

On the Road to 'Building Back':

Analysis of Union Budget 2022-23 vis-à-vis Essential Social Services

The union budget 2022-23, presented on February 1, 2022 had the unprecedented challenge to address the prolonged and deep rooted effects of two years of a global pandemic on the lives of people across the country. The adverse effects of the pandemic on the marginalized sections is much talked about. The pandemic has widened economic inequities in the country with a large portion of the vulnerable population facing income and food insecurity. While there has been an increase in employment compared to when it had collapsed in the early stages of the pandemic, it has been accompanied with increased informalisation and lower wages. The rural economy continues to carry the burden of reverse migration. The fact of continuing food insecurity, unemployment, underemployment and non-remunerative employment in the case of women, indicates that much more needs to be done to relieve the distress that a large proportion of the population faces. Therein, a critical reading of the union budget, especially from the point of view of the social sector, is required to understand development-policy direction in the coming year as well as to identify possible gaps that can be filled via civil society interventions.

Budget Estimates 2022-23 as compared to Revised Estimates 2021-22

Total Expenditure is estimated at Rs 39,44,909 Crore, a 4.6% increase over revised estimates of 2021-23

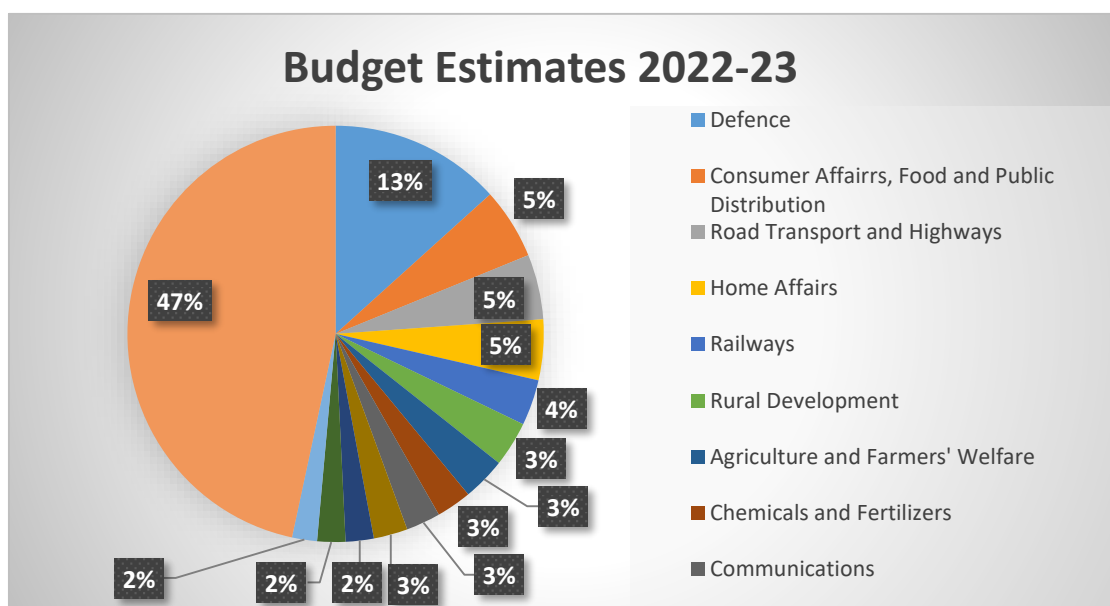
Government Receipts saw an increase of 4.8% and estimated at Rs. 22,83,713 Crore

The central government will transfer Rs. 16,11,781 crore to states

Revenue Deficit is targeted at 3.8% of GDP and fiscal deficit is targeted at 6.4% of GDP

The nominal GDP is estimated to grow at a rate of 11.1% in 2022-23

Looking at the expenditure estimates of 2022-23, the 13 ministries with the highest allocations account for 53% of the total budget expenditure of 2022-23.



A statistical analysis of the budget expenditure in these ministries over the course of the last two years can shed better light on the trends the Union Budget 2022-23 has followed.

Ministries	Actuals 2020-21	Budgeted 2021-22	Revised 2021-22	Budgeted 2022-23	Change (RE 2021-22 to BE 2022-23)
Defence	4,85,681	4,78,196	5,02,884	5,25,166	4.4%
Consumer Affairs, Food and Public Distribution	5,66,797	2,56,948	3,04,454	2,17,684	-28.5%
Road Transport and Highways	99,159	1,18,101	1,31,149	1,99,108	51.8%
Home Affairs	1,44,258	1,66,547	1,73,083	1,85,776	7.3%
Railways	1,12,159	1,10,055	1,20,056	1,40,367	16.9%
Rural Development	1,97,593	1,33,690	1,55,043	1,38,204	-10.9%
Agriculture and Farmers' Welfare	1,15,827	1,31,531	1,26,808	1,32,514	4.5%
Chemicals andm Fertilisers	1,29,510	80,715	1,41,735	1,07,715	-24.0%
Communications	60,903	75,265	54,517	1,05,407	93.3%
Education	84,219	93,224	88,002	1,04,278	18.5%
Health and Family Welfare	80,694	73,932	86,001	86,201	0.2%
Jal Shakti	23,199	69,053	69,046	86,189	24.8%
Housing and Urban Affairs	46,701	54,581	73,850	76,549	3.7%
Other Ministries	13,63,136	16,41,398	17,43,372	18,39,751	5.5%
Total Expenditure	35,09,836	34,83,236	37,70,000	39,44,909	4.6%

Sources: Union Budget 2022-23 Analysis PRS Legislative Research

The trends from the union budget show a brave attempt at holistically addressing the needs from all quarters sufficiently and to steer us towards a stronger more resilient economy. However, in the wake of the pandemic not only have economic inequities come to the fore-

front, further, several cracks within essential service delivery eco-system in the country has been exposes and focused policy directions and needed, and were expected, from the union budget 2022-23 to sufficiently address those.

A quick look at the expenditure on Major schemes under Budget Estimates 2022-23 as compared to Budget estimates from 2021-22 and Actuals from 2020-21 can give us an overview of the trends in terms of essential services and policy directions pertaining to those.

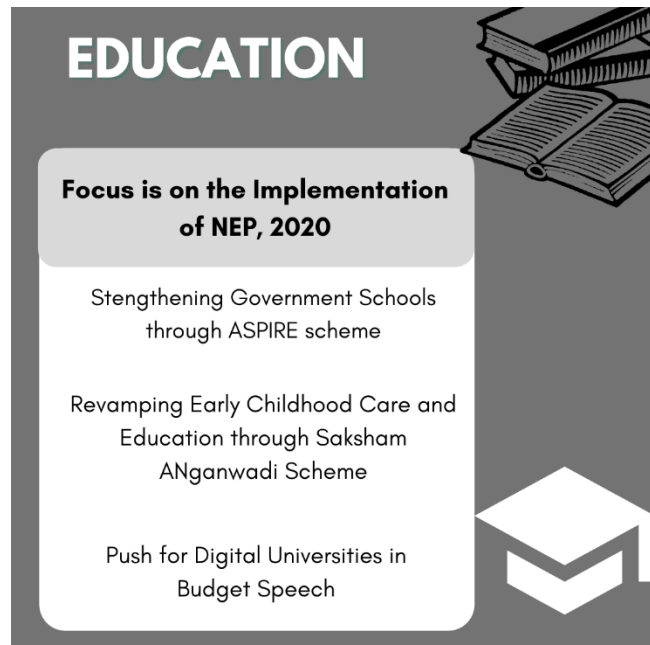
Major Government Schemes	Actuals 2020- 21	Budgeted 2021-22	Revised 2021- 22	Budgeted 2022-23	Change (RE 2021- 22 to BE 2022-23)
MGNREGS (Mahatma Gandhi National Rural Employment Guaranty Scheme)	1,11,170	73,000	98,000	73,000	-25.5%
PM-KISAN	60,990	65,000	67,500	68,000	0.7%
Jal Jeevan Mission/National Rural Drinking Water Mission	10,998	50,011	45,011	60,000	33.3%
Pradhan Mantri Awas Yojana	40,260	27,500	47,390	48,000	1.3%
National Education Mission	28,088	34,300	30,796	39,553	28.4%
National Health Mission	37,478	37,130	34,947	37,800	8.2%
Saksham Anganwadi and POSHAN 2.0 (replaced the umbrella ICDS scheme)	-	20,105	20,000	20,263	1.3%
Pradhan Mantri Gram Sadak Yojana	13,688	15,000	14,000	19,000	35.7%
Pradhan Mantri Fasal Bima Yojana	14,161	16,000	15,989	15,500	-3.1%
National Livelihood Mission-Ajeevika	10,025	14,473	12,505	14,236	13.8%
AMRUT and Smart Cities Mission	9,754	13,750	13,900	14,100	1.4%
Pradhan Mantri Krishi Sinchai Yojana	7,877	11,588	12,706	12,954	2.0%
Rashtriya Krishi Vikas Yojana	-	-	-	10,433	-
PM-POSHAN (replaced the Mid-day Meal Scheme)	-	-	-	10,234	-

Sources: Union Budget 2022-23 Analysis PRS Legislative Research

Further at a deeper level, we will be looking at the budget with regards to few priority areas within the social sector namely, mitigating education inequity, ensuring access to health care, nutrition, sanitation and safe drinking water and climate action.

After the havoc that the prolonged school closures have wrecked on children's access to education, it was but natural the Education sector will take a position of priority within the

union budget. The emerging trend is implementation of the National Education Policy, 2020. In New schemes have been introduced with the vision of NEP 2020 at its core, The Exemplar scheme which received an allocation of 1800 Crore and the Accelerating State Education Program to Improve Results (ASPIRE) are both aligned with the vision of NEP 2020 that aims at creating high quality government schools and equitable access to them. Digital education has received a major push in the budget speech with the mention of digital universities. Allocations have been made within Saksham Anganwadi scheme to strengthen 2000 Anganwadis, in line with the emphasis put on Early Childhood Care and Education charted in the NEP 2020. On the flipside, as state governments are now moving towards reopening of schools in a phased manner, a higher allocation for Samgra Shiksha Abhiyan which caters to the holistic health of 11.6 lakh schools, over 15.6 crore students would have been a welcome decision. According to UNESCO, students in India have experienced the longest school closure. With the advent of the pandemic, teaching and learning was primarily shifted to a remote model which however proved to be counterintuitive for a multitude of students from marginalized sections. There is major work to be done in identifying out of school children, updating school infrastructure, capacitating teachers to ensure each students' return to mainstream education.



Healthcare

The share of National Health Mission (NHM) in the total Health Budget has reduced from 48% to 42%

Insurance related schemes, like Pradhan Mantri Jan Arogya Yojana, Rashtriya Swasthya Bima Yojana have received increased allocation

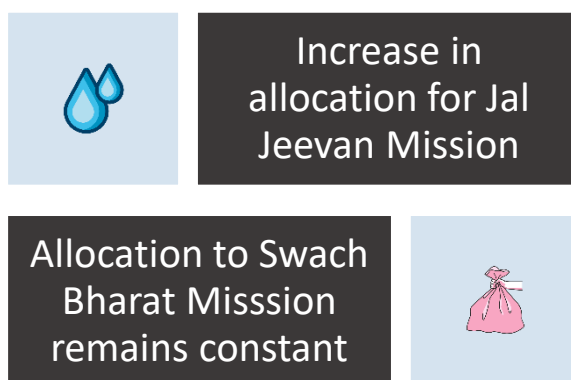
Allocations have increased in areas of tertiary healthcare, health research and disaster preparedness



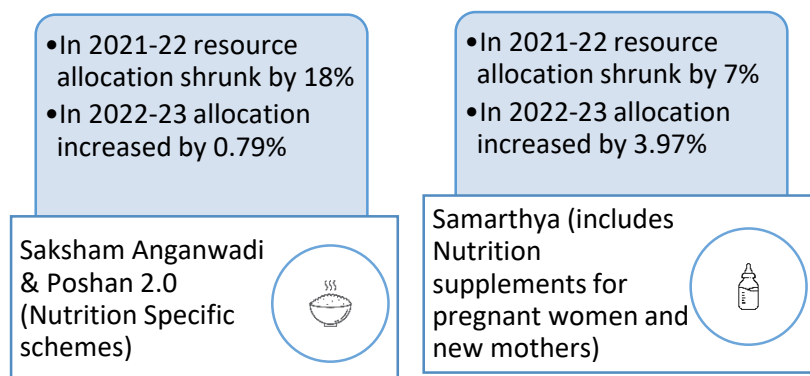
For the healthcare sector, the pandemic highlighted the gaps in terms of both disaster preparedness and last mile accessibility for primary healthcare. In absolute terms there has been an increase in this year's health budget as was expected, however much of that increase have been directed towards disaster-preparedness and health research. The high budget utilization rate in 2020-21 for the Ministry of Health and Family Welfare and Ministry of AYUSH also denotes the need for higher budget allocation in this sector. However, the National Health

Mission, the largest scheme of the MoHFW has not received enough of a significant increase over the Budget Estimates of the last year. On the other hand, allocations have increased in cases of tertiary healthcare in disaster preparedness and health research, which is commendable and shows foresight in the wake of the pandemic. However, NHM being the most crucial scheme for ensuring primary healthcare a decline in its share in the total health budget (from 48 percent in 2021-22 to 42 percent in 2022-23) is not ideal. Affordability in healthcare has been emphasized in the focus on Insurance related schemes, like Pradhan Mantri Jan Arogya Yojana, Rashtriya Swasthya Bima Yojana which have received increased allocation to an extent.

In the discussion of larger public health, another determining factor is water and sanitation. The global pandemic had inadvertently shifted the collective conscience within the social sector to ensuring hygiene, and safe sanitation practices. In the 2022-23 budget estimate the trend has been continued, the Department of Drinking water and sanitation under the Ministry of Jal Shakti has received significantly increased allocations mainly due to the increase in allocation for the flagship Jal Jeevan Mission. However, despite generous increase in this and other similar schemes last year's utilization rate, showing 13 states utilizing not even 50% of their total allocations, paints a bleak picture and emphasizes the need to identify and mitigate administrative bottlenecks. Further, budgetary priorities to sanitation specifically sees a decline with allocations to Swach Bharat Mission being constant. The headway made in this mission so far can only be sustained with renewed prioritization of phase II as in a lot of states much is still left to achieve of the goals of the mission. Sanitation practices being in focus globally, with good reason, necessitates renewed focus on essential schemes within this sector



India's prolonged battle with malnutrition intensified with the advent of the pandemic in 2020. As a result of the pandemic induced food insecurity and disruptions of Anganwadi system as well as school closure and subsequent closure of Mid-day meal scheme left many children without regular nutritious meals. Major centrally sponsored schemes targeting nutrition (Umbrella Integrated child Development Service- Anganwadi Services, Poshan Abhiyan, Scheme for Adolescent Girls) have been clubbed under Saksham Anganwadi and POSHAN 2.0 since 2021-22. Another important scheme for Pradhan Mantri Matru Vandana Yojana (PMMVY) has been merged with women empowerment Schemes under the new head Smarthya. The Saksham Anganwadi Scheme and Poshan 2.0 as well as Samarthya saw the resource envelope for nutrition specific schemes shrink by respectively 18 percent and 7 percent in 2021-22 as compared to the allocations of the previous year. The increased allocation for these schemes in 2022-23 by 0.79 and 3.97 percent is not up to the expectations. The absorption of budgetary resources has been quite satisfactory under ICDS going by fund utilization rate although uneven across states, and there has been a steady increase since 2017-18. Supplementary Nutrition Program, the biggest component under ICDS needs to be



strengthened in terms of coverage. It was reported that only 49% of pregnant and lactating mothers received take home ration under SNP in 2019, even pre-pandemic.

The workforce of Anganwadi workers need to be strengthened through improvement of wage for ensuring last mile delivery.

On the other hand, the Mid

day meal scheme a big source of food for children already riddled with disruptions have been further downsized in 2022-23.

Sustainable development has been a key goal of the Union Government, and this is reflected in the budget announcements for 2022-23. Budget 2022-23 made several announcements for clean energy and climate actions and highlighted a shift for energy sources in the country. Especially solar based energy sources and electric vehicles have received budgetary nods. India aims to have 500 Giga-Watt of clean energy by 2030 from non-fossil fuel sources, the majority of this will be from solar and wind. This year's budget presentation gave a determined push in the direction of domestic manufacturing of installed solar capacity. One area that has received a budgetary nod is the KUSUM scheme (using solar power for rural agriculture) with a domestic production stipulation built into it. However, the total budgetary allocations for the sector are still a fraction of the overall financial requirements for a clean energy and climate resilient energy sources shift. This is one sector where significant leveraging of external sources would be required especially from the private sector funding to complement public spending especially in light of the complete overhaul towards a low carbon development of the economy.

This discussion of the union budget from the lens of public financing of important development sectors aims at furthering the discourse around the budget further within the social sectors. As stated earlier, the scale of competing demands from different quarters has been unprecedented. The Union Budget 2022-23 has made a commendable effort in presenting a holistic direction. It is however essential to identify gaps, and therefore potential roles the civil society, philanthropy and even the private sector can play in ensuring an inclusive development for all.