

# UNDERSTANDING THE CHANGES IN INDIA'S FISCAL ARCHITECTURE

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## **Comparative Analysis of Priorities in State Budgets for 2015-16**

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Centre for Budget and Governance Accountability

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## Contents

Section	Page No.
Introduction	3
Impact on the Spending Capacity of State Governments	7
Sector-wise Priorities in the State Budgets for 2015-16	13
Budget Outlays for Major Social Sector Schemes	16
Concluding Observations	24
References	25
Annexures	26

## 1. Introduction

The landscape of fiscal policy and budgetary processes in India has witnessed a number of changes over the last two years. In 2014-15, the erstwhile practice of Union Government's financial contributions in a host of central schemes (like Sarva Shiksha Abhiyan, National Health Mission and MGNREGA, among others) getting transferred directly to autonomous bank accounts of the agencies set up for implementing the schemes was discontinued; the Union Budget outlays for states in all central schemes are flowing through the State Budgets now. The abolition of the Planning Commission and formation of NITI Aayog has changed the institutional architecture of policymaking at the national level. However, the recommendations of the Fourteenth Finance Commission (FFC) and the consequent restructuring of the Union Budget has led to the most noticeable changes in this sphere.

### **Box 1: Key Recommendations of the 14<sup>th</sup> Finance Commission**

- The FFC has enhanced the share of states in the divisible pool of central taxes from 32 percent to 42 percent every year for the five year period 2015-16 to 2019-20.
- Its formula for the horizontal devolution of resources from the divisible pool has incorporated two new criteria, viz. demographic changes by 2011 (i.e. the population in 2011) and forest cover in a state; it has dropped the criterion of fiscal discipline.
- It has not recommended any sector specific-grants for states.
- The FFC recommended evolving a new institutional arrangement, with the overarching objective of strengthening cooperative federalism, for: (i) identifying the sectors in the states that should be eligible for grants from the Union Government, (ii) indicating criteria for inter-state distribution of these grants, (iii) helping design schemes with appropriate flexibility being given to the states regarding implementation, and (iv) identifying and providing area-specific grants.
- It has recommended distribution of grants to states for local bodies (urban and rural) based on 2011 population with a weight of 90 percent, and, area with a weight of 10 percent. Total size of this grant for all States to be Rs. 2,87,436 crore for period 2015-20.

The recommendations of the FFC, which were accepted by the Union Government in February 2015 and adopted for implementation from 2015-16 onwards, have implications for public financing of government interventions in a range of sectors. Based on the recommendations of the FFC, the Union Government would share a higher magnitude of untied funds with the states during 2015-16 to 2019-20, which is on account of the share of states in the divisible pool of central taxes being raised from 32 percent to 42 percent every year.

But, the increase in the magnitude of untied resources transferred to states has been accompanied by reductions in Union Government's financial assistance to states for their Plan spending (i.e. the Central Assistance for State Plan) and its budget outlays for a number of central schemes in different sectors. In several of the development programmes, especially the social sector schemes, the states are now expected to provide additional budgetary resources from their untied funds to compensate for the reduced budget outlays by the Union Government. Following this kind of restructuring, there has been an intense debate on the adequacy of overall budgetary resources (i.e. taking into account both the Union Budget and State Budget outlays) for the social sectors.

**Box 2: Debate following the 14<sup>th</sup> FC Report and Restructuring of the Union Budget in 2015-16**

Following the report of the FFC and restructuring of the Union Budget in 2015-16, there has been an intense debate around two objectives or priorities, viz. the objective of increasing the autonomy of the State Governments in setting the spending priorities in their budgets; and that of ensuring adequate budgetary resources for the social sectors and development programmes for the vulnerable sections of the population (taking into account both the Union Budget and State Budget outlays for these sectors).

While a major push has been given to the first objective, i.e. greater autonomy of State Governments in setting their spending priorities, in the recommendations of the 14<sup>th</sup> FC and the consequent restructuring of the Union Budget in 2015-16, apprehensions have been raised that the second objective may get compromised in the coming years at least in some of the states with relatively poor fiscal health and lower levels economic development.

This is largely because of the limited ability of the poorer states to expand their fiscal space with own revenue collection and the fact that they also face more acute shortages of funds for other sectors such as general administration, law and order, and infrastructure. Hence, the competition for budgetary resources could be more intense in these states and the social sectors may not be given the priority for resources that are needed; this could aggravate the problem of regional disparity in the longer run. However, both of the above-mentioned objectives could be pursued together if the tax-GDP ratio of the country is stepped up visibly.

In this context, the NITI Aayog constituted a Sub-group of Chief Ministers of States to develop, through a consultative process, a roadmap for “Rationalization of Centrally Sponsored Schemes”; this Sub-group (led by the Chief Minister of Madhya Pradesh) submitted its Report to the Union Government in October 2015. The said report provided further clarity on the guiding principles for rationalization of centrally sponsored schemes (CSS) and the revised fund sharing pattern (between Union and States) in the CSS.

**Box 3: NITI Aayog Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes**

NITI Aayog constituted a Sub-Group of Chief Ministers on the rationalization of CSS with the objective of examining the existing CSS and recommending measures for ensuring that their implementation is streamlined and adequately flexible. The major recommendations, in its report released in October 2015, were as follows:

CSS will be divided into Core and Optional schemes.

From now onwards, the sharing pattern would be:

For Core Schemes

For the eight NE and three Himalayan States - Centre 90 %: State 10 %

For all other (general category) States - Centre 60 %: State 40 %

For Union Territories: Centre: 100 %

For Optional Schemes

For the eight NE and three Himalayan States - Centre 80 %: State 20 %

For all other (general category) States - Centre 50 %: State 50 %

For Union Territories: Centre: 100 %

Funds for Optional Schemes would be allocated to states by the Union Ministry of Finance as a lump sum and states would be free to choose which Optional Schemes they wish to implement.

Amongst the Core Schemes, those for social protection (including MGNREGA) and environment protection (e.g. wildlife conservation and greening) to form “Core of the Core”, which would have the first charge on funds available for the national development agenda.

It has been argued that the ability of the poorer states to expand their fiscal space with own revenue collection is limited. Moreover, they also face greater shortages of funds for sectors such as energy and other infrastructure sectors, general administration, and law and order; hence, the competition for budgetary resources could be more intense in these states. As a consequence, the social sectors may not be given adequate levels of priority for resources. If this apprehension comes true in the coming years, it could aggravate the problem of regional disparity in the long run.

Hence, it is pertinent to delve deeper into this debate of restructuring of Union Budget and State Budgets from the lens of public spending on social sectors in the country. In such a backdrop, the present Paper examines the issue of adequacy of budgetary resources for social sectors with the help of the first set of evidence available, i.e. the State Budgets for 2015-16 and the Supplementary Budgets of states for the same year. The paper attempts to address the following questions:

- a) What was the impact of the FFC recommendations and restructuring of Union Budget in 2015-16 on the overall spending capacity of State Governments (in 2015-16)?
- b) Given their increased autonomy in setting spending priorities, did the State Governments reprioritize their Budgets significantly in 2015-16? If they did so, what happened to the priority for social sectors in the State Budgets for 2015-16?
- c) What happened to the overall budgetary resources (i.e. the central and state shares combined) for major centrally sponsored schemes (CSS) in the social sectors in 2015-16?

### **Scope of the Analysis**

The present study covers ten states, viz. Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, and Uttar Pradesh. Among these, while Tamil Nadu and Maharashtra are economically more developed and hence have a stronger ability to expand their fiscal space with own tax and non-tax revenue, the other eight states are relatively more dependent on the transfer of Union resources for financing their public expenditure.

Until 2013-14, the Union Budget outlays for a host of central schemes (like Sarva Shiksha Abhiyan, National Health Mission and MGNREGA, among others) were getting transferred directly to autonomous bank accounts of the agencies set up for implementing those schemes, and hence the State Budget documents did not capture the complete allocations / outlays (i.e. central and state share combined) for several of the central schemes. However, since 2014-15, the central shares of outlays for all schemes are flowing through the State Budgets and the budget documents of states do report the entire outlays for all central schemes. Therefore, in order to ensure comparability of the budget figures, we examine in this Paper the State Budget allocations in 2014-15 (Budget Estimates), 2014-15 (Revised Estimates) and 2015-16 (Budget Estimates). All these figures have been taken from the State Budget 2015-16 documents for the ten states selected for the analysis.

In terms of the priorities in the State Budgets, the analysis presented here covers fourteen different sectors, which are: Education, Health, Drinking Water and Sanitation, Women and Child Development, Social Welfare (excluding women and child development), Agriculture and allied sectors (Animal Husbandry, Dairy, Fisheries, Cooperation, and Irrigation) Food and Civil Supplies, Rural Development and

Panchayati Raj (clubbed together as social sectors), Urban Development and Housing, Home, Energy, Public works, Industries, and Forest & Environment and Disaster Management. The rationale for including sectors other than the social sectors is to gauge the reprioritization (if any) in the State Budgets among different sectors.

As mentioned earlier, the Union Government had reduced its budget allocations for a number of central schemes in the social sectors in 2015-16 (BE), as compared to the allocations made in 2014-15 (BE) or 2014-15 (RE). The Union Budget 2015-16 documents did mention explicitly the premise on which such restructuring of Union Government's expenditure was being pursued, which was that the states would compensate for such reductions through higher allocations of state shares in the central schemes (with the help of the greater magnitude of untied funds they would receive). In this context, apprehensions were raised with regard to the overall budget outlays (i.e. central and state share combined) for some of the major central schemes in social sectors. Hence, the present Paper also tracks the overall budget outlays for a number of central schemes in 2015-16, viz. *Sarva Shiksha Abhiyaan (SSA)*, *Rashtriya Madhyamik Shiksha Abhiyaan (RMSA)*, Mid-Day Meal (MDM) scheme, National Health Mission (NHM), *Swachh Bharat Abhiyan (SBA)*, National Rural Drinking Water Programme (NRDWP), Integrated Child Development Services (ICDS), *Indira Gandhi Matritva Sahayog Yojana (IGMSY)*, *Indira Awas Yojana (IAY)* and, *Pradhan Mantri Gram Sadak Yojana (PMGSY)*.

As regards the figures for overall budget allocations (i.e. central and state share combined) for these social sector schemes, the analysis also captures the additional outlays (if any) provided in the Supplementary Budgets for 2015-16 presented by the selected states. The analysis covers the one or more Supplementary Budgets for 2015-16 across states, which had been presented by the end of December 2015. It is necessary to include the additional outlays for schemes provided through the Supplementary Budgets because of the following reasons: (i) in case of schemes like ICDS and SBA, the Union Budget outlays for 2015-16 were increased through the two Supplementary Budgets presented by the Union Ministry of Finance in July and December 2015; hence, the State Finance Departments would have shown the additional funds (in these schemes) for their respective states in their own Supplementary Budgets; and, (ii) in case of some of the selected schemes, like ICDS, NHM, and SSA, State Governments have provided additional outlays, i.e. over and above what they had allocated in 2015-16 (BE) figures in February-March 2015, through the Supplementary Budgets later in 2015 on the basis of 'savings' or expected 'unspent' amounts in other sectors.

While the country's low tax-GDP ratio (which is around 17 percent) seems to be at the root of the problem we are discussing, i.e. the inadequacy of overall budgetary resources for social sectors, examining the tax policy related issues in the country is beyond the scope of this Paper.

Likewise, a number of problems are there in the domain of utilisation of budget outlays in the social sectors; budget 'outlays' also need to translate effectively into better 'outputs and services' on the ground, which in turn should lead to better development 'outcomes'. These issues too are not within the scope of the analysis presented here.

The analysis in this Paper specifically tries to answer the three questions listed above, with the help of whatever evidence was available in public domain until the end of December 2015, i.e. State Budgets for 2015-16 and the Supplementary Budgets for the same year.

## **Methodology**

The figures for State Budget allocations for 2014-15 (BE), 2014-15 (RE) and 2015-16 (BE) have been taken from their respective budget documents for 2015-16. Those for the Gross State Domestic Product (GSDP) of the selected states are also from the budget documents.

In the analysis of the sector-wise priorities within the State Budgets for 2015-16, the total allocation figures for different sectors are based on the allocations for one or more Departments / Demands reported in the Detailed Demands for Grants. Annexure Table 7 explains which Demands have been clubbed together for arriving at sector-specific total allocation figures in case of different states. A note of caution here is that the data on different sector-wise allocations might not be strictly comparable across states, since the composition of Departments / Demands is not uniform across states. However, for any selected state, the figures for the two years are comparable.

Similarly for various schemes, the data has been collated from the Detailed Demands for Grants of state budgets for 2015-16 as well as the Supplementary Budgets presented by the states until the end of December 2015. Hence, these figures include both the central share as well as state share of funds allocated for the schemes.

## **2. Impact on the Spending Capacity of State Governments**

The FFC recommended a transfer of 42 percent of the divisible pool of central taxes to the states, which amounted to an increase by 10 percentage points from the level prevailing in the Thirteenth Finance Commission period. This would perhaps come as a relief to the states, many of whom had been demanding 50 percent share of the divisible pool of central taxes. The increased devolution also works in tandem with the spirit of strengthening fiscal federalism with more untied resources being transferred to the states.

However, a deeper examination of the amount of increased devolution provides a clearer picture of the status of overall resources being transferred to the states. Table 1 below shows that, in the total Union resources transferred to states, both “states’ share in central taxes” and “non-plan grants to states” show an increase in 2015-16 (RE) from 2014-15 (Actuals) not only in absolute numbers but also as proportions of the country’s GDP. However, another component of the Union resources transferred to states, viz. central assistance to states for plan spending (which includes the block grants given to states for Plan spending as well as Union Government’s assistance to states for the central schemes), shows a decline in 2015-16 (RE) as compared to 2014-15 (Actuals). On the whole, the total union resources transferred to states shows an increase from 5.4 percent of GDP in 2014-15 (actuals) to 6.1 percent of GDP in 2015-16 (RE).



**Table 1: Composition and Structure of Transfer of Resources to States (Rs. crore)**

	2014-15 Actual	2015-16 BE	2015-16 RE	2016-17 BE
States share of taxes and duties	337808	523958	506193	570337
Non Plan grants and loans to states	77198	108551	108312	118437
Central Assistance to States for Plan spending	270829	219647	216108	241900
Total Union Resources transferred to States*	675177	842963	821520	921201
GDP at current market prices (2011-12 series)	1248205	13567192	13567192	15065010
<i>States share of taxes and duties as % of GDP</i>	<i>2.7</i>	<i>3.7</i>	<i>3.7</i>	<i>3.8</i>
<i>Non Plan grants and loans to states as % of GDP</i>	<i>0.6</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>
<i>CA to States as % of GDP</i>	<i>2.2</i>	<i>1.4</i>	<i>1.6</i>	<i>1.6</i>
<i>Total Union Resources transferred to States as % of GDP</i>	<i>5.4</i>	<i>5.8</i>	<i>6.1</i>	<i>6.1</i>

Note: \*Total union resources comprise of states' share in central taxes, non-plan grants, Central Assistance to States for Plan spending (including the assistance for Central Schemes).

Source: Compiled by CBGA from Union Budget Documents, 2015-16 and 2016-17

Thus, the higher magnitude of states' share in central taxes has come partly at the cost of discontinuation of central assistance for state plans and reduced funding shares of the Union Government in centrally sponsored schemes in a host of sectors. The total resources transferred from the Union Government to states in 2015-16 (RE) would be higher than that in 2014-15 (Actuals) by Rs. 1.46 lakh crore. In other words, the net increase in the spending capacity of the State Governments, resulting from the changes introduced in centre-state sharing of resources in 2015-16, would be to the tune of around Rs. 1.46 lakh crore for all states taken together. On an average, therefore, the net increase in Union resources transferred to a state in 2015-16 would be roughly Rs. 5000 crore.

Given that the total magnitudes of the State Budgets for many of the larger states are now in the range of Rs. 1 lakh crore to Rs. 2 lakh crore, an increase of Rs. 5000 crore could hardly be viewed as a substantial increase in the spending capacity of the states. Annexure Table 1 presents an assessment of the net impact (of the changes in centre-state sharing of resources in 2015-16) on the overall spending capacity of State Governments. Taking into account the net effect of both the larger quantum of Union resources flowing to a state as its share in central taxes and the smaller magnitude of resources flowing as grants-in-aid to the state (which combines both non-plan and plan grants to states), we find a net decline in total Union resources transferred to the state in 2015-16 (BE) as compared to 2014-15 (BE) in case of three of the ten selected States, viz. Bihar, Rajasthan and Maharashtra.

Thus, the changes in 2015-16 have led only to a modest increase in the total quantum of resources being transferred from the Union to the states; however, it has led to a change in the composition of the State Budget in favour of greater autonomy or flexibility for the State Governments. The greater degree of autonomy or flexibility available to the States (in terms of setting their expenditure priorities), combined with the reduction in the funding share of the Union Government in a host of centrally sponsored schemes, implies that the priorities in the State Budgets would have a stronger role now in determining the overall allocation of budgetary resources in a range of development sectors in the country.

## Comparative Analysis of Priorities in State Budgets for 2015-16

In order to enable the State Governments to increase significantly their budgetary spending on development sectors, it is necessary that either the divisible pool of the central taxes increases substantially or the states increase their own tax and non-tax revenue considerably.

As mentioned earlier, India's total tax revenue (i.e. central and state taxes combined) is at a relatively low level of 17 percent of GDP (it's the lowest tax-GDP ratio among the BRICS countries); of this, the gross central taxes to GDP ratio is around 10.5 percent. The projections for the gross central taxes to GDP ratio for the coming years are not too optimistic; hence, the size of the divisible pool of central taxes is not expected to increase substantially in the near future.

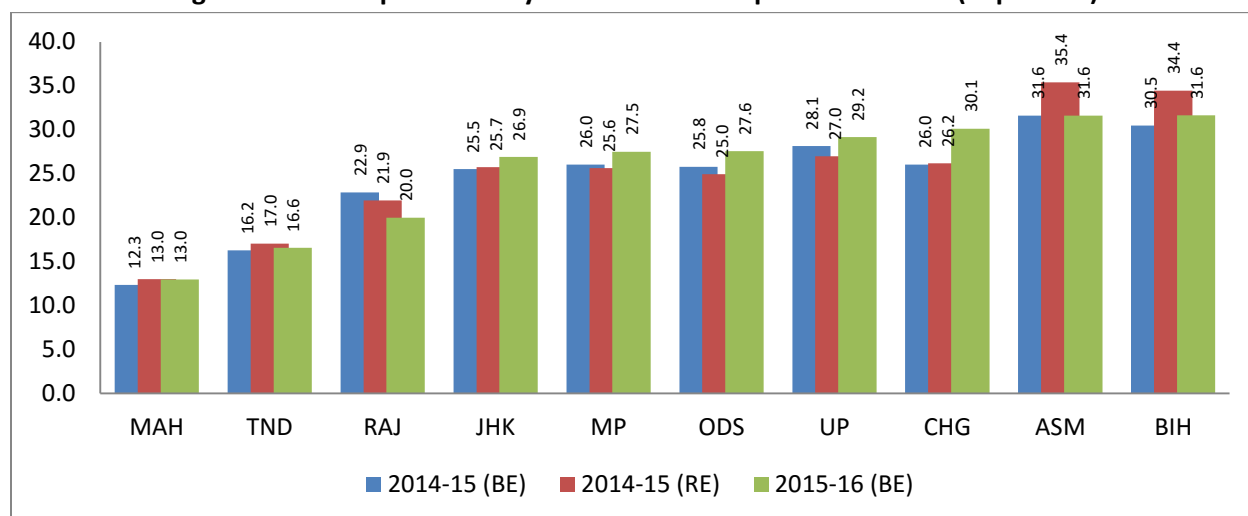
In such a backdrop, states' own tax and non-tax revenue mobilization would play an important role in determining their fiscal space for increasing public spending on social sectors in the coming years. Table 2 presents the share of states' own resources in their total budgetary expenditure. Any state can finance its total State Budget expenditure from the following sources: (i) its own resources, which comprise its own tax revenue, own non-tax revenue, and non-debt capital receipts (e.g. disinvestment in state PSUs or recovery of loans given by the state government), (ii) Union resources transferred to the state, and (iii) borrowing. Thus, smaller the share of a state's own resources in its total budgetary expenditure, higher is its dependence on transfer of Union resources.

**Table 2: Share of States' Own Resources in their Total Budgetary Expenditure (in percent)**

State	Share of Own Tax Revenue in Total State Budget Exp. (%)			Share of own Non-Tax Revenue in Total State Budget Exp. (%)			Share of Non-Debt Capital Receipts in Total State Budget Exp. (%)			<i>Total Own Resources in Total State Budget Exp. (%)</i>		
	2014-15 BE	2014-15 RE	2015-16 BE	2014-15 BE	2014-15 RE	2015-16 BE	2014-15 BE	2014-15 RE	2015-16 BE	2014-15 BE	2014-15 RE	2015-16 BE
Assam	19.5	16.5	19.5	7.4	4.6	6.5	0.0	0.0	0.0	26.9	21.2	26.0
Bihar	22.0	19.4	25.6	2.6	2.3	2.8	0.0	0.0	0.0	24.6	21.8	28.4
Odisha	24.8	24.9	25.2	10.0	9.8	10.7	0.3	0.3	0.3	35.1	35.0	36.1
Uttar Pradesh	29.5	28.9	30.4	7.4	8.7	7.1	0.2	0.2	0.1	37.0	37.8	37.6
Jharkhand	23.4	26.2	26.5	9.9	11.2	11.4	0.1	0.1	0.1	33.4	37.5	37.9
Madhya Pradesh	33.3	33.1	33.1	5.8	8.1	7.7	0.1	0.0	0.0	39.2	41.2	40.9
Chhattisgarh	32.8	32.9	30.9	11.3	11.5	13.3	0.5	0.4	0.3	44.6	44.8	44.6
Rajasthan	30.9	31.5	34.2	11.4	10.7	11.3	0.1	0.8	0.7	42.4	43.0	46.1
Tamil Nadu	60.0	53.4	55.1	5.3	5.5	5.2	0.1	0.2	0.2	65.4	59.2	60.4
Maharashtra	55.9	54.3	56.8	6.4	6.2	9.0	0.5	0.5	0.5	62.7	61.0	66.2

Source: Based on data compiled by CBGA from respective State Budget documents

While we observed earlier that the changes in centre-state sharing of resources in 2015-16 would lead to a modest increase in the overall Union resources transferred to states for most of the states (with the exception of just three of the ten selected states), it would be pertinent to study what is happening to the overall scope of the State Budget as compared to the size of a state's economy. In other words, we can examine the total quantum of a State Budget as a proportion of the state's GSDP.

**Figure 1: Total Expenditure by the States' as Proportion of GDP (in percent)**

Source: Based on data compiled by CBGA from respective State Budget Documents (BE for 2015-16 does not include supplementary grants allocated by the respective states)

**Table 3: Supplementary Budget for 2015-16 by Select States (Rs. Crore)**

	State	Supplementary Grants
1	Bihar	23459.2
2	Madhya Pradesh	22888.3
3	Uttar Pradesh	19824.0
4	Maharashtra	14793.1
5	Odisha	11447.3
6	Jharkhand	5452.1
7	Chhattisgarh	3613.8
8	Tamil Nadu	1012.3
9	Assam	-
10	Rajasthan	-

Source: Compiled by CBGA from various Supplementary Grants documents of States; Note: Sum of Supplementary grants announced till 31<sup>st</sup> December 2015

As can be seen from Figure 1, except for Chhattisgarh, the total magnitude of the State Budget as a proportion of the state's GDP is showing a small decline in 2015-16 (BE) as compared to 2014-15 (BE) or 2014-15 (RE) for all of the selected states. This could be because of their efforts to reduce the deficits in their budgets further, instead of increasing overall expenditure. Figure 1 gives us an estimate that how much a state is spending vis-a-vis the sum total of the economic activities. However, it would be necessary to look at the per capita expenditure as there is large difference in the economic status among the states because of which the state budget as proportion of GDP would be smaller for richer states like Maharashtra and higher for economically poor

states like Assam or Bihar. Also, it excludes the supplementary grants which were subsequently announced by most of the states covered in this study. The reason for this exclusion is that the supplementary allocations in states do not mention the proportion that is coming through re-appropriation/ departmental savings and how much is the actual addition to the total budget (which is the practice in case of the Union Supplementary Budget). However, the supplementary budget for 2015-16 will increase allocation for certain sectors and schemes, which will be reflected in the revised estimates (RE) or the 'actuals' for 2015-16.

**Table 4: Per Capita Total Expenditure by the States in 2014-15 and 2015-16 (in Rs.)**

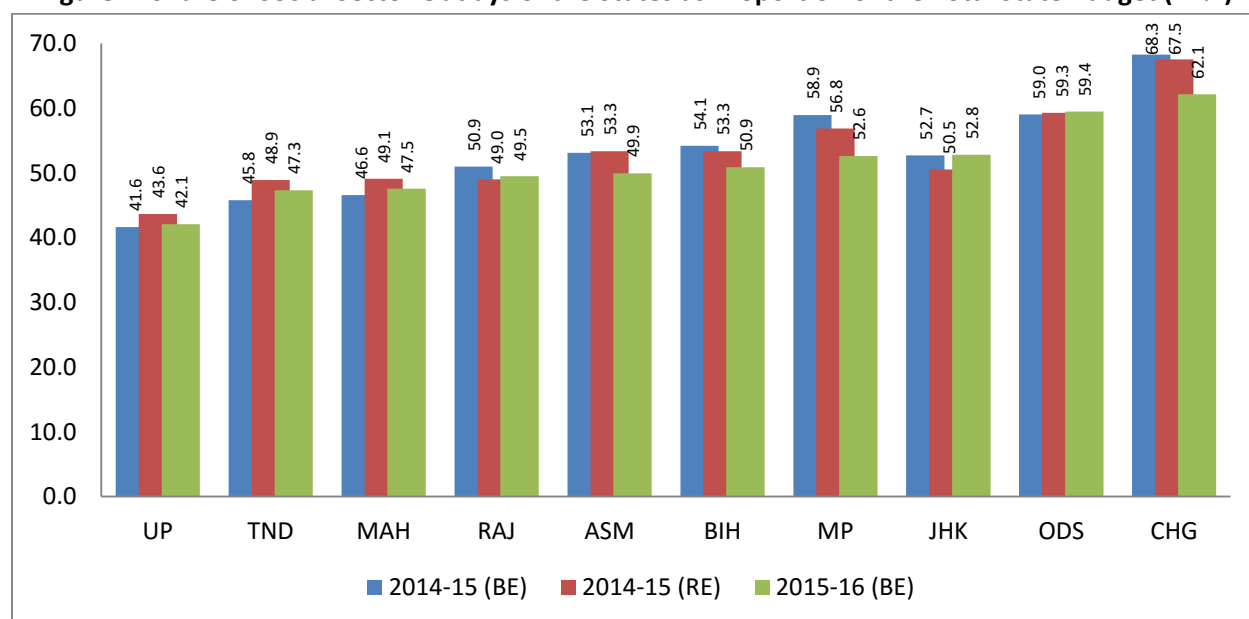
	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
Bihar	10763	12172	13171
Uttar Pradesh	12996	12456	15095
Jharkhand	14607	14738	17512
Rajasthan	18236	17498	18933
Madhya Pradesh	15310	15504	19960
Assam	17888	20019	20204
Maharashtra	18086	18662	20689
Odisha	18563	17965	22103
Tamil Nadu	20808	21817	23770
Chhattisgarh	20502	20624	25501

*Source:* Based on data compiled by CBGA from various State Budget Documents; *Note:* The population projection for 2014-15 and 2015-16 is based on the Report of the technical group on population projections constituted by the National Commission on Population, 2006

The per capita expenditure will also make the data comparable across states as it addresses the difference in population. Table 4 shows that Bihar followed by Uttar Pradesh, and Jharkhand are on the lower side of per capita expenditure by the states, whereas Chhattisgarh, Tamil Nadu and Odisha spends highest per capita among the selected states in 2015-16.

Narrowing down, the share of social sectors (sum total of 8 sectors as defined earlier), in the total expenditure by the state shows that except for Jharkhand and Odisha, it has decreased for all the ten selected states in 2015-16 (BE) when compared to 2014-15 (BE) or 2014-15 (RE).

**Figure 2: Share of Social Sector Outlays of the States as Proportion of the Total State Budget (in %)**

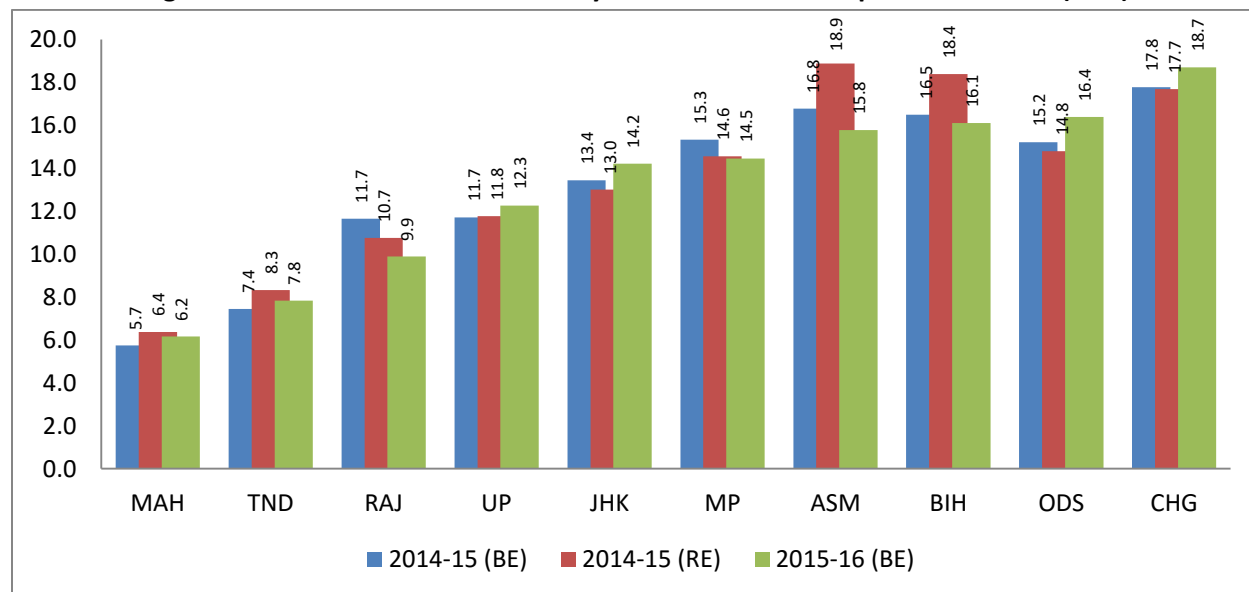


*Source:* Based on data compiled by CBGA from various State Budget Documents; *Note:* Social Sector includes Education, Health, Drinking Water and Sanitation, Women and Child Development, Social Welfare (excluding women and child development), Agriculture and allied sectors (Animal Husbandry, Dairy, Fisheries, Cooperation, and Irrigation) Food and Civil Supplies, Rural Development and Panchayati Raj

## Comparative Analysis of Priorities in State Budgets for 2015-16

Similarly, the allocations for the social sectors as a proportion of GDP shows a mixed results whereby it has decreased substantially for Rajasthan, Assam and Bihar, a marginal decline for Maharashtra, Tamil Nadu and MP and increased in case of Uttar Pradesh, Jharkhand, Odisha and Chhattisgarh

**Figure 3: Share of Social Sector Outlays of the States as Proportion of GDP (in %)**



*Source:* Based on data compiled by CBGA from various State Budget Documents; *Note:* Social Sector defined as per Figure 2

In terms of per capita allocation for the social sector, Chhattisgarh and Odisha stand out with the allocation of Rs. 15836 and Rs. 13138 respectively. On the other side, Uttar Pradesh (Rs. 6348) and Bihar (Rs. 6700) has the lowest per capita allocation for the social sector.

**Table5: Per Capita Social Sector Allocations by the States in 2014-15 and 2015-16**

State	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
Uttar Pradesh	5409	5436	6348
Bihar	5828	6493	6700
Jharkhand	7693	7445	9239
Rajasthan	9287	8569	9363
Maharashtra	8424	9161	9833
Assam	9492	10679	10088
Madhya Pradesh	9021	8808	10494
Tamil Nadu	9523	10659	11242
Odisha	10953	10647	13138
Chhattisgarh	13997	13923	15836

*Source:* Based on data compiled by CBGA from various State Budget Documents; *Note:* Social Sector defined as per Figure 2

As is depicted in Table 6, the only two states among the ten selected, which have projected a Revenue Deficit (i.e. expenditure in the Revenue Account exceeding the receipts in the Revenue Account) in 2015-16 (BE) are Maharashtra and Tamil Nadu; all eight of the relatively economically weaker states

have projected a Surplus on the Revenue Account. What it implies is that these poorer states are trying to finance a part of their Capital Expenditure from their Revenue Account Surplus instead of increasing their quantum of borrowing for financing the whole of their Capital Account Expenditure. However, these economically weaker states also require stepping up their public spending on social sectors, very large proportions of which are reported in the Revenue Account of the budget. Hence, the strong tendency of these states to reduce their Fiscal Deficit (or fresh borrowing in a year) by running a surplus on the Revenue Account could be a hurdle towards increasing budgetary expenditures in social sectors.

**Table 6: Revenue Deficit / Revenue Surplus (-) of States as proportion of GSDP (in percent)**

	State	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
1	Uttar Pradesh	(-)2.97	(-)3.32	(-)3.08
2	Assam	(-)2.21	---	(-)2.63
3	Bihar	(-)2.65	1.18	(-)2.63
4	Jharkhand	(-)2.00	(-)1.94	(-)2.07
5	Chhattisgarh	(-)1.17	(-)1.13	(-)1.85
6	Odisha	(-)1.37	(-)1.09	(-)1.47
7	Madhya Pradesh	(-)1.00	(-)1.38	(-)1.00
8	Rajasthan	(-)0.13	0.73	(-)0.08
9	Maharashtra	0.31	0.82	0.20
10	Tamil Nadu	(-)0.03	0.38	0.44

Source: Based on data compiled by CBGA from respective State Budget Documents

**Table 7: Fiscal Deficit of States as proportion of GSDP (in percent)**

	State	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
1	Maharashtra	1.80	2.21	1.63
2	Assam	2.17	---	2.18
3	Jharkhand	2.49	2.49	2.28
4	Uttar Pradesh	2.91	2.91	2.85
5	Bihar	2.96	8.55	2.98
6	Madhya Pradesh	2.98	3.00	2.99
7	Odisha	3.12	2.94	2.99
8	Rajasthan	3.51	4.03	2.99
9	Chhattisgarh	2.74	2.74	3.00
10	Tamil Nadu	2.73	2.90	3.00

Source: Based on data compiled by CBGA from respective State Budget Documents

### 3. Sector-wise Priorities in the State Budgets for 2015-16

It would be worthwhile to examine if and how did the State Governments reprioritize their Budgets in 2015-16, given their increased autonomy in setting spending priorities. Table 4 in Annexure shows, for the ten selected states in 2014-15 and 2015-16, the allocations for 14 different sectors as shares of the total State Budget expenditure and as proportions of the state's Gross State Domestic Product (GSDP).

We find a decline in the share of State Budget allocation for education in Bihar, Madhya Pradesh, and Assam in 2015-16 (RE) as compared to 2014-15 (BE). Similarly, the allocation for health, as a proportion

## Comparative Analysis of Priorities in State Budgets for 2015-16

of the total State Budget, has either remained almost same or gone down for all the states except Tamil Nadu and Rajasthan. The share of allocation for women and child development has decreased in Bihar and Odisha and has remained almost similar for the rest of the states except for Jharkhand and Tamil Nadu. The combined share of Rural Development and Panchayati Raj has declined in all states except for Odisha and Bihar (see Table 8)

On the other hand, barring Uttar Pradesh and Maharashtra, Madhya Pradesh and Jharkhand, the share of State Budget allocation for Energy has increased for all the select states. Similarly, except for Bihar, Uttar Pradesh and Rajasthan, expenditure on Public Works has either increased or remained almost same in the said period for the all the select states (see Table 8).

The figures for 2015-16 (BE) indicate only a limited reprioritization of the State Budgets in favour of the infrastructure sectors like energy and public works. However, some of the commentators have opined that such trends of increasing the budgetary priorities for infrastructure sectors could accentuate in the coming years as the State Governments could be more receptive towards higher spending in sectors with big projects with greater and immediate visibility.

**Table 8: Change in Budgetary Allocation for Major Sectors in 2015-16 over 2014-15 for Selected States**

States	<i>Sectors whose Outlays as % of Total State Budget shows a visible <b>decline</b> (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>	<i>Sectors whose Outlays as % of Total State Budget has remained <b>almost same</b> in 2015-16 BE as compared to 2014-15 RE</i>	<i>Sectors whose Outlays as % of Total State Budget shows a visible <b>increase</b> (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>
Assam	Rural Development & PRIs, Urban Development & Housing, Education, Social Welfare	Public Works, Food & Civil Supplies, Women & Child Development, Health and Family Welfare, Drinking Water & Sanitation, Energy, Industries, Forest & Environment and Disaster Management, Agriculture and Allied Sectors	Home
Bihar	Women & Child Development Education, Agriculture and Allied Sectors, Public Works, Home	Urban Development & Housing, Drinking Water & Sanitation, Health and Family Welfare, Industries	Energy, Social Welfare, Food & Civil Supplies, Forest & Environment and Disaster Management, Rural Development & PRIs
Chhattisgarh	Rural Development & PRIs, Social Welfare, Home, Agriculture and Allied Sectors	Health and Family Welfare, Education, Women & Child Development, Drinking Water & Sanitation, Industries	Public Works, Forest & Environment and Disaster Management, Energy, Food & Civil Supplies, Urban Development & Housing
Jharkhand	Energy, Rural Development & PRIs, Home	Industries, Forest & Environment and Disaster Management, Food & Civil Supplies, Health and Family Welfare, Agriculture and Allied Sectors, Public Works, Social Welfare	Drinking Water & Sanitation, Education, Urban Development & Housing, Women & Child Development

## Comparative Analysis of Priorities in State Budgets for 2015-16

Madhya Pradesh	Rural Development & PRIs, Energy, Food & Civil Supplies, Education, Health and Family Welfare	Social Welfare, Forest & Environment and Disaster Management, Drinking Water & Sanitation, Women & Child Development, Home, Industries Urban Development & Housing Public Works	Agriculture and Allied Sectors
Maharashtra	Energy, Rural Development & PRIs, Agriculture and Allied Sectors	Health and Family Welfare, Public Works, Education, Women & Child Development, Food & Civil Supplies, Urban Development & Housing, Home, Forest & Environment and Disaster Management, Industries, Drinking Water & Sanitation	Social Welfare
Odisha	Drinking Water & Sanitation, Women & Child Development, Health and Family Welfare, Food & Civil Supplies, Home	Industries, Social Welfare, Education, Urban Development & Housing	Public Works, Agriculture and Allied Sectors, Energy, Rural Development & PRIs, Forest & Environment and Disaster Management
Rajasthan	Public Works, Drinking Water & Sanitation	Food & Civil Supplies, Rural Development & PRIs, Agriculture and Allied Sectors, Home, Social Welfare, Urban Development & Housing, Women & Child Development, Forest & Environment and Disaster Management, Industries	Energy, Health and Family Welfare, Education
Tamil Nadu	Rural Development & PRIs		Education, Home, Women & Child Development, Health and Family Welfare, Food & Civil Supplies, Drinking Water & Sanitation, Social Welfare, Urban Development & Housing, Forest & Environment and Disaster Management, Agriculture and Allied Sectors, Energy, Public Works, Industries
Uttar Pradesh	Energy, Drinking Water & Sanitation, Public Works, Food & Civil Supplies, Rural Development & PRIs	Urban Development & Housing Social Welfare, Women & Child Development, Health and Family Welfare, Industries, Home, Agriculture and Allied Sectors	Education, Forest & Environment and Disaster Management

Source: Based on Annexure Table 4

Another important facet in analysing the changes in budgetary priorities for a particular sector would be to see how budgetary allocations have changed across the sub-sectors within the sector. The analysis shows that there is some shift in priorities within the specific social sectors as well. In the Education sector, in states like Assam, Bihar, Jharkhand and Madhya Pradesh where the share of expenditure in



education has declined, it is visible from sub-sectoral analysis that the decline is mostly restricted to Elementary Education. The share of Secondary and Tertiary Education, which is a smaller proportion of the total education expenditure, has remained almost same in last two years (see Annex. Table 5). In health sector, Bihar has reduced the allocation for Rural Health Services from Rs. 2618 crore in 2014-15 (RE) to Rs. 1762 crores in 2015-16 (BE). The allocation in health sector is still skewed towards Urban Health services given the fact that still around two-third of the population in our country reside in rural areas.

Similarly in Drinking water and Sanitation, except for Assam and Tamil Nadu, all states have given priority to Sewerage and Sanitation over Water Supply which can have repercussions for the interventions in drinking water supply. In terms of drinking water supply, besides the coverage, the issue of quality of drinking water has almost remained untouched so far. Hence the budgetary allocation for water supply needs to be enhanced to address such issues (see Annex. Table 6).

Within the Agriculture and Allied sectors, after irrigation and flood control and drainage, crop sector received top priority followed by animal husbandry and dairy development, forestry and wildlife, cooperation and agricultural research and education.

#### 4. Budget Outlays for Major Social Sector Schemes

As mentioned earlier, the Union Government had reduced its budget allocations for a number of central schemes in the social sectors in 2015-16 (BE), as compared to the allocations made in 2014-15 (BE) or 2014-15 (RE). The Union Budget 2015-16 documents did mention explicitly the premise on which such restructuring of Union Government's expenditure was being pursued, which was that the states would compensate for such reductions through higher allocations of state shares in the central schemes (with the help of the greater magnitude of untied funds they would receive). In this context, apprehensions were raised with regard to the overall budget outlays (i.e. central and state share combined) for some of the major central schemes in social sectors.

**Table 9: Union Budget Outlays for Major Social Sector Schemes (in Rs. Crore)**

Schemes	2014-15 BE	2014-15 RE	2014-15 Actual	2015-16 BE	2015-16 RE	2016-17 BE
<i>Sarva Shiksha Abhiyan (SSA)</i>	28258	24380	24097	22000	22015	22500
<i>Rastriya Madhyamik Shiksha Abhiyan (RMSA)</i>	5000	3480	3398	3565	3565	3700
Mid-Day-Meal (MDM)	13215	6973	10523	9236	9236	9700
Integrated Child Development Services Scheme (ICDS)*	18691	16967	16684	15902	15584	14863
Scheme for Empowerment of Adolescent Girls (SABLA)	700	630	622	438	476	460
<i>Indira Gandhi Matritva Sahayog Yojana (IGMSY)</i>	400	360	343	10	234	400
National Health Mission (NHM)*	22731	18609	19751	18875	19122	19037
National Rural Drinking Water Prog. (NRDWP)	11000	9250	9190	2503	4373	5000

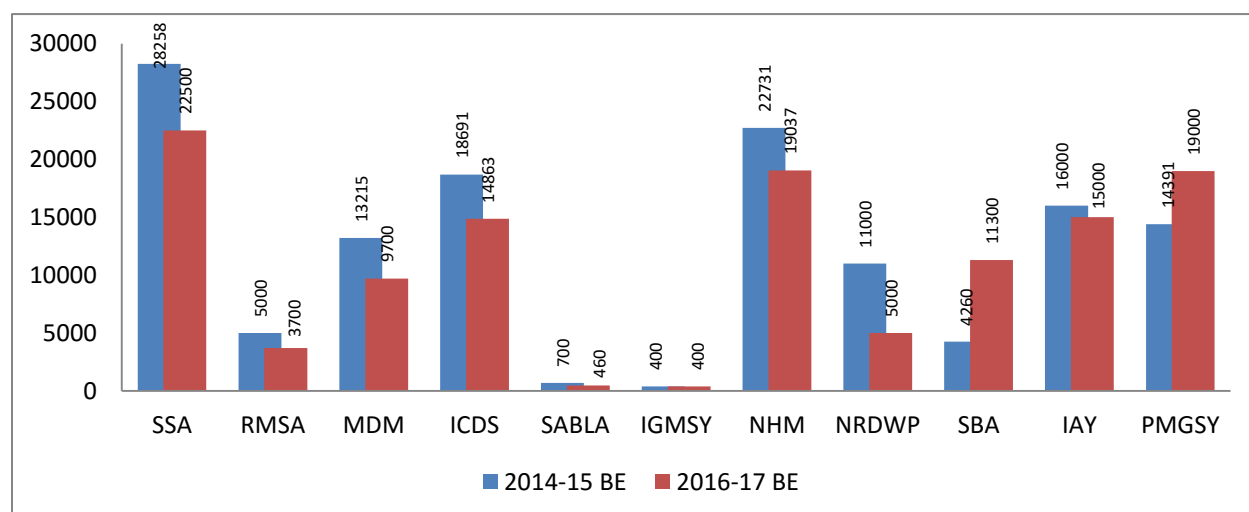
## Comparative Analysis of Priorities in State Budgets for 2015-16

Swachh Bharat Mission (Rural+Urban)	4260	4541	3701	3625	7525	11300
Indira Awas Yojana (IAY)/ Pradhan Mantri Awas Yojana (Rural)	16000	11000	11096	10025	10004	15000 <sup>#</sup>
Pradhan Mantri Gram Sadak Yojana (PMGSY)	14391	14200	9960	14291	15188	19000

Source: Connecting the Dots: An Analysis of Union Budget 2016-17, CBGA; Note: \*Includes ICDS, World Bank Assisted ICDS ISSNIP and National Nutrition Mission. Original Allocation for ICDS in 2015-16 BE was Rs. 8754 crore. The balance amount was allocated in subsequent supplementary grants. <sup>#</sup>The allocation for *Indira Awas Yojana* has been discontinued from 2016-17 BE. *Pradhan Mantri Awas Yojana* (Rural), a new scheme, has been initiated for housing in rural areas.

The Report of the NITI Aayog Subgroup of Chief Ministers on Rationalisation of the CSS has grouped and categorised the CSS into ‘core of the core’, ‘core’, and ‘optional’ (please see Box 3 in Introduction section of this Paper). According to some observers, this new set up implies that it’s mainly the expenses on infrastructure (and in only specific cases maintenance) in the programmes at the state level, which would be borne by the Union Government. Given the fact that capital expenditure by the states in most of the social sector programmes are small and they have a larger revenue expenditure (mainly salaries) component, which then would have to be borne by states, it does raise a concern. Thus if the resources of the states do not increase commensurately, there is an increased possibility of the important social sector programmes suffering due to a lack of adequate resources.

**Figure 4: Union Budget Allocation for Major Social Sector Schemes: A Comparison between 2014-15 and 2016-17 (in Rs. Crore)**



Source: Connecting the Dots: An Analysis of Union Budget 2016-17, CBGA; Note: ICDS also includes World Bank Assisted ICDS ISSNIP and National Nutrition Mission. The allocation for *Indira Awas Yojana* has been discontinued from 2016-17 BE. *Pradhan Mantri Awas Yojana* (Rural), a new scheme, has been initiated for housing in rural areas.

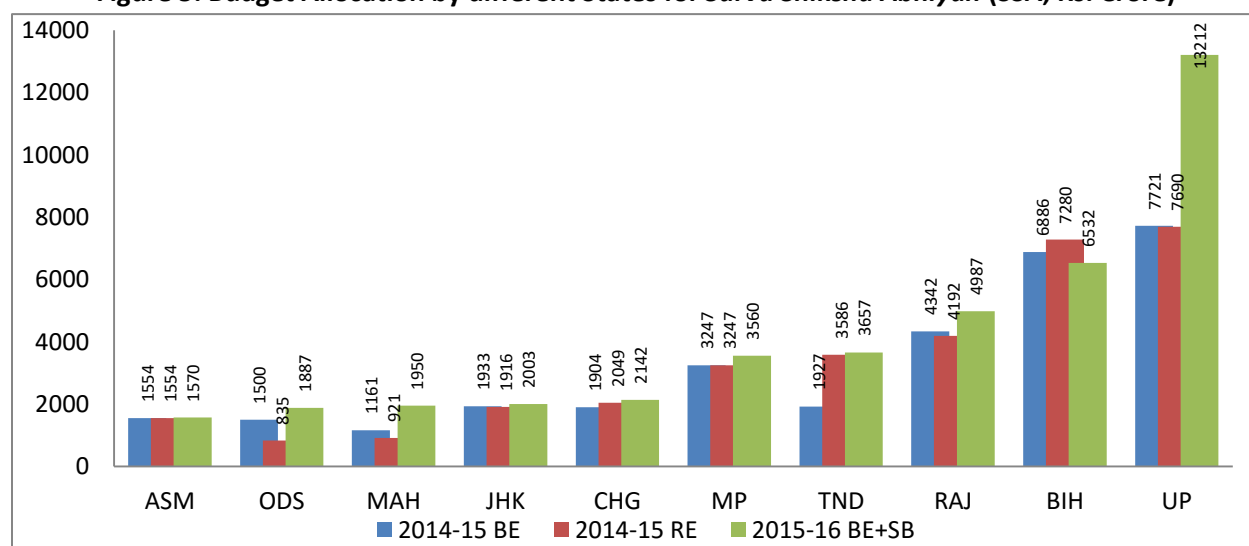
The budget allocation for almost all the major schemes in the social sectors saw reductions in the Union Budget 2015-16. Union Budget outlays for many of the social sector schemes, except for *Swachh Bharat Abhiyan* and *Pradhan Mantri Gram Sadak Yojana*, have declined in 2015-16 (RE) and 2016-17 (BE) as compared to 2014-15 (BE) [see Figure 4].

## Comparative Analysis of Priorities in State Budgets for 2015-16

In the above context, we need to find out what happened to the overall budgetary resources (i.e. the central and state shares combined) for major centrally sponsored schemes (CSS) in the social sectors in 2015-16. The analysis of budgetary allocations by the states in 2015-16 for some of the flagship programmes in social sectors shows a mixed picture.

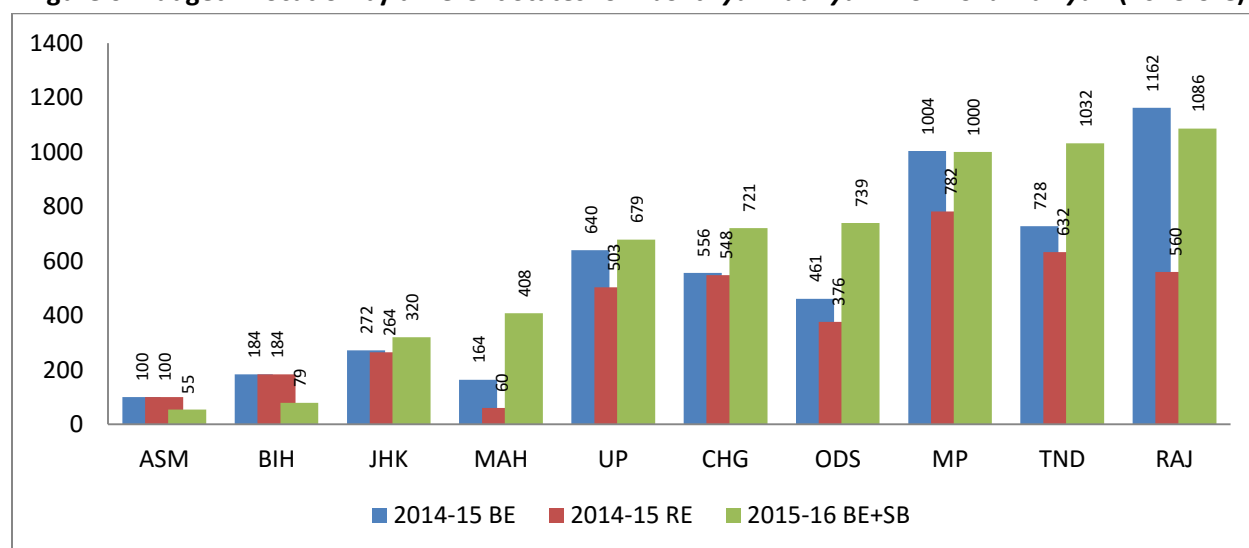
As regards the figures for overall budget allocations (i.e. central and state share combined) for the selected social sector schemes, the analysis also captures the additional outlays (if any) provided in the Supplementary Budgets for 2015-16 presented by the selected states. It covers the one or more Supplementary Budgets for 2015-16 across states, which had been presented by the end of December 2015.

**Figure 5: Budget Allocation by different States for Sarva Shiksha Abhiyan (SSA, Rs. Crore)**



Source: Based on data compiled from respective State Budget Documents

**Figure 6: Budget Allocation by different States for Rashtriya Madhyamik Shiksha Abhiyan (Rs. Crore)**

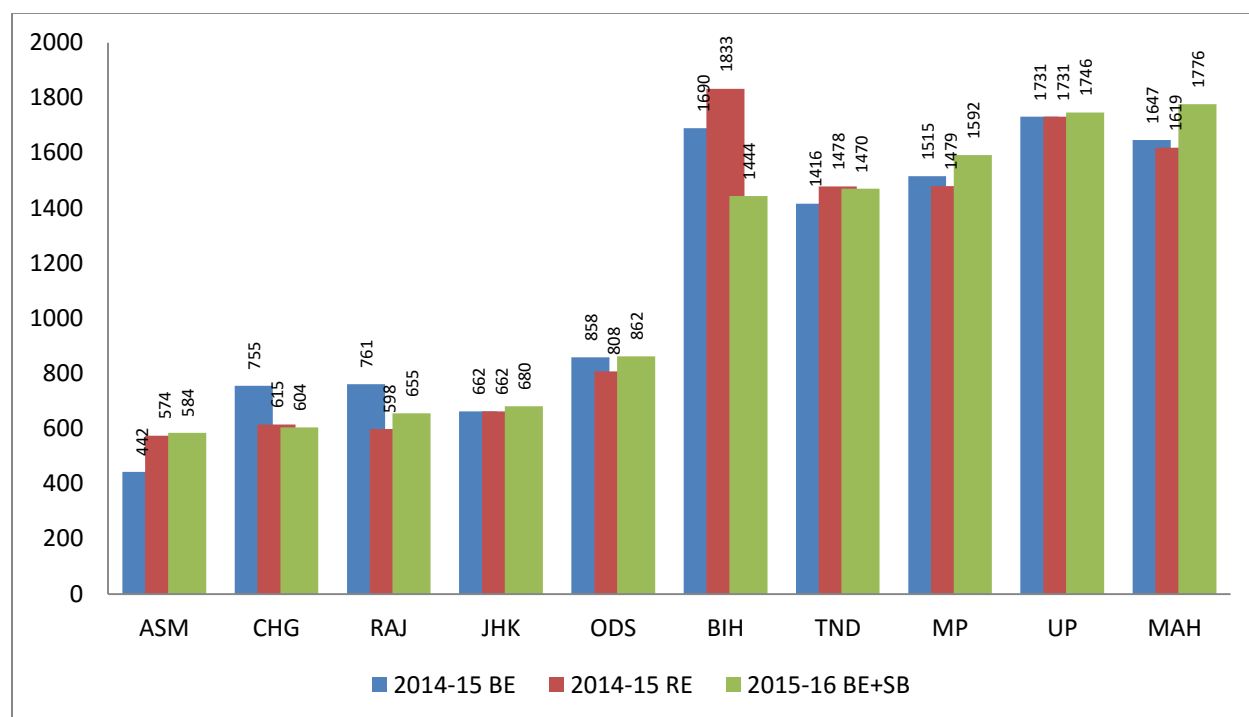


Source: Based on data compiled from respective State Budget Documents

## Comparative Analysis of Priorities in State Budgets for 2015-16

The fall in budgetary allocations in social sectors in Bihar is corroborated by decrease in the total outlays for SSA, RMSA, and MDM as shown in the respective figures for these schemes. Except for Maharashtra, Tamil Nadu and Uttar Pradesh, the increase in allocation for SSA is marginal in the other states. Similarly the budgetary allocation for RMSA has decreased in Rajasthan, Madhya Pradesh and Assam. The allocation for MDM in 2015-16 when compared to 2014-15 can be described as stagnant for almost all the states in the study if we take into consideration inflation. This can further aggravate the already poor nutrition status of children in these states and reverse the little gains that were made under such programmes over the years.

**Figure 7: Budget Allocation by different States for Mid-Day-Meal Programme (Rs. Crore)**



Source: Based on data compiled from respective State Budget Documents

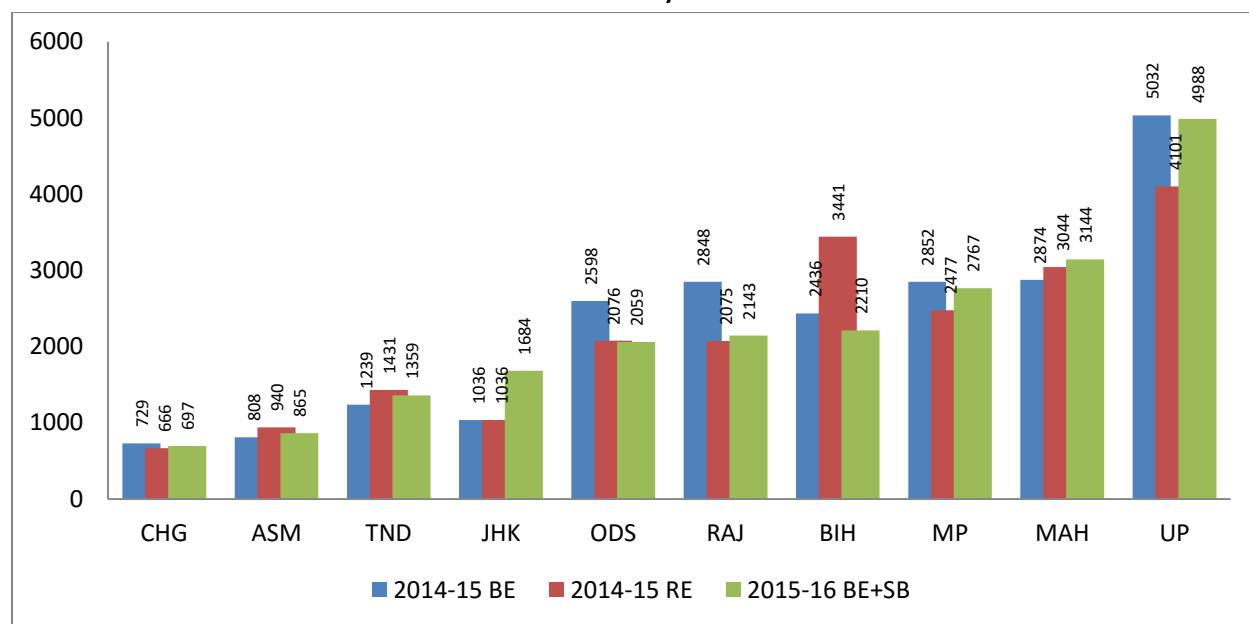
Integrated Child Development Service (ICDS) is among the schemes under the Ministry of Women and Child Development that will have a changed sharing pattern. The Union Government allocations to ICDS in 2015-16 BE was Rs. 8,754 crore as against Rs.18, 391 crore in 2014-15 BE. Another Rs. 7148 crore was added in Union supplementary grants which make it to Rs.15,902 crore. Under the new arrangements, the Union Government will provide financial support to states for infrastructure expenditure (such as expenditure on construction of *Anganwadi* Centres etc.). The Centre would also provide support for salaries, but only for the existing AWWs and AWHs; it would not support any hike in honorariums/salaries of staff or for any new recruits. Once the infrastructure needs under the scheme have been met, most expenditure under the scheme will be revenue expenditure. Thus, over the years, an increasing part of the expenditure for the scheme will have to be borne by the states.

In such a scenario, the resources allocated by the states towards the scheme will determine to a large extent, how well the budgetary requirements under the scheme are being met. But the allocation for

## Comparative Analysis of Priorities in State Budgets for 2015-16

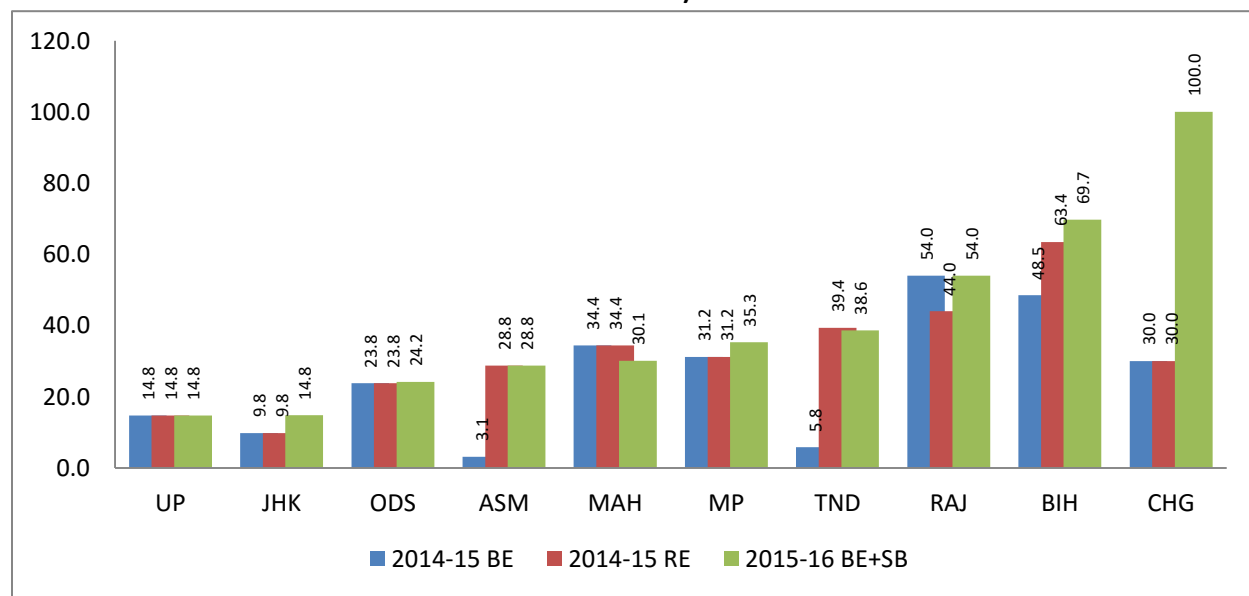
ICDS by states shows a decline in 2015-16 in case of Odisha, Rajasthan, Bihar, Chhattisgarh, Madhya Pradesh and Uttar Pradesh. Similarly, IGMSY has seen only marginal increase across the ten states except for Maharashtra. Allocation for SABLA has also declined in 2015-16 in Bihar, Odisha, Rajasthan and Maharashtra when compared to 2014-15 (BE).

**Figure 8: Budget Allocation by different States for Integrated Child Development Services (ICDS) (in Rs. Crore)**



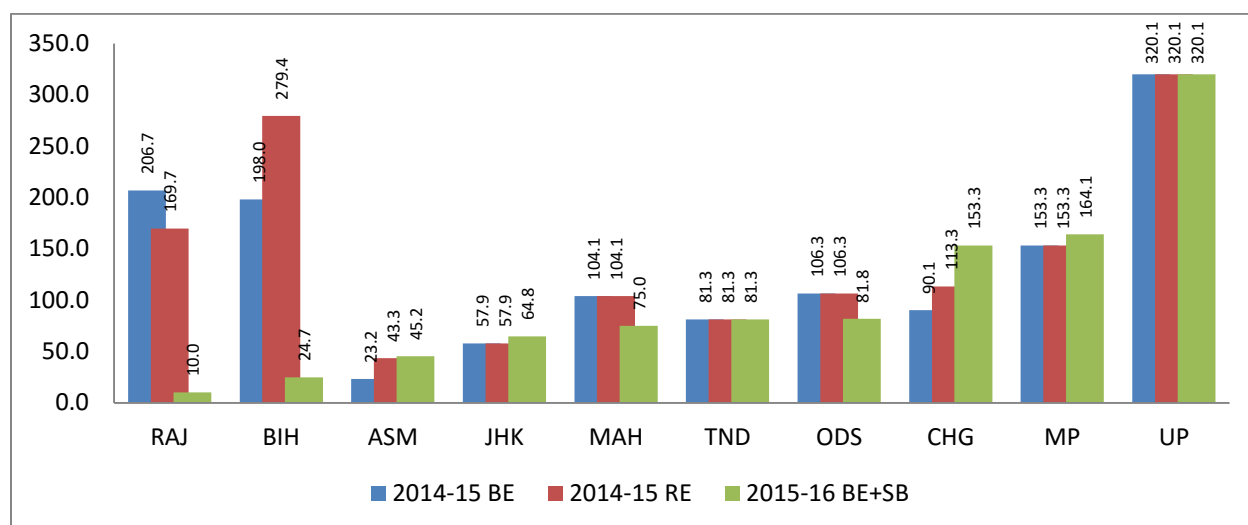
Source: Based on data compiled from respective State Budget Documents

**Figure 9: Budget Allocation by different States for Indira Gandhi Matritva Sahyog Yojana (IGMSY) (in Rs. Crore)**



Source: Based on data compiled from respective State Budget Documents

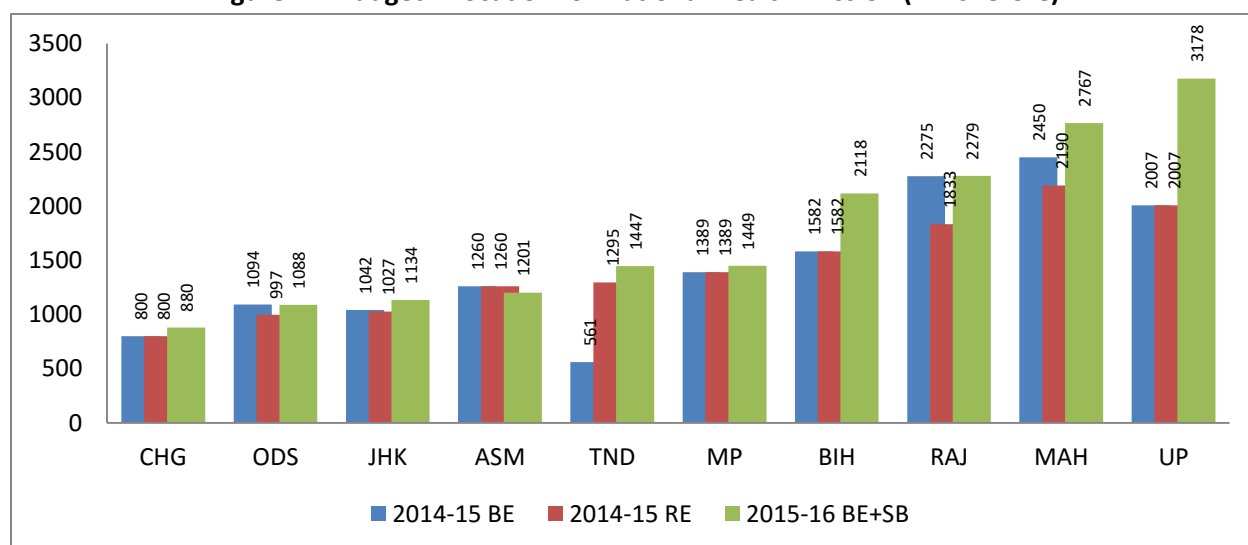
**Figure 10: Budget Allocation by different States for SABLA (in Rs. Crore)**



Source: Based on data compiled from respective State Budget Documents

The combined expenditure on the health sector by the Centre and the States was only 1.3 percent of the GDP in 2013-14. The poor health indicators in the country need to be addressed by increasing expenditure in this sector. However, the Union Government had reduced allocation for National Health Mission (NHM), a major programme in this sector, by around Rs. 3900 crore in 2015-16 over the previous year's allocation. It was expected that the states would increase their allocation for the NHM after the increased share in devolution of resources from the Centre. However, except for Uttar Pradesh, Bihar and Tamil Nadu, other States have increased their allocation only marginally (Figure 11).

**Figure 11: Budget Allocation for National Health Mission (in Rs. Crore)**



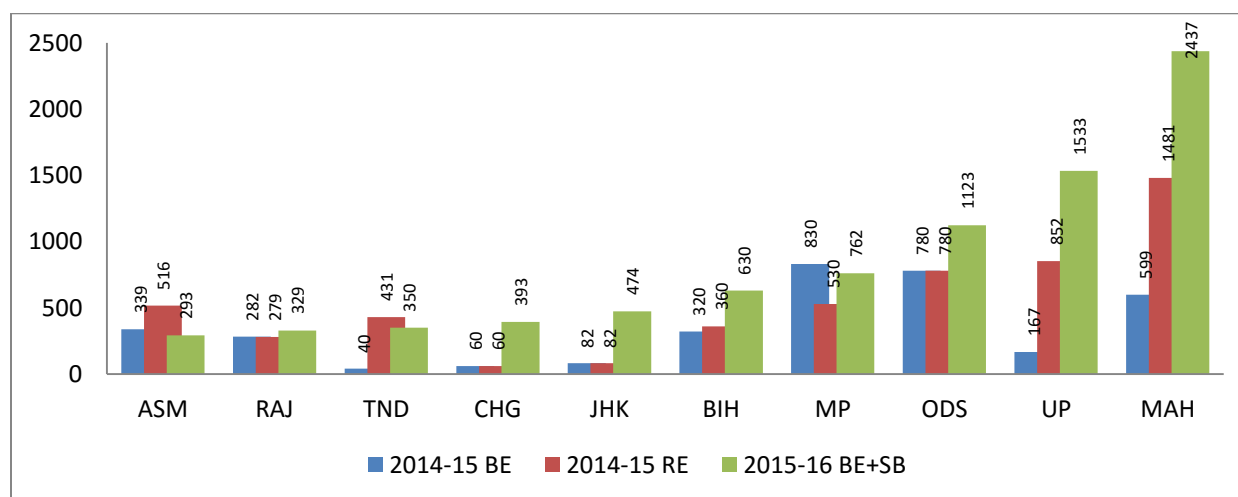
Source: Based on data compiled from respective State Budget Documents

The provision of clean drinking water and sanitation facilities play a vital role in human development in any state. However, access to potable water remains poor and open defecation is widespread in both

## Comparative Analysis of Priorities in State Budgets for 2015-16

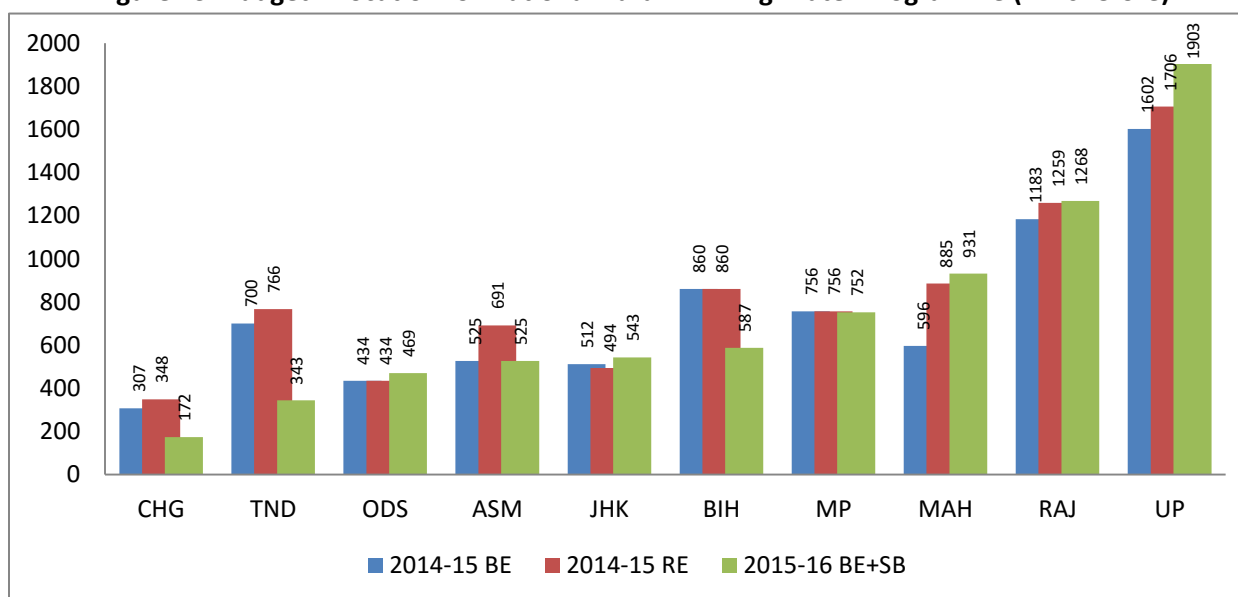
rural and urban areas of the country. The major Union government schemes in this sector are *Swachh Bharat Abhiyan* (SBA) and National Rural Drinking Water Programme (NRDWP). SBA has the ambitious target of making India open defecation-free by 2019 by constructing 11 crore Individual Household Latrines (IHHL). In order to meet this expenditure, the government is relying on CSR funds and has also imposed *Swachh Bharat* cess on all services to generate additional resources for the mission. The budgetary allocation for these schemes shows that almost all the States have increased allocation for SBA (Figure 12). However, the allocation for NRDWP of various States has either gone down or increased only marginally (Figure 13).

**Figure 12: Budget Allocation for *Swachh Bharat Abhiyan* (in Rs. Crore)**



Source: Based on data compiled from respective State Budget Documents

**Figure 13: Budget Allocation for National Rural Drinking Water Programme (in Rs. Crore)**



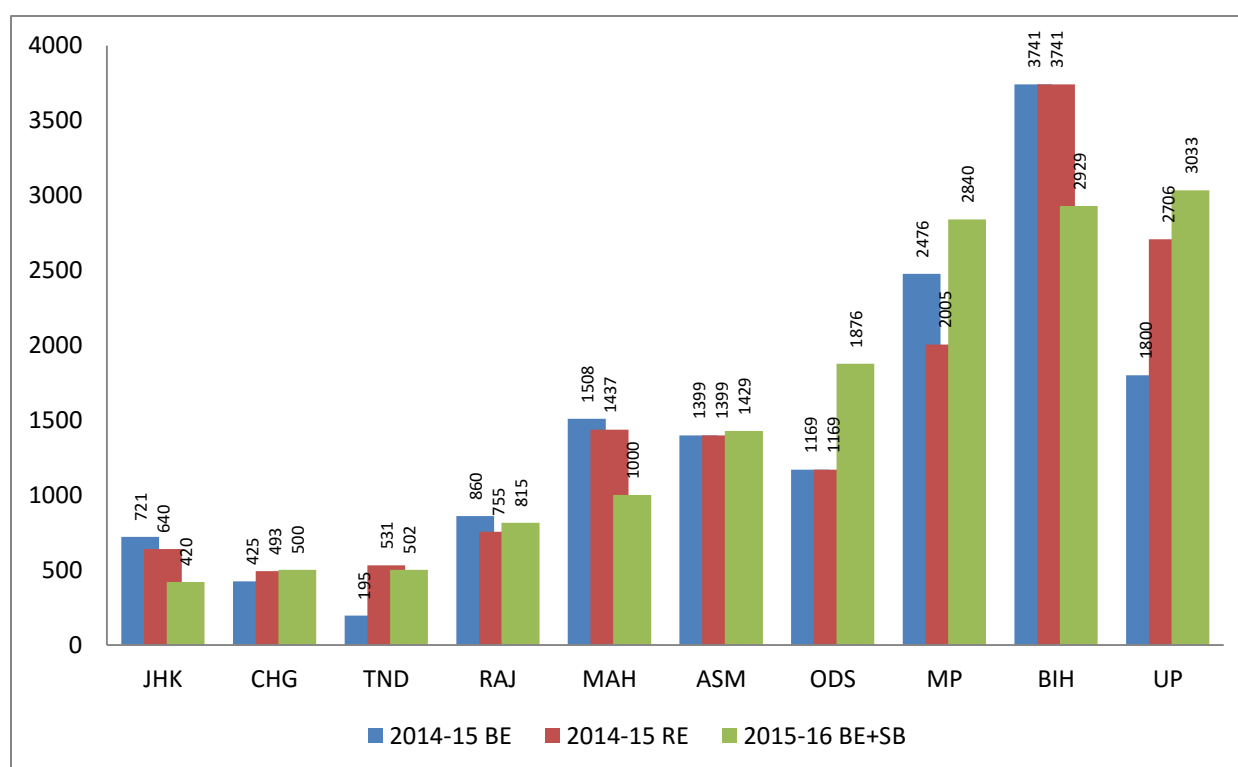
Source: Based on data compiled from respective State Budget Documents

## Comparative Analysis of Priorities in State Budgets for 2015-16

The two major schemes in the Rural Development sector are Indira Awaas Yojana (IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY). The IAY is a flagship scheme of the MoRD which aims at providing houses to below the poverty line (BPL) families in the rural areas. The allocation in 2015-16 BE has declined in Bihar, Jharkhand, Rajasthan and Maharashtra (Figure 14). The rate of utilization in IAY has been reported as reasonably good but the current unit cost under IAY is inadequate and does not incorporate the rising cost of material. Therefore, the unit cost under the IAY should have been revised along with revised physical target and consequently this should have been reflected in higher allocations in 2015-16.

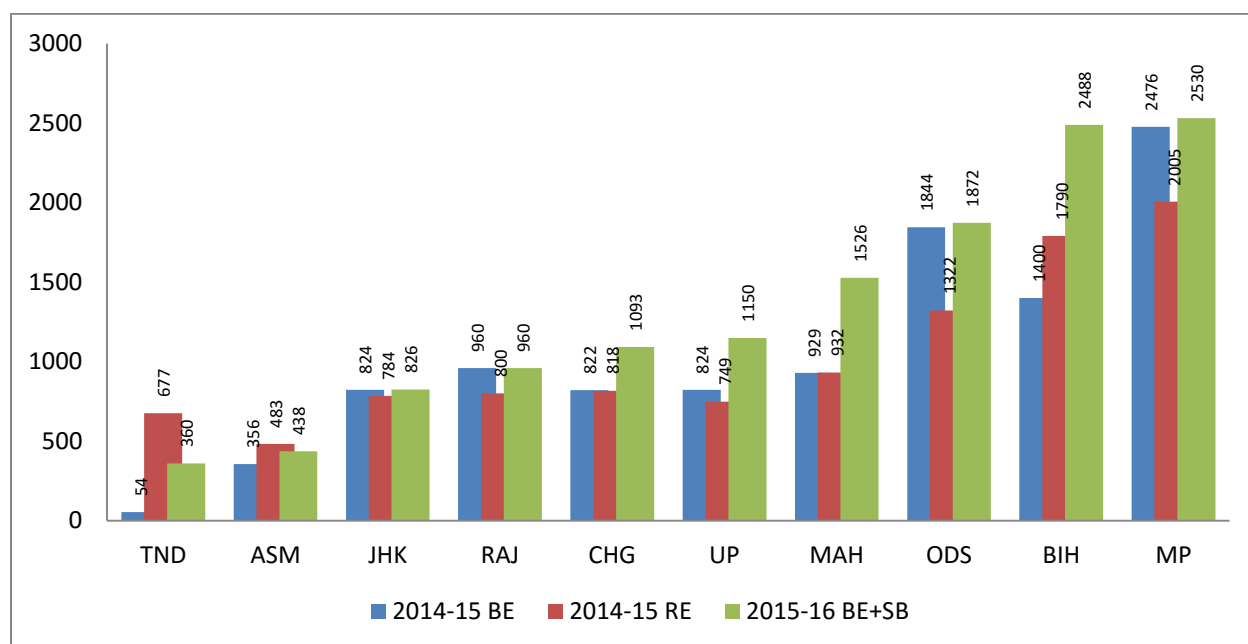
As discussed above, the projects with higher visibility on the ground have been retained by the State Governments. This is corroborated by the fact that allocation for PMGSY has increased in all ten states, especially in Bihar, Chhattisgarh, Maharashtra and Uttar Pradesh, where the allocation has increased substantially in 2015-16 (Figure 15).

**Figure 14: Budget Allocation for Indira Awaas Yojana (in Rs. Crore)**



*Source:* Based on data compiled from respective State Budget Documents; *Note:* \*includes Mukhyamantri Indira Awas Jirnodaar yojana (Rs. 35 crore in 2014-15 BE and RE and Rs. 310 crore in 2015-16 BE)



**Figure 15: Budget Allocation for Pradhan Mantri Gram Sadak Yojana (in Rs. Crore)**

Source: Based on data compiled from respective State Budget Documents

## 5. Concluding Observations

The analysis presented in this Paper gives a synoptic view of changes in expenditure prioritisation of states in some of the important social sectors. Post FFC recommendations, it was felt that the resources available with the states will increase and this would give them the fiscal space to spend more on some of the priority areas like health, education, drinking water and sanitation, nutrition and so on. However, the net increase in states' resources was modest as the Union Government has reduced the central assistance for state plans and its outlays for central schemes in social sectors.

Since the higher magnitude of states' share in central taxes has come partly at the cost of discontinuation of central assistance for state plans and reduced funding shares of the Union Government in centrally sponsored schemes in a host of sectors, the changes in 2015-16 have led only to a modest increase in the total quantum of resources being transferred from the Union to the states. However, it has led to a change in the composition of the State Budget in favour of greater autonomy or flexibility for the State Governments.

Except for Chhattisgarh, the total magnitude of the State Budget as a proportion of the state's GSDP has shown a small decline in 2015-16 (BE) as compared to 2014-15 (BE) or 2014-15 (RE) for all of the selected states; this appears to be because of their efforts to reduce the deficits in their budgets further, instead of increasing their overall budgetary expenditure.

As regards the sector-wise priorities in the states, the figures for 2015-16 (BE) indicate only a limited reprioritization of the State Budgets in favour of the infrastructure sectors like energy and public works. However, some of the commentators have opined that such trends of increasing the budgetary priorities

for infrastructure sectors could accentuate in the coming years as the State Governments could be more receptive towards higher spending in sectors with big projects with greater and immediate visibility.

In terms of the social sector programmes, *Integrated Child Development Services*, *SABLA*, *Mid-Day Meal*, and *National Rural Drinking Water Programme* seem to have been adversely affected in terms of the overall budget allocations. These programmes show a decline in their allocations in a number of States (among the ten states in this study) even after the State Governments presented Supplementary Budgets for 2015-16. The allocation for programmes with stronger political backing, like *Swachh Bharat Abhiyan*, *PMGSY* and also, to some extent, *SSA*, seem to have been increased or protected.

It can be argued that the ability of the poorer states to expand their fiscal space with own revenue collection is limited. Moreover, they also face greater shortages of funds for sectors such as energy and other infrastructure sectors, general administration, and law and order; hence, the competition for budgetary resources could be more intense in these states. As a consequence, the social sectors may not be given adequate levels of priority for resources. If this apprehension comes true in the coming years, it could aggravate the problem of regional disparity in the long run. The only way to achieve the twin goals of greater autonomy to the states and stepping up expenditure in the social sectors would be through an increase the tax-GDP ratio in the country.

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## ANNEXURES

Table 1: Transfer of Resources from the Centre to the States (in Rs. crore)

<b>Assam</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	14105		16667
Grants-in-Aid from Centre (2)	22948		23179
Net Devolution (1+2)	37053		39846
<i>Net devolution (2015-16 BE Vs 2014-15 BE)</i>	<i>Net Increase</i>		
<b>Bihar</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	41775	38082	50748
Grants-in-Aid from Centre (2)	31420	28903	18171
Net Devolution (1+2)	73195	66985	68918
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Decline</i>		
<b>Chhattisgarh</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	9881	9467	16213
Grants-in-Aid from Centre (2)	14662	15129	12994
Net Devolution (1+2)	24543	24596	29208
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Increase</i>		
<b>Jharkhand</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	10879	9885	12000
Grants-in-Aid from Centre (2)	15786	15012	15022
Net Devolution (1+2)	26664	24897	27022
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Increase</i>		
<b>Madhya Pradesh</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	27681	27289	30450
Grants-in-Aid from Centre (2)	30063	28545	30401
Net Devolution (1+2)	57744	55834	60851
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Increase</i>		
<b>Maharashtra</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	20213	17607	29062
Grants-in-Aid from Centre (2)	27958	30659	17869
Net Devolution (1+2)	48171	48266	46931
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Decline</i>		
<b>Odisha</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	18290	17480	19580
Grants-in-Aid from Centre (2)	20971	19291	21067
Net Devolution (1+2)	39260	36771	40647
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Increase</i>		
<b>Rajasthan</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	22756	19817	28925
Grants-in-Aid from Centre (2)	27776	23596	19845
Net Devolution (1+2)	50531	43413	48770
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Decline</i>		

## Comparative Analysis of Priorities in State Budgets for 2015-16

<b>Tamil Nadu</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	19014	16824	21150
Grants-in-Aid from Centre (2)	8456	21724	16377
Net Devolution (1+2)	27470	38548	37527
<i>Net devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Increase</i>		
<b>Uttar Pradesh</b>	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
State Share in Central Taxes (1)	76502		94314
Grants-in-Aid from Centre (2)	48685		49600
Net Devolution (1+2)	125287		143914
<i>Net Devolution (2015-16 BE Vs 2014-15BE)</i>	<i>Net Increase</i>		

**Table 2: Classification of Centrally Sponsored Schemes (CSS)**

<i>Classification of CSS</i>	<i>Distribution of original 66 CSS</i>	<i>Remarks</i>
(A) Schemes to be implemented un-altered	17	Some of these schemes are reformulated with addition of new components, or taken up in Central Sector
(B) Schemes to be implemented with a changed sharing pattern	33	
(C) Schemes delinked from Union support: States may decide to continue from their own resources	8	
(D) Other schemes which are part of devolution to the States or have been re-structured in (A), (B) and (C) above.	8	
Total	66	

*Source:* Reproduced from the Report of the Subcommittee of Chief Ministers on Restructuring the CSS

**Table 3: Total Expenditure by the States' as Proportion of Gross Stated Domestic Product (GSDP)**

State	Total Expenditure (Rs. Crore)			Total Expenditure as % of GSDP		
	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)	2014-15 (BE)	2014-15 (RE)	2015-16 (BE)
Maharashtra	212321.2	219074.8	230061.9	12.3	13.0	12.2
Tamil Nadu	153104.0	160534.0	174511.0	16.8	17.0	16.5
Rajasthan	131426.9	126111.6	137713.4	22.9	21.9	20.5
Madhya Pradesh	117041.0	118517.6	131199.1	26.0	25.6	23.4
Odisha	80139.6	77557.1	84487.8	25.8	25.0	24.3
Jharkhand	50387.7	50839.6	55493.0	25.5	25.7	24.5
Bihar	116886.2	132186.9	120685.3	30.4	34.5	26.5
Chhattisgarh	54710.0	55034.4	65012.9	26.0	26.2	27.2
Uttar Pradesh	274704.6	263302.8	302687.3	28.1	27.0	27.4
Assam	58104.5	65028.0	66142.2	31.6	35.4	31.6

*Source:* Based on data compiled from respective State Budget Documents

Comparative Analysis of Priorities in State Budgets for 2015-16

**Table 4: Outlays for Different Sectors as proportion of total State Budget and GSDP (in percent)**

**Table 4.1: Assam**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE	2014-15 BE	2014-15 RE	2015-16 BE
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Rural Development & PRIs	10.9	9.8	8	3.5	3.5	2.5
Urban Development & Housing	1.5	1.6	1	0.5	0.5	0.3
Education	21.1	19.7	19.2	6.7	7	6.1
Social Welfare	2.8	3.5	3	0.9	1.2	0.9
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Home	5.3	5.1	5.6	1.7	1.8	1.8
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Public Works	4.4	5.1	4.7	1.4	1.8	1.5
Food & Civil Supplies	0.6	0.6	0.3	0.2	0.2	0.1
Women & Child Development	2.3	2.8	2.5	0.7	1	0.8
Health and Family Welfare	5	4.6	4.4	1.6	1.6	1.4
Drinking Water & Sanitation	2.7	3.1	3	0.9	1.1	0.9
Energy	1.7	1.9	1.9	0.6	0.7	0.6
Industries	0.3	0.3	0.4	0.1	0.1	0.1
Forest & Environment and Disaster Management	1.5	1.9	2	0.5	0.7	0.6
Agriculture and Allied Sectors	7.6	9.3	9.5	2.4	3.3	3

**Table 4.2: Bihar**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Women & Child Development	4	5.6	3.3	1.2	1.9	1
Education	21.1	19.6	17.4	6.4	6.7	5.5
Agriculture and Allied Sectors	6.2	7.1	5.7	1.9	2.4	1.8
Public Works	4.2	5	4.1	1.3	1.7	1.3
Home	5.4	5.2	4.6	1.7	1.8	1.5
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Energy	5.4	6.3	7.2	1.7	2.2	2.3
Social Welfare	2.5	2.2	3.3	0.8	0.8	1
Food & Civil Supplies	0.7	0.6	1.7	0.2	0.2	0.5
Forest & Environment and Disaster Management	0.6	0.8	2.2	0.2	0.3	0.7
Rural Development & PRIs	14	12.8	14.5	4.3	4.4	4.6
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						

## Comparative Analysis of Priorities in State Budgets for 2015-16

Urban Development & Housing	2.1	2.5	2.2	0.6	0.9	0.7
Drinking Water & Sanitation	1.5	1.4	1.2	0.5	0.5	0.4
Health and Family Welfare	4.1	4	3.9	1.3	1.4	1.2
Industries	0.8	1	0.9	0.3	0.3	0.3

**Table 4.3: Chhattisgarh**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Rural Development & PRIs	14	15	12.4	3.7	3.9	3.7
Social Welfare	9.2	9.6	7.7	2.4	2.5	2.3
Home	4.6	4.9	4.1	1.2	1.3	1.2
Agriculture and Allied Sectors	13.3	12.6	11.8	3.5	3.3	3.5
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Public Works	6.6	6.4	8.2	1.7	1.7	2.5
Forest & Environment and Disaster Management	2.1	2.2	3.8	0.6	0.6	1.2
Energy	1.8	3.1	4.1	0.5	0.8	1.2
Food & Civil Supplies	8	6.8	7.8	2.1	1.8	2.4
Urban Development & Housing	1.1	0.8	1.6	0.3	0.2	0.5
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Health and Family Welfare	5.3	5.2	4.8	1.4	1.4	1.4
Education	14	14	13.7	3.6	3.7	4.1
Women & Child Development	2.9	2.8	2.6	0.8	0.7	0.8
Drinking Water & Sanitation	1.5	1.4	1.3	0.4	0.4	0.4
Industries	1.6	1.4	1.4	0.4	0.4	0.4

**Table 4.4: Jharkhand**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Energy	3.7	6.6	5.2	0.9	1.7	1.4
Rural Development & PRIs	14.4	15.6	14.4	3.7	4	3.9
Home	6.3	6.3	5.5	1.6	1.6	1.5
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Drinking Water & Sanitation	1.9	1.8	2.4	0.5	0.5	0.7
Education	16.4	13.5	14.2	4.2	3.5	3.8
Urban Development & Housing	3.7	2.4	3.2	0.9	0.6	0.9
Women & Child Development	2.9	2.8	5	0.7	0.7	1.3
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						

## Comparative Analysis of Priorities in State Budgets for 2015-16

Industries	0.7	0.7	0.7	0.2	0.2	0.2
Forest & Environment and Disaster Management	1.8	1.9	2	0.5	0.5	0.5
Food & Civil Supplies	2.1	1.9	2.1	0.5	0.5	0.6
Health and Family Welfare	5.2	4.8	5.1	1.3	1.2	1.4
Agriculture and Allied Sectors	7.5	7.5	7.1	1.9	1.9	1.9
Public Works	5.5	5.5	5.3	1.4	1.4	1.4
Social Welfare	2.4	2.6	2.5	0.6	0.7	0.7

**Table 4.5: Madhya Pradesh**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Rural Development & PRIs	20.1	19.4	17.3	5.2	5	4.8
Energy	6.8	9.3	8	1.8	2.4	2.2
Food & Civil Supplies	1.8	2.1	1.2	0.5	0.5	0.3
Education	11.5	10.9	10.1	3	2.8	2.8
Health and Family Welfare	5	4.4	3.8	1.3	1.1	1
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Agriculture and Allied Sectors	9.1	9.3	10.2	2.4	2.4	2.8
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Social Welfare	6.3	6	5.6	1.6	1.5	1.5
Forest & Environment and Disaster Management	2.1	2	1.7	0.5	0.5	0.5
Drinking Water & Sanitation	1.5	1.5	1.3	0.4	0.4	0.4
Women & Child Development	3.5	3.1	3	0.9	0.8	0.8
Home	4.3	3.8	3.8	1.1	1	1
Industries	1.3	1.6	1.7	0.3	0.4	0.5
Urban Development & Housing	5.7	5.5	5.8	1.5	1.4	1.6
Public Works	3.7	4.1	4.5	1	1.1	1.2

**Table 4.6: Maharashtra**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Energy	5.2	5.5	2.9	0.6	0.7	0.4
Rural Development & PRIs	5.7	6.5	5.5	0.7	0.8	0.7
Agriculture and Allied Sectors	8	8.8	8.1	1	1.1	1
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Social Welfare	4.8	4.3	4.8	0.6	0.6	0.6
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-</i>						

## Comparative Analysis of Priorities in State Budgets for 2015-16

15 RE						
Health and Family Welfare	4.4	4.4	4.1	0.5	0.6	0.5
Public Works	3.9	4.6	4.3	0.5	0.6	0.6
Education	20	19.9	19.6	2.5	2.6	2.5
Women & Child Development	1.5	1.5	1.3	0.2	0.2	0.2
Food & Civil Supplies	1.6	2.7	2.6	0.2	0.4	0.3
Urban Development & Housing	3.5	4.2	4.2	0.4	0.6	0.5
Home	6.3	6.1	6.1	0.8	0.8	0.8
Forest & Environment and Disaster Management	0.6	0.6	0.7	0.1	0.1	0.1
Industries	1.5	1.5	1.7	0.2	0.2	0.2
Drinking Water & Sanitation	0.7	1	1.4	0.1	0.1	0.2

**Table 4.7: Odisha**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Drinking Water & Sanitation	2.3	3.2	2.4	0.6	0.8	0.7
Women & Child Development	5.8	5.2	4.4	1.5	1.3	1.2
Health and Family Welfare	4.9	4.9	4.2	1.3	1.2	1.2
Food & Civil Supplies	1.8	2.2	1.6	0.5	0.6	0.4
Home	4	4.4	3.9	1	1.1	1.1
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Public Works	4.7	4.9	5.7	1.2	1.2	1.6
Agriculture and Allied Sectors	11.8	11.3	12.3	3	2.8	3.4
Energy	1.6	1.1	2.1	0.4	0.3	0.6
Rural Development & PRIs	14.4	14.8	16.9	3.7	3.7	4.7
Forest & Environment and Disaster Management	4	3.3	5.6	1	0.8	1.5
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Industries	0.4	0.5	0.5	0.1	0.1	0.1
Social Welfare	3.1	2.8	3	0.8	0.7	0.8
Education	15	14.8	14.5	3.9	3.7	4
Urban Development & Housing	3.8	3.6	3.4	1	0.9	0.9

**Table 4.8: Rajasthan**

	Share of Budget Exp. (%)			Share of GSDP (%)		
	2014-15 BE	2014-15 RE	2015-16 BE	2014-15 BE	2014-15 RE	2015-16 BE
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Public Works	4.1	4.2	3.6	0.9	0.9	0.7
Drinking Water & Sanitation	5.1	5.6	5	1.2	1.2	1
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-</i>						



## Comparative Analysis of Priorities in State Budgets for 2015-16

<i>16 BE as compared to 2014-15 RE</i>						
Energy	11.3	11.3	12.2	2.6	2.5	2.4
Health and Family Welfare	6.1	5.4	6.3	1.4	1.2	1.3
Education	17.1	16	17	3.9	3.5	3.4
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Food & Civil Supplies	0.6	0.7	0.3	0.1	0.1	0.1
Rural Development & PRIs	11.1	10.3	10	2.5	2.3	2
Agriculture and Allied Sectors	5.7	5.8	5.5	1.3	1.3	1.1
Home	3.1	3.5	3.2	0.7	0.8	0.6
Social Welfare	3.7	4.1	4	0.8	0.9	0.8
Urban Development & Housing	0.4	0.4	0.4	0.1	0.1	0.1
Women & Child Development	1.6	1.2	1.3	0.4	0.3	0.3
Forest & Environment and Disaster Management	1.5	1.5	1.7	0.3	0.3	0.3
Industries	0.3	0.1	0.3	0.1	0	0.1

**Table 4.9: Tamil Nadu**

	<i>Share of Budget Exp. (%)</i>			<i>Share of GSDP (%)</i>		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Rural Development & PRIs	8.6	11.1	10.6	1.4	1.9	1.8
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Education	14	14.5	14.1	2.3	2.5	2.3
Home	3.6	3.8	3.4	0.6	0.6	0.6
Women & Child Development	2.5	2.6	2.3	0.4	0.4	0.4
Health and Family Welfare	4.6	5	4.8	0.7	0.9	0.8
Food & Civil Supplies	3.9	3.6	3.4	0.6	0.6	0.6
Drinking Water & Sanitation	1.3	1.5	1.3	0.2	0.3	0.2
Social Welfare	3.6	3.3	3.3	0.6	0.6	0.6
Urban Development & Housing	7.6	7.7	7.7	1.2	1.3	1.3
Forest & Environment and Disaster Management	0.7	0.9	0.9	0.1	0.1	0.1
Agriculture and Allied Sectors	7.4	7.3	7.4	1.2	1.2	1.2
Energy	4.8	4.8	5.1	0.8	0.8	0.8
Public Works	5.9	5.1	5.4	1	0.9	0.9
Industries	2.3	1.6	2	0.4	0.3	0.3

**Table 4.10: Uttar Pradesh**

	<i>Share of Budget Exp. (%)</i>			<i>Share of GSDP (%)</i>		
	2014-15 BE	2014-15 RE	2015-16 BE+SB	2014-15 BE	2014-15 RE	2015-16 BE+SB
<i>Sectors whose Outlays as % of Total State Budget shows a visible decline (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Energy	8.4	10.5	7.8	2.4	2.8	2.3

## Comparative Analysis of Priorities in State Budgets for 2015-16

Drinking Water & Sanitation	1.2	2.1	1.2	0.3	0.6	0.4
Public Works	5.5	5.9	5.1	1.5	1.6	1.5
Food & Civil Supplies	3.1	3.2	2.4	0.9	0.9	0.7
Rural Development & PRIs	6.5	7.3	6.6	1.8	2	1.9
<i>Sectors whose Outlays as % of Total State Budget shows a visible increase (0.5 percentage points or more) in 2015-16 BE as compared to 2014-15 RE</i>						
Education	14.1	13.3	14.6	4	3.6	4.3
Forest & Environment and Disaster Management	0.2	0.2	1.8	0.1	0.1	0.5
<i>Sectors whose Outlays as % of Total State Budget has remained almost same in 2015-16 BE as compared to 2014-15 RE</i>						
Urban Development & Housing	2.6	2.8	2.4	0.7	0.8	0.7
Social Welfare	3.5	3.6	3.3	1	1	1
Women & Child Development	1.9	2	1.7	0.5	0.5	0.5
Health and Family Welfare	4.8	4.9	4.7	1.3	1.3	1.4
Industries	1.4	1.4	1.3	0.4	0.4	0.4
Home	5	4.9	4.9	1.4	1.3	1.4
Agriculture and Allied Sectors	6.6	7.3	7.5	1.9	2	2.2

Source: Based on data compiled from respective State Budget Documents

**Table 5: Budgetary Allocation for different sub-sectors in Education as Proportion of Total State Budget (in Percent)**

<b>Assam</b>	2014-15 RE	2015-16 BE	2015-16 BE
Elementary Education	17.2	15.6	15.7
Secondary Education	3.2	3.3	3.2
University & Higher Education	0.7	0.7	0.3
<b>Bihar</b>	2014-15 BE	2014-15 RE	2015-16 BE+SB
Elementary Education	13.1	12.2	10.8
Secondary Education	3.9	3.6	3.5
University & Higher Education	3.2	2.9	2.3
<b>Chhattisgarh</b>	2014-15 BE	2014-15 RE	2015-16 BE+SB
Elementary Education	11.8	11.8	10.1
Secondary Education	6.5	6.8	6.2
University & Higher Education	1.2	1.3	1.2
<b>Jharkhand</b>	2014-15 RE	2015-16 BE	2015-16 BE
Elementary Education	7.6	5.2	6.1
Secondary Education	1.6	1.4	1.4
University and Higher Education	1.9	1.7	1.9
<b>Madhya Pradesh</b>	2014-15 BE	2014-15 RE	2015-16 BE+SB
Elementary Education	10.3	9.7	8.8
Secondary Education	4.6	4.1	3.9
University & Higher Education	1.1	1.1	1.4
<b>Maharashtra</b>	2014-15 BE	2014-15 RE	2015-16 BE+SB
Elementary Education	8.6	8.6	8.4

Comparative Analysis of Priorities in State Budgets for 2015-16

Secondary Education	7.5	7.1	7.3
University & Higher Education	1.9	1.9	1.8
<b>Odisha</b>	2014-15 BE	2014-15 RE	2015-16 BE+SB
Elementary Education	7.8	7.6	7.6
Secondary Education	3.8	3.9	3.8
University & Higher Education	2.7	2.5	2.1
<b>Rajasthan</b>	2014-15 BE	2014-15 RE	2015-16 BE
Elementary Education	11.8	11.6	10.8
Secondary Education	7.2	6.1	6.8
University & Higher Education	0.8	0.8	0.8
<b>Tamil Nadu</b>	2014-15 BE	2014-15 RE	2015-16 BE+SB
Elementary Education	5.4	6.3	5.8
Secondary Education	5.9	5.7	6.0
University & Higher Education	1.5	1.3	1.4
<b>Uttar Pradesh</b>	2014-15 BE	2014-15 RE	2015-16 BE
Primary Education	11.0	10.4	12.0
Secondary Education	2.7	2.6	5.0
University and Higher Education	0.8	0.9	1.4

Source: Based on data compiled from respective State Budget Documents

**Table 6: Budgetary Allocation for Water Supply and Sanitation as Proportion of Total State Budget (in Percent)**

<b>Assam</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	359.7	544.9	318.6
Water Supply	1770.6	2043.8	1897.5
Total Sewerage & Sanitation and Water Supply	2130.3	2588.7	2216.1
Share of Water Supply & Sanitation as % of GSDP	1.2	1.4	1.1
Share of Water Supply & Sanitation as % of Total State Budget	3.7	4	3.4
<b>Bihar</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	102.5	352.5	397.2
Water Supply	1760.5	1848.9	1628.4
Total Sewerage & Sanitation and Water Supply	1863	2201.4	2025.6
Share of Water Supply & Sanitation as % of GSDP	0.5	0.6	0.4
Share of Water Supply & Sanitation as % of Total State Budget	1.6	1.7	1.4
<b>Chhattisgarh</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	83.9	82.4	460
Water Supply	746.2	808	929.1
Total Sewerage & Sanitation and Water Supply	830.1	890.4	1389.1
Share of Water Supply & Sanitation as % of GSDP	1.52	1.62	2.02
Share of Water Supply & Sanitation as % of Total State Budget	0.39	0.42	0.61
<b>Jharkhand</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	166.5	146.5	590.8
Water Supply	931	912.6	1232.9
Total Sewerage & Sanitation and Water Supply	1097.5	1059.1	1823.7

## Comparative Analysis of Priorities in State Budgets for 2015-16

Share of Water Supply & Sanitation as % of GSDP	0.56	0.54	0.81
Share of Water Supply & Sanitation as % of Total State Budget	2.18	2.08	3.29
<b>Madhya Pradesh</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	309	209.1	226.7
Water Supply	1779.6	1771	1985.1
Total Sewerage & Sanitation and Water Supply	2088.6	1980	2211.8
Share of Water Supply & Sanitation as % of GSDP	0.5	0.4	0.4
Share of Water Supply & Sanitation as % of Total State Budget	1.8	1.7	1.4
<b>Maharashtra</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	411	821.9	2165.3
Water Supply	1749.5	2005	2426.1
Total Sewerage & Sanitation and Water Supply	2160.5	2826.9	4591.4
Share of Water Supply & Sanitation as % of GSDP	0.1	0.2	0.2
Share of Water Supply & Sanitation as % of Total State Budget	1.0	1.3	1.9
<b>Odisha</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	862.1	1513.7	1443.1
Water Supply	1196.2	1153.5	1816.4
Total Sewerage & Sanitation and Water Supply	2058.3	2667.2	3259.5
Share of Water Supply & Sanitation as % of GSDP	0.7	0.9	0.9
Share of Water Supply & Sanitation as % of Total State Budget	2.6	3.4	3.9
<b>Rajasthan</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	282.1	279.1	306.4
Water Supply	7666.7	8024.7	7022.3
Total Sewerage & Sanitation and Water Supply	7948.8	8303.8	7328.7
Share of Water Supply & Sanitation as % of GSDP	1.4	1.4	1.1
share of Water Supply & Sanitation as % of Total State Budget	6.0	6.6	5.3
<b>Tamil Nadu</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	229	647.4	483.5
Water Supply	1509.1	1492.5	1356.7
Total Sewerage & Sanitation and Water Supply	1738.1	2139.9	1840.2
Share of Water Supply & Sanitation as % of GSDP	0.2	0.2	0.2
share of Water Supply & Sanitation as % of Total State Budget	1.1	1.3	1
<b>Uttar Pradesh</b>	<b>2014-15 BE</b>	<b>2014-15 RE</b>	<b>2015-16 BE+SB</b>
Sewerage & Sanitation	<b>2127.3</b>	<b>2867.9</b>	<b>2999.6</b>
Water Supply	<b>2081.1</b>	<b>2219.5</b>	<b>2910.6</b>
Total Sewerage & Sanitation and Water Supply	4208.4	5087.4	5910.2
Share of Water Supply & Sanitation as % of GSDP	0.4	0.5	0.5
share of Water Supply & Sanitation as % of Total State Budget	1.5	1.9	2.0

Source: Based on data compiled from respective State Budget Documents

**Table 7: Composition of Various Sectors as per Detailed Demand for Grants from Respective State Budget Books**

		Assam	Bihar	Chhattisgarh	Jharkhand	Madhya Pradesh
1	Education	Education (higher education)	Education	School education	Higher Education	School Education
		Education (Elementary, secondary)		Higher Education	Secondary Education	Higher Education
				Technical Education and manpower planning	Primary and Public Education	Technical Education and skill development
						Technical Education and Training-EAPs
						School Education - EAPs
2	Health and Family Welfare	Medical and Public Health	Health	Public Health and Family Welfare Department	Health, Medical Education and Family Welfare	Public Health and Family Welfare
				Medical Education Department		Aayush
						Medical Education
3	Drinking Water & Sanitation	Water Supply and Sanitation	Public Health Engineering	Public Health Engineering	Drinking Water and Sanitation	Public Health Engineering
4	Women & Child Development	Social Security, Welfare and Nutrition	Social Welfare	Women and Child Welfare	Social Welfare, Women and Child Development	Women and Child Welfare
5	Social Welfare	Welfare of SC/ST and OBC	Backward Community and MBC Welfare	Tribal Scheduled Caste & Backward Classes Department	Minorities Welfare	Tribal Welfare
		<i>Sainik-Welfare</i> (freedom fighters)	Minorities Welfare	Social welfare Department	Welfare	Social Justice

Comparative Analysis of Priorities in State Budgets for 2015-16

		Social Services	SC & ST Welfare	Sports and Youth Welfare		Sports and Youth Welfare
		Relief and Rehabilitation/ Social Security & Welfare		SC welfare		Schedule Caste Welfare
				OBC and Minority Welfare		Minority Welfare
						Backward Classes Welfare
						<i>Vimukt, Ghumakkad &amp; Ardha Ghumakkad</i> Welfare
6	Agriculture and Allied Sectors	Co-operation	Agriculture	Agriculture Department	Agriculture and Sugarcane Development	Farmer Welfare & Agriculture Development
		Agriculture	Animal and Fisheries Resource	Animal Husbandry	Animal Husbandry	Animal Husbandry
		Irrigation	Co-operative	Fisheries	Co-operative	Fisheries
		Soil and water conservation	Water Resources	Co-operation Department	Water Resources	Cooperation
		Animal Husbandry	Minor Water Resources	Water Resources Department	Minor Irrigation	Water Resources
		Dairy Development		Water Resources- <i>Aayakat</i>	Fishery	Water Resources- <i>Aayakat</i>
		Fisheries		Micro Irrigation works	Dairy	Micro Irrigation works
		Sericulture and weaving		Agriculture Research and Education		Horticulture and Food Processing
		water resources		Water Resources-EAPs		Agricultural Research and Education
		Horticulture		Water Resources-NABARD assisted projects		Water Resources-EAP

Comparative Analysis of Priorities in State Budgets for 2015-16

7	Food & Civil Supplies	Food Storage, Warehousing and civil	Food and Consumer Protection	Food Civil Supplies Department	Food, Public Distribution and Consumer Affairs	Food and Civil Supplies
8	Rural Development & Panchayati Raj	Other special area programmes	Panchayati Raj	Financial Aid to PRIs under SCSP	Rural Development	SCSP-Financial aid to PRIs
		Rural Development (panchayat)	Rural Works	Panchayat and Rural Development Department	Rural Works	Rural Development
		Rural Development	Rural Development	Village Industry	Panchayati Raj and N.R.E.P. Special Division)	TSP-Financial aid to PRIs
		cottage industries		PRIs and Rural development-EAPs		Village Industries
		Compensation and assignment to local bodies and PRIs		District Projects		Rural Development-EAPs
				Financial Aid to PRIs		District Projects Exp.
				Financial Aid to PRIs under TSP		Bundelkhand Package
						Panchayat
						Financial Aid to PRIs
9	Urban Development & Housing	Urban Development (T&CP)	Urban Development and Housing	Housing and Environment Department	Urban Development	Urban Administration and Development
		Housing Schemes		Urban Admin and development-Urban Bodies	Housing	TSP-Financial aid to ULBs
		Urban Development (MAD)		SCP-aid to ULBs		Financial Aid to ULBs
		Urban Development (GDD)		Urban Admin and development-urban welfare		
				Financial Aid to ULBs		

Comparative Analysis of Priorities in State Budgets for 2015-16

				Financial Aid to ULBs under TSP		
10	Home	Police	Home	Police	Home	Police
		Jails		Home (other exp.)		Home
		Civil defence and home guards		Jail		Jail
11	Energy	power (electricity)	Energy	Energy Department	Energy	Energy
12	Public Works	roads and bridges	Road Construction	Public works-roads and bridges	Road Construction	Public Works-Roads and Bridges
				SCP-Public works (roads and bridges)		TSP-Public works-roads and bridges
				Public works-buildings		Public Works-buildings
				TSP-Public works (buildings)		
				Public works-EAPs		
13	Industries	Industries	Industries	Commerce and Industry	Industries	Commerce, Industries & Employment
		mines and minerals	Mines and Geology	Mineral Resources	Mines and Geology	Mineral Resources
			Sugarcane Industries			
14	Forest & Environment and Disaster Management	Natural calamities	Environment and Forest	Forest	Forest and Environment	Forest
		Forestry and Wildlife	Disaster Management	Relief for natural calamities and drought affected areas	Disaster Management	Rehabilitation
						Bhopal Gas Tragedy, Relief and Rehabilitation

Source: Prepared by CBGA



Comparative Analysis of Priorities in State Budgets for 2015-16

		Maharashtra	Odisha	Rajasthan	Tamil Nadu	Uttar Pradesh
1	Education	School Education and Sports	School and Mass Education	school education	Higher Education	Education-Technical Education
		Higher and Technical Education	Higher Education	Higher Education	School Education	Education-Commercial
			Employment and Technical Education & Training	Technical Education		Education-Primary
				Sanskrit Education		Education-Secondary
						Education- Higher
						Education (Institution and Training)
2	Health and Family Welfare	Public Health	Health and Family Welfare	Medical and Health	Health and family welfare	Medical Health, Education and Training
		Medical Education and Drugs		Health Education		Health (Allopathy)
						Health (Ayurveda &Unani)
						Health( Homeopathy)
						Health( Family Welfare)
						Health (Public Health)
3	Drinking Water & Sanitation	Water Supply and Sanitation	Drinking Water and Sanitation	Public Health Engineering	Drinking water and sanitation	Drinking Water and Sanitation
4	Women & Child Development	Women and Child Development	Women and Child Development	Women and Child Development	Social welfare and nutritious meal programme	Women and Child Development
5	Social Welfare	Social Justice and Social Assistance	SC,ST, OBC and Minority Welfare	Ex-servicemen welfare	<i>Adi-dravidar</i> and tribal welfare	Minority Welfare

Comparative Analysis of Priorities in State Budgets for 2015-16

		Minority Welfare		Social justice and empowerment	Youth welfare and sports development department	Social Welfare (Disability)	
				Minorities Affair	Welfare of differently abled persons	Social Welfare (SC Welfare)	
					Special programme implementation	Social Welfare (Tribal Welfare )	
						Ex-serviceman welfare	
6	Agriculture and Allied Sectors	Agriculture, Animal Husbandry, Dairy Development & Fisheries	Water Resources	Department of Agriculture	Agriculture	Agriculture and related -Horticulture and sericulture	
		Water Resources-Irrigation	Agriculture	Department of Animal Husbandry	Animal husbandry	Agriculture and related-Agriculture	
		Cooperation ,Marketing and Textile	Fisheries and Animal Resources Development	Irrigation		Agriculture and related-land development and water sources	
			Co-operation	Co operative		Agriculture and related -Animal Husbandry	
				Horticulture		Agriculture and related-Milk Development	
				Water Resources		Demand 40 irrigation (public works department)	Agriculture and related-Fisheries
				IG Canal			Agriculture and related -Cooperation
							Sugarcane development (sugarcane)
							Sugarcane development (sugar industry)

Comparative Analysis of Priorities in State Budgets for 2015-16

						Irrigation (construction works)
						Irrigation ( <i>Adhistaan</i> )
7	Food & Civil Supplies	Food Civil Supplies and Consumer Protection	Food Supplies and Consumer Welfare	Food supply and public distribution	Food and consumer protection	Food and Civil Supplies
8	Rural Development & Panchayati Raj	Rural Development and Water Conservation	Panchayati Raj	Panchayati Raj	Khadi, village industries and handicrafts	Industries -Khadi and village industries
			Rural Development	Rural Development	Rural development and panchayat raj department	Agriculture and related- Rural Development
				cottage and khadi industry		Agriculture and related-Panchayati Raj
						Public Works (Special Area Prog.)
9	Urban Development & Housing	Urban Development	Housing and Urban Development	Urban Development and Housing	Housing and urban development	Housing
		Housing			Municipal administration and water supply	Urban Development
10	Home	Home Department	Home Department	Home	Police	Home (jails)
					Fire and rescue services	Home (police)
					Prisons	Home (civil defence)
						Home (police, prison and other exp.)
						Home (homegurads)
11	Energy	Energy	Energy	Energy	Energy	Energy

Comparative Analysis of Priorities in State Budgets for 2015-16

12	Public Works	Public Works	Works	Public Works	Highways and minor ports	Public Works ( <i>Adhasthan</i> )
					Buildings (public works department)	Public Works (buildings)
						Public Works (communication and bridges)
						Public Works (communication and roads)
						Public Works (directorate)
13	Industries	Industries	Industries	Industry	Handlooms and textiles	Industries – SME & Export Promotion
			Steel and Mines	Mines and petroleum	Industries	Industries-Mines and minerals
			Handlooms, Textiles & Handicrafts	State PSU	Micro, small and medium enterprises	Industries -Handloom
			Public Enterprises			Industries -Medium and Heavy
			MSME			Industries -printing and stationery
						PSU
14	Forest & Environment and Disaster Management	Forest and Environment	Revenue and Disaster Management	disaster management	Environment	Environment
			Forest and Environment	Environment	Relief on account of natural calamities	Revenue Dept. (Natural calamities relief)
				Forests	Forests	

Source: Prepared by CBGA