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Indian Public Expenditures on Social Sector and Poverty Alleviation Programmes during the 1990s

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Abbreviations, Acronyms and Definitions of Local Terms

AAGR	Annual Average Growth Rate (%)
AAY	*Antyodaya Anna Yojana* (Distribution of Food Grains to the Poor)
AIDS	Acquired Immune Deficiency Syndrome
APL	Above the Poverty Line
BALCO	*Bharat* (India) Aluminum Company
BE	Budget Estimate
BPL	Below the Poverty Line
CGHS	Central Government Health Scheme
CSP	Centrally Sponsored Programmes
DFID	Department for International Development
DPEP	District Primary Education Programme
EAS	Employment Assurance Scheme
EC	Economic Cost
ESAC	Education, Sports, Arts and Culture
FCI	Food Corporation of India
FII (CONCOR)	Foreign Institutional Investor (Container Corporation)
FW	Family Welfare
GAIL	Gas Authority of India Limited
GoI	Government of India
GDP	Gross Domestic Product
GDR (VSNL)	Global Depository Receipts (*Videsh Sanchar Nigam* Limited) (International Transmission Corporation Limited)
GDR (MTNL)	Global Depository Receipts (*Mahanagar* Telephone *Nigam* Limited) (Metropolitan Telephone Corporation Limited)
GNP	Gross National Product
Gram Panchayat	A body of elected representatives for governance at village level
HCR	Head Count: Poverty Ratio
HFW	Health and Family Welfare
HIV	Human Immuno-deficiency Virus
IAY	*Indira Awas Yojana (Indira* Housing Scheme)
ICDS	Integrated Child Development Services
IDBI	Industrial Development Bank of India
IEC	Information Education and Communication
IOC	Indian Oil Corporation
IT	Information Technology
JGSY	*Jawahar Gram Samridhi Yojana* (*Jawahar* Rural Development Scheme)
KCC	*Kisan* (farmer) Credit Card
MFIL	Modern Food India Limited
MPHFW	Medical, Public Health and Family Welfare
MSP	Minimum Support Price
NAOPS	National Old Age Pension Scheme (NSAP)
NE	New Estimate
NIPFP	National Institute of Public Finance and Policy
NPE	National Policies on Education
NRI	Non-Resident Indian
NSAP	National Social Assistance Programme
NSPE	Nutrition Support to Primary Education
NRY	*Nehru Rojgar Yojana (Nehru* Employment Scheme)

OBC	Other Backward Castes, according to Articles 341 and 342 of the Constitution of India
Panchayati Raj	A system of local self-government
ONGC	Oil and Natural Gas Commission
PDS	Public Distribution System
PHFW	Public Health and Family Welfare
PMIUPEP	Prime Minister's Integrated Urban Poverty Eradication Programme (SJSRY)
RBI	Reserve Bank of India
RD	Rural Development
RE	Revised Estimate
Rs	Rupees
SGSY	*Swarnajyothi Gram Swarojgar Yojana* (Golden Jubilee Rural Self-Employment Programme)
SHG	Self-Help Group
SJSRY	*Swarna Jayanti Shahari Rojgar Yojana* (Golden Jubilee Urban Employment Scheme)
SSA	*Sarva Shiksha Abhiyan* (Movement for Education for All)
SC	Scheduled Caste, according to Articles 341 and 342 of the Constitution of India
SoE	Statement of Expenditure
ST	Scheduled Tribe, according to Articles 341 and 342 of the Constitution of India
TB	Tuberculosis
TDPS	Targeted Public Distribution System
UBSP	Urban Basic Services for the Poor
UD	Urban Development
WSS	Water Supply and Sanitation
WTO	World Trade Organization

Summary

This paper presents trends in public expenditure in the social and poverty-alleviation sectors since 1990/91, about the time the Economic Reforms were initiated. Individual States account for a considerable proportion of this expenditure, but in India the Centre's share of expenditure seems to be increasing over time. This paper therefore analyses trends in State expenditure, expenditure by the Central government through annual budgets, Centre- and State-adjusted combined expenditure. Overall it appears that expenditure on social-sector schemes is increasing in real terms, but mainly through increased expenditure by the Centre. Thus, the State Governments seem to be easing out of their constitutional commitment to sustain programmes in social sectors, this is a matter of concern. There are large inter-sectoral reallocations of funds in the poverty-alleviation sectors. One major development has been that huge funds that were allocated to employment-generation strategies have now been diverted to the rural road-construction programme. While the previous employment-generation programmes were both inefficient and unproductive, they were aimed at providing daily wages through employment generation. This provided income to sustain the bare minimum of required nutrition. The reallocation of poverty-alleviation funding may not generate employment because rural road-construction activity is likely to be capital-intensive with labour replacing technology because of pressure to create rural infrastructure. A promise to link enhanced social-sector allocations to disinvestment proceeds after labour welfare functions are complete is disillusionary, and should be a matter of concern to all. Another noteworthy aspect is that both the State and Central Governments do not fully utilise their allocated funds, especially in selected programmes.

1 Introduction

Ever since India's Independence, both its Central and State governments have claimed that they want to work towards social development and the eradication of poverty. Much has been achieved in the past half century. For example, it is claimed that the incidence of poverty declined from over 50% in the 1950s to 26% in the late 1990s, the literacy rate increased from less than 20% in 1951 to 65% in 2001, and the infant mortality rate declined from 146 per 1000 live births in 1950s to 70 per 1000 live births in 2000. In spite of these gains, the absolute and relative dimension of deprivation is still too large to be ignored by policy concerns. Therefore, how genuine is the governments' claim that poverty eradication and social development are the main challenges they face, and that their commitment to address these issues have continued over time?

Analysing the Indian National Budgets on Social Sector and Poverty Alleviation allocations and expenditure of the 1990s is not simple. An analysis of the annual *national* budget in isolation is meaningless unless the State scenarios are simultaneously analysed. This paper presents State-adjusted expenditure on, and allocations to the social and poverty-alleviation sectors in India. While the National Budget contributes about one half of the total combined public expenditure of States and Centre, a disproportionately high share of expenditure on social sector and poverty alleviation is provided by the State Governments. This is so because the social and poverty alleviation sectors are either placed in the Concurrent or State Lists of the Indian Constitution making it the States' responsibility to make such investments. The States use both their own resources and those transferred by the Central Government according to the recommendations of the Finance and Annual Planning Commission allocations. Often the States are also expected to share substantially in newly introduced plan programmes as a part of the national budget exercise. The net effect results in the States bearing over 80% of the burden of expenditure on the social sector, and around 60% of that on poverty-alleviation programmes but this is increasing over time. The following discussion only presents the trends, direction, and extent of change in State-adjusted budgetary allocations and expenditure in the social and poverty alleviation sectors. It does not dwell on the positive developmental effects of expenditure, as the efficiency of reallocations has not been analysed. The following explanations might help to the terms used.

1.1 Plan and non-Plan expenditure

The Central Government budget categorises total expenditure (both revenue and capital) into Plan and non-Plan expenditure. Plan expenditure (both revenue and capital) pertains to Central Plan and Central assistance for State and Union Territory Plans. The Plan budget contains spending for new programmes associated with the current Five-Year Plan on both recurrent and capital spending, including virtually all capital spending. The non-Plan expenditure consists of regular government operations, including programmes that have moved out of the Plan budget and into the regular appropriations process. Typically, the non-Plan budget contains no capital spending, although there are minor exceptions to this generalisation.

1.1.1 Revenue expenditure

Relates to the normal running of Government of India (GoI) departments and various services, interest charges on debt incurred by the GoI, and grants given to State Governments and other parties. Broadly, all expenditure of the Government, which does not result in the creation of physical or financial assets, treated as Revenue Expenditure.

1.1.2 Capital expenditure

That expenditure of the GoI that leads to the creation of physical or financial assets or reduction in recurring financial liabilities falls into this category. Such expenditure pertains to payments on acquisition of such assets as land, buildings, machinery, and equipment, and to investments in shares, and loans and advances given to State Governments, public sector enterprises, and other parties.

1.2 Data sources

The Centre's Annual Budget provides detailed scheme-wise and budget-head specific 'Annual Budgetary Allocations' and 'Revised Estimates' (RE) (that become available one year later).[1] The States' annual expenditure is available from the annual budgets of the respective State Governments. Often in case of the States, one finds a vast disparity between the budget allocations and/or Revised Estimates to actual expenditure. Therefore, it is absolutely necessary to analyse the actual expenditure called 'Accounts' by the State Governments and provided annually by the Reserve Bank of India (RBI). These data have a delay period of about 2 years For example, the latest Accounts of the State Governments available in 2002 are those for the year 1999–2000.

A simple addition of the Centre and State expenditure data neither adds up to, nor presents a correct picture of the total expenditure. Inter-governmental adjustments are needed to get an accurate picture. Therefore, the States and Centre figures that are separately published by the RBI have been added together. The RBI then provides a separate series of total Centre and State expenditure that again do not match with the above total. An inter-governmental adjustment factor was computed by dividing the summed total figures of the Centre and State made by the authors, by the total Centre and State figures that are separately given [GOI, 2000, Table 99]. This deflator was applied on a pro-rata basis to sectoral expenditure over time to the reported total State expenditure. However, when considering the following discussion, the deficiency of this pro-rata adjustment should be borne in mind, as it is impossible to determine a scheme and programme-specific adjustment factor.

A reasonable understanding of the pattern of expenditure on social and poverty alleviation sector can only be made if both the State and Centre expenditure series are interpreted both independently and, where necessary, in combination. This Working Paper has 6 sections that cover:

1. Introduction
2. Analysis of the trends and scenarios of the combined total expenditure of both the Centre and the States, and changes in Centre's share of expenditure on a few some major budget-heads
3. A presentation of State Government expenditure on social services that broadly conforms to scheme-specific Social Sector and Poverty Alleviation Programmes
4. An analysis of the Centre's expenditure on Social Sectors and Poverty Alleviation Programmes
5. The Phenomenon of budget under-utilisation
6. Discussions and Conclusions

1. The final actual State expenditure is published as 'Accounts' by the Reserve Bank of India (RBI) which has been used to study state adjusted expenditures. In case of National Budget, revised estimates are used in this analysis.

2 Trends in Centre and State Shares on Selected Expenditure Heads

The following Boxes 1 and 2 summarise the main Social Sector and Poverty Alleviation Programmes and serve to facilitate a clear understanding of the terms used in the text.

Box 1 Overview of Social Sector Programmes

Improves living conditions, welfare, and development of the people, and includes HFW, ESAC and WSS sectors.

Human Resource Development
Committed to providing education to all children up to age of 14, and integrated packages of health, nutrition and educational services to children up to 6, pregnant women and nursing mothers.

Department of Elementary Education and Literacy
Provides education for all, priority areas are free and compulsory primary education, schooling for children with special needs, eradication of illiteracy, vocationalisation, education for women's equality, special focus on the education of SCs/STs and minorities.

- *Movement for Education for All (Sarva Shiksha Abhiyan)*
  Aims: (i) All children 6–14 in school by 2003 (ii) All children 6–14 to complete 5-year primary education by 2007 and (iii) All children 6–14 to complete 8 years schooling by 2010.

- *Nutrition Support to Primary Education*
  Provision of wholesome cooked/processed food with calorific value equivalent to 100 g of wheat or rice through such local bodies/authorities in villages and cities as *Panchayats* and *Nagarpalikas* who are expected to develop necessary institutional arrangements. In the interim, 3 kg wheat or rice/student/month to be distributed to primary children with 80% attendance in the previous month.

- *Non-Formal Education Programme*
  Aim to provide universal elementary education for children 6–14 who fall outside the format system.

- *District Primary Education Programme*
  Holistic education development, and operationalisation of strategy for universalisation of elementary education.

Department of Women and Child Development
Established in 1985 to give much-needed impetus to the holistic development of women and children Integrated Child Development Services (ICDS).
Provides integrated package of health, nutrition, and educational services to children up to 6, pregnant women, and nursing mothers.

Department of Health, Ministry of Health and Family Welfare
Responsible for medical and public health of the population. The Department of Family Welfare aims to reduce population growth by motivating family planning programmes, and improve the health of women and children, especially the poor and undeserved, by reducing infant, child, maternal mortality and morbidity.

Department of Drinking Water Supply, Ministry of Rural Development
Aims to supply drinking water to all rural habitations and provide sanitation facilities to the rural masses.

- *Rural Water Supply Programme*
  Assists the State governments in provision of drinking water to all rural habitations by accelerating the implementation of the programme.

- *Rural Sanitation*
  Supplements efforts of the State Governments in providing sanitation facilities to the rural masses.

Box 2 Overview of Poverty Alleviation Programmes

Main focus: to reduce hardships of people living BPL and increase productivity.

Ministry of Rural Development
Implements a number of poverty alleviation programmes, employment generation, rural infrastructure development, provision of such basic services as drinking water, sanitation, housing, area development and social security, etc.

- *Special Programme for Rural Development and Golden Jubilee Rural Self-Employment Programme (Swarnjayanti Gram Swarozgar Yojana, SGSY)*
  Covers all aspects of self employment including: organisation of rural poor into self-help groups (SHG) and their capacity building, training, planning of activity clusters, infrastructure, financial assistance through bank credit and subsidy and marketing support, etc.

Rural Employment

- *Jawahar Rural Development Scheme (Jawahar Gram Samridhi Yojana)*
  Aims to create need-based rural infrastructure at village level to boost rural economy in general and improvement of quality of life in particular. Also provides individual assets to the poorest of the poor SC/ST families.

- *Employment Assurance Scheme including Food for Work*
  Creates additional wage employment through manual work for the rural poor living BPL. Creates durable community, social, and economic assets for sustained employment and development.

Rural Housing
Constructs dwelling units and upgrading existing unserviceable (*kutcha)* houses of members of SCs, STs, freed bonded labourers, widows, ex-serviceman, and retired members of the paramilitary forces, non-SC/ST rural poor BPL by providing grants-in-aid.

Social Security and Welfare

- *National Social Assistance Programme*
  Social assistance programme for poor households. Assists old people with little or no regular means of subsistence, households living BPL if primary breadwinner is dead, and pregnant women of households living BPL for the first two live births.
- *Food (Annapoorna)*
  Provides food security to all eligible for old-age pensions.

Other Programmes
Provides assistance to Council for Advancement of People's Action and Rural Technology to promote voluntary action, to the local self-government (*Panchayati Raj)* Institutions, Information Education and Communication (IEC) activities, monitoring mechanism, and information technology (IT) and international co-operation, etc.

Ministry of Urban Development
Responsible for of broad policy formulation and monitoring programmes in Urban Development, Housing, Urban Employment and Poverty Alleviation, Urban Water Supply and Sanitation.

- *Golden Jubilee Urban Employment Scheme (Swarna Jayanti Shahari Rojgar Yojana, SJSRY), Urban Basic Services for the Poor (UBSP), Nehru Rojgar Yojana (NRY) and Prime Ministers Integrated Urban Poverty Eradication Programme (PMIUPEP)* merged into SJSRY on 1 December 1997. SJSRY seeks to provide gainful employment to urban unemployed or underemployed by encouraging self-employment ventures or providing paid employment.

Department of Public Distribution, Ministry of Consumer Affairs
Responsible for food management policy, procurement and storage of food grains, movement, public distribution, and maintenance of buffer stocks.

Food subsidy
Paid to the FCI to reimburse the difference between the economic cost of food grains and their issue price, cost of buffer stocks, sugar stocks, and import costs.

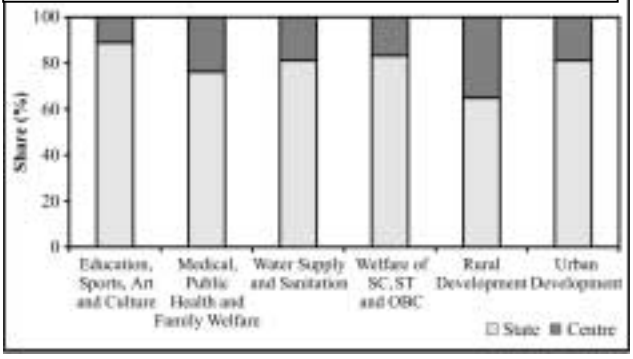
Ministry of Social Justice and Empowerment
Implements various schemes/programmes on welfare of SCs, STs, minorities, and OBCs.

Adjustments have been made to determine a combined picture of the total expenditure by both the States and Centre on social-sector allocations, and to a lesser extent on poverty alleviation programmes. Trends in these adjusted estimates present a more or less comprehensive picture, and highlight changes in the relative importance of the Centre versus the State in a few selected but important sectors. The sectors discussed are:

- Education, Sports, Arts and Culture (ESAC);
- Medical, Public Health and Family Welfare (MPHFW);
- Medical and Public Health (excluding Family Welfare);
- Water Supply and Sanitation (WSS);
- Welfare of Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Castes (OBC);
- Rural Development (RD);
- Urban Development (UD).

The percentage shares of Centre and State-adjusted government in the total expenditure for these budget heads are shown in Figure 1.

Figure 1 State and Central Government shares (%) of total expenditure on selected budget heads, 1999/2000



The total Centre and State-adjusted expenditure on selected budget heads for the past decade were estimated using an adjustment factor. Understanding the trends in the Centre's share of expenditure relative to adjusted total expenditure (1993/4 Index Base = 100) presents the change in importance given by the respective governments in financing and implementing social and poverty alleviation strategies. Item-specific analyses follow.

2.1 Education, sports, arts and culture[2]

Centre and States' expenditure (%) on education during 1991/2–1998/9 are shown in Figure 2. In 1995/6, there was a large increase (about 32% points) in the Centre's education budget over the previous year. Nutrition Support to Primary Education (NSPE) is a new Central programme launched in 1994/5 with an allocation of Rs5140 m [million] (in real terms). The exchange rates of rupees (Rs) per unit of US Dollar for the years 1990/1 to 2001/2 are presented in Table 1. There was a big jump in the Centre's allocation to the District Primary Education Programme (DPEP). The change in the States' expenditure was consistent during 1991/2 to 1998/9, except in 1993/4 and 1997/8. However, the States' own expenditure as a proportion of the gross national product (GNP) shows a consistent decline from 1993/4 to 1997/8, and only rose after 1998/9 (Figure 3). Centre expenditure follows a similar trend with a 0.1% point increase beginning in 1998/9.

2. The Centre's figure only includes only the expenditure on Elementary Education and Literacy, Secondary Education and Higher Education.

Figure 2 Change (%) in Government expenditure on Education (constant 1993/4 prices), 1991–2000

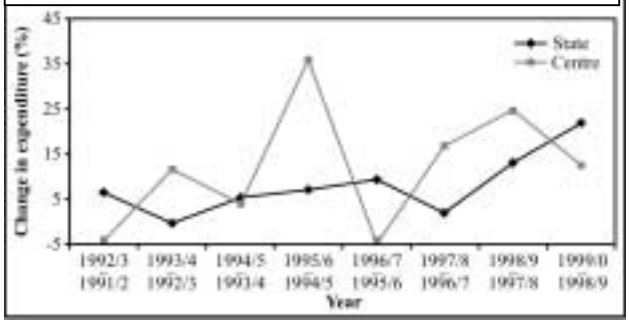
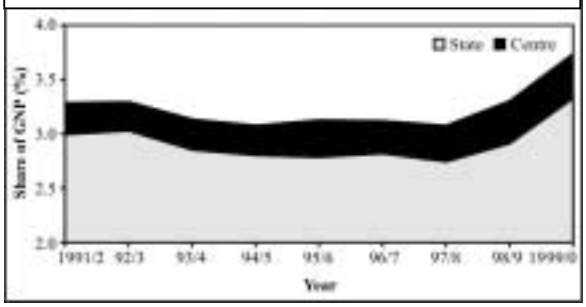
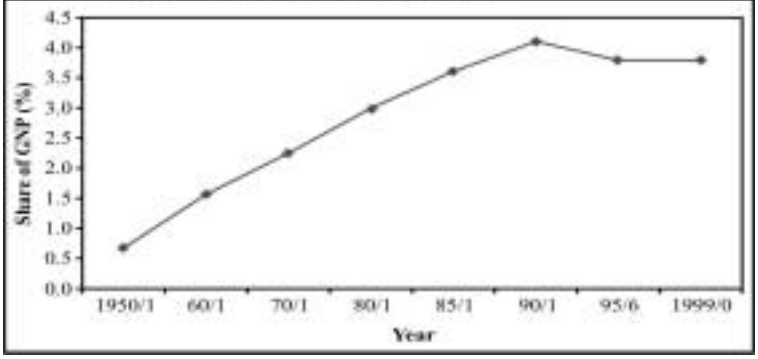


Figure 3 State and Central Government expenditure on Education (% of GNP), 1991–2000



The Education Commission (1964–6), the National Policies on Education (NPE), 1968 and 1986 and also the modified policy of 1992, have all recommended that public expenditure on education should be raised to 6% of the national income. Although the proportion of GNP spent on education has increased remarkably over the years, it is yet to reach this target (Figure 4). At the inception of planning (1950/1), joint expenditure on education by Centre and State amounted to only 0.68% of GNP; by 1980/1 it reached 3%. At the beginning of the 1990s, when it was 4.1% of GNP, it dropped to 3.8% in 1995/6. It is disheartening to note that in 1999/2000, it is still only 3.8% – more or less the same as in the mid-1980s.

Figure 4 Public expenditure (as % of GNP) on Education since the 1950s



Education's share in the government budgets of most States has also declined significantly (Shariff and Ghosh, 2000). This decline is particularly conspicuous in terms of the structural adjustment and stabilisation policies of the Government that seems to have ignored its commitment to sustain budgetary allocations to key social sectors including education. As a result, investment in education has been seriously affected, and this will undoubtedly impact on the quantity and quality of education in future.

After 52 years of independence India spends less than 4% of its GNP on education and less than half of this amount on elementary education (1.8%). 'Lack of resources cannot be a convincing argument for failing to discharge this national duty' (GoI, 1999). If the GoI can find the money to implement the Fifth Pay Commission's recommendations, that entailed additional expenditure to the extent of 3% of GNP, surely the requirement of elementary education could also be met. What is needed is both political will and public pressure (Shariff and Ghosh, 2000).

Adjusted State and Centre expenditure suggests that the share of State expenditure on education 2000 decreased from a high of 91.1% in 1991/2 to 88.9% in 1999/2000. This suggests that the national level allocations are an important source by which States currently enhance expenditure on

education (Table 2). For a trend analysis of State-adjusted expenditure on education between 1980/1 and 1996/7 that confirms the increasing Centre share in education expenditure (Shariff and Ghosh, 2000). This combined expenditure account shows a doubling-up (at constant 1993/4 prices) from Rs185.91 bn [billion] in 1991/2 to Rs370.33 bn in 1999/2000 (Table 4 and Figure 6). The share of Central Government expenditure also shows an upward increase with some fluctuations, from about 9% in 1991/2 to 11% in 1999/2000 (Figure 5).

Figure 5 Central Government share (%) of total expenditure on Education, 1991–2000

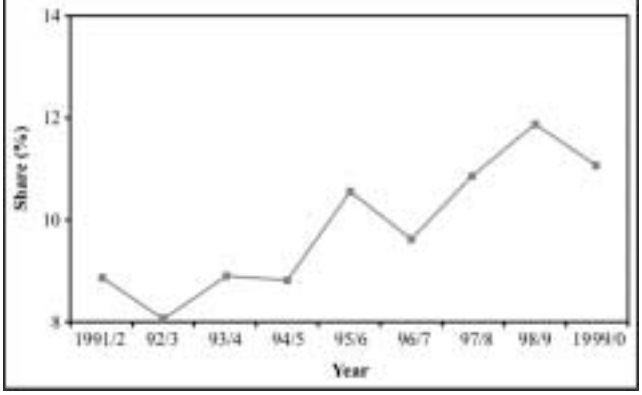
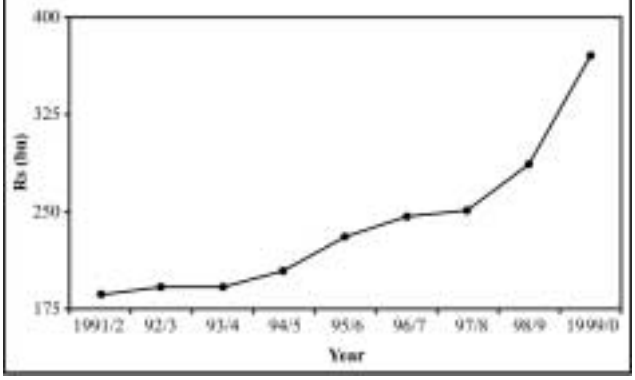


Figure 6 Total Government expenditure on Education (constant 1993/4 prices), 1991–2000



2.2 Social sector

2.2.1 Health and Family Welfare (HFW)

The real-term percentage changes from year to year in expenditure on health by Centre and States is given in Figure 7. A large increase in both their budgets can be noticed in 1999/2000. This jump in Centre funding is due to a 33% increase in the allocation to the Family Welfare Programme largely to its rural programme. It is also noticeable that State expenditure during the 1990s was less vacillating than that of budget expenditure.

An analysis of combined Centre and State expenditure on HFW as a percentage of GNP suggests no improvement over the years, despite increased allocations. This suggests that there was a consistent decline in its proportion of the GNP from 1993/4 to 1998/9 and that it increased only marginally during 1999/2000 (Figure 8).

Figure 7 Change (%) in Government expenditure on Health and Family Welfare (constant 1993/4 prices), 1991–2002

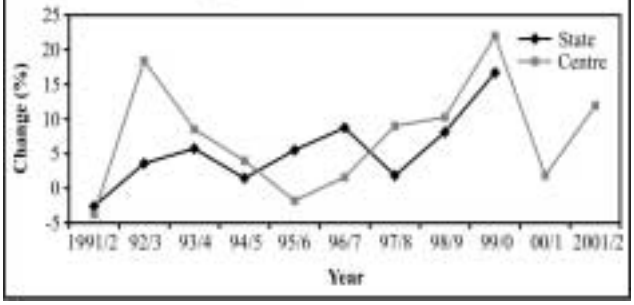
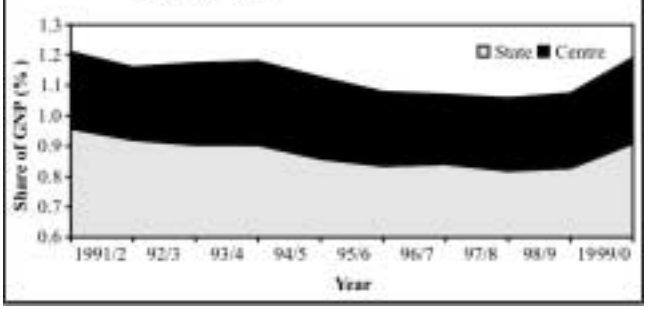
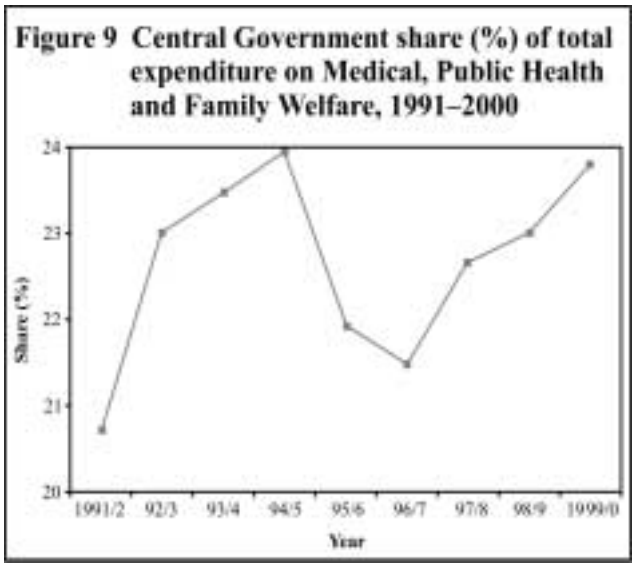


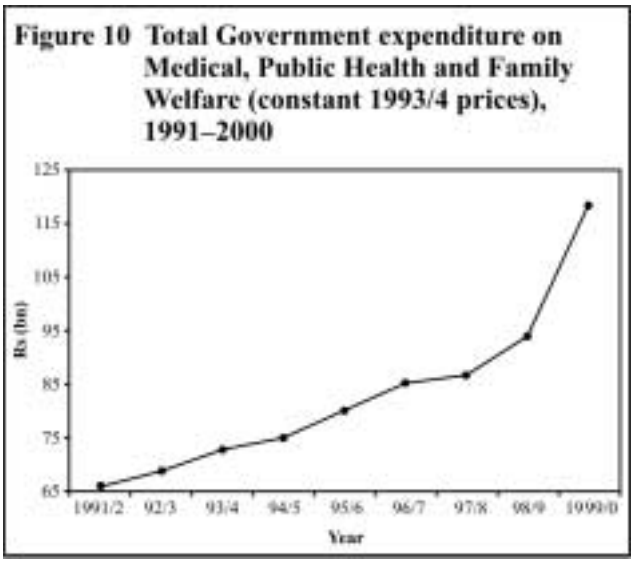
Figure 8 State and Central Government expenditure on Medical, Public Health and Family Welfare (% of GNP), 1991–2000



The Centre's share of the combined expenditure on this sector is closer to one quarter, much higher than that in the education sector. The rate of growth in State expenditure on health increased in recent years as it did on education. However, the total share (15%) of the health sector in social

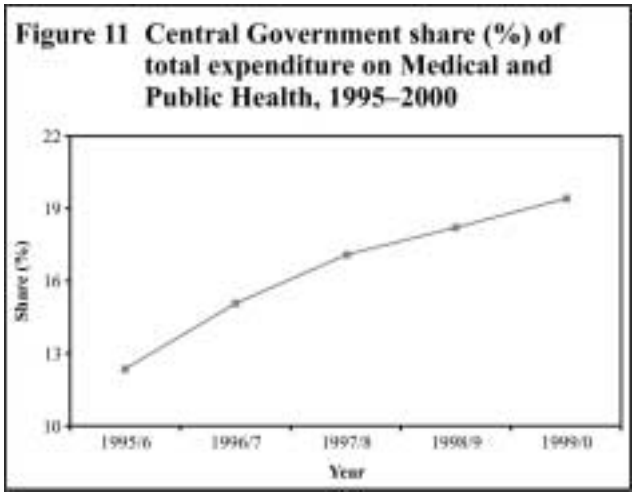
services is next only to education (55%), a marginal decline from about 16% during the previous periods. The total expenditure in this sector increased from Rs65.6 bn in 1991/2 to Rs118.42 bn in 1999/2000, an approximately 81% increase during the study period (Figure 10). The Centre's share also rose from 21% to about 24% during this period (Figure 9).

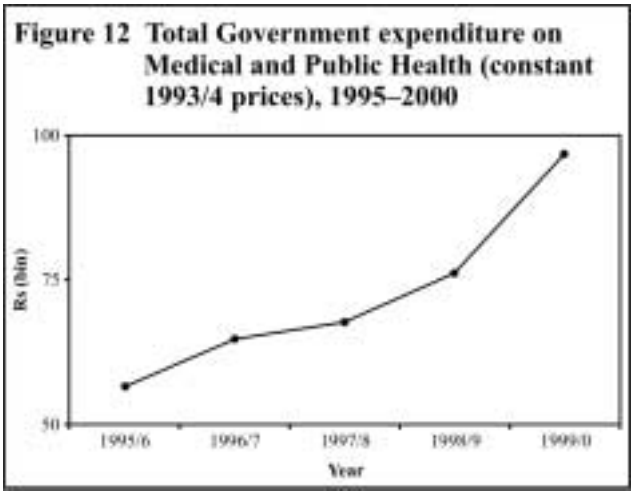




2.2.2 Medical and public health (excluding Family Welfare)

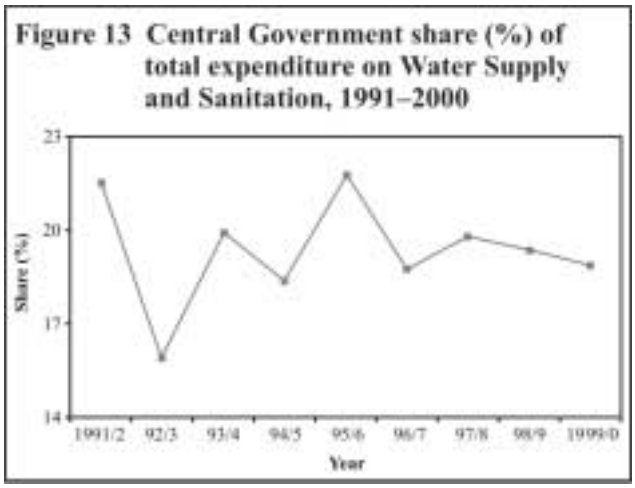
Since transfers from the Centre are used to meet all Family Welfare expenditure it is useful to analyse trends in health expenditure excluding this component in order to understand State-level performance. If medical and public health expenditure trends are considered alone they show a 71% increase from about Rs56.55 bn in 1995/6 to Rs96.72 bn in 1999/2000 (Figure 12). The Centre's share in the combined expenditure also increased from 12.4% to 19.4% during this period (Figure 11).

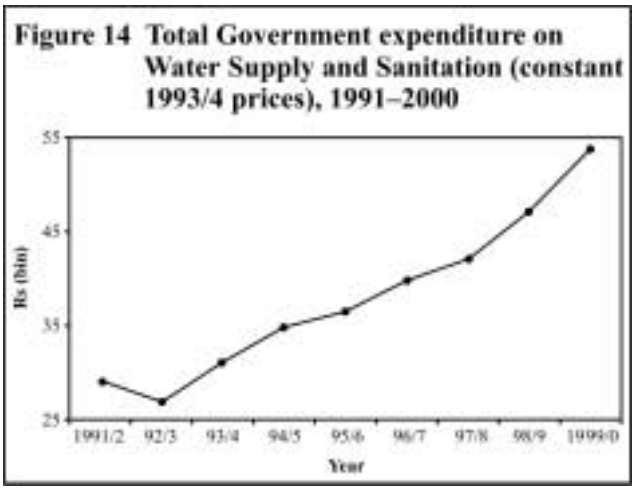




2.2.3 Water Supply and Sanitation (WSS)

Expenditure on WSS aims not only to increase the quality of life but also to improve health conditions. There was an increase from Rs29.13 bn in 1991/2 to Rs53.8 bn in 1999/2000, i.e. an increase of about 86% during the decade (Figure 14). But the Centre's share shows a declining trend with wide fluctuations from 21.5% to 18.8% (Figure 13).

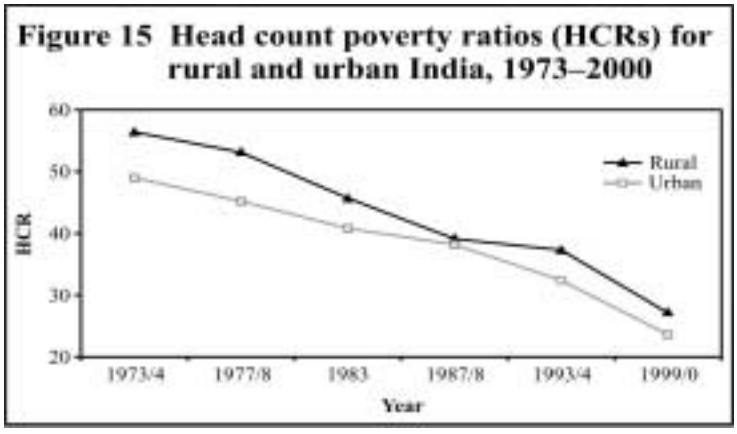




2.3 Poverty alleviation

2.3.1 Head count poverty ratios (HCRs)

It is useful to begin with an analysis of the trends in HCRs that have been popular measures of poverty for about 30 years (Table 3). While poverty still persists, both in its absolute and relative dimensions, alleviation of poverty remain a major challenge to the nation even after 50 years since Independence. A steadily declining trend in HCRs is obvious in the last two decades (Figure 15).



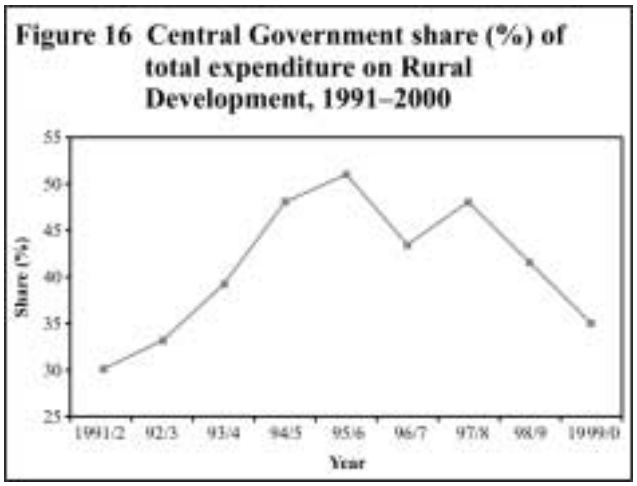
In absolute numbers about 58 m individuals are claimed to have come out of the poverty trap by 1999/2000 from a high of 317 m in 1993/4, and leaving 259 m who are still poor (Economic Survey, 2001). This decline could be attributed to the positive impact of the economic reforms on the one hand, and the improved efficiency of the poverty alleviation programmes introduced by both the Centre and State governments on the other. But the debate about the spread and structure of decline was contrary to this trend until 2001, suggesting stagnation in rural poverty decline while urban poverty declined slowly during the post-reform period (Kundu, 2001). There are contentious debates, first as to the level, direction, and change in poverty as it is currently defined, and to

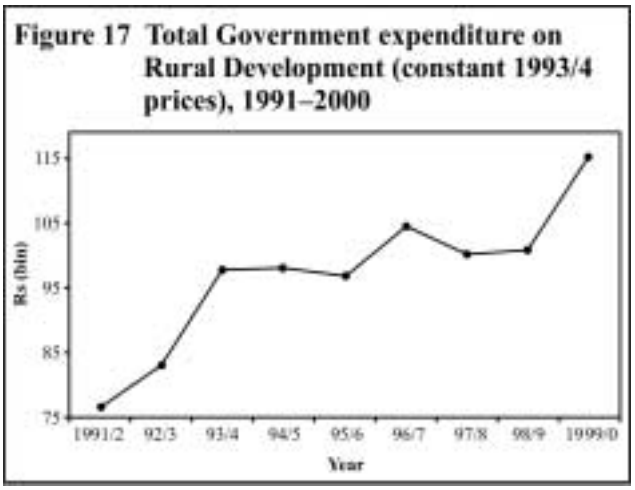
whether the way poverty is defined captures all the dimensions of the deprivations that reflect poorly upon the quality of life of those affected.

There are some common heads and programmes of expenditure, that directly or indirectly affect not only the 'poor' but also the 'neglected, deprived, and victims of inequality' in terms of caste, gender, age and physical deficiency. These budget heads broadly fall in the departments of RD, UD, Social Justice and Empowerment and Food and Public Distribution. While discussing expenditure by Centre and States further subdivisions of these broad budget heads are discussed. However, it is not practically possible to disaggregate all expenditure between Centre and the States, so, the following aggregate picture presented only covers three broad budget heads.

2.3.2 Rural Development (RD)

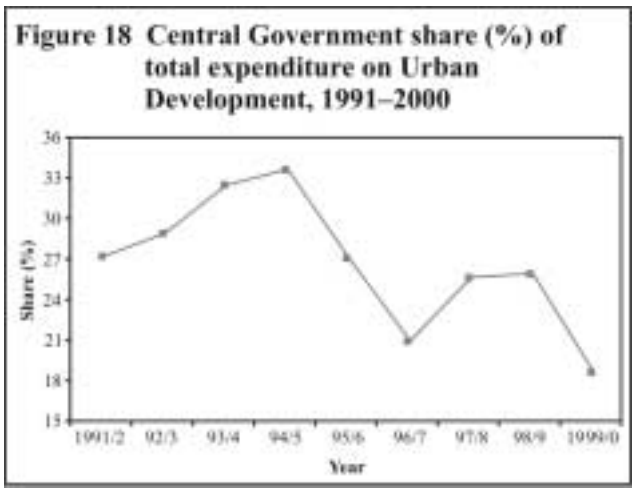
Combined expenditure on RD increased only 50% from about Rs76.65 bn in 1991/2 to Rs115.5 bn in 1999/2000 (Figure 17). The Centre's share increased from 30% to 35% during the period (Figure 16). However, it showed an upward trend to 50% in 1995/6 that started declining from 1997/8.

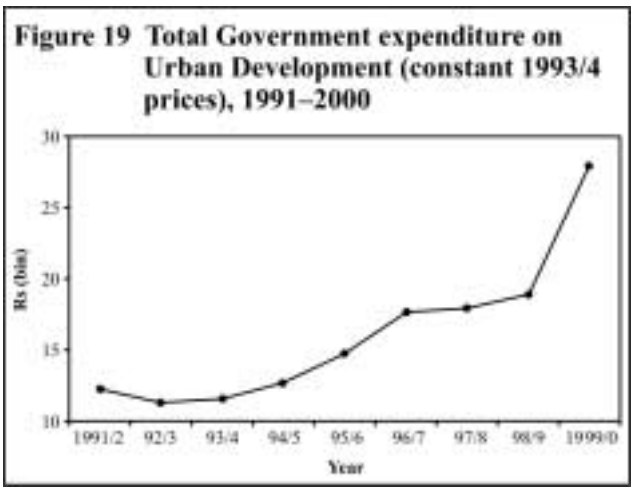




2.3.3 Urban Development (UD)

The combined expenditure on this account increased more than twice, i.e. from Rs12.25 bn in 1991/2 to Rs27.89 bn in 1999/2000 (Figure 19). However, the Centre's share declined from 28% to 19% over the whole period (Figure 18).





2.3.4 Welfare of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Castes (OBCs)

Expenditure on specific programme aimed at providing welfare to SCs, STs and OBCs is a constitutional obligation of both Central and State Governments. A considerable amount of State resources are annually directed to such programmes. It is useful to study the trends in this expenditure that increased from about Rs28.35 bn in 1991/2 to Rs46.51 bn in 1999/2000, i.e. about 64% during the period (Figure 21). The Centre's share took a steep fall from 23% to about 17% during the same period (Figure 20).

Figure 20 Central Government share (%) of total expenditure on Welfare of SCs, STs and OBCs, 1991–2000

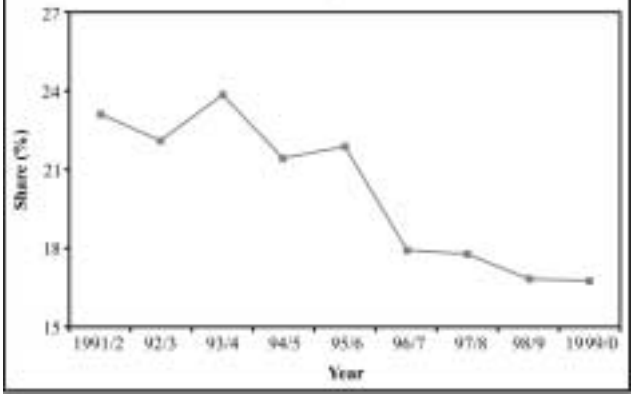
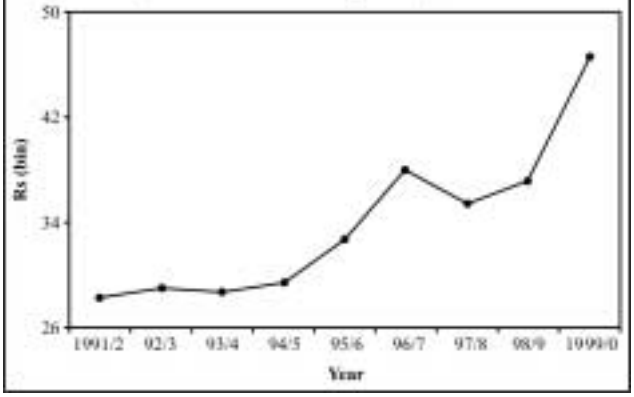


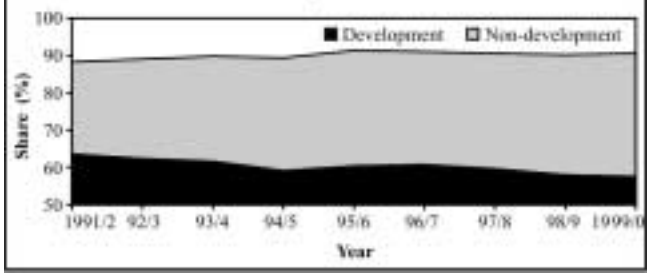
Figure 21 Total Government expenditure on Welfare of SCs, STs and OBCs (constant 1993/4 prices), 1991–2000



3 State Expenditure (all States and Union Territories Aggregates)

The latest year for which State accounts are available is 1999/2000. This analysis, therefore, pertains to expenditure trends from 1991/2 to 1999/2000 (Tables 5–7). The RBI published year-specific data in a report entitled 'State Finances: A study of budgets of 1999–2000'. State expenditure is provided in two main categories: Developmental Expenditure and Non-developmental Expenditure.[3] The trends in expenditure in these categories during 1991/2–1999/2000 are presented in Figure 22.

Figure 22 Trends in Development and Non-development expenditure by State Governments, 1991–2000

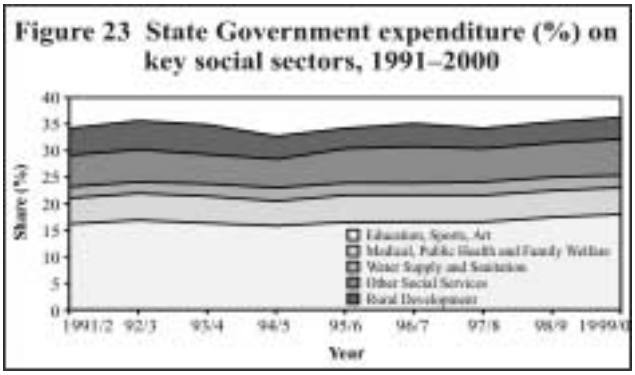


The share of Developmental Expenditure from 1991–2000 systematically declined to about 57.3% from a high of 63.3% in 1991/2 whereas that of Non-developmental Expenditure increased from 24.9% in 1991/2 to 33.4% in 1999/2000. Practically all social sector schemes such as those in education and health, and a large number of schemes with implications for poverty alleviation, except for a few in the RD category are part of Social Services within the Developmental Expenditure category (Table 5). A brief analysis of expenditure on specific budget heads follows.

3.1 State budgetary allocation

The State budgetary allocation to the education sector was 16% of the total allocation in 1991/2, during 1992/3 to 1997/8 it was around 16.5%, and increased to 18% during 1999/2000 (Figure 23). For the Public Health and Family Welfare (PHFW) sector the share was more or less 5% during the whole period. The share spent on WSS was around 2.2–2.4% during the period. Other Social Services received 5.9% in 1991/2, this increased to 6.5% in 1995/6 and was then stable until 1999/2000. In the RD Programme, the allocation was 5.1% in 1991/2. It increased marginally to 5.5% in 1993/4, after which it was around 4% until 1999/2000 (Table 5).

Figure 23 State Government expenditure (%) on key social sectors, 1991–2000



3. The expenditure incurred by development is further categorised as (a) Expenditure on Social Services and (b) Expenditure on Economic Services. Expenditure on Social Services is incurred by providing basic amenities to benefit citizens as consumers, e.g. education, health, water supply and sanitation, housing. Expenditure on Economic Services promotes productive activities within the country. This benefits citizens as producers, e.g. through agriculture and allied activities, rural development, industry and mines, transport and communication. The amount spent on items other than these are categorised as Non-Developmental Expenditure on organs of State, fiscal services, interest payments, administrative services, pension, state lotteries, etc.

3.1.1 Social services – education

Social Services are sub-divided into 11 categories of which ESAC is the largest part. Social Services received 58% of all State Developmental Expenditure in 1999/2000 but only 48% in 1991/2. Simultaneously, the State share of expenditure on Education+ increased from about 53% to 55%. The relative increase substantially occurred after 1997/8. Thus, the education sector alone constitutes more than one half of the total State Social Sector allocations as defined by the RBI, and about 32% of the total Developmental Expenditure of the States.

There is evidence that State Expenditure on ESAC has increased, but is still far from adequate to bridge a vast literacy and enrolment gap that exists in India. From these data it is not possible to show what type of intra-sectoral reallocations are taking place between primary, secondary, higher, and technical education.[4]

3.1.2 Health and Family Welfare (HFW)

The second dominant sector of State expenditure within the Social Services is MPHFW. This sector's share of total State developmental expenditure was 8.6% and expenditure on social services was 15% in 1999/2000. The percentage increase in annual expenditure in real terms was negligible except in 1998/9 and 1999/2000.

3.1.3 Other social services

An analysis of States' expenditure suggests noteworthy improvements over previous years beginning in 1995/6 in such sectors as Housing, UD, Welfare of SCs and STs, Social Security, and Welfare and Nutrition. However, the combined share of all these sectors in States' developmental expenditure only increased from 9.3% in 1991/2 to 11.7% in 1999/2000.

3.2 Rural Development (RD)

RD is categorised as part of Economic Services in the developmental expenditure of State governments, but much of the expenditure in this category has poverty alleviation impact. The annual growth rates in this sector were considerable, but its relative share in Economic Services remained more or less constant at about 17% during the whole period.

In both Central and State governments' budgets, all schemes categorised under the Poverty Alleviation Programme are put together under two broad expenditure heads: RD and UD. Centre-sponsored schemes under the Rural Poverty Alleviation Programmes implemented by State governments and seen in 2001/2 budget documents are:

- Golden Jubilee Rural Self-Employment Programme (*Swarnajyoti Gram Swarojgar Yojana*);
- *Jawahar*[5] Rural Development Scheme (*Jawahar Gram Samridhi Yojana*);
- *Indira*[6] Housing Scheme (*Indira Awas Yojana*);
- Employment Assurance Scheme (EAS);
- National Social Assistance Programme (National Old Age Pension Scheme).

4. Shifts in intra-sectoral allocations within the Education Sector from 1980/1 to 1996/7 are discussed by Shariff and Ghosh (2000).
5. *Jawahar* is the first name of the first Prime Minister of Independence India. His full name was Pandit Jawaharlal Nehru.
6. *Indira* was Ex Prime Minister of India. Her full name was Indira Gandhi.

Apart from these, States have their own schemes under such programmes as Community Development and *Panchayats*, and the Special Rural Works Programme that includes the Chief Minister's Special Rural Development Fund. However, State-level data on these programmes are not easily available for deeper analysis.

There are, of course, other schemes apart from those specified under the heading Rural Development. Although these programmes are not in the 'poverty alleviation' category, they certainly aim to provide benefit to the weak and the distressed. 'Social Welfare' includes child welfare including Integrated Child Development Services (ICDS), women's welfare including the *Indira* Women (*Mahila*) Scheme (*Mahila Yojana*) and the key Nutrition Programme. But, these are common programmes that cover the urban population. Similarly, there are schemes to benefit the handicapped, SC/ST/OBC, and tribal populations that do benefit the weaker sections who fall into these categories.

There are of course other schemes apart from those specified under the heading Rural Development. Although these programmes are not in the 'poverty alleviation' category, they certainly aim to provide benefit to the weak and the distressed. 'Social Welfare' includes child welfare including ICDS, women's welfare including the *Indira* Women Scheme and key Nutrition Programme. But, these are common programmes that cover the urban population. Similarly, there are schemes to benefit the handicapped, SC/ST/OBC, and tribal populations, which do benefit the weaker sections who fall into these categories.

4 Central Budget Allocations

In the Central budget estimates for 2001/2, the total expenditure is estimated at Rs3752.23 bn, of which Rs1001 bn is for Plan and Rs2751.23 bn for non-plan activities. Figure 24 shows the percentage share of major budget heads in total Central Government allocation. About 48% of the total expenditure is incurred by the Ministry of Finance, of which 63% is for Interest Payments and 27% for transfer to State and Union Territory governments. The next major share of 19.5% goes to the Ministry of Defence. The share of the Social Sector and Poverty Alleviation Programme in the total expenditure amounts to only 10.9%, which is meagre in comparison to that of many other countries.

Within the Social Sector and Poverty Alleviation Programme expenditure, the Ministry of Consumer Affairs, Food and Public Distribution occupies the first place with a share of 33.4% followed by Education (20.6%) and HFW (16.1%), about 15% is incurred by the Ministry of Rural Development (Figure 25).

Figure 24 Sector shares (%) in total Central Government budget allocations, 2001/2

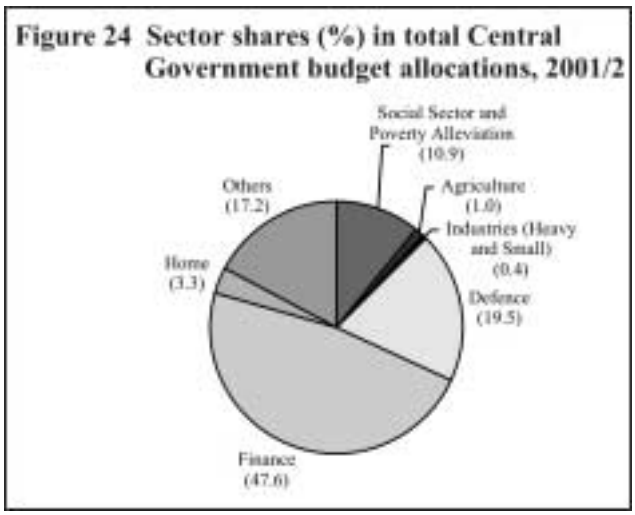
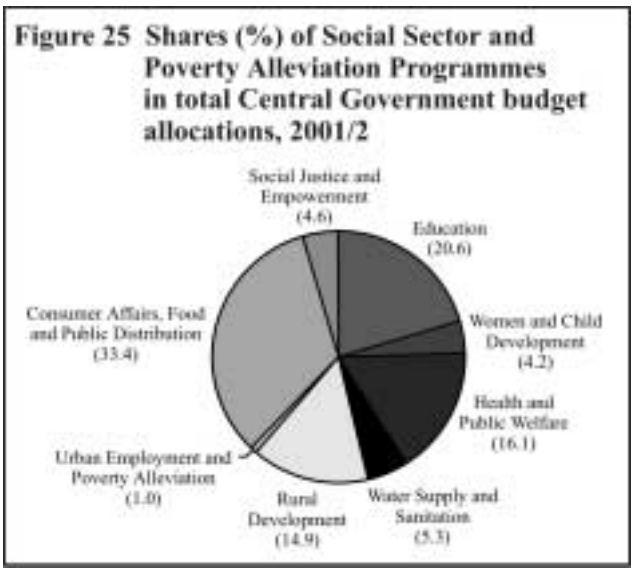
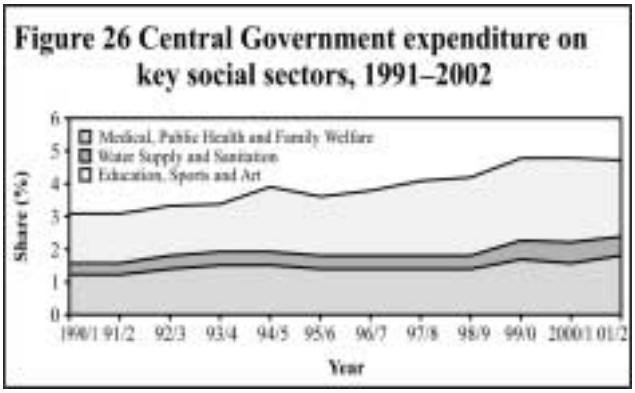


Figure 25 Shares (%) of Social Sector and Poverty Alleviation Programmes in total Central Government budget allocations, 2001/2



In terms of allocations to the Social Sector (as defined in this analysis) 5.0% of the total budget allocation was made in 2001/2. It was 3.4% in 1990/1. The budget allocation to HFW was 1.2% of the total allocation in 1990/1 and in 1993/4–1998/9 it was around 1.4%. It marginally increased to 1.7% during 1999/2000 and 2000/1 and further to 1.8% in 2001/2. The share received by the Education, Sports, Arts and Culture (ESAC) sector was 1.5% between 1990/1 and 1994/5, this increased to 2.0% in 1997/8 and further to 2.5% in 2000/1. WSS received 0.4% in 1990/1, 0.5% in 1994/5 and since then a stable 0.6% until 2001/2 (Table 8; see also Figure 26).

Figure 26 Central Government expenditure on key social sectors, 1991–2002



4.1 Education sector

Highlights:

- An integrated national education programme (*Sarva Siksha Abhiyan*) launched to standardise elementary education with an allocation of Rs5 bn (at current prices);
- Technology education upgraded and expanded;
- Role of the private sector to be encouraged.

Education draws in substantial State resources, in 2000 the States share in total education expenditure was 89% (State-adjusted total expenditure is discussed in Section 2). The importance of the Central budget is not so much in its absolute size, as the fact that it is expected to play a strategic role in identifying critical bottlenecks. The 1990s saw an increase in the priority given to elementary education (Tables 8–11). As a percentage of all resources for human resource development, a significant upward shift occurred in 1995/6, and the proportionate share correspondingly increased from around 22–23% to 36–37%. In the current budget the share is 39%.

4.1.1 Elementary education and literacy

At constant prices, the proposed increase in budget estimates (BE) is from Rs23.34 bn in 2000/1 to Rs24.3 bn in 2001/2 at 1993/4 prices. Programmes that benefit include Operation Blackboard, Employment Guarantee Scheme, DPEP, Movement for Education for All (*Sarva Siksha Abhiyan*, SSA). Overall, the priority given to elementary education in the Central Government Education Budget continues to increase, and rose from 21% in 1993/4 to 45% in 2001/2. Over the same period, the share of secondary education from 26% to 15.5%, while that of higher education fell from 23% to 19.5%.

There has been a decline in the amount allocated for mid-day meals (around 24% of the total) by 15%. The Mid-day Meal Scheme first made its appearance in 1995/6, and allocations to it continued to increase until 1999/2000, when it accounted for 51% of the elementary education budget. Presumably, this was intended to be an incentive to draw a large number of out-of-school children into school, following the success of the scheme in Tamil Nadu. Since then, allocations have been reduced with no clear reasons given for such a major shift in policy.

The thrust towards universal education is evident. Firstly, in the increased share of Operation Blackboard (14% of the total, 30% budgeted increase); the mainstream programmes of the DPEP (29% of the total, 13.5% budgeted increase); and the SSA (13% of the total, 43% budgeted increase). Secondly, in the extension of the Education Guarantee Scheme, started in Madhya Pradesh in 1997, to the rest of the country (33% budgeted increase). In other words, a two-track system is being used to try and meet the goal of universal primary education.

Decentralisation
An emphasis on decentralisation is also evident, but in different ways. ‘Community ownership’ is an important feature of United Nations/GoI education programme. In the case of SSA and Education Guarantee Schemes it is explicitly mentioned that the schemes will be administered through State-level registered societies, which therefore acquire some autonomy and run parallel to the decentralised administrative structure. Concern has been expressed about such parallel systems of governance will have on the *Panchayati Raj* (local self government) system.

External assistance
The role of foreign assistance should be noted. Although small in absolute size (2.8% of the total budget, excluding DPEP; but 32% if DPEP is included), all the innovative programmes designed to reach out to disadvantaged groups and to girls who are out of school, have been developed with foreign assistance.

4.1.2 Secondary and higher-level education

There was an increase of 6.5% in secondary level education, but allocations to university and higher education were slashed by 23%. There is a considerable emphasis on technical education through such programmes as computer education in schools (increase of 181%) and the Technology Development Mission. The main thrust of the secondary education budget is on the New Schools (*Navodaya Vidyalayas)* (34% of the total). These are residential schools spread all over the country and inspired by the Andhra Pradesh Residential Schools; and Central Schools (*Kendriya Vidyalayas)* (46% of the total) that are day schools meant for the children of government officials in transferable jobs. It should be noted that the budget for vocational education is only 3.2% of the total. The purpose of the '10+2' system is to allow children to pursue options other than higher education, but the resource allocation is at odds with this stated intention. If alternatives are to be taken seriously they need to be attractive and lead to certification in a range of other activities that hold out the promise of high returns. The current allocations do not suggest that this is being done with any seriousness. The current allocation to *Navodaya Vidyalayas* is around Rs10.5 m/school; to *Kendriya Vidyalayas* Rs68 m/school; and for vocational education only Rs65,500/school.

4.2 Health sector

Highlights:

- Plan allocation for MPHFW stepped up from Rs49.2 bn to Rs57.8 bn (at current prices);
- Enhanced allocation for HIV (Human Immuno-deficiency Virus)/AIDS (Acquired Immune Deficiency Syndrome) Control Programme to Rs1.8 bn;
- Patenting and Information Education and Communication (IEC) about herbal products;
- Strengthening State drug testing laboratories and pharmacies;
- Provision of similar benefits to those enjoyed by the pharmaceutical industry to Indian systems of medicine and homeopathy;
- Reduction in price-control mechanisms for drugs and the pharmaceutical industry;
- Universal coverage of *Kisan* (farmer) Credit Card (KCC) within next 3 years and expanded benefits to include personal social insurance (accidental death and disability);
- Development of rural infrastructure, including connectivity.

The 2001/2 budget allocated Rs65.86 bn (BE) to HFW compared to Rs57.09 bn (BE) in 2000/1, an increase of 15.4% (Table 9). A big chunk of this increase was in the family welfare sector (from Rs35.41 m in 2000/1 to Rs42.32 bn in 2001/2 with an increase of 19.5%). For medical and public health the increase was only a modest 8.6%.

Although in nominal terms allocation to the health sector increased substantially during the 1990s, in real terms it did not. For instance, in real terms the increase over the previous year BE allocation was 11.9% (5.3% for MPH and 15.9% for FW) (Table 10). On two occasions 1996/7 and 2001/2 during the last decade the increase in allocation in real terms over the previous year was less than 2%, and in 2 other years (1991/2 and 1995/6) the allocation actually declined. Thus, in 4 out of 10 years in real terms per capita allocation to the HFW sector declined over the previous year.

4.2.1 Major heads of HFW sector

There are four major heads in HFW. These are:

- Public Health;
- Central Government Health Scheme (CGHS);
- Hospitals and Dispensaries – Allopathy;
- Medical Education/Research and Training.

Surprisingly, the BE of 2001/2 for Public Health is lower by Rs300 m than that of the previous year. The decline in allocation is more in the Anti-Malaria Programme followed by Leprosy and TB Control Programmes. The allocation has been increased for National AIDS and Trachoma and Blindness Control Programmes. This could be because of an increase in external assistance to these programmes (e.g. the World Bank is currently assisting the Blindness Control Programme). The allocation to allopathic hospitals and dispensaries was reduced by Rs70 m. On the other hand, allocation to CGHS increased by Rs180 m and to Medical Education, Research and Training by Rs400 m. In real terms these increases are only about 3.8% and 2.0%. The picture is different for FW where all the sub-heads recorded higher allocations in both nominal and real terms (the increase in real terms for all sub-heads was more than 11%). This indicates that the Plan outlay (because all FW outlays are covered by the Plan) in the HFW sector was not affected so much as the non-Plan ones.

4.3 Poverty alleviation

Highlights:

- Decreased allocation for Special Programme for RD to Rs4.5 bn from Rs9 bn (at current prices);
- Enhanced allocation to the schemes for welfare and upliftment of SCs in the Ministry of Social Justice and Empowerment (from Rs7.09 bn to Rs7.9 bn);
- Enhanced allocation for welfare schemes for STs in the Ministry of Tribal Affairs (from Rs7.87 to Rs9.87 bn);
- Social security cover extended to the poorest sections of society, two new schemes introduced;
- Agricultural Labourers Insurance Scheme (*Khetihar Mazdoor Bima Yojana*), that provides benefits of insurance cover and a pension of Rs100/month to the beneficiaries on attaining the age of 60;
- An Education Co-operation Scheme (*Shiksha Sahyog Yojana*), that provides an education allowance of Rs100/month to the children of parents living below the poverty line.

Over the years poverty-alleviation programmes of various types have expanded, and today there is a wide variety of such programmes that absorb a large volume of resources. All poverty-alleviation programmes under the Central Government budget are put together under two broad expenditure heads–RD (Rs92.240 bn nominally budgeted in 2001/2) and UD (Rs11.57 bn nominally budgeted in 2001/2). Within RD a separate allocation: Rural Employment and Poverty Alleviation[7] allocations concentrate on poverty-alleviation strategies. Similarly, within UD, Urban Employment and Poverty Alleviation whose programmes are meant exclusively for the direct benefit of the poor. Programmes and schemes that have a direct bearing on poverty-alleviation strategies have been identified, and data and computation are presented in Tables 12–15.

7. From 1996/7 to 1999/2000, a separate department, the Department of Rural Employment and Poverty Alleviation was created in the Ministry of Rural Development. But in the Budget papers of 2000/1 and 2001/2 there is no mention of this Department. The schemes under the Poverty Alleviation Programmes are included under the broad heading Rural Development. But, the separate heading for Urban Employment and Poverty Alleviation Programme is retained in the Urban Sector.

The share of total expenditure on poverty-alleviation programmes (included in this exercise) in the total Central Government budget allocation increased marginally from 5.3% in 1990/1 to 5.84% in 2000/1 with an average annual growth of 5.7%. The estimates of per capita expenditure/poor person (total) in total poverty alleviation increased from Rs346 in 1990/1 to Rs371 in 1999/2000.

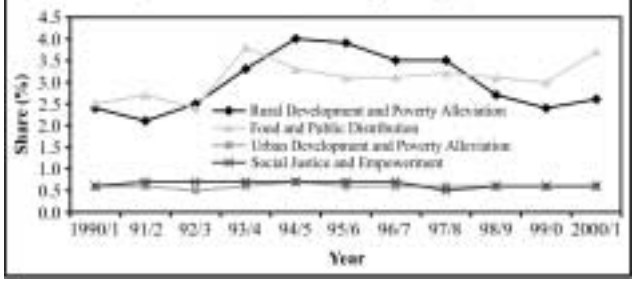
4.3.1 Rural Development (RD)

The following discussion concerns to the schemes of poverty-alleviation programmes initiated for the rural sector that are basically confined to five major heads:

- Special Programme for Rural Development;
- Rural Employment;
- Rural Housing;
- Social Security and Welfare;
- Other Rural Development programmes;

If measured by 1993/4 prices there has been a substantial increase in the total expenditure on RD from Rs34.36 bn in 1990/1 to Rs55.55 bn in 2000/1. This works out to be an average annual percentage increase of 6.4%. The major jump from –9.3% in 1999/2000 to 19% in 2000/1 was because of the introduction of the Prime Minister's Rural Roads Programme there (*Pradhan Mantri Gram Sadak Yojana*) for which Rs25 bn (at nominal prices) were allocated. But has not been any noteworthy increase in the share of expenditure on RD, as is evident from an increase of only 2.4% in 1990/1 to 2.6% in 2000/1, while this share was larger during 1993/4 to 1997/8 (see Figure 27).

Figure 27 Central Government expenditure on Poverty Alleviation Programmes (constant 1993/94 prices), 1990–2001



Expenditure on rural poverty alleviation remained more or less the same – Rs33.93 bn in 1990/1 to Rs35.26 bn in 2000/1, an average annual increase of only 2.1%. RD's share was 98.7% in 1990/1 to 99.9% in 1999/2000, but declined drastically to 63.5% in 2000/1.

The share spent on Special Programmes for RD was 18.6% of the total expenditure on RD in 1990/1 (Rs4.73 bn in current prices) but was drastically slashed to a meagre 4.2% in 2000/1. The reduction was proportionally higher from 1999/2000 to 2000/1 (13.1% to 4.2%). The average annual decline in special programme allocations was –5.5% over the whole period. The reasons for such a drastic decline cannot be deduced from the budget papers.

Further, allocation to Rural Employment showed a major decline from Rs27.04 bn in 1990/1 to Rs17.49 bn in 2000/1, with an average annual decline of –1.9%. The share of the Rural Employment Programme in total expenditure on RD declined swiftly from 79% in 1990/1 to 32% in 2000/1 and was drastically reduced to 31.5% in 2000/1 from 51.5% in 1999/2000. As a result, the expenditure on two schemes, i.e. the *Jawahar* Rural Development Scheme (*Jawahar Gram Samridhi Yojana*) was cut by 8.0% and that on the Employment Assurance Scheme (EAS) was cut

by 12%. It appears that allocations were diverted to fund the Prime Minister's Rural Roads Programme (*Pradhan Mantri Gram Sadak Yojana)* that was introduced during 2000/1, and allocated the large sum of Rs25 bn (at nominal prices).

The *Jawahar* Rural Development Scheme is a descendant of the *Jawahar* Employment Scheme (*Jawahar Rojgar Yojana*) that was renamed and retooled in April 1999 with rural infrastructure as its principal objective. Employment generation has been retained as a secondary objective while the focus has now been shifted towards the creation of durable community assets that may help to promote regionally balanced economic growth in the medium- to long-term. A recent econometric study for India by Fan et al.[8] (Anon, 2001a) on the impact of alternative avenues of public expenditure over the period 1970–93 establishes that building rural infrastructure such as roads has the greatest impact on poverty reduction, with a simultaneous positive impact on agricultural productivity growth. This finding makes it especially important that the *Jawahar* Rural Development Scheme, Employment Assurance Scheme (EAS), and the new Prime Minister's Rural Roads Programme be effectively utilised.

Expenditure on Rural Housing has remained more or less the same (in constant prices) since 1996/7, i.e. Rs9.33 bn in 1996/7, and Rs9.31 bn in 2000/1. Its share in total RD expenditure also remained stagnant during that period at just about 17% of the RD allocations. The share of expenditure on Social Security and Welfare has remained more or less constant since its inception in 1996/7, and this share has been around 8% of total RD. The share in total RD expenditure of Other RD Programmes increased from 1.5% to 2.8% with an average annual increase of 33%.

The share of all rural poverty alleviation programmes in the Centre's total budget allocation fell from 2.4% to 1.68% with an annual growth of 2.1%. The per capita expenditure on each per poor rural person declined from Rs192 in 1990/1 to Rs189 in 1999/2000.

4.3.2 Wasteland development and land resources

Expenditure in constant 1993/4 prices (Table 14) on Wasteland Development and Land Resources increased many folds from a meagre Rs310 m in 1990/1 to of Rs5010 m in 2000/1, an average annual increase of 53%. Land reforms were the only constituent of expenditure under this head, consuming all of the total expenditure until 1992/3. From 1993/4 onwards, Land Reform's share declined to just 8.5% in 2000/1. In absolute terms it was only Rs430 m in 2000/1 of a total expenditure of Rs5010 m falling from Rs310 m in 1990/1. This is because, since 1993/4 several new schemes and programmes e.g. Integrated Wasteland Development, Drought-Prone Areas, and Desert Development Programmes have been introduced, while expenditure on land reforms in real terms remained more or less stagnant. The declining expenditure on land reforms certainly has a direct relationship with the implementation of land reform programmes. Implementation of any scheme involves funds, and this declining trend in expenditure depicts a lack of emphasis on the part of those at the helm. This is very well substantiated as, with the exception of West Bengal, Kerala and Tripura, States have not reported on this account. It is not necessary to mention the role of the land reforms in bringing about a structural change in the rural sector by eliminating the age-old feudal form of land-tenure system and establishing the rights of sharecroppers and landless to the land they till. This on the one hand removes the means of landlords to exploit the tillers of soil, and on the other, drastically improves the economic and social status of the tillers.

8. It appears that this study analyses national-level allocations and expenditure without adjusting for the double counting of budgetary and expenditure figures.

4.3.3 Urban Development (UD)

The annual growth in expenditure on the Urban Poverty Alleviation Programme was a healthy 8.1% in real terms, with an allocation of Rs11.57 bn in the current year. The share of the Urban Employment and Poverty Alleviation Programme in the total expenditure on UD declined from 26.3% in 1990/1 to 22.7% in 2000/1. The most important scheme, the Golden Jubilee Urban Employment Scheme (*Swarna Jayanti Shahari Rojgar Yojana)* which was the only expenditure in poverty alleviation programmes until 1993/4 only received 32.8% in 2000/1 because of the addition of such new schemes as Investment in Public Enterprises, and the lump sum provision for projects/schemes for the benefit of the North Eastern Region and Sikkim.

The share of Urban Poverty Alleviation Programmes in the total Central budget allocation declined from 0.1% to 0.08% with an annual average growth of 8.1%. The urban poverty alleviation expenditure on each urban poor person increased from Rs11 in 1990/1 to Rs28 in 1999/2000. But, it was only 1/8th of the amount spent on each rural poor person, a very meagre amount.

4.3.4 Social justice and empowerment

The total expenditure in constant 1993/4 prices under this head rose from Rs8.72 bn in 1990/1 to Rs12.38 bn in 2000/1 an annual growth rate of 4.0%. But its share of the total budget allocation remained more or less the same at 0.6% during the period 1990/1 and 2000/1. Expenditure on the welfare of SCs, STs and OBCs formed about 74.3% of this sector in 2000/1 compared to 89.5% in 1990/1. In absolute terms and constant prices, expenditure increased from Rs7.8 bn in 1990/91 to Rs9.19 bn in 2000/1 with an average annual growth rate of 2.0%. The expenditure on each SC person from Central Government expenditure on Welfare of SCs declined from Rs55 in 1990/1 to Rs51 in 2000/1, and for each ST person it decreased from Rs29 to Rs24 during the same period.

Expenditure on Child Welfare[9] by the Department of Social Justice and Empowerment remained more or less the same during the reference period. The share of expenditure on child welfare in the total expenditure declined from 1.6% in 1990/1 to 1% in 2000/1 with an average annual growth of 2.1%. Expenditure in real terms declined slightly from Rs140 m in 1990/1 to Rs120 m in 2000/1.

Expenditure on the Welfare of the Handicapped registered a very high rate of annual growth at 13.7%. It increased from Rs530 m in 1990/1 to Rs1590 m in 2000/1, reflecting an increasing concern to address the issues of the handicapped. Welfare of the Handicapped's share in total expenditure on Social Justice and Empowerment increased from 6% in 1990/1 to 12% in 2000/1 with an average annual growth of 13.7%.

4.3.5 Food and public distribution

Food subsidy[10] forms about 96% of the total expenditure under this head. Its importance lies in the implementation of food distribution at reasonable rates through fair-price shops to benefit people in low-income groups. Expenditure on this account increased from Rs33.11 bn in 1990/1 to Rs75.78 at

9. The Department of Woman and Child Development, undertake expenditure on Integrated Child Development Services (ICDS) as a separate scheme.
10. The volume of subsidy is mainly dependant on two components, 1. Economic cost, i.e. the minimum support or procurement price + administrative cost, and 2. Issue prices. The higher the difference between the two, the higher will be the amount of subsidy. If the procurement price goes up while the issue price remains the same, producers enjoy the benefit of the increase in the subsidy. On the other hand, the consumers enjoy the benefit if procurement prices are lowered while administrative costs remain the same. If neither the procurement price nor the issue price increases, but the volume of subsidy continues to increase, then neither the consumer nor the producer gets the benefit. It can simply be attributed to the increasing administrative cost, reasons for which could be anything from the inefficiency of the Agent (FCI) to increasing transportation, storage, increasing administrative expenses incurred by salary increases following revision of staff pay structure or over-staffing, etc.

constant 1993/4 prices in 2000/1. Its share in the total budget also increased from 2.3% to 3.61% during this period, with an average annual increase of 10.5%.

The Public Distribution System (PDS) had been widely criticised for its failure to serve the population living below the poverty line. Therefore, an effort was made to streamline the PDS, by introducing the Targeted Public Distribution System (TDPS) in June 1997. This system follows a two-tier subsidised pricing structure: for families below the poverty line (BPL), and those above the poverty line (APL). The Union Budget 2000/1 announced a monthly allocation of 10–25 kg food grains to each BPL family under the TPDS. This measure expanded the access of about 60 m BPL families to subsidised food grains. The issue price of food grains for BPL families is fixed at 50% of their economic cost. For APL families, the price of food grains is fixed at the economic cost of the Food Corporation of India (FCI). But the States have only taken 55% of the food grains offered by the Centre as observed by the Union Minister of Consumer Affairs and Public Distribution System. He says, 'I have been asking Chief Ministers why the off-take is not 100%, particularly when the average monthly requirement of a BPL family is 50 kg? The response has been worse from States that have been offered food grains at 50% of the cost for implementing Food for Work Programmes. Not even one State has responded to this offer so far'.

In order to make the TPDS more focussed and targeted towards the poor, the scheme on Distribution of Food Grains to the Poor (*Antyodaya Anna Yojana,* AAY) was launched in December 2000. The scheme contemplated identifying 10 m poor families and providing them with 25 kg of food grains each month at Rs2/kg for wheat, and Rs3/kg for rice. The estimated annual allocation of food grains for poor families is 3 m tonnes, and involves a subsidy of Rs 23.15 bn.

Given the failure of the PDS network to distribute food grains to elderly people in rural India, the Food for All scheme, (*Annapoorna Anna Yojana*) was launched in 2000/1 by the Department of RD. Through this scheme, 10 kg food grains are given free each month to those who are eligible for old age pensions but are not covered by the National Old Age Pension Schemes (NOAPS). But the Union Minister stated that, in the first year States only used 70% of that available (1.1 m tonnes out of 1.6 m tonnes).

In the Union Budget 2001/2, the scheme was modified to extend coverage to those persons who are covered by the NOAPS (approximately 6.9m), in addition to those initially targeted the AAY scheme (1.4 m). Rs2700 m was allocated to the scheme in 2001/2, an increase from Rs900 m in 2000/1 (at nominal prices).

The entire edifice of the PDS depended on the premise that the public would receive food grains at prices that were substantially lower than the free market price. However, two things have happened: a. there is no shortfall in the supply position, as domestic production has reached a far higher level than the market or PDS can absorb, and b. the market prices are often lower than the APL price under the PDS. Therefore the Government is faced both with the problem of carrying large surplus stocks, and by the off-take of food grains, particularly of wheat under the PDS being low during the last 2 years, the latter, because of narrowing differentials between the PDS and open market prices. There is therefore a need to rationalise the present procurement and price-setting policy.

Another problem associated with this scheme is that the poor, particularly the poorest, generally do no accumulate enough cash to buy 25 kg of grains at a time. There is need to put in place a system that allows the purchase of PDS grains in instalments, say four times a month, or at least allows people to pay in instalments while receiving their monthly supply. This would recognise the fact that food distribution is a very difficult task indeed.

A World Bank report (World Bank, 1993) states that half the stock of FCI is at least 2 years old, 30% is between 2–4 years old, and some grain is as old as 16 years (Anon 2001b). There is an urgent need to install a grading and monitoring system to address these issues.

In recent years, annual increases in the minimum support price (MSP) have been substantial and unrelated to actual costs of production. This has led to serious mis-alignment between the MSP, the acquisition cost of the FCI, and the PDS issue price. The annual increases in MSP since 1995/6 have even been far higher than the inflation rate. A serious re-thinking on the rationale of raising the MSP of crops like wheat and rice, to well above the levels at which the FCI's procurement can be balanced by off-take is called for (see Table 16). The rise in stocks means a rise in storage costs, losses are incurred due to deterioration in quality, and therefore, the food subsidy bill of the GoI rises. The present system can emphatically be called a 'waste in the name of the poor'.

The percentage change in annual Centre expenditure on poverty alleviation programmes in real terms indicates vast variation between years with an average of 5.7% during the last decade. However, a large jump of 49% in allocation was noticed only as far back as 1993/4 (Figure 28). This was mainly because of high allocations to the Rural Employment and Food Subsidy Programmes. This is evident even when the allocation/expenditure is expressed as a percentage of GNP (Figure 29).

Figure 28 Change (%) in Central Government expenditure on Poverty Alleviation Programmes (constant 1993/4 prices), 1990–2001

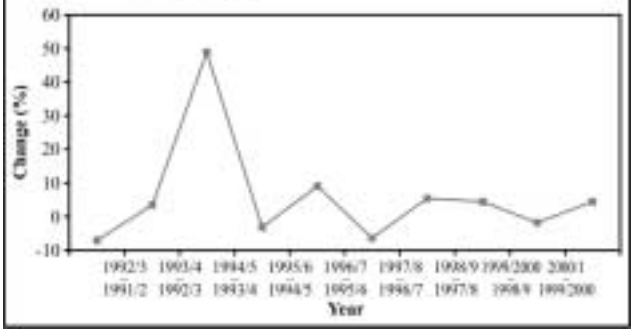
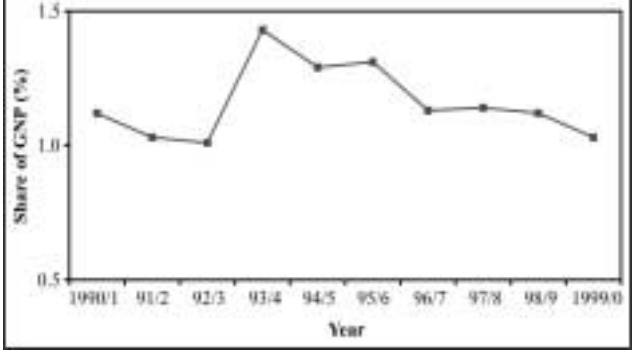


Figure 29 Central Government expenditure (as % of GNP) on Poverty Alleviation Strategies, 1990–2001



5 Under-utilisation of Budgets

The most peculiar and undesirable part of the budget lies in the fact that while the planners and academicians (including social scientists) have taken great pains to evolve ways and means to pool resources under the growing fiscal crises and rolling back of public expenditure in the process of liberalisation, to fund Social Sector and Poverty Alleviation Programme expenditure according to the budget provisions of both Central and State Governments, very little attention has been paid to the utilisation of the 'allocated funds'. There is scant information on what is really happening to the budgetary allocations made year after year to implement several development schemes. Are they being fully utilised or not? If not, why? Is it because of the delay in the release of funds by the Central to the State Governments and subsequently to district treasuries and in providing access to the implementing agencies?

Broadly, the phenomenon of under-utilisation of funds is reflected in the difference in the GoI's budget allocations, releases and utilisation in different sectors and schemes. But this provides only an overall picture. The fact that funds allocated for different programme components and sub-components are under-utilised goes unnoticed because of the lack of an adequate 'financial management information' system (Rajaraman, 2001b; Bhatt, 2000). Within a given programme, the variations in utilisation of different schemes are also significant. The information suggests that it is generally the larger States that face problems, suggesting complexities in managing the programmes in these States.

Some sketchy ideas on the severity and dimension of the issue at the sub-sectoral and implementation level can be captured from scattered references. Until the financial year 2000/1, the Government of Delhi Union Territory only spent just a third of its budget. Not only does this indicate that the amount supposed to be spent on development work had not been spent, in the long run it also affects the budget allocation that Delhi gets from the Centre. Within this budget, of the Rs280 m allocated to the Municipal Corporation of Delhi for development of the Trans Yamuna area, only Rs12.8 m or just 4.5% was spent. The Department of Information and Technology, which the city government considers a high-priority area spent just 8% of its budget. In the field of labour welfare utilisation was 8.5%, the Directorate of Employment 9.69% and the Directorate of Training and Technical Education 9.10%. While the Public Works Department spent only Rs180 thousand out of Rs100 m on low-cost housing, they spent more than 90% of their budget on office accommodation. The obvious question is raised, 'How can the Delhi Government ask the Planning Commission for additional funds for Delhi when they could not even spend what was given to them? (Sangwan, 2001). At the Ministry's Parliamentary Committee meeting, the Minister of State for Social Justice and Empowerment criticised the lack of fund utilisation by State governments (Anon, 2001c). Patients suffer as Delhi Government hospitals fail to utilise funds, e.g. G. B. Pant Hospital, the Delhi Government's best hospital had utilised only 36% of its annual plan outlay of Rs250 m for 2001/2 by December 2001. The Maulana Azad Medical College and Hospital spent only 27.9 m of its annual outlay of Rs90 m (Chauhan, 2002). Many key government departments in Orissa have utterly failed to utilise their Plan allocations. In the financial year 2001/2 some departments had failed to spend even 10% of their annual allocations by the end of October 2001 (Pattnaik, 2001). Central funds for the 'Rural Connectivity Road Programme' aimed to connect remote villages with main roads, lied unused by the Bihar Government. The Centre allocated Rs1500 m to Bihar under the first phase of the programme, 6 months elapsed, but the State Government failed to utilise even a single rupee! It was feared that the money would have to be surrendered as there was no way to spend it all by the end of the current financial year (2001/2). The Centre will withhold the second phase allocation (about Rs3 bn) since the State will not be able to produce a utilisation certificate (Mishra, 2001a).

It is hardly possible to bring out the causes for under-utilisation of allocated funds for all the sectors together. Because of the differences in objectives, funding sources, administrative machinery and implementing agencies across the sectors and within a sector. However it is possible to identify certain common causes and factors that affect almost all the sectors.

In Centrally Sponsored Programmes (CSPs), financial resources flow through different levels in government. Funding for services at the District level, currently comes through numerous independent channels including central allocations routed through State Governments. From the Central Government treasury it is passed on to the State treasury and is made available at the District or Block level. Over the period, the resource flows have become more uncertain thus affecting programme performance (Bhatt, 2000). Even though the pattern of funding to the States by the Central Planning Commission is uniform, there are substantial difference between States in utilisation of funds and in completion of the targeted work without time and cost overruns. The Planning Commission provides approximately 50% of Plan funds for minimum-needs programmes. The States are not able to spend this amount and usually divert it to the non-Minimum Needs Programme component.

The cash remittances to Districts are highly uneven and uncertain. The mapping of funds transferred from Centre to States does not exactly match cash remittances made by the Centre and cash remittances received by the Districts. For example, examination of the data on release of funds for three family welfare schemes (under the Ministry of Health and Family Welfare) to a particular district in West Bengal revealed that until September in a particular financial year, no remittance reached the District barring a meagre 1.21% in July, 57% of the remittance reached the District in the third quarter, and the remaining 42% in the last quarter of the financial year.

Though financial rules and procedures are well defined, delay in funding flow is a general experience for managers implementing sector programmes. Sometimes at the District level no guidance is available to programme managers on fund utilisation. There is considerable amount of confusion at different levels about the way implementing agencies are expected to interact with agencies outside the Government and how funds are supposed to be utilised. Thus, available resources are not put to use, and are sometimes under-utilised.

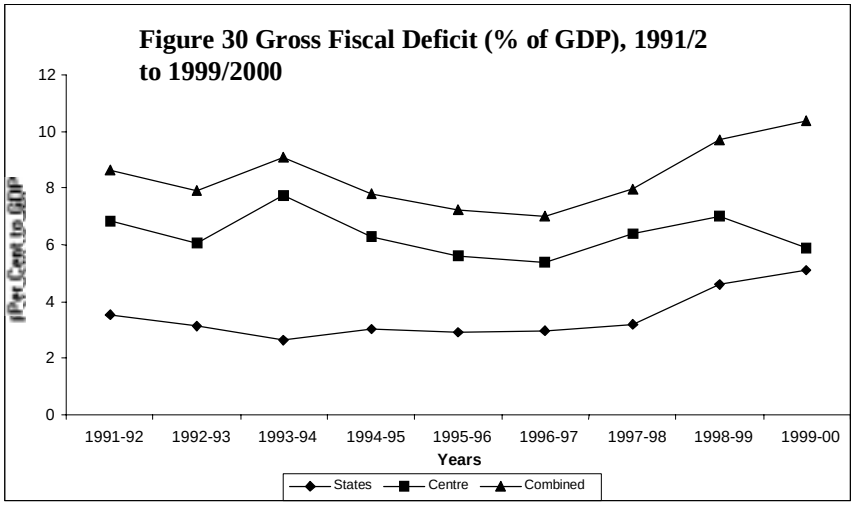
States and other projects report that a major bottleneck to funding flows is the delay or default in reporting Statements of Expenditure (SOE). This further delays the consolidation of expenditure at the Central level and reporting from there to Parliament and external donors.

6 Discussion and Conclusions

India recorded strong economic growth during 1980–2000, especially during the 1990s, a decade known for noteworthy structural economic reforms. This period also recorded declines in the incidence of poverty, and improvements in such parameters of human development as levels of literacy, health, and nutrition. Broad-based development policies focused on enhanced and targeted public investment in programmes that facilitated improvements in the quality of life of the masses.

Public expenditure on social sectors constitutes a substantial part of budget allocations in many modern-day developed and developing countries. For example, in 1996/7 public allocations for health and education were 13.7% of the gross domestic product (GDP) in France, 12% in the US, 11% in UK, 6.6% in Malaysia, and 4.8% in Sri Lanka. In India this expenditure amounted to only 4.1% of the GDP. India along with its many States, has high level of deficit financing (around 12%) that exerts pressure on public finances. Since the late 1970s, most of the governments in developing and developed countries have been facing fiscal crises that have forced them to cut into social sector expenditure (World Bank, 1993). In context of India, it can be observed that the Gross Fiscal Deficit of the Central Government (as a percentage to GDP) remained more or less at 6.0% during 1991/2 to 1999/2000. In contrast, the State Governments' deficit shows a rising trend from 3.6% in 1991/2 to 5.1% in 1999/2000 (Figure 30).

Figure 30 Gross Fiscal Deficit (% of GDP), 1991/2 to 1999/2000



Therefore, the tendency towards a cutback in social sector expenditure becomes an unavoidable fact. The major reasons can be attributed to:

- State governments are not able to mobilise the additional resources required to finance increasing budgetary demands. There seems to be a lack of administrative efficiency and political will to raise resources mainly through indirect taxes;
- Due to the increasing share of non-developmental expenditure by the States (Figure 22), a shortfall in the developmental expenditure has affected the social sector and poverty alleviation programmes;
- As a result of the structural adjustment policy States have little control over the functioning of the economy.

In the context of the 2001/2 budget, a promise was made that funds would be allocated to the Social Sector by sharing the disinvestment proceeds between Labour Reform and the Social Sector. This budget aimed for disinvestment proceeds of Rs.120 billion, of which Rs.70 billion was to be allocated to Labour Reform, and remaining the Rs.50 billion to the Social Sector. But as shown in

Table 17 this did not happen. Even in 2001 the promise to provide Rs.50 billion was not kept. This kind of policy announcement seems irrelevant, and gives an impression of a lack of serious commitment to address the human development and poverty issues facing the nation.

These factors together with uneven public policy concerns over the past half-century have resulted in low funding of the Social Sector. This has in turn resulted in India's prevailing high levels of illiteracy, low life expectancy at birth, high incidence of disease, disability, and malnutrition compared to those in certain other developing countries. The Indian Constitution imposes upon Government (at both Central and State level) that basic necessities are made available to all citizens across the whole of India. The Constitution binds governments to allocate funds, formulate programmes and policies to improve social conditions, and to alleviate poverty. There are a plethora of schemes in India that aim to provide primary and middle-level education, and public and primary health care, ensure employment for those seeking work, subsidise food distribution, and provide a number of social welfare programmes. Such a multiplicity of programmes has proved counter-productive, and many of them are deeply criticised for being unsuccessful in generating their intended outputs due to their poor implementation and shortfall in achieving targets in a transparent manner.

While, over the years, public expenditure on the social sectors and poverty alleviation has increased substantially in absolute terms, relatively speaking the rate of increase during the reforms of the 1990s slowed by 1997/8, with Central budgets picking up again during 1998/9 and 1999/2000. There is also an anomaly between the BEs and Revised Estimates (REs) that suggests that 10–12% of Central BE allocations are never spent, especially on social services and poverty alleviation. It is important to explore the reasons for low spending, and what corrective measures national and State governments undertake annually.

Driven by a concern to promote growth, in line and in tune with international mandates relating to the World Trade Organization (WTO), recent budgets have shown signs of reducing public subsidies. Subsidies that have been in place for the last half-century accounted for 12.8% of the Centre's revenue receipts in 1999/2000. They declined to 10.6% in 2000/1, largely due to reductions in fertiliser and food subsidies. The need to continue subsidies that favour the poor through self-targeting and cross-subsidisation strategies, but in ways that do not dampen the enthusiasm of investment classes is still pressing in India. For India as a whole the public (Centre and State) share is only about one quarter of the total expenditure on health and about 60% of that on primary and elementary education. The remainder is provided from householders' own private budgets. Per capita public expenditure on social sector and poverty alleviation programmes is low, and most of the allocated moneys is spent on salaries and establishment costs.

In the Indian context, it is erroneous to analyse the process of development, particularly in the Social Sector and Poverty Alleviation Programmes from national budgets alone, because State policies independently play a dominant role. The main components of these are:

- Education, Sports, Arts and Culture (ESAC);
- Medical, Public Health and Family Welfare (MPHFW);
- Water Supply and Sanitation (WSS);
- Welfare of SCs, STs and OBCs;
- Rural Development;
- Urban Development.

Total expenditure on these accounted for only 7.4% of the GDP in 1999/2000 of the combined (adjusted) Centre and State expenditure (in 1993/4 prices) It was 7% of the GDP during1991–8. By far the single largest item was public expenditure on education (including higher education) that

jumped from 3.29% of the GDP in 1998/9 to 3.73% in 1999/2000. Despite increased allocation during the last decade in the MPHFW sector, both State and Centre expenditure (as percentages of the GNP) have not attained the levels enjoyed during 1990/1. The relative share of Central expenditure on RD has declined substantially from about 42% in 1998/9 to 35% in 1999/2000, a large part being reallocated to rural road construction programmes.

An additional problem facing Social Sector and Poverty Alleviation Programmes is that within each sector, such as those for primary education, rural employment, micro-credit programmes, old-age assistance programmes, and so on, there are a large number of targeted sub-schemes. One can find over 150 welfare-oriented programmes at the State level. This multiplicity of programmes is the primary cause of so much confusion, and the reason that among all the programmes none seems to be efficiently implemented.

The performance of several major poverty alleviation programmes has not been satisfactory in the past few yeas. For instance, the EAS (for rural areas started in 1993) aims to create additional paid work opportunities during periods of acute shortage of wage employment, through manual work for the rural poor living BPL in drought-prone, desert, tribal, and hill areas. In 1999/2000, the target was to generate 409 m person-days of employment, but only 262 m were actually generated. Similarly, in the Chief Minister's Employment Scheme for urban areas the target was to generate 55 m person-days of employment, whereas the actual achievement was only 48 m person-days.

It is surprising to note that out of all the total Central allocations, States utilised only a small part of the available resources, i.e. only about 49% of the *Jawahar Gram Samridhi Yojana* (JGSY) (*Jawahar* Rural Development Scheme), 56% of EAS, and 31% of the Golden Jubilee Self-Employment Scheme, and 32% of Rural Sanitation; and only around 40% of these released funds were utilised during April–December 2001 i.e. during the first 9 months of the financial year. It is not unexpected to find similar utilisation levels in public expenditure on welfare of SCs, STs and OBCs. Public expenditure on this group has indeed declined during the last decade, as is evident in the data presented. Such financial institutions as the SCs and STs Development Corporation, the Minorities Development Corporation, and so on, are not at all effective due to their total failure to disburse the allocated funds amongst the States for their intended objectives.

A fairly explicit phase of Economic Reforms began in 1991 in India. The basic philosophy of these reforms was to reduce public involvement in a number of production and distribution mechanisms whose performance can be better sustained and even enhanced by the private sector. It appears that this process has also affected the commitment and performance of the public machinery in implementing social sector and poverty alleviation programmes. The implicit requirement for private contributions is likely to be unaffordable by the majority of the population. The State, therefore, cannot be absolved from its constitutional duty to provide basic services to the people. Another relevant factor is that reforms are putting pressure on State finances in two ways. First: tax: GDP ratios are not increasing commensurately with the increases in GDP, and often fall short of targeted collections. Second, pressures to enhance GDP growth demands reallocation of public funds to the industrial, manufacturing, infrastructure, and service sectors at the expense of social sectors, poverty alleviation programmes, rural development, and primary sectors.

Although the relative share of agriculture in growth has declined from about 60% during the 1950s to about 25% during recent years, over 65% of the labour force is still trapped in low-productivity agricultural and farming activities. The importance of sustaining improved growth rates in the agricultural sectors in future, as the shares of manufacturing and services increase concurrently cannot be overemphasised. Enabling labour-market flexibility, and effecting inter-sectoral shifts in the work force is an absolute necessity.

Budgets are intended to play catalytic roles by targeting financial expenditure on priority sectors to promote efficiency in growth, and sustainability and equity in development. Budgets should be reliable enough to provide adequate annual support to policies and programmes that are essential, and to those that have shown results; but should be dynamic enough to address emerging issues and challenges. Flexibility and dynamism is especially needed to accomplish objectives that are often not entirely set by the formal political structures, but rather by public sentiments supported by academic rigour. The cases in point are the need for increased allocations to promote and provide elementary education and basic health services, and to ensure adequate nutrition for the poorest. Given the fact that enhanced public allocations are necessary, and that improving the efficiency of investment is essential, the 2000/1 Budget announcement linking additional allocations to the volume of public disinvestment proceeds appears naive. It must be noted that public investment to boost the rural economy and agriculture is imperative to improve the social sectors and alleviate poverty, even if GDP growth continues to increase towards the projected 8% growth.

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Appendix Tables

Table 1 Rates of exchange for the Rupee against US$ and £ Sterling, 1990–2002

Year	Rs/US$	Rs/£
1990/1	17.9	33.2
1991/2	24.5	42.5
1992/3	30.6	51.7
1993/4	31.4	47.2
1994/5	31.4	48.8
1995/6	33.5	52.4
1996/7	35.5	56.4
1997/8	37.2	61.0
1998/9	42.1	69.6
1990/2000	43.3	69.9
2000/1	45.7	67.6
2001/2	47.6	68.9

Source: GoI, 2002.

Table 2 Central Government's share of various budget heads (% of total expenditure)

Years	Education, Sports, Arts and Culture	Medical, Public Health and Family Welfare	Family Welfare	Medical and Public Health	Water Supply and Sanitation	Urban Development	Welfare of SC, ST and OBC	Rural Development
1991/2	8.9	20.7	-	-	21.5	27.6	23.1	30.1
1992/3	8.1	23.0	-	-	15.9	29.3	22.1	33.2
1993/4	8.9	23.5	-	-	19.9	32.9	23.9	39.3
1994/5	8.8	23.9	-	-	18.4	34.0	21.4	48.1
1995/6	10.6	21.9	44.8	12.4	21.8	27.4	21.9	51.1
1996/7	9.7	21.5	41.9	15.1	18.7	21.2	17.9	43.5
1997/8	10.9	22.6	42.8	17.1	19.8	25.9	17.8	48.2
1998/9	11.9	23.0	43.3	18.2	19.3	26.2	16.8	41.5
1999/ 2000	11.1	23.8	43.1	19.4	18.8	18.9	16.8	35.2

Source: Computed by the authors.

Table 3 All India head count ratios (HCRs) for rural, urban and combined areas (%)

Estimates of poverty			
Year	**All India**	**Rural**	**Urban**
1973/4	54.9	56.4	49.0
1977/8	51.3	53.1	45.2
1983	44.5	45.7	40.8
1987/8	38.9	39.1	38.2
1993/4	36.0 (317)[1]	37.3 (243)	32.4 (75)
1999/2000 (30 day recall)	26.1 (259)	27.1 (195)	23.6 (64)

1. Numbers in parentheses are population in millions.
Source: GoI, 2001.

Table 4 Total (Centre plus States) expenditure (Rs bn) on various budgets heads (constant 1993/4 prices)

Years	Education, Sports, Arts and Culture	Medical, Public Health and Family Welfare	Family Welfare	Medical and Public Health	Water Supply and Sanitation	Urban Development	Welfare of SC, ST and OBC	Rural Development
1991/2	185.91	65.60	-	-	29.13	12.25	28.35	76.65
1992/3	192.83	68.84	-	-	26.85	11.31	28.97	83.03
1993/4	192.48	72.63	-	-	30.98	11.53	28.78	97.86
1994/5	204.05	74.70	-	-	34.78	12.60	29.48	98.05
1995/6	230.96	80.07	23.52	56.55	36.47	14.68	32.72	96.77
1996/7	246.88	85.05	20.18	64.87	39.80	17.69	37.97	104.72
1997/8	251.08	86.48	18.72	67.75	42.10	17.94	35.43	100.25
1998/9	286.80	93.90	17.89	76.01	47.12	18.95	37.17	100.92
1999/2000	370.33	118.42	21.70	96.72	53.80	27.89	46.51	115.50

Source: Computed by authors.

Table 5 Distribution (%) of State Governments' budget expenditure to major budget heads, 1991–2000

Accounts									
Programmes	**1999/ 2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**
I Development expenditure (% of total)	**57.3**	**57.9**	**59.4**	**60.7**	**60.3**	**59.2**	**61.6**	**62.2**	**63.3**
A. Social Services (% of Development)	**57.7**	**55.9**	**52.9**	**52.5**	**52.5**	**49.4**	**49.2**	**50.2**	**47.9**
Education, Sports, Arts and Culture	54.5	53.7	52.5	51.8	52.2	53.8	53.7	53.9	53.0
Medical, Public Health and Family Welfare	14.9	15.4	15.7	15.5	15.7	16.4	17.0	16.1	16.3
Water Supply and Sanitation	7.2	8.1	7.9	7.5	7.2	8.2	7.6	6.9	7.2
Housing	2.0	2.0	1.9	1.7	1.9	1.8	1.6	1.8	1.9
Urban Development	3.7	3.0	3.1	3.2	2.7	2.4	2.4	2.4	2.8
Welfare of SC, ST and OBC	6.4	6.6	6.8	7.2	6.4	6.7	6.7	6.9	6.8
Labour and Labour Welfare	1.3	1.2	1.4	1.4	1.3	1.4	1.4	1.7	1.5
Social Security and Welfare	4.5	4.3	4.4	4.8	4.4	4.6	4.6	5.2	4.6
Nutrition	2.3	2.5	2.6	3.0	3.8	1.8	1.7	1.8	1.9
Relief of Natural Calamities	2.3	2.4	2.8	3.0	3.4	1.9	2.3	2.4	3.3
Others[1]	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.8
1. Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
B. Economic Services (% of Development)	42.3	44.1	47.1	47.5	47.5	50.6	50.8	49.8	52.1
Agriculture and Allied Services	24.1	22.3	20.1	20.0	21.1	20.6	22.8	24.1	20.3
Rural Development	16.9	15.9	13.7	15.2	13.3	14.3	17.6	17.0	15.4
Special Area Programme	2.1	2.2	1.9	2.1	1.8	1.7	1.8	1.9	1.7
Irrigation and Flood Control	25.2	27.1	26.5	24.8	27.0	25.4	24.7	23.5	22.4
Energy	8.8	10.3	14.6	15.1	13.2	15.0	10.8	11.2	18.7
Industry and Minerals	3.7	4.0	4.1	5.2	5.2	4.9	4.9	5.6	5.2
– Village and Small Industries	–	–	–	–	–	–	–	–	–
– Industries	–	–	–	–	–	–	–	–	–
– Others	–	–	–	–	–	–	–	–	–
Transport and Communication	14.7	14.5	14.3	13.3	14.4	13.2	13.2	12.1	11.7
Science, Technology and Environment	0.2	0.2	0.1	0.2	0.1	0.1	0.2	0.1	0.1
General Economic Services	4.3	3.5	4.6	4.1	3.8	4.8	4.0	4.4	4.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
I Development expenditure	**57.3**	**57.9**	**59.4**	**60.7**	**60.3**	**59.2**	**61.6**	**62.2**	**63.3**
II Non–Development expenditure	**33.4**	**32.1**	**31.1**	**30.2**	**30.9**	**30.3**	**28.0**	**26.7**	**24.9**
III Grants–in–aid and contributions	**0.0**	**0.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
IV Compensation and assignments to local bodies	**1.6**	**1.3**	**1.3**	**1.0**	**0.9**	**0.8**	**0.9**	**0.9**	**0.9**
V Others	**7.8**	**7.9**	**8.2**	**8.1**	**7.9**	**9.8**	**9.5**	**10.2**	**10.8**
Total Expenditure/Disbursements (I to V)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

1. Includes reserve with Finance Department, discharge of internal debt, repayment of loans to Centre and loans and advances by State Governments.
Source: Various issues RBI Bulletin, GoI.

Table 6 Change (%) in State Government budget expenditure on major budget heads, 1991–2000 (constant 1993/4 prices)

	Annual growth rates (%)							
Programmes	**1998/9–1999/2000**	**1997/8–1998/9**	**1996/7–1997/8**	**1995/6–1996/7**	**1994/5–1995/6**	**1993/4 1994/5**	**1992/3–1993/4**	**1991/2–1992/3**
I Development expenditure	**16.3**	**4.5**	**–0.3**	**10.3**	**3.6**	**4.8**	**2.1**	**–0.2**
A. Social Services	**20.1**	**10.5**	**0.5**	**10.3**	**10.1**	**5.2**	**0.1**	**4.6**
Education, Sports, Arts and Culture	21.9	12.9	2.0	9.4	7.0	5.3	–0.3	6.4
Medical, Public Health and Family Welfare	16.7	8.1	1.8	8.7	5.5	1.4	5.7	3.6
Water Supply and Sanitation	7.4	12.5	6.1	15.4	–3.7	13.5	10.8	0.4
Housing	22.3	19.5	6.8	2.4	17.5	12.9	–7.5	0.6
Urban Development	51.3	5.2	–3.1	33.7	22.4	6.6	–2.4	–8.4
Welfare of SC, ST and OBC	17.1	6.1	–5.0	24.1	5.8	4.9	–2.1	5.2
Labour and Labour Welfare	22.3	–4.0	5.9	13.9	1.8	4.0	–14.2	17.9
Social Security and Welfare	26.0	8.2	–8.5	22.7	3.4	5.4	11.5	18.2
Nutrition	11.7	4.7	–13.0	–13.1	132.4	15.8	–7.4	0.0
Relief of Natural Calamities	14.2	–2.1	–6.7	–4.6	97.9	–13.6	–3.9	–23.0
Others	3.6	13.8	–2.6	–6.4	18.3	4.5	2.0	8.5
B. Economic Services	**11.6**	**–2.3**	**–1.1**	**10.2**	**–2.7**	**4.4**	**4.1**	**–4.6**
Agriculture and Allied Services	20.4	8.3	–0.5	4.7	–0.4	–6.0	–1.3	13.2
Rural Development	18.6	13.7	–10.7	26.0	–9.9	–15.0	7.8	5.3
Special Area Programme	3.8	12.9	–7.0	28.0	4.0	–3.8	–3.1	6.5
Irrigation and Flood Control	3.9	–0.2	5.7	1.4	3.2	7.6	9.1	0.1
Energy	–4.8	–31.2	–4.4	25.7	–13.9	45.2	0.3	–43.1
Industry and Minerals	2.1	–5.0	–21.8	9.4	4.5	4.4	–10.1	3.1
– Village and Small Industries	5.2	6.8	–30.5	21.2	9.0	1.0	–10.6	0.8
– Industries	–1.9	–16.3	–4.2	–0.9	1.0	–11.9	34.7	10.2
– Others	–1.7	–16.9	–20.1	–4.7	–0.4	51.0	–47.7	2.0
Transport and Communication	13.1	–0.7	6.3	1.9	6.3	4.3	13.6	–1.0
Science, Technology and Environment	23.0	28.0	–21.0	25.5	10.6	–9.0	11.8	26.9
General Economic Services	38.6	25.9	9.2	18.3	–22.8	25.1	–3.7	–6.1
I Development expenditure	**16.3**	**4.5**	**–0.3**	**10.3**	**3.6**	**4.8**	**2.1**	**–0.2**
II Non–Development expenditure	**22.2**	**11.0**	**4.7**	**7.1**	**3.7**	**17.8**	**8.3**	**8.9**
III Grants–in–aid and contributions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
IV Compensation and assignments to local bodies	**38.9**	**9.8**	**37.2**	**22.3**	**8.6**	**1.1**	**2.0**	**–5.0**
V Others[1]	**15.1**	**3.9**	**3.0**	**12.0**	**–17.4**	**11.8**	**–3.6**	**–4.1**
Total Expenditure/Disbursements (I to V)	**17.5**	**7.4**	**1.9**	**9.6**	**1.6**	**9.1**	**3.2**	**1.6**

1. Includes reserve with Finance Department, discharge of internal debt, repayment of loans to Centre and loans and advances by State Governments.
Source: Computed from the information given in various issues of the RBI Bulletin, Reserve Bank of India, Government of India.

Table 7 Cumulative expenditure (Rs bn) by State Governments, 1991–2000 (constant 1993/4 prices)

Accounts									
Programmes	**1999/2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**
I Developmental Expenditure	**1203.17**	**1034.33**	**989.96**	**992.62**	**900.11**	**868.81**	**828.90**	**812.06**	**813.89**
A. Social Services	**694.71**	**578.59**	**523.67**	**521.22**	**472.50**	**429.14**	**407.91**	**407.51**	**389.76**
Education, Sports, Arts and Culture	378.66	310.74	275.13	269.86	246.77	230.68	219.08	219.80	206.61
Medical, Public Health and Family Welfare	103.82	88.97	82.29	80.82	**74.34**	**70.48**	**69.50**	**65.74**	**63.46**
Water Supply and Sanitation	50.21	46.75	41.54	39.13	33.92	35.22	31.02	28.00	**27.90**
Housing	14.23	11.63	09.74	9.12	8.91	7.58	6.72	7.26	**72.20**
Urban Development	26.02	17.20	16.35	16.87	12.62	10.31	9.68	9.92	**10.83**
Welfare of SC, ST and OBC	44.52	38.03	35.84	37.72	30.39	28.73	27.39	27.97	**26.59**
Labour and Labour Welfare	08.84	7.23	7.53	7.11	6.24	6.13	5.89	6.86	**5.82**
Social Security and Welfare	31.53	25.03	23.13	25.27	20.59	19.91	18.89	21.34	**18.05**
Nutrition	16.03	14.35	13.71	15.76	18.13	7.80	6.74	7.28	**7.28**
Relief of Natural Calamities	16.14	14.13	14.43	15.46	16.20	8.19	94.80	9.86	**12.81**
Others[1]	04.70	4.54	03.99	4.10	4.38	3.70	3.54	3.47	**3.20**
B. Economic Services	**508.46**	**455.74**	**466.29**	**471.40**	**427.61**	**439.67**	**420.98**	**404.55**	**424.13**
Agriculture and Allied Services	122.41	101.64	93.84	94.34	90.06	90.42	96.19	97.49	86.10
Rural Development	86.14	72.64	63.92	71.58	56.82	63.06	74.19	68.81	65.37
Special Area Programme	10.60	10.21	09.04	9.72	7.59	7.30	7.59	7.83	7.36
Irrigation and Flood Control	128.20	123.42	123.68	117.06	115.41	111.87	103.96	95.26	95.14
Energy	44.61	46.84	68.07	71.17	56.62	65.75	45.29	45.16	79.33
Industry and Minerals	18.58	18.20	19.16	24.51	22.41	21.44	20.53	22.85	22.16
– Village and Small Industries	10.64	10.12	09.48	13.64	11.25	10.32	10.22	11.43	11.34
– Industries	04.93	5.02	6.00	6.26	6.32	6.26	7.10	5.27	4.79
– Others	03.01	3.06	3.68	4.61	4.84	4.86	3.22	6.15	6.03
Transport and Communication	74.93	66.24	66.72	62.78	61.64	57.97	55.59	48.92	49.42
Science, Technology and Environment	0.99	0.81	0.63	0.80	0.64	0.58	0.63	0.57	0.45
General Economic Services	21.81	15.73	21.23	19.43	16.43	21.28	17.00	17.66	18.81
I Development Expenditure	**1203.17**	**1034.33**	**989.96**	**992.62**	**900.11**	**868.81**	**828.90**	**812.06**	**813.89**
II Non–Development Expenditure	**701.62**	**573.93**	**517.18**	**493.89**	**460.96**	**444.72**	**377.66**	**348.81**	**320.24**
III Grants–in–aid and contributions	**–**	**13.90**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
IV Compensation and assignments to local bodies	**32.92**	**23.70**	**21.58**	**15.73**	**12.86**	**11.85**	**11.71**	**11.48**	**12.09**
V Others[1]	**163.15**	**141.80**	**136.49**	**132.58**	**118.36**	**143.30**	**128.22**	**133.00**	**138.66**
Total Expenditure/Disbursements (I to V)	**2100.86**	**1787.66**	**1665.22**	**1634.82**	**1492.30**	**1468.67**	**1346.49**	**1305.34**	**1284.87**

1. Includes reserve with Finance Department, discharge of internal debt, repayment of loans to Centre and loans and advances by State Governments.

Source: Various issues, RBI Bulletin, RBI, GoI.

Table 8 Distribution (%) of Central Government budget expenditure on Social Services Programmes, 1990–2002

	Budget Estimate		Revised Estimate										
Programmes	**2001/2**	**2000/1**	**2000/1**	**1999/ 2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**	**1990/1**
Human Resource Development (I to III)[1]	**2.7**	**2.9**	**2.9**	**2.8**	**2.6**	**2.4**	**2.3**	**2.5**	**2.0**	**1.9**	**1.9**	**1.9**	**1.8**
I Elementary Education and Literacy	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Sarva Shiksha Abhiyan	12.5	9.4	3.1	–	–	–	–	–		–	–	–	–
Adult Education	5.2	3.6	3.3	2.8	2.9	3.7	6.8	10.7	29.4	27.7	25.2	29.4	37.8
Nutrition Support to Primary Education	23.2	29.2	39.9	51.1	51.0	47.2	47.6	37.8	–	–	–	–	
Non–formal Education/Education Guarantee Scheme	10.0	8.0	5.2	4.1	5.8	8.1	9.4	9.5	18.1	17.9	17.7	12.7	11.6
District Primary Education Programme	27.4	25.9	25.2	20.4	20.1	24.7	10.9	14.3	5.5	6.5	–	–	–
II Secondary and Higher Education	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Secondary Education	29.6	26.5	23.4	24.1	28.2	30.0	35.2	36.4	34.7	36.5	34.9	32.1	32.4
University and Higher Education	37.2	45.8	50.9	48.7	45.6	40.6	36.1	36.3	36.8	35.5	39.1	37.7	39.4
Technical Education	28.9	23.8	22.2	23.6	24.6	26.1	26.9	25.6	26.8	26.1	26.2	24.2	26.1
Total Education[1]	**2.2**	**2.5**	**2.5**	**2.4**	**2.2**	**2.0**	**1.8**	**2.0**	**1.5**	**1.5**	**1.4**	**1.5**	**1.5**
III Women and Child Development	**100.0**	**100**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Child Welfare Programmes of which:	88.2	78.4	80.7	89.3	83.8	81.6	81.6	82.6	82.7	86.8	78.5	80.0	81.2
– Integrated Child Development Services	85.5	76.1	78.2	86.4	80.3	77.7	76.2	77.2	76.1	76.0	72.0	59.0	72.6
– Day Care Centres	1.3	1.3	1.3	1.3	1.9	2.0	2.6	2.6	3.3	3.7	3.4	4.0	4.6
Women's Welfare	10.9	10.8	8.9	9.6	15.2	17.4	17.4	16.4	16.1	12.1	20.1	19.5	18.2
Nutrition	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	–	–	–
Health and Family Welfare (IV and V)[1]	**1.8**	**1.7**	**1.6**	**1.7**	**1.4**	**1.4**	**1.4**	**1.4**	**1.5**	**1.5**	**1.4**	**1.2**	**1.2**
IV Health	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Public Health Programmes of which:	34.5	38.8	38.0	37.8	38.7	43.1	4.0	42.4	43.5	41.5	39.8	34.1	34.4
– Anti-Malaria	7.3	11.5	9.2	10.7	13.2	12.6	11.4	12.3	9.3	10.9	10.8	14.5	15.7
– TB Control	5.2	5.8	5.4	5.1	4.3	5.5	4.1	4.3	4.6	4.5	4.0	3.0	2.9
– Leprosy Control	2.8	3.4	3.6	4.4	4.7	5.4	5.8	6.8	9.5	7.2	4.8	4.6	4.8
– Trachoma and Blindness Control	5.4	5.1	5.4	4.3	4.5	4.8	5.9	5.9	4.0	3.0	2.7	2.3	1.3
– National AIDS Control	7.6	6.7	8.8	7.5	6.6	8.6	11.1	6.6	7.3	8.5	9.5	–	–
Central Government Health Scheme	11.6	11.8	12.9	13.5	11.9	11.7	10.9	12.6	12.1	12.8	10.8	12.8	13.2
Hospitals and Dispensaries – Allopathy	7.6	8.6	8.3	9.1	9.5	9.7	10.9	8.2	8.1	8.9	9.5	9.1	8.4
Medical Education/Research and Training	34.4	35.5	35.9	35.1	35.9	29.6	27.4	29.3	29.6	30.9	32.6	34.3	35.9
V Family Welfare	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Family Welfare Services of which:	54.7	54.2	54.4	58.2	55.9	51.9	46.0	43.5	34.4	37.7	40.4	37.6	39.1
– Rural Family Welfare	23.5	24.2	26.6	34.2	26.6	25.4	22.4	23.0	22.0	25.8	28.7	24.1	26.0
– Urban Family Welfare	1.6	1.7	1.8	1.8	2.8	2.7	2.1	2.2	1.9	2.2	2.7	2.0	2.1
– Maternity/Reproductive and Child Health	26.6	26.9	24.9	22.1	26.5	24.4	21.4	18.4	10.5	9.7	9.0	11.5	10.9
– Immunisation Programme and Eradication of Polio	1.3	1.3	1.1	–	–	–	–	–	–	–	–	–	–
VI Water Supply and Sanitation[1]	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.5**	**0.5**	**0.4**	**0.6**	**0.4**
Acclerated Drinking Water Supply Programme	83.7	84.0	84.0	94.9	96.0	92.9	94.7	94.8	93.1	95.7	95.8	99.4	95.7
Sanitation	6.2	6.0	6.0	5.1	4.0	7.1	5.2	5.1	6.9	4.2	4.2	0.6	4.3
Total (I to VI)[1]	**5.0**	**5.2**	**5.1**	**5.1**	**4.6**	**4.4**	**4.2**	**4.5**	**4.0**	**3.9**	**3.7**	**3.7**	**3.4**
Total budget allocation	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

1 The figures in these rows indicate the percentage allocation to the Total Budget Allocation
Source: GoI Expenditure Budget, various years.

Table 9 Trends in Central Government budget expenditure on Social Services Programmes, 1990–2002 (nominal prices, Rs bn)

	Budget Estimate	Revised Estimate											
Programmes	**2001/2**	**2000/1**	**2000/1**	**1999/ 2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**	**1990/1**
Human Resource Development (I to III)	**101.29**	**98.97**	**97.51**	**86.16**	**74.42**	**56.89**	**45.89**	**44.84**	**31.65**	**27.74**	**23.14**	**21.03**	**19.10**
I Elementary Education and Literacy	**40.09**	**37.35**	**32.58**	**29.37**	**27.43**	**22.67**	**16.82**	**16.17**	**7.25**	**6.13**	**4.53**	**3.78**	**3.62**
Sarva Shiksha Abhiyan	5.00	3.50	1.00	–	–	–	–	–	–	–	–	–	–
Adult Education	2.07	1.36	1.06	0.83	0.80	0.84	1.15	1.73	2.13	1.70	1.14	1.11	1.37
Nutrition Support to Primary Education	9.30	10.90	13.00	15.00	14.00	10.70	8.00	6.12	–	–	–	–	–
Non-formal Education/Education Guarantee Scheme	3.99	3.00	1.71	1.20	1.60	1.83	1.58	1.54	1.31	1.10	0.80	0.48	0.42
District Primary Education Programme	11.00	9.69	8.20	6.00	5.50	5.60	1.84	2.31	4.00	0.40	–	–	–
II Secondary and Higher Education	**44.15**	**46.50**	**50.93**	**43.81**	**35.19**	**23.48**	**20.12**	**19.99**	**17.34**	**15.39**	**13.04**	**13.20**	**11.97**
Secondary Education	13.09	12.30	11.94	10.56	9.93	7.05	7.08	7.28	6.01	5.61	4.55	4.24	3.88
University and Higher Education	16.43	21.29	25.91	21.34	16.03	9.53	7.26	7.26	6.38	5.46	5.10	4.98	4.72
Technical Education	12.75	11.06	11.29	10.35	8.67	6.13	5.42	5.12	4.64	4.01	3.41	3.19	3.13
Total Education (I and II)	**84.24**	**83.85**	**83.51**	**73.18**	**62.62**	**46.15**	**36.94**	**36.16**	**24.59**	**21.52**	**17.57**	**16.98**	**15.59**
III Women and Child Development	**17.05**	**15.12**	**14.00**	**12.98**	**11.80**	**10.74**	**8.95**	**8.68**	**7.06**	**6.22**	**5.57**	**4.05**	**3.51**
Child Welfare of which:	15.03	11.86	11.30	11.59	9.89	8.76	7.30	7.17	5.84	5.40	4.37	3.24	2.85
– Integrated Child Development Services	14.58	11.50	10.95	11.22	9.48	8.35	6.82	6.70	5.37	4.73	4.01	2.30	2.55
– Day Care Centres	0.22	0.19	0.18	0.17	0.23	0.22	0.23	0.23	0.23	0.23	0.19	0.16	0.16
Women's Welfare	0.85	1.64	1.25	1.25	1.79	1.87	1.56	1.42	1.14	0.75	1.12	0.79	0.64
Nutrition	0.10	0.09	0.08	0.07	0.06	0.06	0.06	0.06	0.05	0.05	–	–	–
Health and Family Welfare (IV and V)	**65.86**	**57.09**	**52.71**	**50.16**	**39.53**	**32.99**	**28.27**	**25.87**	**24.36**	**21.29**	**17.85**	**13.92**	**2.74**
IV Health	**23.54**	**21.68**	**20.50**	**18.75**	**16.79**	**14.51**	**12.65**	**10.62**	**9.94**	**8.44**	**7.34**	**5.25**	**4.79**
Public Health Programmes of which:	08.12	8.42	7.79	7.09	6.49	6.25	5.56	4.50	4.32	3.50	2.92	1.79	1.65
– Anti-Malaria	1.73	2.50	1.89	2.00	2.21	1.83	1.44	1.31	0.92	0.92	0.79	0.76	0.75
– TB Control	1.22	1.25	1.10	0.95	0.72	0.80	0.52	0.46	0.46	0.38	0.29	0.16	1.40
– Leprosy Control	0.67	0.74	0.74	0.82	0.79	0.79	0.74	0.72	0.94	0.61	0.35	0.24	0.23
– Trachoma and Blindness Control	1.26	1.10	1.10	0.80	0.75	0.70	0.75	0.63	0.40	0.25	0.20	0.12	0.06
– National AIDS Control	1.80	1.45	1.80	1.40	1.11	1.25	1.41	0.70	0.73	0.72	0.70	–	–
Central Government Health Scheme	2.74	2.56	2.64	2.53	2.00	1.70	1.38	1.34	1.20	1.08	0.79	0.67	0.63
Hospitals and Dispensaries – Allopathy	*1.79*	*1.86*	*1.71*	*1.71*	*1.59*	*1.41*	*1.38*	*0.87*	*0.81*	*0.75*	*0.70*	*0.48*	*0.40*
Medical Education/Research and Training	8.10	7.70	7.35	6.59	6.02	4.30	3.47	3.11	2.94	2.61	2.39	1.80	1.72
V Family Welfare	**42.32**	**35.41**	**32.21**	**31.41**	**22.74**	**18.48**	**15.62**	**15.25**	**14.42**	**12.85**	**10.51**	**8.67**	**7.95**
Family Welfare Services of which:	23.15	19.18	17.51	18.29	12.72	9.59	7.18	6.63	4.96	4.85	4.25	3.26	3.11
– Rural Family Welfare	9.95	8.57	8.56	10.75	6.05	4.69	3.50	3.50	3.17	3.31	3.02	2.09	2.07
– Urban Family Welfare	0.68	0.59	0.59	0.58	0.64	0.49	0.33	0.33	0.28	0.28	0.28	0.17	0.17
– Maternity/Reproductive and Child Health	11.27	9.51	8.01	6.95	6.03	4.50	3.35	2.80	1.52	1.25	0.95	1.00	0.87
– Immunisation Programmes and Polio Eradication	0.54	0.46	0.35	–	–	–	–	–	–	–	–	–	–
VI Water Supply and Sanitation	**21.61**	**21.01**	**21.01**	**18.08**	**16.70**	**14.03**	**11.56**	**11.71**	**8.71**	**7.71**	**4.81**	**6.42**	**4.22**
Accelerated Drinking Water Supply Programme	18.09	17.64	17.64	17.15	16.03	13.03	10.95	11.10	8.11	7.38	4.61	6.38	4.04
Sanitation	1.35	1.26	1.26	0.92	0.67	1.00	0.60	0.60	0.60	0.32	0.20	0.04	0.18
Total Social Services (I to VI)	**188.76**	**177.07**	**171.23**	**154.40**	**130.65**	**103.91**	**85.72**	**82.42**	**64.72**	**56.74**	**45.80**	**41.37**	**36.06**
Total budget allocation	**3752.23**	**3384.87**	**3355.23**	**3037.38**	**2819.12**	**2352.45**	**2022.98**	**1830.04**	**1622.72**	**1438.72**	**1247.26**	**1131.02**	**1067.17**

Source: Expenditure Budget, GoI, various years.

Table 10 Change (%) in Central Government budget expenditure on Social Services Programmes, 1990–2002 (constant 1993/4 prices)

	Annual growth rates (%)												AAGR
Programmes	**2001/2 BE over 2000/1 BE**	**2001/2 BE over 2000/1 RE**	**2000/01 RE over 1999/200 RE**	**1999//200 RE over 1998/9 RE**	**1998/9 RE over 1997/8 RE**	**1997/8 RE over 1996/7 RE**	**1996/7 RE over 1995/6 RE**	**1995/6 RE over 1994/5 RE**	**1994/5 RE over 1993/4 RE**	**1993/5 RE over 1992/3 RE**	**1992/3 RE over 1991/2 RE**	**1991/2 RE over 1990/1 RE**	**1990/1 to 2000/1**
Human Resource Development (I to III)	**–0.8**	**0.7**	**9.6**	**11.3**	**20.3**	**15.8**	**–4.9**	**31.0**	**3.7**	**9.1**	**1.6**	**–3.0**	**9.5**
I Elementary Education and Literacy	**4.1**	**19.3**	**7.5**	**2.9**	**11.3**	**25.9**	**–3.3**	**106.2**	**7.5**	**23.1**	**10.6**	**–8.0**	**18.4**
Sarva Shiksha Abhiyan	38.5	384.8	–	–	–	–	–	–	–	–	–	–	
Adult Education	47.6	89.4	23.7	–0.3	–12.4	–31.8	–38.2	–24.9	13.9	35.7	–5.2	–28.6	–6.8
Nutrition Support to Primary Education	–17.3	–30.6	–16.0	3.0	20.3	25.0	21.5	–	–	–	–	–	5.4
Non-formal Education/Education Guarantee Scheme	29.0	126.3	38.0	–27.9	–19.6	8.2	–4.6	8.7	8.3	25.1	53.8	0.7	1.1
District Primary Education Programme	10.1	30.1	32.4	4.9	–9.7	184.4	–25.9	433.8	–9.1	–	–	–	18.6
II Secondary and Higher Education	**–7.9**	**–15.9**	**12.6**	**19.7**	**37.8**	**9.0**	**–6.4**	**6.6**	**2.4**	**7.4**	**–8.8**	**–2.9**	**7.7**
Secondary Education	3.2	6.3	9.5	2.2	29.5	–7.0	–9.6	12.0	–2.6	12.2	–0.9	–3.7	4.2
University and Higher Education	–25.2	–38.5	17.6	28.0	54.7	22.6	–7.0	5.2	6.2	–2.6	–5.5	–7.1	11.2
Technical Education	11.8	9.5	5.7	14.8	30.0	5.7	–1.6	2.0	5.2	7.0	–1.3	–10.2	5.7
Total Education (I and II)	**–2.6**	**–2.2**	**10.5**	**12.3**	**24.8**	**16.7**	**–5.0**	**35.9**	**3.9**	**11.5**	**–4.5**	**–4.1**	**10.2**
III Women and Child Development	**9.3**	**18.1**	**4.5**	**5.7**	**1.0**	**12.1**	**–4.1**	**13.6**	**3.2**	**1.6**	**27.0**	**1.6**	**6.6**
Child Welfare of which:	22.9	29.0	–5.5	12.7	3.8	12.1	–5.3	13.5	–1.7	12.4	24.5	0.2	6.7
– Integrated Child Development Services	22.9	29.1	–5.5	13.8	4.4	14.4	–5.4	15.3	3.2	7.3	54.9	–17.4	8.5
– Day Care Centres	12.3	18.5	2.6	–28.9	–3.9	–10.6	–7.0	–7.6	–9.1	10.2	9.6	–11.9	–5.7
– Women's Welfare	9.4	43.5	–3.1	–32.9	–12.0	12.0	2.1	15.1	38.2	–39.1	30.9	8.7	2.0
– Nutrition	7.7	21.2	–3.1	9.9	7.3	–6.6	–7.0	10.9	–9.1	–	–	–	0.2
Health and Family Welfare (IV and V)	**11.9**	**21.2**	**1.8**	**22.0**	**10.2**	**9.0**	**1.6**	**–1.8**	**4.0**	**8.5**	**18.4**	**–3.7**	**7.0**
IV Health	5.3	11.3	5.9	7.4	6.4	7.2	10.7	–1.2	7.1	4.6	29.1	–3.4	7.4
Public Health Programmes of which:	–6.5	1.1	6.4	5.0	–4.5	5.0	14.9	–3.7	12.2	9.1	50.6	–4.4	9.1
– Anti-Malaria	–32.9	–11.2	–8.5	–13.0	11.0	18.7	2.2	31.6	–9.1	6.0	–4.0	–10.7	2.4
– TB Control	–5.4	7.5	12.2	26.8	–17.2	43.7	5.1	–7.6	10.0	19.2	67.3	0.7	16.0
– Leprosy Control	–12.2	–12.2	–12.6	–0.2	–8.1	–0.3	–4.4	–29.2	40.1	58.6	34.6	–8.0	7.0
– Trachoma and Blindness Control	11.1	11.1	33.2	2.5	–1.5	–12.8	10.7	45.6	45.5	13.8	53.8	76.2	26.7
– National AIDS Control	20.4	–3.0	24.6	21.2	–18.4	–17.2	87.3	–11.4	–7.8	–6.4	–	–	7.2
Central Government Health Scheme	3.8	0.6	1.1	21.6	8.2	15.1	–4.3	3.2	1.0	24.4	8.8	–6.3	7.3
Hospitals and Dispensaries – Allopathy	–6.7	1.5	–3.1	3.4	3.7	–4.5	47.5	–0.7	–1.8	–2.5	34.6	5.7	8.2
Medical Education/Research and Training	2.0	6.9	8.0	5.2	28.7	15.8	3.7	–2.2	2.4	–0.6	22.6	–7.8	7.6
V Family Welfare	**15.9**	**7.4**	**–0.7**	**32.8**	**13.1**	**10.5**	**–4.8**	**–2.2**	**2.0**	**11.3**	**11.9**	**–3.9**	**7.0**
Family Welfare Services of which:	17.0	28.2	–7.3	38.2	22.0	24.8	0.7	23.6	–7.0	3.8	20.3	–7.7	11.1
– Rural Family Welfare	12.6	12.7	–22.9	70.8	18.6	25.2	–7.0	2.1	–12.9	–0.3	33.4	–11.1	9.6
– Urban Family Welfare	11.8	11.8	–1.5	–12.9	20.1	38.7	–7.0	8.9	–9.1	–9.0	52.0	–11.9	6.8
– Maternity/Reproductive and Child Health	14.9	36.4	11.7	10.8	23.2	25.5	11.2	70.3	10.5	19.7	–12.3	1.3	17.2
– Immunisation Programmes and Eradication of Polio	13.8	49.6	–	–	–	–	–	–	–	–	–	–	–
VI Water Supply and Sanitation	**–0.3**	**–0.3**	**12.6**	**4.1**	**9.4**	**13.4**	**–8.2**	**24.3**	**2.7**	**45.9**	**–30.8**	**34.0**	**10.7**
Acclerated Drinking Water Supply Programmes	–0.6	–0.6	–0.4	2.8	13.1	11.2	–8.3	26.5	–0.1	45.7	–33.3	39.1	9.6
Sanitation	3.9	3.9	32.7	32.0	–38.4	55.7	–7.0	–7.6	70.5	45.6	361.5	–80.4	46.5
Total Social Services (I to VI)	**3.4**	**6.9**	**7.4**	**13.6**	**15.6**	**13.3**	**–3.3**	**17.7**	**3.7**	**12.7**	**2.2**	**1.1**	**8.4**
Total budget allocation	**7.5**	**8.4**	**7.0**	**3.6**	**10.2**	**8.6**	**2.8**	**4.2**	**2.5**	**5.0**	**1.8**	**–6.6**	**3.9**

Source: Expenditure Budget, GoI, various years.

Table 11 Trends in Central Government budget expenditure (bn Rs) on Social Services Programmes, 1990–2002 (constant 1993/4 prices)

	Budget Estimate		Revised Estimate										
Programmes	**2001/2**	**2000/1**	**2000/1**	**1999/2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**	**1990/1**
Human Resource Development (I to III)	**61.39**	**61.86**	**60.94**	**55.59**	**49.95**	**41.53**	**35.85**	**37.68**	**28.77**	**27.74**	**25.43**	**25.04**	**25.81**
I Elementary Education and Literacy	**24.30**	**23.34**	**20.36**	**18.95**	**18.41**	**16.55**	**13.14**	**13.59**	**6.59**	**6.13**	**4.98**	**4.50**	**4.80**
Sarva Shiksha Abhiyan	3.03	2.19	0.63	–	–	–	–	–	–	–	–	–	–
Adult Education	1.25	0.85	0.66	0.54	0.54	0.61	0.90	1.45	1.94	1.70	1.25	1.32	1.85
Nutrition Support to Primary Education	5.64	6.81	8.13	9.68	9.40	7.81	6.25	5.14	–	–	–	–	–
Non–formal Education/Education Guarantee Scheme	2.42	1.88	1.07	0.77	1.07	1.34	1.23	1.29	1.19	1.10	0.88	0.57	0.57
District Primary Education	6.67	6.06	5.13	3.87	3.69	4.09	1.44	1.94	0.36	0.40	–	–	–
II Secondary and Higher Education	**26.76**	**29.06**	**31.83**	**28.26**	**23.62**	**17.14**	**15.72**	**16.80**	**15.76**	**15.39**	**14.33**	**15.71**	**16.18**
Secondary Education	7.93	7.69	7.46	6.81	6.66	5.15	5.53	6.12	5.46	5.61	5.00	5.05	5.24
University and Higher Education	9.96	13.31	16.19	13.77	10.76	6.96	5.67	6.10	5.80	5.46	5.60	5.93	6.38
Technical Education	7.73	6.91	7.06	6.68	5.82	4.47	4.23	4.30	4.22	4.01	3.75	3.80	4.23
Total Education (I and II)	**51.05**	**52.41**	**52.19**	**47.21**	**42.03**	**33.69**	**28.86**	**30.39**	**22.35**	**21.52**	**19.31**	**20.21**	**21.07**
III Women and Child Development	**10.33**	**9.45**	**8.75**	**8.37**	**7.92**	**7.84**	**6.99**	**7.29**	**6.42**	**6.22**	**6.12**	**4.82**	**4.74**
Child Welfare of which:	9.11	7.41	7.06	7.48	6.64	6.39	5.70	6.03	5.31	5.40	4.80	3.86	3.85
– Integrated Child Development Services	8.84	7.19	6.84	7.24	6.36	6.09	5.33	5.63	4.88	4.73	4.41	2.85	3.45
– Day Care Centres	0.13	0.12	0.11	0.11	0.15	0.16	0.18	0.19	0.21	0.23	0.21	0.19	0.22
Women's Welfare	1.12	1.03	0.78	0.81	1.20	1.36	1.22	1.19	1.04	0.75	1.23	0.94	0.86
Nutrition	0.06	0.06	0.05	0.05	0.05	0.04	0.05	0.05	0.05	0.05	–	–	–
Health and Family Welfare (IV and V)	**39.92**	**35.68**	**32.94**	**32.36**	**26.53**	**24.08**	**22.09**	**21.74**	**22.15**	**21.29**	**19.62**	**16.57**	**17.22**
IV Health	**14.27**	**13.55**	**12.81**	**12.10**	**11.27**	**10.59**	**9.88**	**8.92**	**9.04**	**8.44**	**8.07**	**6.25**	**6.47**
Public Health Programmes of which:	4.92	5.26	4.87	4.57	4.36	4.56	4.34	3.78	3.93	3.50	3.21	2.13	2.23
– Anti-Malaria	1.05	1.56	1.18	1.29	1.48	1.34	1.13	1.10	0.84	0.92	0.87	0.90	1.01
– TB Control	0.74	0.78	0.69	0.61	0.48	0.58	0.41	0.39	0.42	0.38	0.32	0.19	0.19
– Leprosy Control	0.41	0.46	0.46	0.53	0.53	0.58	0.58	0.61	0.85	0.61	0.38	0.29	0.31
– Trachoma and Blindness Control	0.76	0.69	0.69	0.52	0.50	0.51	0.59	0.53	0.36	0.25	0.22	0.14	0.08
– National AIDS Control	1.09	0.91	1.13	0.90	0.74	0.91	1.10	0.59	0.66	0.72	0.77	–	–
Central Government Health Scheme	1.66	1.60	1.65	1.63	1.34	1.24	1.08	1.13	1.09	1.08	0.87	0.80	0.85
Hospitals and Dispensaries – Allopathy	1.08	1.16	1.07	1.10	1.07	1.03	1.08	0.73	0.74	0.75	0.77	0.57	0.54
Medical Education/Research and Training	4.91	4.81	4.59	4.25	4.04	3.14	2.71	2.61	2.67	2.61	2.63	2.14	2.32
V Family Welfare	**25.65**	**22.13**	**20.13**	**20.26**	**15.26**	**13.49**	**12.20**	**12.82**	**13.11**	**12.85**	**11.55**	**10.32**	**10.74**
Family Welfare Services of which:	14.03	11.99	10.94	11.80	8.54	7.00	5.61	5.57	4.51	4.85	4.67	3.88	4.20
– Rural Family Welfare	6.03	5.36	5.35	6.94	4.06	3.42	2.73	2.94	2.88	3.31	3.32	2.49	2.80
– Urban Family Welfare	0.41	0.37	0.37	0.37	0.43	0.36	0.26	0.28	0.25	0.28	0.31	0.20	0.23
– Maternity/Reproductive and Child Health	6.83	5.94	5.01	4.48	4.05	3.28	2.62	2.35	1.38	1.25	1.04	1.19	1.18
– Immunisation and Polio Eradication	0.33	0.29	0.22	–	–	–	–	–	–	–	–	–	–
VI Water Supply and Sanitation	**13.10**	**13.13**	**13.13**	**11.66**	**11.21**	**10.24**	**9.03**	**9.84**	**7.92**	**7.71**	**5.29**	**7.64**	**5.70**
Accelerated Drinking Water Supply Programme	10.96	11.03	11.03	11.06	10.76	9.51	8.55	9.33	7.37	7.38	5.07	7.60	5.46
Sanitation	8.20	0.79	0.79	0.59	0.45	0.73	0.47	0.50	0.55	3.20	2.20	0.05	0.24
Total Social Services (I to VI)	**114.40**	**110.67**	**107.02**	**99.61**	**87.68**	**75.85**	**66.97**	**69.26**	**58.84**	**56.74**	**50.33**	**49.25**	**48.73**
Total budget allocation	**2274.08**	**2115.54**	**2097.02**	**1959.60**	**1892.03**	**1717.12**	**1580.45**	**1537.85**	**1475.20**	**1438.72**	**1370.62**	**1346.45**	**1442.12**

Source: Expenditure Budget, GoI, various years.

Table 12 Distribution of Central Government budget expenditure on Rural and Urban Development, Food and Public Distribution and Social Justice with special reference to Poverty Alleviation Programmes, 1990–2002

	Budget Estimate		Revised Estimate										
Programmes	**2001/2**	**2000/1**	**2000/1**	**1999/ 2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**	**1990/1**
(I) Rural Development/Water/Land	**3.3**	**3.6**	**3.5**	**3.1**	**3.4**	**4.1**	**3.9**	**4.6**	**4.6**	**4.0**	**2.9**	**2.7**	**2.8**
Rural Development of which:	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
a. Special Programme for Rural Development[1]	4.9	9.7	4.2	13.1	11.8	10.7	11.8	12.7	13.3	17.0	16.1	20.1	18.6
b. Rural Employment[1] of which:	31.7	28.6	31.5	51.5	52.8	47.4	49.5	67.6	72.6	81.2	81.9	77.2	78.7
– *Jawahar Gram Samridhi Yojana*	16.1	16.0	15.1	23.3	26.9	24.0	23.5	41.9	54.9	68.7	81.3	77.2	78.7
– Employment Assurance Scheme including Food for Work Programme	15.6	28.6	16.3	28.2	25.9	23.4	26.1	25.7	17.7	12.5	–	–	–
c. Rural Housing	14.9	16.6	16.8	22.9	20.0	14.1	16.9	7.0	0.4	0.2	0.2	–	–
d. Social Security and Welfare[1] of which:	11.1	7.9	8.3	9.8	8.3	6.0	7.8	7.8	–	–	–	–	–
– *Annapurna*	2.9	1.0	1.0	–	–	–	–	–	–	–	–	–	–
– National Social Assistance Programme	8.2	6.9	7.2	9.8	8.3	6.0	7.8	7.8	–	–	–	–	–
e. Other Rural Development Programmes[1]	3.0	2.9	2.8	2.5	6.6	6.0	7.1	4.7	1.2	1.2	1.2	1.7	1.5
Total (a to e)	**65.5**	**65.7**	**63.5**	**99.9**	**99.5**	**84.1**	**93.2**	**99.7**	**87.5**	**99.6**	**99.4**	**99.1**	**98.7**
Waste Land Development and Land Resources	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Land reforms[1]	7.3	7.5	8.5	13.3	31.5	37.7	44.4	40.0	31.8	41.9	100.0	100.0	100.0
II Urban Development and Poverty Alleviation	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.7**	**0.6**	**0.5**	**0.6**	**0.6**
Urban Employment and Poverty Alleviation[1] of which::	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
–- *Swarna Jayanti Shahari Rojgar Yojana*	42.3	42.1	32.8	41.7	54.7	42.2	64.7	97.1	100.0	100.0	100.0	98.1	99.1
Urban Development	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Public Works	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
III Food and Public Distribution	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Food subsidy[1]	97.7	96.1	96.9	99.3	99.3	99.2	97.3	97.0	95.8	95.7	94.4	94.9	92.8
IV Social Justice and Empowerment	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Total Welfare of Scheduled Castes[1] of which:	32.3	31.9	35.5	35.3	30.4	38.7	40.1	40.1	39.7	45.1	45.1	45.7	46.0
– Special Central Assistance for SCs	16.6	19.1	21.4	23.0	21.8	24.5	20.5	20.6	23.0	25.7	26.5	29.0	33.3
Total Welfare of STs[1]	40.3	35.5	36.7	36.0	34.9	38.3	36.6	36.7	29.4	34.9	38.5	39.0	42.8
Common Programmes for SCs, STs and OBCs[1]	4.0	1.9	2.1	1.9	4.1	7.4	1.9	2.3	3.3	1.0	1.5	1.8	0.6
Total Welfare of SCs, STs and OBCs	**76.6**	**69.3**	**74.3**	**73.3**	**69.3**	**84.5**	**78.5**	**79.1**	**72.4**	**81.0**	**85.2**	**86.5**	**89.5**
Total Child Welfare	0.8	1.0	1.0	1.1	0.8	0.7	0.7	0.8	0.6	0.7	1.3	1.5	1.6
Total Welfare of Handicapped	9.8	10.5	12.0	7.9	6.2	4.6	4.4	4.1	4.5	5.0	5.8	5.3	6.0
[3]**Total (I to IV)**	**8.2**	**7.5**	**8.4**	**7.4**	**7.7**	**8.5**	**8.2**	**9.0**	**9.3**	**9.1**	**6.5**	**6.6**	**6.4**
[3]**Total Poverty Alleviation**[2]	**5.9**	**4.8**	**5.8**	**6.0**	**6.3**	**6.7**	**6.9**	**7.5**	**7.2**	**7.6**	**5.4**	**5.3**	**5.3**
Total budget allocation	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

1. Items under Poverty Alleviation Programmes
2. Total items under Poverty Alleviation Programmes
3. The figures in these rows indicate the allocation (%) to total budget allocation

Source: Expenditure Budget, GoI, various years.

Table 13 Trends in Central Government budget expenditure on Rural and Urban Development, Food and Public Distribution and Social Justice with special reference to Poverty Alleviation Programmes, 1990–2002 (nominal prices bn Rs)

	Budget Estimate		Revised Estimate										
Programmes	**2001/2**	**2000/2**	**2000/1**	**1999/ 2000**	**1998/9**	**1997/8**	**1996/7**	**1995/6**	**1994/5**	**1993/4**	**1992/3**	**1991/2**	**1990/1**
I Rural Development/ Water/ Land	**122.87**	**122.81**	**117.90**	**93.69**	**94.53**	**96.51**	**78.47**	**83.28**	**73.96**	**57.60**	**36.13**	**30.12**	**29.88**
Rural Development of which:	**92.24**	**92.79**	**88.88**	**7.237**	**76.72**	**81.37**	**70.57**	**70.58**	**64.37**	**48.13**	**31.08**	**23.64**	**25.43**
a. Special Programmes for RD	4.50	9.00	3.70	9.50	9.04	8.69	08.35	8.95	8.55	8.19	5.00	04.76	4.73
b. Rural Employment[1] of which	29.25	26.55	27.98	37.29	40.50	38.57	34.95	47.71	46.75	39.06	25.46	18.25	20.01
– *Jawahar Gram Samridhi Yojana*	14.85	14.85	13.45	16.89	20.60	19.53	16.55	29.55	35.35	33.06	25.26	18.25	20.01
– Employment Assurance Scheme including Food for Work	14.40	26.55	14.53	20.40	19.90	19.05	18.40	18.16	11.40	6.00	–	–	–
c. Rural Housing[1]	13.74	15.39	14.90	16.59	15.32	11.44	11.94	4.92	0.23	0.10	0.05	–	–
d. Social Security and Welfare of which:	10.22	7.34	7.34	7.10	6.40	4.90	05.50	5.50	–	–	–	–	–
– *Annapurna*	2.70	0.90	0.90	–	–	–	–	–	–	–	–	–	–
– National Social Assistance	7.52	6.43	6.44	7.10	6.40	4.90	05.50	5.50	–	–	–	–	–
e. Others[1]	2.73	2.66	2.49	1.81	5.05	4.87	05.04	3.31	0.79	0.58	0.37	0.41	0.37
Total (a to e)	**60.44**	**60.94**	**56.41**	**72.29**	**76.31**	**68.47**	**65.78**	**70.39**	**56.32**	**47.93**	**30.88**	**23.42**	**25.11**
Waste Land Development and Resources	**9.01**	**9.01**	**8.01**	**3.24**	**1.11**	**1.06**	**0.90**	**1.00**	**0.88**	**0.86**	**0.24**	**0.15**	**0.23**
Land Reforms[1]	0.66	0.68	0.68	0.43	0.35	0.40	0.40	0.40	0.28	0.36	0.24	0.15	0.23
II Urban Development and Poverty Alleviation	**21.88**	**21.94**	**18.75**	**17.98**	**17.62**	**15.27**	**11.71**	**11.52**	**11.57**	**8.38**	**6.73**	**6.57**	**6.05**
Urban Employment and Poverty Alleviation[1] of which:	**3.97**	**3.99**	**2.90**	**3.02**	**2.96**	**2.44**	**1.87**	**1.73**	**0.70**	**0.75**	**0.71**	**1.04**	**1.10**
- *Swarna Jayanti Shahari Rojgar Yojana*	1.68	1.68	0.95	1.26	1.62	1.03	1.21	1.68	0.70	0.75	0.71	1.02	1.09
Urban Development	**11.57**	**11.55**	**9.87**	**9.40**	**9.11**	**7.83**	**5.80**	**5.94**	**5.84**	**4.74**	**3.74**	**3.46**	**3.09**
Public Works	**6.34**	**6.40**	**5.98**	**5.56**	**5.55**	**5.00**	**3.85**	**3.85**	**5.03**	**2.89**	**2.28**	**2.07**	**1.86**
III Food and Public Distribution	**139.93**	**85.42**	**125.08**	**92.64**	**87.61**	**75.58**	**62.34**	**56.68**	**53.22**	**54.34**	**29.67**	**30.04**	**26.41**
Food Subsidy[1]	136.75	82.10	121.25	92.00	87.00	75.00	60.66	55.00	51.00	52.00	28.00	28.50	24.50
IV Social Justice and Empowerment	**24.50**	**22.20**	**19.80**	**18.98**	**16.54**	**12.55**	**13.40**	**13.33**	**11.90**	**10.61**	**8.49**	**7.77**	**6.45**
Total Welfare of SCs[1] of which:	7.92	7.09	7.03	6.70	5.02	4.86	5.37	5.35	4.72	4.78	3.83	3.55	2.97
– Special Central Assistance for SCs	4.07	4.23	4.23	4.37	3.61	3.08	2.75	2.75	2.74	2.73	2.25	2.25	2.15
Total Welfare of STs[1]	9.87	7.87	7.27	6.84	5.77	4.81	4.90	4.89	3.50	3.70	3.27	3.03	2.76
Common Programmes for SCs, STs, BCs	0.97	0.42	0.41	0.37	0.67	0.93	0.25	0.31	0.39	0.11	0.13	0.14	0.04
Total Welfare of SCs, STs and OBCs	**18.76**	**15.38**	**14.71**	**13.91**	**11.46**	**10.60**	**10.52**	**10.55**	**8.61**	**8.59**	**7.23**	**6.72**	**5.77**
Total Child Welfare	0.20	0.22	0.19	0.20	0.13	0.09	0.10	0.10	0.07	0.07	0.11	0.12	0.10
Total Welfare of Handicapped	2.41	2.33	2.38	1.49	1.02	0.58	0.59	0.55	0.54	0.53	0.49	0.41	0.39
Total (I to IV)	**309.18**	**252.37**	**281.53**	**223.29**	**216.30**	**199.91**	**165.92**	**164.81**	**150.65**	**130.93**	**81.02**	**74.50**	**68.79**
Total Poverty Alleviation Programmes[2]	**220.58**	**163.09**	**195.95**	**181.65**	**178.08**	**156.91**	**139.23**	**138.07**	**116.91**	**109.63**	**67.06**	**59.83**	**56.71**
Total budget allocation	**3752.23**	**3384.87**	**3355.23**	**3037.38**	**2819.12**	**2352.45**	**2022.98**	**1830.04**	**1622.72**	**1438.72**	**1247.26**	**1131.02**	**1067.17**

1. Items under Poverty Alleviation Programmes
2. Total items under Poverty Alleviation Programmes

Source: Expenditure Budget, GoI, various years.

Table 14 Change (%) in Central Government budget expenditure on Rural and Urban Development, Food and Public Distribution and Social Justice with special reference to Poverty Alleviation Programmes, 1990–2002 (constant 1993/4 prices)

	Annual Growth Rates (%)												
Programmes	**2001/2 BE over 2000/1 BE**	**2001/2 BE over 2000/1 RE**	**2000/1 RE over 1999/2000 RE**	**1999/2000 RE over 1998/9 RE**	**1998/9 RE over 1997/8 RE**	**1997/8 RE over 1996/7 RE**	**1996/7 RE over 1995/6 RE**	**1995/6 RE over 1993/4 RE**	**1994/5 RE over 1992/3 RE**	**1993/4 RE over 1991/2 RE**	**1992/3 RE over 1990/1 RE**	**1991/2–2000/1**	**1990/1**
(I) Rural Development/Water/Land	**–3.0**	**1.1**	**21.9**	**–4.7**	**–9.9**	**14.9**	**–12.4**	**4.1**	**16.7**	**45.1**	**10.7**	**–11.2**	**7.5**
Rural Development (RD) of which:	**–3.6**	**0.6**	**19.0**	**–9.3**	**–13.3**	**7.7**	**–7.0**	**1.4**	**21.6**	**40.9**	**21.4**	**–18.1**	**6.4**
(a) Special Programme for RD (SGSY)[1]	51.5	17.9	–62.3	1.0	–4.4	–2.8	–13.3	–3.2	–5.1	49.1	–3.0	–11.3	–5.5
(b) Rural Employment[1] of which:	6.8	1.4	–27.3	–11.5	–3.5	3.1	–31.9	–5.7	8.8	39.6	28.8	–19.7	–1.9
– *Jawahar Gram Samridhi Yojana*	–3.0	7.1	–22.9	–21.2	–3.0	10.3	–47.9	–22.7	–2.8	19.1	27.8	–19.7	–8.3
– EAS including Food for Work Programme	–47.4	–3.9	–31.0	–1.5	–4.0	–3.3	–5.8	47.3	72.7	–	–	–	7.4
(c) Rural Housing[1]	–13.4	–10.6	–13.0	4.1	23.1	–10.5	125.6	–	–	–	–	–	12.9
(d) Social Security and Welfare[1] of which	35.0	35.0	0.1	6.6	20.1	–16.8	–7.0	–	–	–	–	–	0.3
– *Annapurna*	190.9	190.9	–	–	–	–	–	–	–	–	–	–	–
– National Social Assistance Programme	13.4	13.2	–12.1	6.6	20.1	–16.8	–7.0	–	–	–	–	–	–0.9
(e) Other RD Programmes[1]	–0.5	6.3	33.3	–65.5	–4.7	–9.7	41.6	287.3	23.8	42.6	–16.7	–2.4	33.0
Total (a to e)	**–3.8**	**3.9**	**–24.4**	**–8.9**	**2.5**	**–2.7**	**–13.1**	**15.5**	**6.8**	**41.2**	**21.7**	**–17.8**	**2.1**
Waste Land Development and Land Resources of which:	**–3.0**	**9.1**	**139.5**	**180.6**	**–3.7**	**10.0**	**–16.3**	**5.0**	**–7.0**	**226.1**	**47.7**	**–42.5**	**53.9**
- Land Reforms[1]	–5.9	–5.9	53.2	18.1	–19.5	–6.6	–7.0	32.1	–29.3	36.5	47.7	–42.5	8.3
(II) Urban Development and Poverty Alleviation of which:	**3.3**	**13.2**	**1.0**	**–1.9**	**6.1**	**21.8**	**–5.5**	**–8.0**	**25.5**	**13.3**	**–5.4**	**–4.3**	**4.3**
Urban Employment and Poverty Alleviation[1.] of which:	**–3.5**	**32.7**	**–7.0**	**–1.9**	**11.5**	**21.9**	**0.5**	**128.5**	**–15.2**	**–3.9**	**–37.0**	**–16.7**	**8.1**
– *Swarna Jayanti Shahari Rojgar Yojana* (SJSRY)	–3.0	71.5	–27.0	–25.2	44.6	–20.5	–33.0	121.8	–15.2	–3.9	–35.7	–17.6	–1.2
Urban Development	**–2.9**	**13.7**	**1.7**	**–0.8**	**7.0**	**26.1**	**–9.2**	**–6.0**	**12.0**	**15.3**	**–0.2**	**–1.4**	**4.5**
Public Works	**–3.9**	**2.8**	**4.2**	**–3.7**	**2.1**	**21.3**	**–7.0**	**–29.2**	**58.2**	**15.3**	**1.7**	**–2.0**	**6.1**
(III) Food and Public Distribution of which:	**58.9**	**8.5**	**30.8**	**1.6**	**6.6**	**13.3**	**2.3**	**–1.6**	**–11.0**	**66.7**	**–8.8**	**0.2**	**10.0**
– Food Subsidy[1]	61.5	9.4	27.7	1.7	6.7	15.5	2.5	–0.3	–10.8	69.0	–9.3	2.5	10.5
(IV) Social justice and empowerment of which	**7.0**	**20.0**	**1.1**	**10.3**	**21.2**	**–12.5**	**–6.5**	**3.5**	**2.0**	**13.7**	**0.9**	**6.1**	**4.0**
Total Welfare of SC[1] of which:	8.3	9.2	1.6	28.3	–5.0	–15.4	–6.7	4.8	–10.2	13.6	–0.4	5.3	1.6
– Special Central Assistance for SCs	–6.7	–6.7	–6.2	16.4	7.8	4.6	–7.0	–7.2	–8.8	10.4	–7.7	–7.8	–0.6
Total Welfare of STs	21.6	31.6	3.0	14.0	10.3	–8.3	–6.8	29.1	–14.0	3.0	–0.4	–3.3	2.7
Common Programmes for SCs, STs and OBCs[1]	124.0	129.4	7.3	–46.9	–33.8	247.6	–25.0	–26.5	222.3	–23.0	–14.3	208.3	51.6
Total welfare of SCs, STs and OBCs	**18.3**	**23.7**	**2.4**	**16.7**	**–0.6**	**–5.9**	**–7.3**	**13.3**	**–8.9**	**8.1**	**–0.7**	**2.6**	**2.0**
Total Child Welfare	–11.8	2.1	–8.0	47.9	32.8	–15.9	–7.0	32.1	–9.1	–42.1	–15.4	5.7	2.1
Total Welfare of Handicapped	0.3	–1.8	54.7	40.4	61.7	–8.2	–0.3	–5.9	–7.4	–1.6	10.3	–7.4	13.7
Total (I to IV)	**18.8**	**6.5**	**22.1**	**–0.8**	**–0.5**	**12.6**	**–6.4**	**1.1**	**4.6**	**47.1**	**0.4**	**–4.6**	**7.6**
Total Poverty Alleviation Programme[2]	**31.2**	**9.2**	**4.5**	**–1.9**	**4.4**	**5.3**	**–6.3**	**9.2**	**–3.1**	**48.8**	**3.5**	**–7.1**	**5.7**
Total budget allocation	**7.5**	**8.4**	**7.0**	**3.6**	**10.2**	**8.6**	**2.8**	**4.2**	**2.5**	**5.0**	**1.8**	**–6.6**	**3.9**

1. Items under Poverty Alleviation Programmes
2. Total of items under Poverty Alleviation Programmes
3. AAGR =Annual Average Growth Rate (%)

Source: Computed from the information given in Expenditure Budget, Volume 2, Government of India, various years

Table 15 Trends in Central Government budget expenditure (Rs bn) on Rural and Urban Development, Food and Public Distribution and Social Justice with special reference to Poverty Alleviation Programmes, 1990–2002 (constant 1993/4 prices

Programmes	Budget Estimate		Revised Estimate										
	2001/2	2000/1	2000/1	1999/2000	1998/9	1997/8	1996/7	1995/6	1994/5	1993/4	1992/3	1991/2	1990/1
I Rural Development/Water/Land	**74.47**	**76.76**	**73.69**	**60.45**	**63.44**	**70.45**	**61.30**	**69.98**	**67.24**	**57.60**	**39.70**	**35.86**	**40.38**
Rural Development	**55.90**	**57.99**	**55.55**	**46.69**	**51.49**	**59.39**	**55.13**	**59.31**	**58.52**	**48.13**	**34.15**	**28.14**	**34.36**
a. Special Programmes for Rural Development	2.73	05.63	2.31	6.13	6.07	06.34	6.52	7.52	7.77	8.19	5.49	5.67	6.39
b. Rural Employment[1] of which:	17.73	16.59	17.49	24.06	27.18	28.15	27.30	40.09	42.50	39.06	27.98	21.73	27.04
– *Jawahar Gram Samridhi Yojana*	9.00	9.28	8.41	10.90	13.83	14.26	12.93	24.83	32.14	33.06	27.76	21.73	27.04
– Empowerment Assurance Scheme including Food for Work	8.73	16.59	9.08	13.16	13.36	13.91	14.38	15.26	10.36	6.00	–	–	–
c. Rural Housing[1]	8.33	9.62	9.31	10.70	10.28	8.35	9.33	4.13	0.21	0.10	0.05	–	–
d. Social Security and Welfare[1] of which:	6.19	4.59	4.59	4.58	4.30	3.58	4.30	4.62	–	–	–	–	–
– *Annapurna*	1.64	0.56	0.56	–	–	–	–	–	–	–	–	–	–
– National Social Assistance	4.56	4.02	4.03	4.58	4.30	3.58	4.30	4.62	–	–	–	–	
e. Other Rural Development Programmes[1]	1.65	1.66	1.56	1.17	3.39	3.55	3.94	2.78	0.72	0.58	0.41	0.49	0.50
Total (a to e)	**36.63**	**38.09**	**35.26**	**46.64**	**51.21**	**49.98**	**51.39**	**59.15**	**51.20**	**47.93**	**33.93**	**27.88**	**33.93**
Per capita expenditure (Rs/rural poor person)	–	–	–	189	–	–	–	–	–	192	–	–	–
Waste Land Development and Land Resources	**5.46**	**5.63**	**5.01**	**2.09**	**0.74**	**0.77**	**0.70**	**0.84**	**0.80**	**0.86**	**0.26**	**0.18**	**0.31**
Land reforms[1]	0.40	0.43	0.43	0.28	0.23	0.29	0.31	0.34	0.25	0.36	0.26	0.18	0.31
II Urban Development and Poverty Alleviation	**13.26**	**13.71**	**11.72**	**11.60**	**11.83**	**11.15**	**9.15**	**9.68**	**10.52**	**8.38**	**7.40**	**7.82**	**8.18**
Urban Employment and Poverty Alleviation[1] of which:	**2.41**	**2.49**	**1.81**	**1.95**	**1.99**	**1.78**	**1.46**	**1.45**	**0.64**	**0.75**	**0.78**	**1.24**	**1.49**
– Per capita expenditure (Rs/urban poor person	–	–	–	28	–	–	–	–	–	11	–	–	–
– *Swarna Jayanti Shahari Rojgar Yojana*	1.02	1.05	0.59	0.81	1.09	0.75	0.95	1.41	0.64	0.75	0.78	1.21	1.47
Urban Development	**7.01**	**7.22**	**6.17**	**6.06**	**6.11**	**5.72**	**4.53**	**4.99**	**5.31**	**4.74**	**4.11**	**4.12**	**4.18**
Public Works	**3.84**	**4.00**	**3.74**	**3.59**	**3.72**	**3.65**	**3.01**	**3.24**	**4.57**	**2.89**	**2.51**	**2.46**	**2.51**
III Food and Public Distribution	**84.81**	**53.39**	**78.18**	**59.77**	**58.80**	**55.17**	**48.70**	**47.63**	**48.38**	**54.34**	**32.60**	**35.76**	**35.69**
Food Subsidy[1]	82.88	51.31	75.78	59.35	58.39	54.74	47.39	46.22	46.36	52.00	30.77	33.93	33.11
IV Social Justice and Empowerment	**14.85**	**13.88**	**12.38**	**12.25**	**11.10**	**9.16**	**10.47**	**11.20**	**10.82**	**10.61**	**9.33**	**9.25**	**8.72**
Total Welfare of SCs[1] of which:	4.80	4.43	4.39	4.32	3.37	3.55	4.20	4.50	4.29	4.78	4.21	4.23	4.01
– Per capita expenditure (Rs/poor SC person)	–	–	24.00	24.00	20.00	21.00	26.00	28.00	28.00	32.00	29.00	30.00	29.00
– Special Central Assistance for SCs	2.47	2.64	2.64	2.82	2.42	2.25	02.15	2.31	2.49	2.73	2.47	2.68	2.91
Total Welfare of STs[1]	5.98	4.92	4.54	4.41	3.87	3.51	3.83	4.11	3.18	3.70	3.59	3.61	3.73
Per capita expenditure (Rs/poor ST person)	–	–	51.00	51.00	46.00	43.00	48.00	53.00	42.00	50.00	50.00	52.00	55.00
Common Programmes for SCs, STs and OBCs	0.59	0.26	0.26	0.24	0.45	0.68	0.20	0.26	0.35	0.11	0.14	0.17	0.05
Total Welfare of SCs, STs and OBCs	**11.37**	**9.61**	**9.19**	**8.97**	**7.69**	**7.74**	**8.22**	**8.87**	**7.83**	**8.59**	**7.95**	**8.00**	**7.80**
Total Child Welfare	0.12	0.14	0.12	0.13	0.09	0.07	0.08	0.08	0.06	0.07	0.12	0.14	0.14
Total Welfare of Handicapped	1.46	1.46	1.49	0.96	0.68	0.42	0.46	0.46	0.49	0.53	0.54	0.49	0.53
Total (I to IV)	**187.38**	**157.73**	**175.96**	**144.06**	**145.17**	**145.92**	**129.63**	**138.50**	**136.95**	**130.93**	**89.03**	**88.69**	**92.96**
Total Poverty Alleviation Programme[2]	**133.68**	**101.93**	**122.47**	**117.19**	**119.52**	**114.53**	**108.77**	**116.03**	**106.28**	**109.63**	**73.69**	**71.23**	**76.64**
Per capita expenditure (Rs/poor person)	–	–	–	371.00	–	–	–	–	–	346	–	–	–
Total budget allocation	**2274.08**	**2115.54**	**2097.02**	**1959.60**	**1892.03**	**1717.12**	**1580.45**	**1537.85**	**1475.20**	**1438.72**	**1370.62**	**1346.45**	**1442.12**

1. Items under Poverty Alleviation Programmes; 2. Total items under Poverty Alleviation Programmes

Source: Expenditure Budget, GoI, various years.

Table 16 Economic cost (EC), consumer subsidies and procurement prices (Rs/tonne)

Year	Wheat					Rice				
	EC	Consumer subsidy	Procure-ment price	Consumer subsidy as % of EC	Procure-ment price as % of EC	EC	Consumer subsidy	Procure-ment price	Consumer subsidy as % of EC	Procure-ment price as % of EC
1991/2	3910	1390	2750	35.5	70.3	4970	1310	2300	26.4	46.3
1992/3	5040	2250	3300	44.6	65.5	5850	1430	2700	24.4	46.2
1993/4	5320	1760	3500	33.1	65.8	6650	1650	3100	24.8	46.6
1994/5	5510	1430	3600	26.0	65.3	6950	940	3400	13.5	48.9
1995/6	5840	1720	3800	29.5	65.1	7630	1490	3600	19.5	47.2
1996/7	6400	2070	4750	32.3	74.2	8480	2370	3800	27.9	44.8
1997/8										
BPL	7860	5360	5100	68.2	64.9	9390	5890	4150	62.7	44.2
APL	7860	3360	5100	42.7	64.9	9390	2660	4150	28.3	44.2
1998/9										
BPL	7970	5480	5500	68.8	69.0	10270	6250	4400	60.9	42.8
APL	7970	3480	5500	43.7	69.0	10270	2750	4400	26.8	42.8
1999/2000 (RE)										
BPL	8250	5630	5800	68.2	70.3	10950	7280	4900	66.5	44.7
APL	8250	1310	5800	15.9	70.3	10950	1730	4900	15.8	44.7
2000/1 (NE)	8300	4500	0.0	54.2	0.0	11300	5900	5100	52.2	45.1

Source: GoI, 2001.

Table 17 Budget-targeted disinvestments 1991–2002

Year	Companies selling equity (number)	Target receipts for the year (billion Rs.)	Actual receipts (billion Rs.)	Methodology
1991/2	47 (31 in tranche 1 and 16 travel)	2.5	3.038	Minority shares sold by auction in bundles of 'very good', 'good', and 'average' companies.
1992/3	35 (in 3 tranches)	2.5	1.913	Share bundling abandoned. Company shares sold separately by auction.
1993/4		3.5	Nil	Equity of 7 companies sold in open auction, proceeds received 1994/5
1994/5	13	4.0	4.843	Sold by auction to NRIs and other persons legally permitted to buy, hold, or sell equity
1995/6	5	7.0	0.362	Equities of 4 companies auctioned. Government piggy-backed in the IDBI fixed-price offering for a 5th
1996/7	1	5.0	0.380	GDR (VSNL) in international market.
1997/8	1	4.8	0.902	GDR (MTNL)[8] in international market.
1998/9	5	5.0	5.371	GDR (VSNL)/Domestic offerings with participation of FIIs (CONCOR), Cross purchase by 3 oil sector companies, GAIL, ONGC, and IOC
1999/ 2000	2	10.0	1.829	GDR (GAIL) in international market, MFIL's strategic sale, and some other disinvestments
2000/1	1	10.0	2.500 (RE)	Strategic sale of BALCO shares
2001/2		12.0 (BE)[2]		
Total[1]	41	66.3	21.138 (BE)	

Source: Mishra R.K., 2001b

1. Total number of companies in which disinvestments have taken place to date
2. Provisional figures