

Business Standard

Pooja Parvati: Marginalising the marginalised

Pooja Parvati / March 1, 2011, 0:09 IST

Poor allocation of funds to key social sectors shows the government's lacklustre approach to inclusive growth.

We are reaching the end of a remarkable fiscal year," said the finance minister as he rose to present the Union Budget 2011-12. Agreeing with the government that the year gone by presented us with several opportunities and challenges to address critical concerns pertaining to the social sector, the overall sense is that this Budget, too, did precious little in terms of firming up the government's intent of ensuring "inclusive" growth. Let us look at the provisions made by the Union Budget 2011-12 for key social sectors and, more specifically, the outlays for the marginalised sections of the population.

With regard to the overall outlay for the social sector, the Union Budget 2011-12 has allocated Rs 17,5975 crore (2011-12 Budget Estimate or BE), which is a marginal increase over the previous years' outlays (Rs 16,2501 crore in 2010-11 Revised Estimate or RE and Rs 1,22,345 crore in 2009-10). When seen as a proportion of GDP, outlays for the social sector works out to about 1.96 per cent; and as a share of the total government Budget, the social sector accounts for 14 per cent (a minor improvement over 13.36 per cent in the 2010-11 RE). Thus, this clearly reveals that increases in the social sector are hardly substantial.

To look at the numbers pertaining to education, it becomes clear that we are nowhere near the Kothari Commission recommendations of 1966, which sought six per cent of the country's GDP for education. While this was reiterated by the UPA I, the present total public spending on education (taking the spending by not just Education Departments in the Centre and states but also the other departments) works out to a mere 3.39 per cent of the GDP (2008-09). While the government has enacted the Right to Education for children in the age group of six to 14 years, the increase in the Budget for the Sarva Shiksha Abhiyan or SSA (10.5 per cent increase in allocations for SSA in 2011-12 BE compared to 2010-11 RE) is hardly sufficient to foot the cost of universalising quality education.

The Union government's total allocation for education in 2011-12 (BE) stands at 0.71 per cent of GDP, which is slightly better than the 0.69 per cent of GDP recorded for 2010-11 (RE). As a proportion of its total budget outlay, there is an increase in outlays for education by 16.1 per cent from 2010-11 (RE) to 2011-12 (BE). A welcome measure is the introduction of a scheme for students belonging to the scheduled caste community — Pre-Matric Scholarship for SC Students for Classes IX and X with an outlay of Rs 196 crore. The outlays for the Rashtriya Madhyamik Shiksha Abhiyan have been stepped up from Rs 1,500 crore in 2010-11 (RE) to Rs 2,423 crore in 2010-11 (BE). Schemes showing increases in their outlay include the Scheme for Providing Quality Education in Madrassas (SPQEM), Scheme for Infrastructure Development in Minority Institutions (IDMI), Information and Communication Technology in Schools, Scheme for Construction and Running of Girls Hostels for Students of Secondary & Higher Secondary

Schools.

Outlays for National Means-cum-Merit Scholarship Scheme have been reduced from Rs 81.45 crore in 2010-11 (BE) to Rs 54 crore in 2011-12 (BE). When comparing the outlays in the Union Budget for the five years of the 11th Plan (2007-08 to 2011-12), the outlays fall far short of what was proposed by the Planning Commission. This is true for Rashtriya Madhyamik Shiksha Abhiyan that has been allocated a mere 22 per cent of the total recommended 11th Plan outlays. Some other instances are Teacher Training (45 per cent) and University Grants Commission (68 per cent).

In health, too, the overall outlays have hardly increased. When seen as a proportion of the country's GDP, public spending on health has increased from 0.32 per cent in 2010-11 (RE) to 0.34 per cent in 2011-12 (BE). This, when seen as a share of the total Union government's expenditure comprises a mere 2.42 per cent. In rural water supply and sanitation, the allocations have hardly shown any increase. Allocations for National Rural Health Mission have shown a slight increase from Rs 15,037 crore in 2010-11 (RE) to Rs 17,924.76 crore in 2011-12 (BE). Critical human resource and infrastructural gaps in health warranted much greater focus in terms of outlays. For District Hospitals, allocations have been marginally increased from Rs 200 crore in 2010-11 (RE) to Rs 260 crore in 2011-12 (BE). Albeit some increase has been made for the scheme on Human Resources for Health (outlays have increased from Rs 187 crore in 2010-11 RE to Rs 348 crore in 2011-12 BE).

Given the rising food prices, it was hoped that there would be substantial increases in food subsidies. The allocation for food subsidy in the Union Budget 2011-12 does not reflect the government's intent to ensure food for all. Though there has been an increase in food subsidy in 2011-12 BE of around Rs 5,000 crore compared to last year, the share of food subsidy in the total Union Budget has been falling since 2004-05. When seen in the light of the proposed National Food Security legislation this clearly falls way short of what is required. An alternative cost estimation of the universal distribution of rice and wheat in the country under the Public Distribution System (PDS) by Nilachala Acharya of Centre for Budget Governance and Accountability (CBGA) calls for an additional outlay of Rs 98,355 crore from the Union Budget 2011-12, over and above the present food subsidy bill of Rs 60,573 crore in 2011-12 (BE).

With regard to provisions for the marginalised sections of population, some encouraging steps have been taken by this Budget. Ministries and departments like animal husbandry, dairy and fisheries, and new and renewable energy are allocating funds for the welfare of scheduled castes. Similarly, ministries and departments like industrial policy and promotion, environment and forest, aids control, housing and urban poverty alleviation, land resources and drinking water and sanitation have begun to report outlays for the welfare of scheduled tribes in the country. As per the statement 21 and 21 A, allocations under Scheduled Caste Sub Plan have increased to Rs 30, 551 crore in 2011-12 BE from Rs 23,795 crore in 2010-11; while under Tribal Sub Plan, the allocation has increased to Rs 17,371 crore in 2011-12 BE from Rs 5,445 crore in 2010-11. There is increase in outlays for primitive tribal groups from Rs 185 crore in 2010-11 (BE) to Rs 244 crore in 2011-12 (BE).

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