

EDITORIAL ANALYSIS

13-05-23

Welfare spending has been getting a regular pruning

- Source: The Hindu

Context:- This year's Union Budget was criticised by experts over a decline in allocations for welfare schemes in real terms, at a time of post-COVID-19 recovery when welfare spending should have been a priority.

India's Social Sector Spending:

- According to the International Labour Organization's World Social Security Report 2020-22, India spends 1.4 percent of GDP on social protection (excluding health), while the average for low-middle income nations is 2.5 percent.
- Budgets for health and education have likewise been poor, falling far short of the desired goals of 3% and 6% of GDP.

Decreased allocations for social sector programs:

- **For subsidy:** The BE for food subsidy is ₹1.97 lakh crore compared to the revised estimate (RE) of ₹2.8 lakh crore for 2022-23 (withdrawal of **Pradhan Mantri Garib Kalyan Anna Yojana**)
- **For MGNREGS** also seen a massive budget cut (BE for 2023-24 is ₹60,000 crore compared to the RE of ₹89,400 crore for 2022-23).
- For programmes that provide nutritional support for women and children:
 - For Saksham Anganwadi, which includes **anganwadi** services, **Poshan Abhiyan** and a scheme for adolescent girls, allocation remains almost the same at ₹20,554 crore.
 - The school meals scheme, rechristened **PM-POSHAN**, has seen a slight decline.
 - **Samarthya**, the maternity entitlements scheme, has been allocated ₹2,582 crore compared to the previous year's allocation of ₹2,622 crore (BE).
- For other initiatives:
 - The allocations for old age, widow and disabled pensions under the **National Social Assistance Programme** have remained stagnant (around ₹9,600 crore).
 - The important areas in the social sector – **education and health** – have not seen any substantial increase.

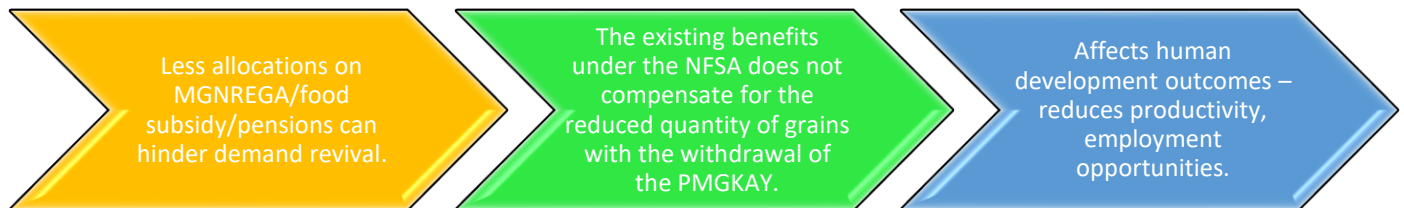
A stagnant HDI rank

- The HDI is a composite statistical measure created by the **United Nations Development Programme** to evaluate and compare the level of human development in different regions around the world.

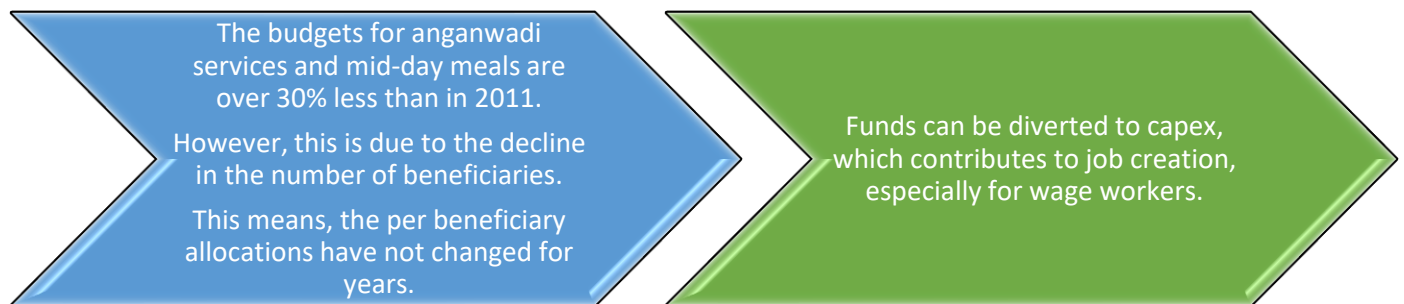
- The HDI assesses a country's average accomplishment in three aspects: a long and healthy life, knowledge, and a decent standard of living.
- According to the **Human Development Report of 2021-22**, India ranks **132** out of 191 countries, behind **Bangladesh (129)** and **Sri Lanka (73)**.
- The subnational HDI in India shows that while some states have made considerable progress, others continue to struggle.

Implications of these decreased allocations:

Negative



Positive (As per the Accountability Initiative report)



Way ahead:

- To achieve the spending goals set by the national policies on education (6% of GDP) and health (2.5% of GDP), the allocations need to be doubled.
- The removal of barriers to the timely and appropriate implementation of social sector programs is necessary, along with an increase in budgetary support.
 - For example, the app-based attendance monitoring system to ensure timely and error-free payments under MGNREGS.

Conclusion:

- It must be acknowledged that spending on these various social sector efforts significantly contributes to both economic recovery and long-term improvements in people's lives.
- India cannot achieve the vision for **Amrit Kaal** without ensuring access to quality and affordable education, health, nutrition and social security.