospitals has become commonplace. The stated objective of making India a global

health destination (promotion of health tourism) seems to be the main concern of the budgetary provisions on health.

5. The Finance Minister's proposal for community based universal health insurance scheme to be designed by LIC and GIC is build upon the "Jan Raksha" proposed by the former Finance Minister in last years Budget. Under this scheme a premium equivalent to Re. 1 per day or Rs. 365 per year for an individual and Rs. 1.5 per day for a family of five and Rs. 2 per day for a family of 7 will entitle eligibility to reimbursement of hospitalisation expenses upto Rs. 30000, a cover for accidental death up to Rs. 25000 and compensation for loss of earning at the rate of Rs. 50 per day up to a minimum of 15 days. The reimbursement of hospitalisation expenses is a problematic idea in this scheme. A very small chunk of the economically deprived sections of our population will at the first place be able to spend 1000s of rupees on health care at private hospitals. So, the people who benefit most out of it will be those who can spend such amounts and get it reimbursed later. Secondly, rather than using LIC and GIC for subsidising the expenses made at private health care institutions the money should be spent on making health services accessible to all.

Women and Children

1. The funds to the scheme *National Programme for Women's Education* were drastically cut to Rs.0.01 crore in 2001-02 from Rs.10 crore in 2000-01 and Rs. 50 crore in 1999-00. The programme was started to provide quality education to girls and women with a view to empower them. Gradual slashing of funds for this scheme, its scrapping and ambiguous inclusion in the *Sarva Siksha Abhiyan* puts a question mark on the government's commitment to women's education. The *Sarva Siksha Abhiyan*, a scheme launched for universalising education started in November 2000, finds increased allocation. However, this is accompanied by drastic cuts in the allocation to *Operation Blackboard* which was allocated a mere Rs. 20.09 crore in 2002-03 compared to Rs.475 crore in 2001-02 and Rs.440 crore in 2000-01. The *Non-formal Education* scheme too, has been completely ignored in this year's Budget estimate. It received a mere Rs.9.80 crore in 2002-03 as compared to Rs.100 crore in the year 01-02 and Rs.171 crore in 00-01.
2. A few schemes have been introduced under the Department of Women and Child Development to transfer financial and technical resources to women. Looking at the allocations to these programmes, we find that the *Rashtriya Mahila Kosh* has been granted Rs.1 crore in the Budget estimate of this year. The RMK was started with a corpus fund of Rs.31 crore to extend non-subsidised and micro credit to rural women particularly in the informal sector for income generation activities.
3. However, the funds to this scheme have never crossed the mark of 1.51 crore in the last six years, hitting an all time low at Rs.0.01 crore in 2002-03. The cut in resources of this scheme has come at a time when the demand for micro finance is growing. This will adversely affect women living below the poverty line, as they will lose access to financial resources and loans. *Balika Samridhi Yojana*, a scheme aiming at improving the status of women and girl-children suffered too. Launched in 1997, the scheme received Rs.60 crore for the first two years (1997-98, 98-99). It was decided to transfer the scheme to state governments, hence there was no provision for it in the Budget 2002-03; however, since the National Development Council had not yet approved of the transfer, a mere Rs.1.80 crore was given to it in the Revised Budget 2002-03. This year, in the Estimated Budget, Rs.13.5 crore has been granted. Such unnecessary cuts are deplorable and must be avoided in the future. It merely shows how the Finance Ministers trivialise gender concerns year after year in the Budget.

4. With violence and crimes against women on the rise, the need for giving them proper security becomes imminent. An area where much needs to be done and for which a lot of women's organisations are demanding is *Short-Stay Homes* for women. The idea behind this is to provide state protection and rehabilitation support to widows, homeless women and those who are victims of violence and social injustice. Though the allocations to this scheme have increased over the years, they form a very small part of the total Budget expenditure.
5. In order to reduce women's vulnerability, the government should pitch-in more funds for the *Short Stay Homes*. Women constitute a major part of the work force in the country. They carry a disproportionately greater burden of work than men and since they are responsible for a great share of work in the care economy (i.e. home based work which is difficult to measure) they enter the labour market already overburdened with work. Since many of these workers are single, young migrant workers in need of accommodation; more grants are needed for a larger number of *Working Women's Hostels* to be constructed. *Support to Employment Programme* and *Training-cum Production Centres*, seem to have been sanctioned satisfactory grants, but actually the schemes receive a measly amount in proportion to the total Budget expenditure.
6. A programme aiming to tackle the nutrition problems of children was the *Balwadi Nutrition Programme*. It underwent major fund cuts in the last six years. The scheme has witnessed continuous slashing of grants, coming down from Rs. 5.54 crore in 1997-98 to Rs. 1 crore in 2001-02. In 2002-03, no more allocations were made to it since it was dropped under the Zero Based Budgeting exercise as the *Integrated Child Development Services* has been universalised. The *Day Care Centres* scheme was kick started for children of poor, ailing women. Its funds too were reduced in the years 1999-00,00-01. This year, the Budget estimate has sanctioned Rs.32.5 crore for the scheme. But one must not confuse this as a positive inclination towards the welfare of underprivileged children, since, data shows that the estimated Budget for this scheme has fallen in the revised Budget. In fact, the total proportion of the Budget spent on Total Women and Child Welfare is very less. The figure shows that the government is ignorant towards the needs of two of the most vulnerable sections of the society.

By way of a concluding remark, it may be suggested that the presumed major inducements to kick start growth may not be materialized along the lines expected by those who have hailed the Union Budget 2003-04 as a 'dream budget'. Also, it is quite clear that much needed attention to issues such as the livelihood, employment etc., is not there. Wittingly or unwittingly, this Budget appears to commit itself to the neoliberal orthodoxy in many ways.

APPENDIX

Table -1
Capital Expenditure on Defence and Agriculture at Constant(1993-94) Prices
(Based on Budget Estimates) (in Rs. Crore)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Defence services	6048.10	7031.35	6707.08	7362.96	8416.85	11513.42	12373.54	12609.32	11744.82
Agriculture and Allied Activities	368.08	271.31	319.49	7362.96	168.46	11513.42	41.20	50.45	16.60

Table:- 2
Budget Expenditure as a Percent of GDP at Constant Prices

<u>Years</u>	<u>Total Budget Allocation as a Percent of GDP</u>	<u>Revenue Expenditure as a Percent of Total Budget Expenditure</u>	<u>Capital Expenditure as a percent of Total Budget Expenditure</u>
1995-96	14.5	79.2	20.8
1996-97	15.0	79.5	20.5
1997-98	15.3	79.0	21.0
1998-99	15.4	78.4	21.6
1999-00	14.7	83.5	16.5
2000-01	16.1	83.0	17.0
2001-02	16.3	82.8	17.2
2002-03	16.1	83.0	17.0
2003-04	15.52	83.46	16.5

Figures of Estimated Budget Expenditures have been taken from the list provided under Annexure -1 of Expenditure Budget, Vol -1. and adjusted for constant prices (1993-94)

*GDP at Market Prices for different years have been taken from the Economic Survey (2002-03) and adjusted for constant prices (1993-94)

Table- 3
Tax to GDP Ratios Over the Period 1995-96 to 2003-04
(Based on Budget Estimates)

<u>Year</u>	<u>Gross Tax Revenue</u> (in Rs. Crore)	<u>GDP at Market Prices</u> (in Rs. Crore)	<u>Tax-GDP Ratio</u> (in Percentage)
1995-96	94028.1	1188012.00	7.91
1996-97	119121.12	1368208.00	8.71
1997-98	137956.81	1522547.00	9.06
1998-99	141985.81	1740985.00	8.16
1999-00	159787.13	1936925.00	8.25
2000-01	178695.79	2104298.00	8.49
2001-02	226649	2296049.00	9.87
2002-03	235800	2548614.00	9.25
2003-04	251527	2827178.00	8.90

Source: Budget Documents 1996-97 to 2003-04

Table- 4
Revenue, Fiscal and Primary Deficits as Proportion of GDP at mp
(in Percentage)

	(BUDGET ESTIMATES)							
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Revenue Deficit	2.30	1.99	2.76	2.80	3.68	3.43	3.74	3.97
Fiscal Deficit	4.55	4.30	5.23	4.13	5.29	5.07	5.32	5.43
Primary Deficit	0.17	-0.17	0.92	-0.42	0.48	0.17	0.71	1.08

(in Percentage)

	REVISED ESTIMATES						
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Revenue Deficit	2.06	2.87	3.47	3.80	3.68	4.00	4.11
Fiscal Deficit	4.61	5.67	5.96	5.62	5.32	5.74	5.71
Primary Deficit	0.34	1.36	1.52	0.90	0.54	1.07	1.17

Source: Budget Documents of Govt. of India for the years 1996-97 to 2003-04, and the Economic Survey, 2002-03.

Note: The values of the GDP at market prices for the years 2002-03 and 2003-04 have been extrapolated using the GDP at mp values for the previous five years, which includes the Provisional estimate for 2000-01 and the Quick estimate for 2001-02.s

Table- 5
Share of Social Sector Expenditures in the Total Budget Expenditure Over Years
Share of Social Sectors in the Total Budget Allocation **Share of Social Sectors in the Total Revenue and Capital Allocations**

1 Years	2 Share of Social Sectors in the Total Budget Allocation		4 Share of Social Sectors in the Total Revenue and Capital Allocations		
	3 Revenue Account	3 Capital Account	4 Revenue Account	5 Capital Account	
1995-96		3.11	0.32	3.93	3.76
1996-97		4.61	0.30	5.79	4.31
1997-98		4.88	0.39	6.17	4.88
1998-99		5.21	0.39	6.64	4.51
1999-00		5.18	0.40	6.20	4.70
2000-01		4.91	0.32	5.91	3.25
2001-02		4.64	0.25	5.61	2.34
2002-03		4.69	0.26	5.66	2.64
2003-04		4.63	0.24	5.54	2.49

Column: 2 & 3: Proportion of Revenue and Capital Account under Social Sector allocations in the Total Budgetary provision.

Column: 4 & 5: Proportion of Revenue and Capital Account under Social Sector allocations in the Total Revenue and Capital Allocations.

Table- 6
Share of Direct Taxes and Indirect Taxes in Total Tax Revenue
(Based on Budget Estimates) (in Percentage)

<u>Year</u>	<u>Share of Direct Taxes</u> <u>in Gross Tax Revenue</u>	<u>Share of Indirect taxes</u> <u>in Gross Tax Revenue</u>
1995-96	21.85	77.94
1996-97	21.81	78.01
1997-98	21.76	78.07
1998-99	24.59	75.21
1999-2000	26.44	73.36
2000-01	29.29	70.53
2001-02	37.62	62.21
2002-03	38.84	60.94
2003-04	38.14	61.86

Note: Taxes of Union Territories without Legislature (Major Head No. 0045) has not been included in this table.

Table- 7
Composition of Different Social Sector Expenditures
In the Total Capital Expenditure (Budget Estimates only)

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
SOCIAL SERVICES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Education, sports, art and culture</i>	2.1	1.6	2.4	2.1	1.97	2.4	3.9	5.04	3.3
Medical and Public Health	2.5	6.2	4.4	2.7	1.72	1.2	0.8	4.45	3.5
Family welfare	0.0	0.1	0.1	0.0	0.01	0.0	0.0	0.00	
Water Supply and Sanitation	2.2	1.9	1.4	2.1	1.96	1.9	2.1	1.86	0.5
Housing	37.7	44.0	33.2	39.5	53.46	54.7	55.1	50.81	51.2
Others	55.5	46.2	58.4	53.5	40.9	39.8	38.0	37.8	1.8

Table: - 9
Per Capita Real Allocation on *Medicine and public health*

Years	Plan Expenditure		Non Plan Expenditure		Total Expenditure		% Growth over Previous year	
	<u>Revenue</u>	<u>Capital</u>	<u>Revenue</u>	<u>Capital</u>	<u>Revenue</u>	<u>Capital</u>	<u>Revenue</u>	<u>Capital</u>
1995-96	2.84	0.18	3.64	-0.06	6.48	0.12		
1996-97	3.12	0.15	3.92	-0.06	7.04	0.09	8.64	-25.00
1997-98	3.71	0.37	4.05	-0.06	7.76	0.31	10.23	244.44
1998-99	5.39	0.26	4.87	-0.05	10.26	0.21	32.22	-32.26
1999-00	5.59	0.18	5.88	-0.05	11.47	0.13	11.79	-38.10
2000-01	6.01	0.12	5.88	-0.05	11.89	0.07	3.66	-43.85
2001-02	6.52	0.09	5.78	0	12.30	0.09	3.45	-31.51
2002-03	6.47	0.26	5.45	0	11.92	0.26	-3.09	356.00
2003-04	5.65	0.19	5.24	0	10.89	0.19	-8.64	-32.02

Table- 10**Composition of Different Social Sector Expenditures In the Total Revenue Expenditure (Budget Estimates only)**

	<u>1995-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>2000-01</u>	<u>.01-02</u>	<u>.02-03</u>	<u>.03-04</u>
SOCIAL SERVICES	100	100	100	100	100	100	100	100	100
General <i>Education</i>	24.9	32.2	29.9	29.8	29.7	33.8	29.1	34.6	32.8
Technical <i>Education</i>	7.9	4.8	5.5	5.5	6.6	6.4	6.1	6.6	6.2
Sports and Youth									
Services	1.6	0.9	1.0	1.1	1.2	1.3	1.3	1.3	1.5
Art and Culture	3.2	2.0	1.9	2.0	2.3	2.5	2.0	2.2	2.1
<i>Medicine and public health</i>	12.2	8.4	8.1	9.5	10.7	11.2	10.5	10.2	8.7
Family Welfare	3.0	2.1	3.6	4.1	4.2	5.0	6.0	6.4	5.5
Water Supply and									
Sanitation	6.7	3.6	4.0	4.1	4.3	5.0	4.5	5.1	4.3
Housing	2.7	11.5	11.3	12.5	12.3	10.5	8.1	10.1	9.5
Information and									
Publicity	1.9	1.3	1.2	1.2	1.3	1.3	1.1	1.0	0.9
Broadcasting	15.5	10.5	10.0	10.0	9.9	5.8	5.4	4.6	4.2
Other social Services	20.5	22.5	23.3	20.2	17.6	17.2	25.8	17.9	24.3

Table- 11**Capital Expenditure(at Constant Prices) on Some Specific Services Over the Years**

	(Based on Budget Estimates)				(in Rs. Crore)				
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
<i>Urban development</i>	37.01	35.38	111.45	105.19	101.86	138.09	136.39	136.63	137.33
<i>Labour and employment</i>	0	0	0	0	0	0	0	0	0.00
<i>Social security and welfare</i>	0.85	0.80	21.09	19.91	13.76	7.71	5.58	8.24	5.61
<i>Agriculture and allied activities</i>	368.08	271.31	319.49	332.39	168.46	39.06	41.20	50.45	16.60
<i>Rural development</i>	0	0	0	0	0	0	0	0	0
<i>Irrigation and flood control</i>	9.74	17.68	11.20	9.20	7.78	5.75	6.97	6.30	3.36
<i>Village and small industries</i>	17.20	19.69	26.06	22.16	19.65	18.33	11.21	7.61	19.14

Table- 12**Capital Expenditure(at Constant Prices) on Some Specific Services Over the Years**

	(Based on Revised Estimates)				(in Rs. Crore)				
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	
<i>Urban development</i>	37.01	74.69	71.54	105.19	92.91	134.87	136.39	136.631	
<i>Labour and employment</i>	0	0	0	0	0	0	0	0	0
<i>Social security and welfare</i>	0.02	0.79	10.02	19.91	6.88	3.21	5.58	5.89	
<i>Agriculture and allied activities</i>	309.14	342.08	258.98	236.92	154.09	30.89	31.12	-190.63	
<i>Rural development</i>	0	0	0	0	0	0	0	0	0
<i>Irrigation and flood control</i>	9.75	17.41	11.54	9.37	6.24	5.78	6.82	5.97	
<i>Village and small industries</i>	17.00	17.92	25.03	21.49	19.65	7.41	11.62	4.02	

Table- 13**Loans and Advances(at Constant Prices) to Some Specific Services Over the Years**

	(Based on Budget Estimates)					(in Rs. Crore)			
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
<i>Urban development</i>	0	0	37.651	91.329	99.7935	16.699	1.2399	2.35571	386.77
<i>Labour and employment</i>	0	0	0	0	0	0	0	0	0
<i>Social security and welfare</i>	0.02	0.0079	0	0	0	0	0	0	0
<i>Agriculture and allied activities</i>	475.63	339.29	219.8	227.01	228.871	112.59	79.306	87.5913	62.1
<i>Rural development</i>	0	0	0	0	0	0	0	0	0
<i>Irrigation and flood control</i>	1.2336	3.1447	3.7651	3.5537	3.44116	4.3674	9.2994	8.83392	7.85
<i>Village and small industries</i>	177.55	192.19	255.84	178.71	360.791	412.26	129.63	271.861	0.06

Loans and Advances(at Constant Prices) to Some Specific Services Over the Years

	(Based on Revised Estimates)				(in Rs. Crore)			
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
<i>Urban development</i>	0	0	75.301	89.552	75.7054	16.699	486.27	795.05
<i>Labour and employment</i>	0	0	0	0	0	0	0	0
<i>Social security and welfare</i>	0.0082	0	0	0	0	0	0	0
<i>Agriculture and allied activities</i>	409.95	270.79	208.05	191.41	175.341	96.641	136.92	121.16
<i>Rural development</i>	0	0	0	0	0	0	0	0
<i>Irrigation and flood control</i>	0.8224	3.9308	3.7651	9.5	8.25877	14.13	19.839	15.9
<i>Village and small industries</i>	143.13	134.98	239.35	163.89	277.543	347.96	126.53	2.03

Table - 14**Real Plan Expenditure Under Some Specific Major Heads**

	(Based on Budget Estimates)				(in Rs. Crore)				
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
<i>Urban development</i>	63.36	44.73	119.88	111.51	105.66	146.45	145.10	146.70	142.6
<i>Labour and employment</i>	59.38	83.03	96.35	83.87	67.05	52.27	70.01	73.24	69.26
<i>Social security and welfare</i>	185.31	914.83	958.92	998.63	821.67	823.00	758.38	295.57	262.24
<i>Agriculture and allied activities</i>	1104.96	1049.54	1066.54	1316.18	1242.20	1146.99	1166.73	1489.33	1399.82
<i>Special Programmes for Rural Devt.</i>	749.49	718.03	852.97	801.26	869.75	1050.73	738.16	863.50	900.3
<i>Rural employment</i>	3848.96	2729.48	2713.82	2586.14	2349.79	1703.04	1811.31	2706.71	2515.41
<i>Land Reforms</i>	1.42	1.36	0.84	0.80	0.34	0.64	0.62	0.59	0.56
<i>Other Rural development Prog.</i>	84.70	84.06	415.85	425.91	195.11	159.96	159.26	157.83	166.87
<i>Major and medium irrigation</i>	24.02	28.38	28.38	32.38	34.76	31.34	34.18	35.22	41.8
<i>Minor irrigation</i>	42.43	57.22	42.48	46.13	35.11	52.93	48.25	59.78	49.14
<i>Village and small industries</i>	596.69	559.69	569.19	545.40	525.38	595.41	585.82	605.06	599.55

Table - 15

Real Non- Plan Expenditure Under Some Specific Major Heads

	(Based on Budget Estimates)				(in Rs. Crore)				
	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
<i>Urban development</i>	3.76	3.92	4.69	5.40	5.53	6.35	6.31	6.07	6.26
<i>Labour and employment</i>	357.87	379.56	398.72	450.26	535.18	526.20	562.43	440.51	388.34
<i>Social security and welfare</i>	262.16	202.07	221.81	276.38	240.10	226.92	242.51	219.55	265.55
<i>Agriculture and allied activities</i>	6487.66	7145.35	9034.26	10126	10246.68	8973.40	13012.46	16047.42	19258.55
Special Programmes for Rural Devt.	0	0	0	0	0	0	0	0	0
<i>Rural employment</i>	0	0	0	0	0	0	0	0	0
Land Reforms	0	0	0	0	0	0	0	0	0
<i>Other Rural development Prog.</i>	3.22	3.17	3.28	4.83	5.16	6.08	5.75	5.46	5.11
<i>Major and medium irrigation</i>	29.28	30.65	34.78	48.01	51.70	55.99	58.05	53.95	48.57
<i>Minor irrigation</i>	20.15	20.05	21.36	26.20	27.23	26.84	27.54	26.68	25.9
<i>Village and small industries</i>	114.42	110.41	113.71	124.15	121.50	117.13	119.88	139.48	170.87

Sources :

Budget Documents Of GOI for the years 1995-96 to 2003-04

Economic Survey 2002 -03 (For information on GDP atMarket Prices)

Website of the Economic Adviser to the Ministry of Commerce and Industries (For information on WPIs)