

What Does the Union Budget have for Health and Education?

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Union Budget 2014-15 is the first budget of the new government at the Centre. Some of the complex issues like price rise and corruption were central to the General Elections held recently; hence, the new government faces the formidable challenge of tackling such deep rooted problems to fulfil the expectations of people from different economic strata.

The budget does have the usual symptoms of a pro-market approach with a strong emphasis on augmenting GDP growth and reducing fiscal deficit. The total size of the Union Budget in 2014-15 was projected in the interim budget to be Rs. 17.63 lakh crore, while this budget proposes a slightly higher figure of Rs. 17.94 lakh crore. However, the total expenditure from the Union Budget in 2014-15 would be 13.9 % of GDP, which is visibly lower than the 15.7 % of GDP in 2013-14 (Revised Estimates).

As regards the social sector expenditure, the allocations for most of the development schemes have either been retained at the same level as those proposed in the interim budget for 2014-15 or increased by a small extent. The focus of the Budget has been on education and skill development. Looking at the country's potential 'demographic dividend', some major interventions have been taken for higher education. The budget proposed for a large number of world class institutions for higher learning including five new IITs and five new IIMs all over the country. However, only Rs. 500 crore is earmarked for this in 2014-15(BE). Also, the overall increase in the budget of the Department of Higher Education as compared to the previous year is only 3.4 percent. A marginal increase in allocation also observed in major flagship programmes for school education like *Sarva shiksha Abhiyan (SSA)*, *Mid-Day Meal (MDM)* and *Rashtriya Madhyamik Shiksha Abhiyan (RMSA)*.

Some new interventions have been taken up by the new government towards inclusive education. Budget highlights to provide toilets and drinking water in the girls' schools to reduce the incidence of drop-out among girl children. A new scheme 'Beti Bacho Beti Padhao' is announced in the budget. However, no allocation has been earmarked for any of these interventions. The 'Van Bandhu Kalyan Yojana', an umbrella programme for the welfare of tribals with the objective of setting up an education network for the tribals has been introduced. To improve minorities' education, an additional allocation of Rs. 100 crore has been announced

for the modernisation of madarasas. However, the Union Budget allocation for education (i.e. the budget for MHRD) would continue to be just 0.6 % of GDP.

The BJP election manifesto mentions that health needs urgent solutions and the budget speech by Finance Minister also proposed some specific and welcome measures. The emphasis on financing the setting up new institutions under healthcare, such as the four new AIIMS, rural health research centres and new medical colleges, is certainly a welcome step. Also, the increases in excise duties for tobacco and related products and aerated colas would have a positive impact. However, only Rs. 39,238 crore has been allocated for Ministry of Health and Family Welfare (MOHFW) in 2014-15(BE), which is a 27 percent increase over 2013-14(RE) and a 5.1 percent increase over 2013-14 (BE).

While there are promising proposals for free medicines and free diagnostic service and long term interventions for improved health infrastructure, the issue of shortage of Doctors and Nurses for better delivery of public healthcare services which have been acknowledged in the latest Economic Survey, do not find any emphasis in this budget. Insufficient allocation for the overall health sector and programmes like the NHM indicates a possibility of a Public-Private-Partnership (PPP) in the near future

While there has been announcement of few new interventions in social sector and increase in allocation for select schemes and programmes in the current budget, a higher financial provision is needed for quality education and health care services. The time has come to make a move towards long term substantive commitment towards smoothening of fund flow and fund utilization process and strengthening government apparatus responsible for these sectors.