

SOCIAL SECTOR: BENEFITS THAT EMPOWER

India's high and sustained economic growth in recent years is being accompanied by social and institutional progress, underpinned by transformational and effective implementation of Government programmes with an empowering edge that has become the hallmark of a transformed approach to welfare. Be it health, education, sanitation, digital empowerment, or quality of life in rural areas, each aspect of the social infrastructure ecosystem has made strides through effective planning and delivery of various welfare schemes. The outcomes and success stories of the endeavours being made by the Government to ensure ease of living for one and all are evident. The realms of health and education are witnessing turning points in quality and access. Women-led development is being promoted with 360-degree enabling interventions for socioeconomic empowerment. A slew of programmes for transparent and digitalised rural governance have accompanied a perceptible improvement in the standard of living. To attain the much-avowed status of a developed country by 2047, effective and efficient Government programmes and state-level initiatives, augmented by community participation, are key.

INTRODUCTION

7.1 India is on the path to scaling the next level of the development ladder to a 'Developed India' step by 2047 (ViksitBharat@2047). Economic growth is a pathway to achieve the end goal of development comprising economic, social, technological, and institutional progress. However, the direction of public policy and its implementation are also instrumental in translating growth to across-the-board human development. Home to 18 per cent of humanity¹, India's social infrastructure must reach a diverse and expansive populace, transcending cultures, languages, and geographies. Boasting a young and aspirational society, India aims to seize the opportunities provided by steady and high economic growth while also ensuring a society characterised by better health care, education, clean water, sanitation facilities, affordable housing, electricity, and the internet. A vast amount of ground has been covered to ensure sustainable and equitable economic growth and the journey continues with challenges, old and new, as well as solutions, centralised and local.

7.2 Over the last decade, the Indian concept of welfare has been significantly transformed into a more long-term-oriented, efficient, and empowering avatar. This has further strengthened the welfare ecosystem and helped lay a solid foundation for human development in the country.

¹ UN estimate <https://www.un.org/en/global-issues/population>

Besides, the Government's social sector expenditure has been keeping pace with the sector's growing importance. The Government's spending on social services has shown a rising trend since FY16, with a focus on many aspects of the social well-being of citizens of the country, as evident from Table VII.1. Between FY18 and FY24, nominal GDP has grown at a compounded annual growth rate (CAGR) of around 9.5 per cent. Overall, welfare expenditure has grown at a CAGR of 12.8 per cent. Expenditure on education has grown at a CAGR of 9.4 per cent- a tad below the rate of nominal GDP growth. Expenditure on health, as shown in the Table below, has grown at a CAGR of 15.8 per cent.

Table VII.1 Trends in social services expenditure by general Government
(Combined Centre and States)

(₹ crore)

Items	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)	2023-24 (BE)
Total Expenditure	45,15,946	50,40,747	54,10,887	63,53,359	70,98,451	83,76,972	90,45,119
Expenditure on Social Services²	11,39,524	12,78,124	13,64,906	14,79,389	17,87,019	21,49,346	23,50,584
of which:							
<i>Education³</i>	4,83,481	5,26,481	5,79,575	5,75,834	6,39,436	7,68,946	8,28,747
<i>Education (MoE's estimates)*</i>	6,621,51	7,36,581	8,63,118 (RE)	9,19,145 (BE)			
<i>Health⁴</i>	2,43,388	2,65,813	2,72,648	3,17,687	4,56,109	5,12,742	5,85,706
<i>Others</i>	4,12,655	4,85,829	5,12,683	5,85,868	6,91,474	8,67,659	9,36,131
As per cent of GDP							
Expenditure on Social Services	6.7	6.8	6.8	7.5	7.6	8.0	7.8
of which:							
<i>Education</i>	2.8	2.8	2.9	2.9	2.7	2.9	2.7
<i>Education (MoE's estimates)*</i>	3.9	3.9	4.3 (RE)	4.6 (BE)			
<i>Health</i>	1.4	1.4	1.4	1.6	1.9	1.9	1.9
<i>Others</i>	2.4	2.6	2.6	3.0	2.9	3.2	3.1

2 Social services include education, sports, art, and culture; medical and public health, family welfare; water supply and sanitation; housing; urban development; the welfare of SCs, STs and OBCs, labour and labour welfare; social security and welfare, nutrition, relief on account of natural calamities, etc.

3 Expenditure on 'Education' pertains to expenditure on 'Education, Sports, Arts, and culture.

4 Expenditure on 'Health' includes expenditure on 'Medical and Public Health', 'Family Welfare', and 'Water Supply and Sanitation.

Items	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)	2023-24 (BE)
As per cent of total expenditure							
Expenditure on Social Services	25.2	25.4	25.2	23.3	25.2	25.7	26.0
of which:							
<i>Education</i>	10.7	10.4	10.7	9.1	9.0	9.2	9.2
<i>Health</i>	5.4	5.3	5.0	5.0	6.4	6.1	6.5
<i>Others</i>	9.1	9.6	9.5	9.2	9.7	10.4	10.3
As per cent of social services							
<i>Education</i>	42.4	41.2	42.5	38.9	35.8	35.8	35.3
<i>Health</i>	21.4	20.8	20.0	21.5	25.5	23.9	24.9
<i>Others</i>	36.2	38.0	37.6	39.6	38.7	40.4	39.8
Source: RBI							
Note: (i) The ratios to GDP at current market prices are based on 2011-12 base till 2021-22. GDP for 2022-23 is as per the Union Budget 2022-23.							
(ii) * The Ministry of Education (MoE), Government of India, also calculates the General Government spending on education. While RBI's data on Education expenditure incorporates the spending incurred by Centre and States on 'Education, Sports, Arts, and culture, MoE's estimates also include expenditure incurred on medical and public health education, agriculture research and education, welfare of SC, ST, OBC & Minority's education, other scientific research & development, Education under social security, Nutritious food expenditure under mid-day meal, expenditure on imparting training to police, Labour employment and skill development expenditure, education/training expenditure under rural development Programmes etc. This leads to a higher estimate of expenditure on education, which is 4.64 per cent of GDP in 2020-21 (latest available).							

7.3 This chapter presents the impact of the high economic growth in recent years on the citizens of the country. Section I discusses some critical outcomes in the overarching area of the standard of living of the populace. Some key areas, such as health, and education, are covered in some detail. In light of the emphasis on *Nari Shakti*, Section II dwells on the rising women power in the country and the active role of Government policies and programmes in this regard. A large population of the country resides in rural India. The developments happening at the grassroots level and the role of Government policies and programmes for rural India are presented in Section III.

DOVETAILING GROWTH WITH EMPOWERING WELFARE: A PARADIGM SHIFT

7.4 Demchok village in Leh, located at a height of 13,800 feet where mercury can drop up to minus 40 degrees, got its first tap water connection in July 2022 under the Jal Jeevan Mission, freeing up women from the drudgery of fetching water. A remote tribal village of Bulumgavan in Maharashtra received electric supply only in 2018, 70 years after independence!

7.5 There are numerous such stories of the common citizens reaping the harvest of the Government's empowering approach to welfare. With India becoming the fifth largest economy,

the lives of average Indians are better than a decade ago. Over 10.3 crore women have been provided free-of-cost gas connections under PM Ujjwala Yojana, 11.7 crore toilets have been built under Swachh Bharat Mission, 52.6 crore Jan Dhan accounts have been opened, 3.47 crore pucca houses have been built for the poor people under the PM-AWAS Yojana, 11.7 crore households provided tap water connections under Jal Jeevan Mission, and 6.9 crore hospital admissions have been made under the Ayushman Bharat Scheme. Behind these numbers lie numerous stories of better lives.

7.6 India's social and economic milieu presents many strengths, opportunities, and challenges. Its strengths can be counted as the fastest-growing economy, which is making great strides in delivering welfare and opportunities to its people through the creation and expansion of digital public infrastructure (DPI). The opportunities are reflected in the fact that 18 per cent of the population is in the age group of 15-24 years (compared to the global average of 15.4 per cent), with a median age of 28.2 years.⁵ This young India wants to climb the ladder of social and financial progress faster. These strengths and opportunities are also counter-balanced by significant challenges, including improving learning outcomes in schools, eliminating malnutrition, channelising the potential of the hinterland, tackling regional, caste and gender disparities, and instilling accountability and transparency at all levels of the Government. In light of limited fiscal resources, the expectations of the socio-economically diverse populace necessitate a sensitive, pragmatic, and prudent welfare policy.

7.7 This required transforming the approach to a long-term-oriented, efficient, and empowering one, recognising universal access to basic amenities as a starter for inclusive growth, thus impelling an array of flagship initiatives. In contrast to short-term measures requiring repeated disbursement of scarce resources, such an approach not only builds social infrastructure for the decades to come but also enables individuals to climb up the standard-of-living ladder and utilise the opportunities accompanying high growth. Socially empowering the citizens inculcates a sense of autonomy and self-confidence by altering social relationships, institutions, and discourses so that the hitherto excluded disadvantaged sections of society can also find a place in the sun. Placing people on the 'development' treadmill from the 'welfare' treadmill is not just a matter of fiscal sustainability. Self-esteem and personal dignity also stand enhanced when members of the public participate in and contribute to development, moving away from welfare dependence. As Rama Bijapurkar notes, even among the socially disadvantaged, "there is a distinct and growing segment who, with some combination of access to networks, information, Government support, and personal circumstances, find the agency and energy to try and strive for opportunities for a better life."⁶

Pillars of the new approach to welfare

7.8 The new welfare approach bears in mind that spending alone cannot guarantee outcomes. It lays a strong focus on transforming the implementation and effectiveness of Government programmes, thus increasing the impact per rupee spent. Cost-effectiveness is increasingly

⁵ United Nations, World Population Prospects (2022), <https://ourworldindata.org/grapher/population-by-age-group>

⁶ 'The new tale of two Indias', Business Standard, 25 June 2024 <https://tinyurl.com/35p9ukf8>

being pointed out in academic literature, too. For instance, Muralidharan (2024)⁷ estimates that unless the efficiency of converting spending into outcomes is substantially improved, neither a growth focus nor a development focus (i.e., increasing budget allocation to social sectors) will lead to satisfactory outcomes in tackling child stunting, improving learning in schools, reducing the infant mortality rate. To this end, the Government is emphasising process reforms and accountability, interwoven with the utilisation of technology.

7.9 The digitisation of healthcare, education and governance has been a force multiplier for every rupee spent on a welfare programme. The Direct Benefit Transfer (DBT) scheme and Jan Dhan Yojana-Aadhaar-Mobile (JAM) trinity have been boosters of fiscal efficiency and minimisation of leakages, with more than ₹38 lakh crore having been transferred via DBT since its inception in 2013.⁸

7.10 The Government has also implemented a goal-oriented approach for budgetary allocation, comprising expected outputs and outcomes of the schemes, as part of the Outcome Budget, which has been accompanying the conventional annual Budget since FY 18. An ‘Output-Outcome Monitoring Framework’ has been developed by NITI Aayog for the major central sector and centrally sponsored schemes since FY 20. Moreover, acceleration in capital expenditure within social services expenditure signifies higher productivity and creation of societal assets. This is set against the backdrop of ubiquitous, user-friendly dashboards and management information systems (MIS) across major schemes, instilling transparency and accountability through real-time monitoring. Box VII.1 delves deeper into the rising heft of data in governance.

Box VII.1: Transforming data governance in India: DGQI 2.0 and beyond

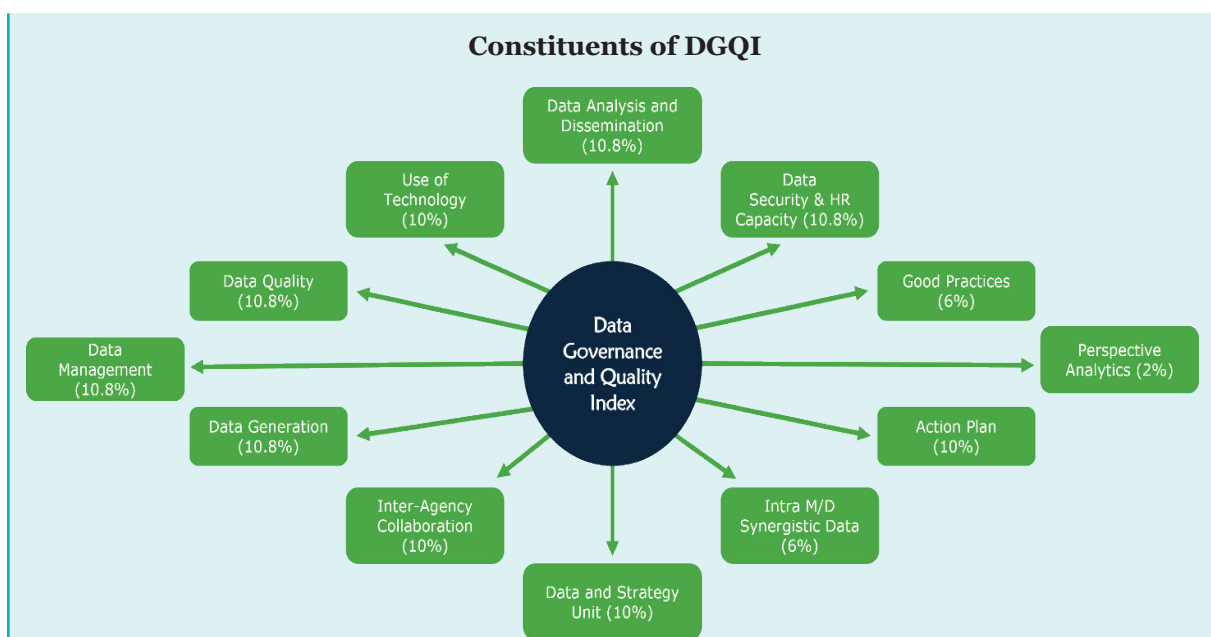
Over the past few decades, the Government of India has made significant strides in managing and utilising data effectively. Recent decades have witnessed a digital transformation, with MIS and centralised data access through policies like the National Data Sharing & Accessibility Policy and data.gov.in. Dashboard systems and platforms like District Development Coordination and Monitoring Committees (DISHA), Prayas, and Output Outcome Monitoring Framework have improved accountability in public policy.

Today, most Government programmes utilise internal MIS that capture vast amounts of data. In today’s digital age, effectively managing this data, extracting actionable insights for decision-making, facilitating course corrections, and ensuring interoperability across Government data units are critical objectives of India’s data strategy towards a *Viksit Bharat*. It would bolster data availability for decision-making and foster system interoperability for a seamless experience for beneficiaries accessing Government services.

In this context, a comprehensive review of present data preparedness levels of all Ministries/ Departments (M/D) was required to chart the way forward and suggest measures for improvement. Against this background, the Data Governance Quality Index (DGQI) exercise was initiated to assess the data preparedness of various M/D on a standardised framework to drive healthy competition among them and promote cooperative peer learning from best practices.

7 Muralidharan, K. (2024): “Accelerating India’s Development: A state-led roadmap for effective governance”, Penguin India Viking, ISBN: 9780670095940, Chapter 10.

8 As of 15 July 2024, source: <https://dbtbharat.gov.in/>



Source: NITI Aayog

The exercise is conducted periodically, where the Ministries are requested to fill out responses to a standard questionnaire on the DGQI dashboard. The exercise culminates in a report that includes rankings of all M/Ds and their schemes, providing analytical insights for further improvement and learning. The index has progressed from an average score⁹ of 2.29/5 in the 1st Round in 2020 to 3.95/5 in the latest Round, i.e., Round 6 in 2024, comprising around 75 M/Ds and 567 interventions/schemes.

It is hoped that in the long run, DGQI will help in laying the foundation of robust data monitoring system of all the CS/ CSS schemes of all M/Ds, ultimately leading to a state-of-the-art data-driven decision making.

7.11 The approach also comprises targeted implementation reforms for last-mile service delivery to truly realise the maxim of “no person left behind.” The Aspirational Districts Programme (ADP), following the 3C approach of ‘Convergence’ across levels of Government, ‘Collaboration’ between civil society and Government, and ‘Competition’ among states and districts through a dashboard monitoring monthly progress led to substantial improvement in several indicators such as health and nutrition, education, and reporting saturation in the basic infrastructure such as electricity connections, all-weather roads, basic sanitation facilities, etc. An appraisal of the programme by the United Nations Development Programme (UNDP) concluded that the programme has resulted in sectoral growth and improvements in governance and administration.¹⁰ Box VII.2 presents two success stories of the ADP. Other targeted programmes include the Aspirational Blocks Programme, launched in 2023, the Vibrant Villages Programme for border areas, and more recently, the Viksit Bharat Sankalp Yatra, which saw participation of 15 crore people in two months starting 15 November 2023, are other examples of going the extra mile for saturation of various Government schemes.

⁹ Based on the constituents’ weightage, the DGQI score lies between 0 (lowest) to 5 (highest).

¹⁰ Aspirational Districts Programme: An Appraisal, UNDP, December 2020, available at <https://www.niti.gov.in/sites/default/files/2023-03/Aspirational-Districts-Programme-An-Appraisal.pdf> accessed on 18 June 2024

Box VII.2: Baramulla and Gumla progress from ‘Aspiration’ to ‘Transformation’

Baramulla, Jammu and Kashmir and Gumla, Jharkhand, won the prestigious PM Awards for excellence in Public Administration 2022 under the ADP category. The initiatives in Gumla and Baramulla showcase the transformative impact of targeted interventions under the ADP, significantly improving health and education outcomes.

Baramulla addressed its challenging topography and harsh weather by establishing birth waiting wards in Uri and Boniyar, benefiting 20,000 pregnant women. Severe acute malnutrition and moderate acute malnutrition rates declined to near-zero levels through monitoring with Poshan tracker tabs. Educational initiatives included 18 lab schools focusing on innovative teaching techniques and improving learning outcomes. Hybrid learning and ICT tools prepared students for competitive exams. Other efforts included crop diversification, mushroom cultivation, organic farming, and dairy units. Governance measures involved digital gap analysis, biometric attendance, and an Innovation Cell for academics.

Gumla tackled anaemia and malnutrition by promoting the cultivation of Ragi, empowering women in Self-Help Groups (SHGs) through livelihood opportunities. This initiative addressed the district’s challenges of low income, poor productivity, and lack of critical infrastructure. Tribal women handled Ragi’s procurement, processing, packaging, and marketing. Governance initiatives included an open-door policy for public grievances, regular meetings, and optimal fund allocation. The innovative Ragi Mission broke the stagnant monocropping practice by expanding the ragi cultivated area by 3500 acres, resulting in a 219 per cent increase in production in FY22. Solar-based lift and drip irrigation systems covering more than 4349 acres ensure all-year round agricultural practice in the region.

7.12 This transformed approach to welfare further encompassed prioritising social enablers. Accordingly, stress was placed on investments in health and sanitation. For example, child immunisation under Mission Indradhanush and sanitation through programmes like ODF and ODF plus and Swachh Bharat Mission have led to lesser disease incidence due to cleaner practices, lesser school absenteeism due to illness, and more effective nutrient absorption over the long run among the least privileged. According to the fifth National Family Health Survey (NFHS-5), the percentage of children aged 12-23 months who are fully vaccinated increased from 77.9 per cent in 2015-16 to 83.8 per cent during 2019-21.

7.13 Another policy of the Government, given the country’s demography and occupation profile, has been to provide affordable social security schemes for the unorganised sector workers. The Atal Pension Yojana (APY), PM Jeevan Jyoti Yojana (PMJJY), and PM Suraksha Bima Yojana (PMSBY) (all three launched in 2015) are success stories of an expanding social safety net equipped with universal bank account penetration. While PM-JJY and PM-SBY were the first of their kind, the APY improved remarkably upon its predecessor, the Swavalamban Yojana.

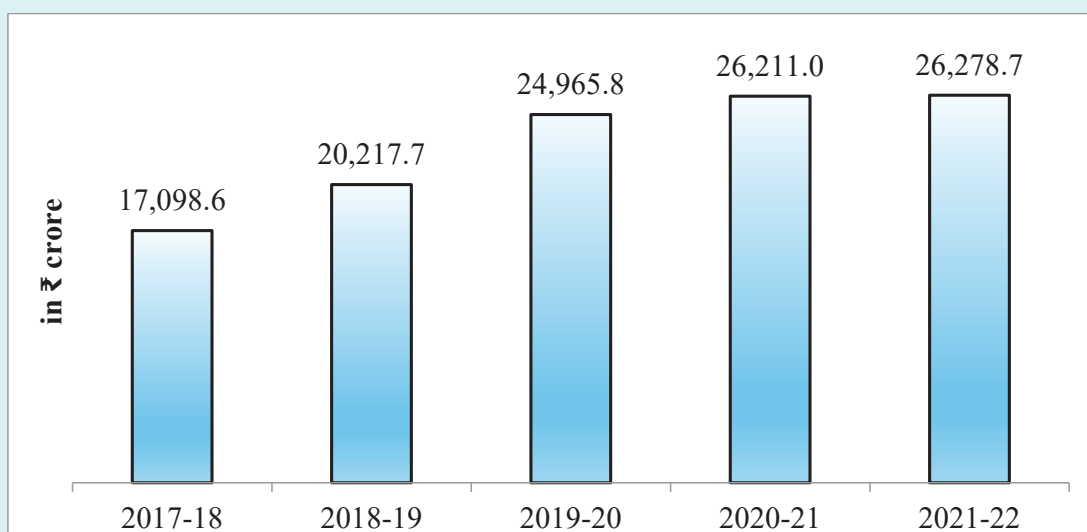
7.14 The approach to welfare is wholesome and whole-of-society, with increasing private sector participation through Corporate Social Responsibility (CSR). In 2014, spending by companies on social purpose programmes was made mandatory through a new provision under Section 135 of the Companies Act 2013.¹¹ The trend of CSR spending post-2014 is presented in Box VII.3. With the robust growth of the economy, corporate profits in India and, hence, the mandatory CSR pool will continue to grow, powering the sustainable and inclusive development that non-profits are uniquely positioned to accelerate with their last-mile presence on the ground.

Box VII.3: Corporate Social Responsibility – Building bridges between profit and purpose

Some trends in the extent of CSR activities as per the Ministry of Corporate Affairs (MCA)'s data are presented below.

- (a) In the eight years from 2014 to 2022, ₹1.53 lakh crore were spent on CSR, and the spending across the last three years constitutes more than 50 per cent of the total CSR amount spent since 2014. CSR compliance has seen a growing adherence over the years, with more than half the companies even going beyond their obligation. For the last three years, yearly CSR spending has been more than ₹25 thousand crore, with yearly CSR spending increasing by 1.5 times in eight years.¹²

Chart VII.1(a): Annual CSR spending in India (in ₹ crore)



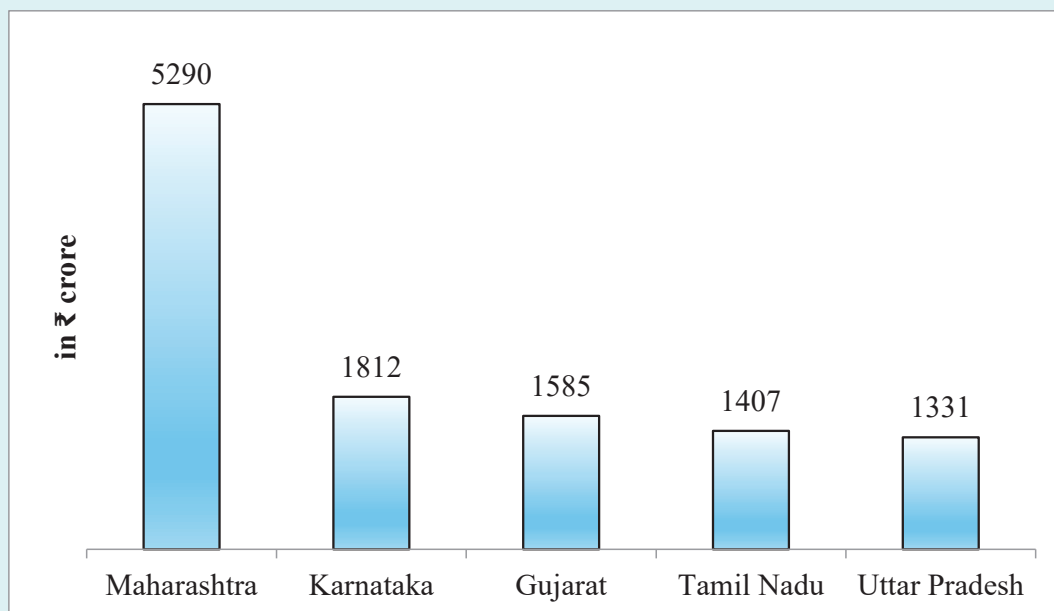
Source: Ministry of Corporate Affairs web portal <https://www.mca.gov.in/content/csr/global/master/home/home.html>

¹¹ The legal mandate on CSR applies to companies that have a net worth of ₹500 crore or more, or annual turnover of ₹1000 crore or more, or net profit of ₹5 crore or more. Companies coming under CSR mandate are required to spend 2 per cent of their average net profit of the preceding three financial years on social impact Programmes that focus on any of the causes listed in the Schedule VII of the Companies Act, 2013.

¹² Source: India Data Insights, Sattva Consulting <https://indiadatainsights.com/theme/csr-in-india/>

State-wise CSR spent is presented in Chart below.

Chart VII.1(b): Total CSR spent: Top five States, FY22



Source: Ministry of Corporate Affairs web portal <https://www.mca.gov.in/content/csr/global/master/home/home.html>

- (b) Public sector units, while constituting about 2 per cent of the companies under CSR mandate, contribute to almost 17 per cent of the total CSR amount.
- (c) Sector-wise, more than three-fourths of total CSR spend is in the top four development sectors, i.e., Education (32.4 per cent), Healthcare & Sanitation (38.4 per cent), Rural Development (6.9 per cent), and Environment, Animal Welfare & Conservation (10.9 per cent).
- (d) About half of the implementation of CSR funds happens in partnership with non-profit organisations. This implementation model adopted by companies has provided an excellent boost to the non-profit ecosystem in the country besides enabling cross-pollination of ideas across sectors. While non-profits learn analytical and process-based rigour from partner companies, the latter have benefitted from community engagement and inclusive outlook as the corporate citizens of the society.
- (e) The distribution of CSR investment is primarily centred around the hubs of corporate headquarters in the country, while underdeveloped areas remain relatively less funded. For regionally-balanced CSR spending, there is a need for enhanced investment in the organisational growth and capacity building of the non-profit organisations working in underdeveloped areas.

Overall Progress and Outcomes

Improvements in multidimensional poverty

7.15 Focusing solely on income is not enough to capture the actual reality of poverty, as it may conceal the exact deprivations experienced by millions of individuals every day. Here, the measurement of multidimensional poverty is valuable to gauge the incidence and intensity of poverty as it is lived by revealing who is poor and the different disadvantages they experience.

7.16 The National Multidimensional Poverty Index (MPI) has been estimated for India by NITI Aayog, which is in line with the global MPI¹³ published by the UNDP, with a few customisations for the Indian context.¹⁴ The MPI estimated by the Niti Ayog has three equally weighted dimensions: health, education, and standard of living, split across 12 weighted indicators. These deprivations are very basic and, hence, emblematic of real poverty, in addition to informing policymakers of the necessities lacking in the country.¹⁵

7.17 While the headcount ratio measures the spread of multidimensional poverty, the deprivation score measures the intensity of multidimensional poverty (i.e., the number of deprivations experienced by a poor person). A weighted deprivation score of 0.33 is required for a household to qualify as MPI-poor. The MPI index is thus obtained as the product of headcount ratio (HCR) and intensity.

India's Progress in MPI: 2019-21 vs. 2015-16

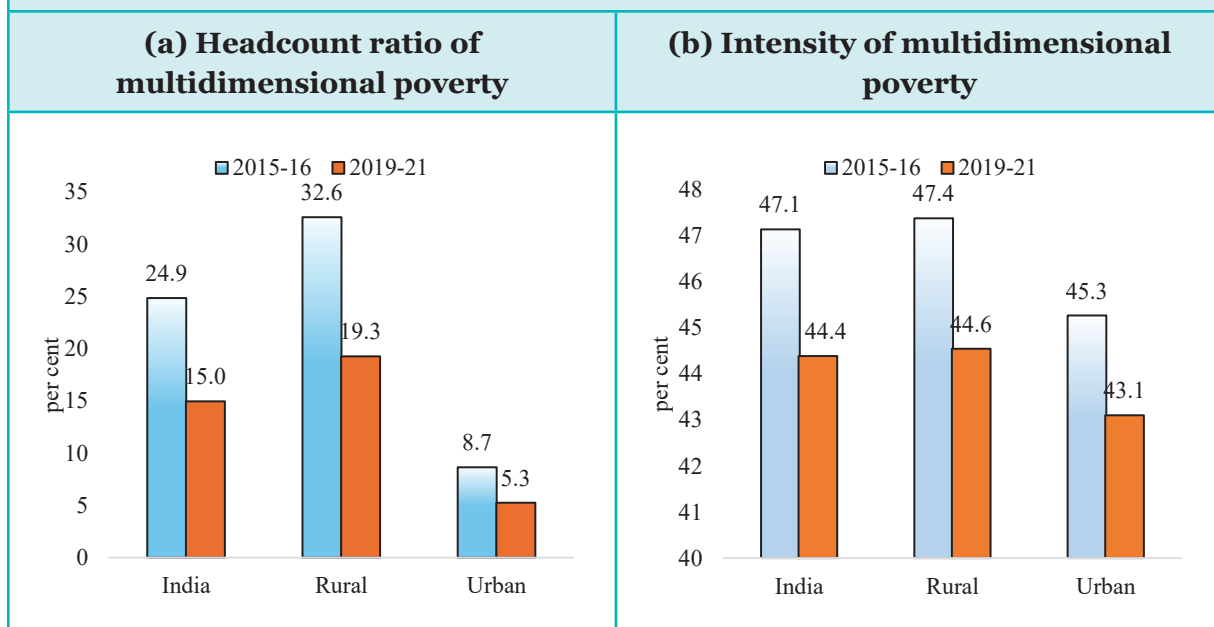
7.18 There has been a sharp decline in the HCR accompanied by a decrease in the intensity of poverty, with the MPI nearly halving from 0.117 in 2015-16 to 0.066 in 2019-21, thereby setting India on the path of achieving the SDG Target 1.2 (of reducing multidimensional poverty by at least half) much ahead of the stipulated timeline of 2030. Resultantly, 13.5 crore Indians are estimated to have escaped multidimensional poverty between 2015-16 and 2019-21. This decline is driven by declining deprivations in nutrition, years of schooling, sanitation, and cooking fuel, attributable to large-scale policy attention. Region-wise, this trend is driven by rural India, with the most significant improvements occurring in states like Bihar, MP, UP, Odisha, and Rajasthan. Uttar Pradesh registered the most significant decline in the number of poor people, with 3.43 crore people escaping multidimensional poverty. Notably, the number of States with less than 10 per cent of people living in multidimensional poverty doubled from 7 in 2016 to 14 in 2021.

13 <https://hdr.undp.org/content/2023-global-multidimensional-poverty-index-mpi#/indicies/MPI>

14 <https://www.niti.gov.in/index.php/whats-new/national-multidimensional-poverty-index-2023>

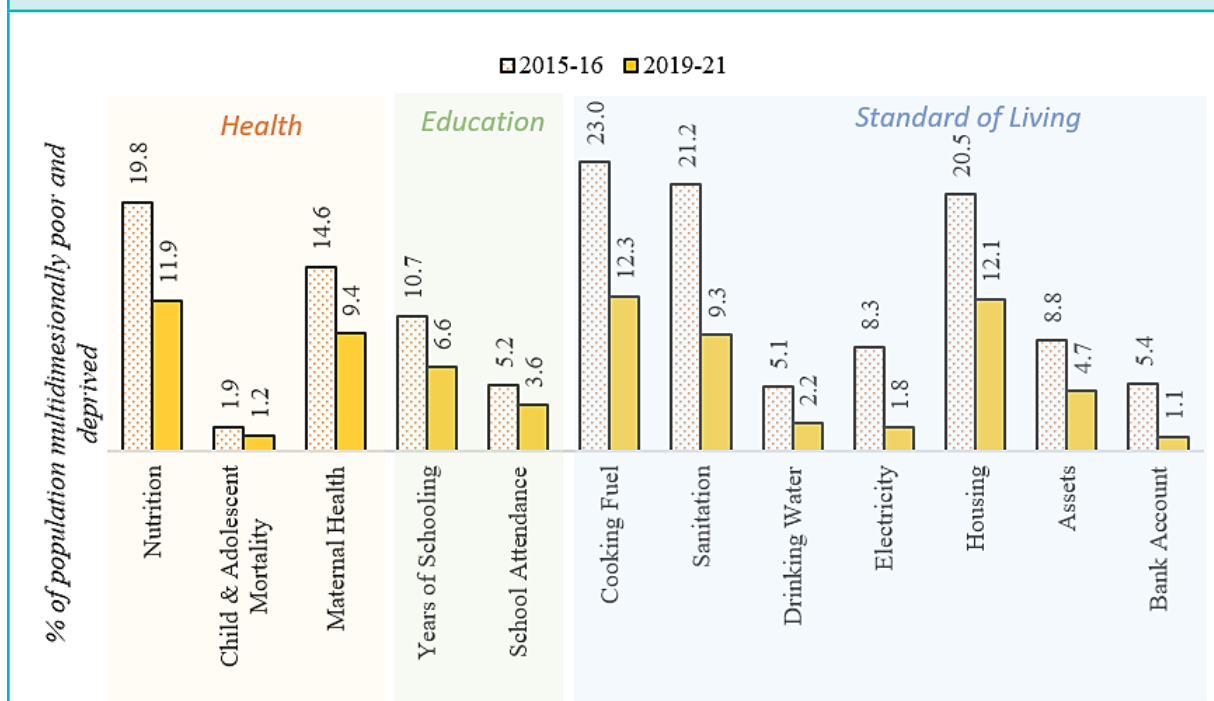
15 The Alkire-Foster methodology has been adopted to develop this index. It has many axiomatic advantages such as monotonicity, scale and replication invariance, symmetry, poverty, and deprivation focus, etc., making it a globally accepted methodology. This is largely same as Global MPI by UNDP & OPHI, with 2 additional indicators, i.e., maternal health and bank account, using the data from the NFHS.

Chart VII.2: Decline in multidimensional poverty



Source: NITI Aayog, MPI Report 2023

Chart VII.3: Decline in the deprivations across the multidimensionally poor population



Source: NITI Aayog MPI Report 2023

7.19 NITI Aayog's discussion paper, 'Multidimensional Poverty in India since 2005-06',¹⁶ finds that 24.82 crore people have escaped multidimensional poverty between 2013-14 and 2022-23. To assess the poverty levels in 2013-14 and 2022-23, projected estimates based on the compounded annual rate of change have been used due to data limitations for these specific periods. According to the NITI's paper, India has registered a significant decline in the proportion of individuals in multidimensional poverty in India from 29.17 per cent in 2013-14 to 11.28 per cent in 2022-23, i.e. a reduction of 17.89 percentage points.

7.20 The paper also highlights that UP registered the largest decline in the number of poor, with 5.94 crore people escaping multidimensional poverty during the last nine years, followed by Bihar at 3.77 crore, MP at 2.30 crore and Rajasthan at 1.87 crore. Overall, the decline in poverty HCR was much faster between 2015-16 and 2019-21 (10.66 per cent annual rate of decrease) than from 2005-06 to 2015-16 (7.69 per cent annual rate of decline).

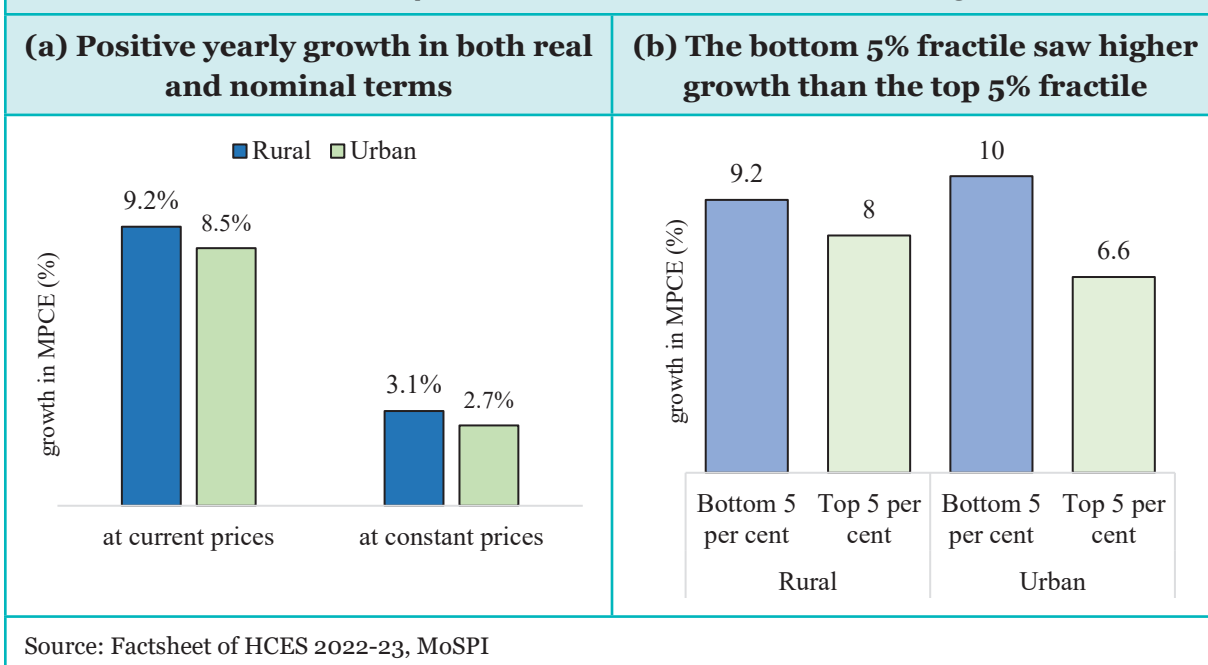
Household Consumption Expenditure Survey 2022-23

7.21 The results of various initiatives in the social sector have translated into reduced inequality and rising consumption spending, as evident from the results of the latest Household Consumption Expenditure Survey (HCES) 2022-23 (conducted from August 2022 to July 2023), released on 24 February 2024.¹⁷ The results provide insights into the monetary aspect of living standards across rural and urban areas, estimated as the monthly per capita consumption expenditure (MPCE). The results broadly confirm the substantial rise in non-income aspects of living standards noted previously in the multidimensional poverty report of the NITI Aayog.

7.22 The HCES offers many reassuring findings on inclusive growth in the past decade. The MPCE in 2022-23 increased in real terms by 40 per cent in rural and 33.5 per cent in urban areas over 2011-12. The Gini coefficient, an indicator of inequality, has declined from 0.283 to 0.266 for the rural sector and from 0.363 to 0.314 for the urban sector of the country. The rural-urban divide has also declined considerably, as the difference between rural and urban MPCE declined from 83.9 per cent in 2011-12 to 71.2 per cent in 2022-23. Within rural and urban areas, the consumption of the lowest 5 per cent of the MPCE population grew faster than the top 5 per cent, indicating a decline in economic inequality over the last decade. Imputation of free-of-cost items provided through various Government programmes leads to a further progressive rise in MPCE, with the benefit of welfare schemes as a proportion of MPCE at 0.8 per cent for the top 5 per cent fractile and 5.0 per cent for the bottom 5 per cent fractile in rural areas (for urban areas, the corresponding figures were 0.1 per cent and 4.3 per cent respectively). Juxtaposing the MPCE numbers with the per capita gross national income (PCI) reveals an inclusive trend in economic growth, where the MPCE/PCI ratio has increased for all consumption classes except the top 5 per cent in rural India and the top 10 per cent in urban India. Notably, this progress occurred despite the once-in-a-century crisis of the COVID-19 pandemic.

¹⁶ <https://tinyurl.com/f48k757c>.

¹⁷ <https://tinyurl.com/t8s5unut>

Chart VII.4: CAGR in MPCE: 2011-12 to 2022-23

Quality Healthcare for All

7.23 For a resilient economy, the health sector is vital. A sound healthcare system is interconnected with long-term factors responsible for inclusive growth, such as ensuring the quality of human capital and labour productivity, higher household savings, avoiding the poverty trap due to catastrophic health expenditure, and building the capability to withstand any health shocks such as COVID-19. In that spirit, the Indian health system has been consistently revamped.

7.24 The Government is committed to ensuring sound health and well-being of all ages through a preventive and promotive healthcare orientation in all developmental policies and universal access to good quality healthcare services. To this end, the Government is implementing various schemes and programmes. Key initiatives and their progress are listed in Table VII.2.

Table VII.2: Key Healthcare Schemes

Programme/Purpose (year of launch)	Progress/Outcome
<p>Ayushman Bharat Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY) (2018)</p> <p><i>Health insurance cover of ₹5 lakh/year for underprivileged families for secondary and tertiary hospitalisation</i></p>	<ul style="list-style-type: none"> • 34.73 crore Ayushman Bharat cards generated • 7.37 crore hospital admissions have been covered by the scheme. • 49 per cent of beneficiaries are females (as of 8 July, 2024)¹⁸

¹⁸ <https://dashboard.pmjay.gov.in/pmj/#/>

Programme/Purpose (year of launch)	Progress/Outcome
<p>PM Jan Aushadhi Kendras <i>Quality medicines at 50-90 per cent cheaper than market rates</i></p>	<ul style="list-style-type: none"> • 10,000th Jan Aushadhi Kendra was inaugurated in AIIMS Deoghar. • 1965 medicines & 293 surgical equipments available
<p>AMRIT (Affordable Medicines and Reliable Implants for Treatment) <i>Subsidised medicines for critical illnesses</i></p>	<p>More than 300 Amrit pharmacies operating in different States/UTs</p>
<p>Ayushman Bhav Campaign (Sep 2023) <i>To saturate selected healthcare services in every village/town and inform citizens about the Government's flagship schemes.</i></p>	<ul style="list-style-type: none"> • 16.96 lakh wellness, yoga, and meditation sessions, 1.89 crore Tele consultations, free drugs availed by 11.64 crore people and free diagnostics services availed by 9.28 crore people • ANC¹⁹ Checkup and Immunization availed by 82.10 lakh mothers and 90.15 lakh children • Seven types of screening (TB, Hypertension, diabetes, Oral Cancer, Breast Cancer, Cervical Cancer and Cataract) are availed by 34.39 crore people. • 2.0 crore patients consulted general OPD, while 90.69 lakh patients consulted specialist OPD, and 65,094 major surgeries and 1,96,156 minor surgeries were conducted. • 13.48 crore ABHA accounts were created, 9.50 crore Ayushman cards were generated, and 1.20 lakh Ayushman Sabhas were organised. • The cumulative footfall reached 20.66 crore in 25.25 lakh health melas (as of 31 March 2024)
<p>Ayushman Bharat Digital Mission (ABDM) (2021) <i>to create a national digital health ecosystem across the country</i></p>	<ul style="list-style-type: none"> • 64.86 crore Ayushman Bharat Health Accounts (ABHA) created • 3.06 lakh Health Facility Registries • 4.06 lakh Healthcare professionals • 39.77 crore Health records linked with ABHA²⁰

¹⁹ Absolute Neutrophil Count

²⁰ Source: Ministry of Health and Family Welfare inputs

Programme/Purpose (year of launch)	Progress/Outcome
eSanjeevani (2019) <i>Telemedicine for virtual doctor consultations in remote areas</i>	<ul style="list-style-type: none"> 26.62 crore patients served across 128 specialities at 1.25 lakh Health & Wellness Centres (as Spokes) through 15,857 hubs.²¹ (as of 9 July 2024)

Minding the Mind: Taking stock of the mental health scenario

7.25 Mental health is a less seen yet principally impactful driver of individual and national development. Way back in 1954, Dr. Brock Chisholm, the first Director-General of the World Health Organization (WHO), famously said, “Without mental health, there can be no true physical health.”

7.26 Mental well-being is intertwined with all aspects of health, viz. physical, social, and emotional, and can be described as a state of well-being in which a person is able to cope with the stresses of daily life, continue to be productive and contribute to the community. Mental health conditions include mental disorders and psychosocial disabilities, as well as mental states associated with significant distress, impairment in functioning or risk of self-harm. From minor stressors to severe disorders, mental health concerns can have an impact throughout an individual’s lifetime.

Rising prevalence of mental health issues

7.27 As per WHO, in 2019²², one in every eight people, or 970 million people globally, were living with a mental disorder²³, with anxiety and depression being the most common conditions. The COVID-19 pandemic led to a 27.6 per cent increase in cases of major depressive disorders and a 25.6 per cent increase in cases of anxiety disorders in 2020 globally.²⁴ According to a large-scale study co-led by researchers from Harvard Medical School and the University of Queensland, one out of every two people in the world will develop a mental health disorder in their lifetime (McGrath et al., 2023).²⁵

7.28 In the Indian context, the National Mental Health Survey (NMHS) 2015-16²⁶ showed that 10.6 per cent adults suffered from mental disorders in India while treatment gap for mental disorders ranged between 70 to 92 per cent for different disorders. Further, as per the survey, the prevalence of mental morbidity was higher in urban metro regions (13.5 per cent) as compared

21 <https://esanjeevani.mohfw.gov.in/#/>

22 According to the World Health Organisation (WHO), https://www.who.int/health-topics/mental-health#tab=tab_1.

23 According to WHO, a mental disorder is characterized by a clinically significant disturbance in an individual’s cognition, emotional regulation, or behaviour.

24 COVID-19 Mental Disorders Collaborators. Global prevalence and burden of depressive and anxiety disorders in 204 countries and territories in 2020 due to the COVID-19 pandemic. *Lancet*. 2021 Nov 6;398(10312):1700-1712.

25 McGrath, J. et al. (2023): “Age of onset and cumulative risk of mental disorders: a cross-national analysis of population surveys data based on 156,331 respondents from 29 countries from 29 countries”, *The Lancet Psychiatry*, Volume 10, Issue 9, Pages 668-681, ISSN 2215-0366

26 National Mental Health Survey of India, 2015-16: Mental Health Systems. Bengaluru, National Institute of Mental Health and Neuro Sciences, NIMHANS Publication No. 130, 2016.

to rural areas (6.9 per cent) and urban non-metro areas (4.3 per cent). The second and more expansive NMHS is currently in progress. According to Dhyani et al. (2022), individuals aged 25-44 years are the most affected by mental illnesses.²⁷

Evolving Mental Health of Children and Youth

7.29 Sound mental health of children and adolescents is the foundation of their holistic development and a critical step towards ensuring quality economic growth. This assumes urgency in the wake of rising prevalence of mental health issues in youth, attributable to academic pressures, social media, family dynamics, and socio-economic environment. Globally, one in seven 10-19-year-olds experience a mental disorder (WHO 2021).²⁸ According to research carried out by Gallup for UNICEF's Changing Childhood report, a median of 19 per cent of 15 to 24-year-olds in 21 countries self-reported in the first half of 2021 that they often feel depressed or have little interest in doing things.²⁹

7.30 In India, NCERT's Mental Health and Well-being of School Students Survey³⁰ showed an increasing prevalence of poor mental health among adolescents, exacerbated by the COVID-19 pandemic, with 11 per cent of students reported as feeling anxious, 14 per cent as feeling extreme emotion and 43 per cent experienced mood swings. 50 per cent of students cited studies as a reason for anxiety, and 31 per cent cited examination and results.

7.31 The increase in mental health issues in children and adolescents is often linked to the overuse of the internet and, specifically, social media. Unrestrained and unsupervised use of the internet by children can culminate into a range of problems, from the more prevalent obsessive consumption of social media or "doom scrolling"³¹ to severe ones such as cyberbullying.³² Jonathan Haidt, a famous American social psychologist and author, explores the impact of increased screen time and reduced free play on mental health issues among young people in his book 'The Anxious Generation: How the great rewiring of children is causing an epidemic of mental illness'. Discussing the impact of social media, overprotective parenting, and the decline of unsupervised outdoor play on children's emotional well-being, the book suggests that the epidemic of mental health issues hit the world in the early 2010s with the advent of mobile phones. This 'great rewiring of childhood' has interfered with children's social and neurological development, covering everything from sleep deprivation to attention fragmentation, addiction, loneliness, social contagion, social comparison, and perfectionism.

27 Dhyani A, Gaidhane A, Choudhari SG, Dave S, Choudhary S. (2022): "Strengthening Response Toward Promoting Mental Health in India: A Narrative Review". *Cureus*. 2022 Oct 18;14(10):e30435.

28 WHO, November 2021, Mental health of adolescents <https://tinyurl.com/37s3s5ku>

29 UNICEF (2021), The Changing Childhood Project, UNICEF, New York.

30 NCERT (2022), Mental Health and Well-being of School Students– A Survey, Available at: [Mental_Health_WSS_A_Survey_new.pdf](https://ncert.nic.in/WSS_A_Survey_new.pdf) (ncert.nic.in). The survey was conducted covering students across gender, grades VI–VIII (middle stage) and IX–XII (secondary stage) and schools across the country. A total of 3,79,013 students participated in the survey between January to March 2022 from 28 States and 8 UTs of the country.

31 Olivine, A. (2023, June 27). *Doomscrolling: Definition, Effects, Mental Health Support*. Verywell Health. <https://www.verywellhealth.com/doomscrolling-7503386>

32 Cyberbullying is considered to be a serious public health issue, closely related to an adolescent's mental health and development. Those bullied online show severe symptoms of depression, anxiety and loneliness. Self-esteem issues and absenteeism from school. See Zhu, C., Huang, S., Evans, R., & Zhang, W. (2021). Cyberbullying Among Adolescents and Children: A Comprehensive Review of the Global Situation, Risk Factors, and Preventive Measures. *Frontiers in Public Health*, 9(1).

7.32 Vivek Murthy, the U.S. Surgeon General, talks about social media being akin to tobacco and suggests warning labels on the tech platforms, arguing that they are fuelling a mental health crisis among teenagers. He goes on to make a case for laws to shield the young from online harassment, abuse, and exploitation.³³ Recently, the Los Angeles Unified School District Board of Education voted to prohibit smartphones for its 429,000 students in a bid to shield them from distractions, social media, and detrimental effects on learning and mental health.³⁴ In the Indian context, the rising usage of the Internet on mental health has been indicated by a 2021 study on ‘Effects of using Mobile Phones and other devices with Internet accessibility by children’ by the National Commission for Protection of Child Rights, according to which 23.8 per cent of children use smartphones while they are in bed, and 37.2 per cent of children experience reduced levels of concentration due to smartphone use.³⁵

Mental Health Issues through the lens of Economics

7.33 Mental health problems affect the quality of life of an individual and constrain the realisation of an individual’s potential. At an aggregate economic level, mental health disorders are associated with significant productivity losses due to absenteeism, decreased productivity, disability, increased healthcare costs, etc.³⁶ Apart from mental health impacting economic development, there is also evidence of poverty affecting the risk of mental health via stressful living conditions, financial instability, and a lack of opportunities for upward mobility, which contribute to heightened psychological distress.³⁷ Moreover, rising urbanisation and migration can disrupt social cohesion, traditional support systems, and stability, causing significant mental stress (Trivedi, Sareen, and Dhyani 2008).³⁸

7.34 Given the impact of mental health on growth, the returns on investment in the former are also high. According to a 2016 study across 36 countries, the benefit-to-cost ratio of substantially scaled-up treatment of depression and anxiety in 2016-30 was estimated as 2.3-3.0 to 1 considering economic benefits only, and 3.3-5.7 to 1 when the value of health returns is also included (Chisholm et al. 2016).³⁹ In the Indian context, Math et al. (2019) estimate the return on investment in the implementation of the Mental Health Care Act 2017 by the Government to be 6.5 times.⁴⁰

Positive policy momentum provides tailwinds for action

7.35 India is creating positive momentum in policy development by recognising mental health as a fundamental aspect of overall well-being. The Government is implementing national policies such as the National Mental Health Policy (2014), the National Youth Policy (2014) and the National Education Policy (2020), emphasising the importance of mental health across the

33 ‘Is social media the new tobacco?’, New York Times, 17th June 2024, <https://tinyurl.com/5n8y96r8>

34 Trotta, T., and O’Brien, B., 19 June 2024, “Los Angeles school board votes to ban smartphones”, Reuters <https://www.reuters.com/world/us/los-angeles-schools-consider-ban-smartphones-2024-06-18/>

35 <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1779250>

36 Goetzel RZ et al. (2018): “Mental Health in the Workplace: A Call to Action Proceedings From the Mental Health in the Workplace-Public Health Summit”, J Occup Environ Med. 2018 Apr;60(4):322-330.

37 Alegria M, et al. (2018): “Social Determinants of Mental Health: Where We Are and Where We Need to Go”, Curr Psychiatry Rep. 2018 Sep 17;20(11):95.

38 Trivedi JK, Sareen H, Dhyani M. (2008): “Rapid urbanization - Its impact on mental health: A South Asian perspective”. Indian J Psychiatry. 2008 Jul;50(3):161-5.

39 Chisholm D, et al. (2016): “Scaling-up treatment of depression and anxiety: A global return on investment analysis”. Lancet Psychiatry. 2016;3:415–24.

40 Math SB et al. (2017): “Cost estimation for the implementation of the Mental Healthcare Act 2017”, Indian J Psychiatry. 2019 Apr;61(Suppl 4):S650-S659.

entire care continuum, particularly concerning children and adolescents. Moreover, 22 mental disorders are covered under the Ayushman Bharat – PMJAY health insurance. More details on the programmes are given in the table below.

Table VII.3: Mental health programmes in India

Programme/Purpose	Progress/Outcome
<i>National Mental Health Programme⁴¹</i>	
District Mental Health Programme <i>Central funds to districts under the national health mission for integrating mental health at primary healthcare level and improving mental health infrastructure</i>	<ul style="list-style-type: none"> • More than 1.73 lakh SHCs, PHCs, UPHCs and UHWCs upgraded to Ayushman Arogya Mandirs providing mental health services • Primary health-care workers being trained to provide mental health services • Provision of 10 bedded in-patient facility at the district level • Awareness generation activities in the community, schools, workplaces, with community involvement to destigmatise mental health issues and promote treatment-seeking behaviour
National Tele Mental Health Programme <i>Universal Access to mental health counselling through Toll-free number (14416/1800-89-14416)</i>	<ul style="list-style-type: none"> • Over 1600 trained counsellors in over 20 languages • 53 Tele MANAS cells set up in 34 states/UTs • More than 8.07 lakh calls handled since Oct 2022, as of 31 March 2024
Increasing mental health personnel	<ul style="list-style-type: none"> • 25 Centres of Excellence sanctioned to increase PG students' intake • Support to 19 Government medical colleges/institutions to strengthen 47 PG Departments • Mental Health Services provisioned for 22 AIIMS • Three Digital Academies providing online training courses to general healthcare medical and para-medical professionals • Minimum Standard of Requirements for Post-Graduate Courses- 2023 issued by National Medical Council on 15.1.2024.

⁴¹ Source: Lok Sabha Starred Question no. 13 subject "National Mental Health Policy", answered on 2February 2024

Programme/Purpose	Progress/Outcome
<i>Children and youth centric Programmes⁴²</i>	
Rashtriya Kishor Swasthya Karyakram <i>Holistic development of the adolescent population</i>	Adolescent Friendly Health Clinics (AFHC), Peer education programmes providing counselling services involving parents, teachers, and community
Manodarpan <i>Counselling during COVID-19</i>	Webpage and national toll-free helpline for seeking psychological support for students
Ayushman Bharat School Health & Wellness Programme <i>Sensitising and training Health and Wellness Ambassadors (teachers)</i>	“Emotional Wellbeing and Mental Health” module developed by NCERT
Other steps	<ul style="list-style-type: none"> • NCERT counselling services for school children involving 270 counsellors across the country • Live interactive sessions SAHYOG through PM eVidya DTH channels, yoga sessions, etc. • Central Board of Secondary Education (CBSE) pre and post-examination tele-counselling through toll-free helpline. • Modular Handbook on Early Identification and Intervention for Mental Health Problems in School Going Children developed in collaboration with the Public Health Foundation of India.

7.36 In addition to national initiatives, states are implementing unique, independent initiatives at the state level. For instance, the State Mental Health Policy of Meghalaya outlines plans to train the Community Health Centre (CHC) and school staff to provide targeted support to children and adolescents. The Government of the NCT of Delhi has introduced a Happiness Curriculum for students from Nursery to Grade 8, integrating mindfulness, meditation, and values-based education into the school curriculum. Similarly, the ‘Our Responsibility to Children’ initiative launched in Kozhikode, Kerala, includes teacher, peer, and social mentoring, life skills education, and professional care and support for children with special needs within schools. These state-level initiatives complement national efforts in addressing mental health and well-being among children and adolescents.

⁴² Source: Lok Sabha unstarred Question no. 935 subject “Mental Health Services in Rural Areas”, answered on 8 December 2023

Policy Recommendations on Mental Health

7.37 While most of the policy design is in place, proper implementation can accelerate the improvement on the ground. That said, there remain certain gaps in the existing programmes which need to be addressed to maximise their effectiveness. For instance, redoubling efforts to increase the number of psychiatrists, from 0.75 psychiatrists per lakh population in 2021⁴³ to the WHO norm of 3 per lakh population (Garg, Kumar and Chandra 2019).⁴⁴

7.38 Developing comprehensive guidelines for the excellence centres' services alongside mental healthcare professionals and users would help understand their needs. Also, assessing the effectiveness of the programmes by gathering feedback from the users, professionals, and stakeholders will help make necessary changes and meet the needs of a wider population. Nurturing peer support networks, self-help groups, and community-based rehabilitation programmes can help destigmatisation of mental disorders and develop a sense of belonging. Partnering with NGOs to scale up efforts, share knowledge, and leverage resources to enhance future policies will also aid in identifying areas of improvement. Involving individuals with personal experience with mental health problems in decision-making, service planning, and advocacy efforts can increase the person-centricity and recovery orientation of mental healthcare services (Megharajani et al. 2023).⁴⁵ Sensitisation of mental health at the preschool, Anganwadi level can provide precious early identification of disorders. The rise in mental health start-ups signals a positive response from the private sector to address the care gap but also calls for standardisation of guidelines for such services.

7.39 Effective pathways for integrating mental health interventions in schools can include developing an age-appropriate mental health curriculum for teachers and students, encouraging early intervention and positive language in schools, promoting community-level interactions, and balancing the role of technology.

7.40 However, the fundamental issue of the lack of awareness about mental health and the stigma surrounding it can render any sincerely crafted programme unfeasible. Hence, there is a need to bring about a paradigm shift and utilise a bottom-up, whole-of-community approach in addressing the topic of mental health. Breaking the stigma starts with taking cognisance of the natural human tendency to accept physical ailments and seeking treatment for the same while being in denial about mental health issues. To an extent, the denial is an outcome of fear about social attitudes and social acceptance after one 'comes out' with mental health issues.

43 Source: Rajya Sabha unstarred Question no. 1015 subject "Mental Health Patients and Doctors in the country", answered on 7 December 2021.

44 Garg K, Kumar CN, Chandra PS. (2019): "Number of psychiatrists in India: Baby steps forward, but a long way to go". *Indian J Psychiatry*. 2019 Jan-Feb;61(1):104-105. doi: 10.4103/psychiatry.IndianJPsychiatry_7_18. PMID: 30745666; PMCID: PMC6341936.

45 Megharajani VR et. al. (2023): "A Comprehensive Analysis of Mental Health Problems in India and the Role of Mental Asylums". *Cureus*. 2023 Jul 27;15(7):e42559.

Nonetheless, at an individual level too, there is a reluctance to see it as normal and address it. For public health officials, tackling mental health requires acknowledging and addressing this fundamental reluctance. Arguably, mental health issues drag down productivity more widely in the ecosystem than individuals' physical health issues. Hence, paying attention to mental health issues in society is both a health and an economic imperative.

Impact manifest in health statistics

National Health Accounts show rising role of public healthcare

7.41 Over the past few years, healthcare has become more affordable and accessible for the general public, as noted by the National Health Accounts (NHA) estimates.⁴⁶ The latest NHA (for FY20) show an increase in the share of Government Health Expenditure (GHE) in the total GDP as well as the share of GHE in Total Health Expenditure (THE).

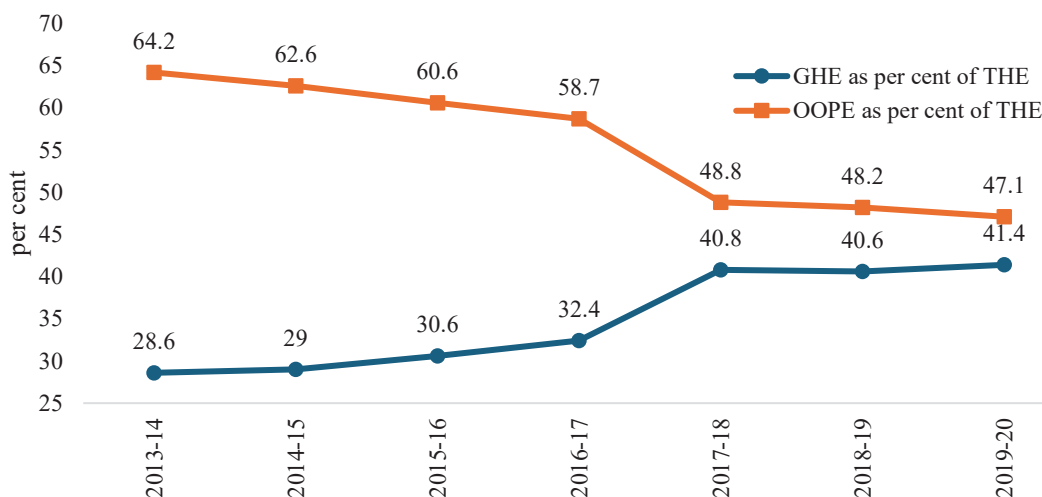
7.42 Over the years, health expenditure has tilted towards primary healthcare as a building block of the overall health ecosystem. Research has established the importance of primary health care as critical to improving health outcomes, preventing several primary and secondary disease conditions, and reducing morbidity and mortality at much lower costs, thus significantly reducing the need for secondary and tertiary care.⁴⁷ Consequently, the share of primary healthcare expenditure has increased from 51.3 per cent of GHE in FY15 to 55.9 per cent of GHE in FY20. The share of primary and secondary care in the GHE rose from 73.2 per cent in FY15 to 85.5 per cent in FY20. On the other hand, the share of primary and secondary care in private health expenditure has declined from 83.0 per cent to 73.7 per cent during the same period, attributable to rising tertiary disease burden and utilisation of Government facilities for primary healthcare.

7.43 The social security expenditure on health, which includes the social health insurance programme, Government-financed health insurance schemes, and medical reimbursements made to Government employees, has increased significantly from 5.7 per cent in FY15 to 9.3 per cent in FY20. The rising GHE and health-related social security expenditure go hand in hand with a decline in out-of-pocket expenditure (OOPE) as a percentage of THE between FY15 and FY20 (Chart VII.5(a)).

⁴⁶ NHA estimates for India 2019-20 is the seventh consecutive NHA estimates report prepared by NHSRC, designated as National Health Accounts Technical Secretariat in 2014 by the Union Health Ministry. This was released in April 2023.

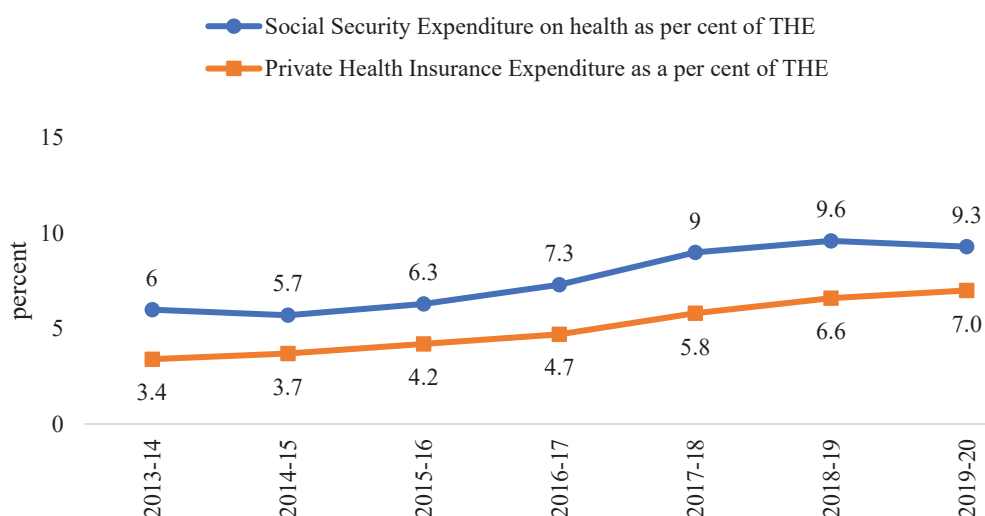
⁴⁷ See, for instance, (i) Haque, M., et.al. (2020). Strengthening Primary Health-Care Services to Help Prevent and Control Long-Term (Chronic) Non-Communicable Diseases in Low- and Middle-Income Countries. *Risk Management and Healthcare Policy*, 13, 409–426. (ii) Beaglehole R, et.al (2008). Improving the prevention and management of chronic disease in low-income and middle-income countries: a priority for primary health care. *Lancet*. Sep 13;372(9642):940-9.

Chart VII.5(a): Government Health Expenditure and Out of Pocket Expenditure as per cent of Total Health Expenditure



Source: National Health Accounts, 2019-20, MoHFW

Chart VII.5(b): Social Security Expenditure and Private Health Insurance Expenditure as per cent of Total Health Expenditure



Source: National Health Accounts, 2019-20, MoHFW

7.44 The above developments have been accompanied by improvements in key health indicators such as infant mortality rate (declining from 39 per 1000 live births in 2013 to 28 per 1000 live births in 2020) and maternal mortality rate (declining from 167 per lakh live births in 2014 to 97 per lakh live births in 2020).

7.45 As an example of lower healthcare cost burden on families, the impact of Ayushman Bharat deserves mention. According to the Health Ministry's estimates, the total cost of the treatment

would have been 1.5 - 2 times higher if the beneficiary had availed the same treatment on their own outside the ambit of AB PM-JAY. Upon incorporating this multiplier effect of low costs, the scheme corresponds to saving more than 1.25 lakh crore of OOPE for poor and deprived families (as of 12 January 2024).⁴⁸ Hence, besides shielding the populace from market vulnerabilities, Ayushman Bharat also protects the healthcare delivery system from micro-economic shocks.

7.46 Besides the direct impact on health indicators and OOPE, there exist various second-order effects of health programmes. For instance, the Ayushman Bharat has been associated with better credit market outcomes, as detailed in Box VII.4.

Box VII.4: Health insurance programmes and impact on credit market outcomes

Catastrophic, unforeseen health expenses can result in the impoverishment of individuals and families. It can force resource-poor individuals/households to forego treatment or resort to debt to undertake the treatment. Mitigating healthcare costs is anticipated to improve financial stability and loan repayment capacity.

A recent paper⁴⁹ investigates the influence of PMJAY, the world's largest publicly funded health insurance scheme, on credit market dynamics in India. Comparing border regions of states that did not implement the program with contiguous areas belonging to states that implemented the program within a difference-in-difference framework, it hypothesises that PMJAY's extensive coverage would lead to decreased financial strain due to healthcare costs, thus influencing credit behaviours like loan delinquency rates. The study employs a robust empirical strategy to isolate the effect of PMJAY from other factors. It utilises administrative data from a significant Indian credit bureau covering microfinance loan performance. The sample includes data on nearly 12 million loans across 636 districts in India.

Main findings of the study

Impact on loan performance: PMJAY implementation has been found to correlate with a significant reduction in NPA rates in microfinance loans. The study notes that the NPA rate in PMJAY-implemented districts decreased by 3.7 to 4.0 percentage points compared to non-implemented regions. This represents a 34.6 per cent to 34.1 per cent reduction relative to the average NPA rates, an economically significant impact.

Impact on small agricultural loans: A similar reduction in NPA rates was observed in eligible small agricultural loans, underscoring PMJAY's broad economic impact.

Implications for policy and financial markets

Public health programmes and economic stability: The study illuminates the broader economic impacts of public health insurance programmes. For emerging economies, where large segments of the population might lack access to health insurance, programmes like PMJAY can play a crucial role in enhancing economic stability.

⁴⁸ PIB release dated 14 January 2024, Release ID: 1996010 <https://tinyurl.com/mvpp9as6>

⁴⁹ Tantri, P L. (2022): "How Does a Health Insurance Programme Covering 500 million Poor Impact Credit Market Outcomes?", Indian School of Business WP

Healthcare policy and household finance: These findings are particularly relevant for countries considering similar health insurance schemes, highlighting the potential for such programmes to influence household financial behaviour positively.

Conclusion

PMJAY's implementation has markedly improved credit market outcomes in India, highlighting the interplay between health insurance and financial stability. This underscores the potential of public health initiatives to create significant economic benefits beyond healthcare.

7.47 Looking forward, two trends would be decisive for the health and disease profile of the country in the near future. Firstly, the Government and the public at large need to accord healthy eating and mental health the attention they deserve. For instance, as per NFHS data, 24.0 per cent of women and 22.9 per cent of men were overweight/obese in 2019-21, vis-à-vis 20.6 per cent and 18.9 per cent in 2015-16, respectively. In 50 years, the incidence of type-II diabetes has increased from less than 2 per cent in the 1970s to more than 20 per cent.⁵⁰ In cognisance of the rising obesity in India, public awareness of healthy eating is being promoted with dietary guidelines issued by the National Institute of Nutrition and the Indian Council of Medical Research. Secondly, public health being a state subject, state and local level governance remain pivotal for the national big-ticket programmes to reach the last mile through the 'path of least resistance'.

Education

7.48 'Quality Education', enlisted as Goal 4 under UN SDGs (SDG4), aims to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" by 2030. The National Education Policy (NEP), launched in 2020 and presently in its fourth year of implementation, is a policy document that not only encompasses the SDG Goals on Education but also prepares the youth of India to take on the challenges and opportunities emerging from a knowledge-driven economy of the 21st century.

School education

7.49 The school education system in India, with public and private schools, caters to around 26 crore students from various socio-economic backgrounds. The NEP 2020 seeks to provide all learners in the age group of 3-18 years with access to high-quality education to create an educational system that is rooted in Indian culture and has the potential to establish India as a global knowledge superpower.

7.50 The NEP seeks to revamp the universe of school education to generate better learning outcomes for all. The gravity of the emphasis on learning can be felt in the various reports highlighting the gap between class standard and learning level, which has widened since COVID. For instance, in comparison to the National Achievement Survey (NAS) 2017, student

⁵⁰ Mohan, V., Sudha, V., Shobana, S., Gayathri, R., Krishnaswamy, K. (2023): "Are Unhealthy Diets Contributing to the Rapid Rise of Type 2 Diabetes in India?", *The Journal of Nutrition*, Volume 153, Issue 4, 2023, Pages 940-948, ISSN 0022-3166

performance underwent a significant drop in NAS 2021.⁵¹ Class 10 scores decreased by 13.4 per cent in Mathematics, 18.6 per cent in Science, and 9.1 per cent in Social Science, while Class 3 scores decreased by 3.9 per cent in Language, 4.7 per cent in Mathematics, and 4.4 per cent in Environmental Studies.

7.51 Implementing Early Childhood Care and Education or ECCE (refer to Box VII.5 for a notable initiative in ECCE), strengthening foundational literacy and numeracy, experiential learning, multilingual education, focusing on interdisciplinary and multidisciplinary approaches, holistic assessment, etc., are the major recommendations of the NEP 2020 to develop a new system that is in line with the inspirational goals of the 21st century.

BOX VII.5: 'Poshan Bhi Padhai Bhi': Pre-schools network anchored in Anganwadis

In alignment with the guidelines of the NEP 2020, 'Poshan bhi Padhai bhi' (PBPB) was launched in May 2023. It is a path-breaking ECCE programme to help India develop the world's largest, universal, high-quality preschool network at Anganwadi Centres. For the first time, early stimulation for 0-3 years is being covered by a Government programme.

About PBPB

Through the programme, every child would be provided with at least two hours of high-quality preschool instruction daily. All States will follow the national ECCE task force recommendations for a play-based, activity-based learning pedagogy explicitly targeted at developmental milestones of 0-3-year-olds and 3-6-year-olds, including special support for Divyang children.

Key features of PBPB

- Use of teaching-learning material, including visual aids (blackboard, posters, flashcards, activity books, etc), audio aids (radio) and audio-visual (videos, films), spatial material (drawing, painting, puzzles), etc.
- Mother tongue as primary teacher instruction medium
- Jan Andolan will involve communities in strengthening the foundations of the country's future generations.

Strengthening the country-wide-web of Anganwadis

Close to 13.9 lakh operational Anganwadi centres across the country provide supplementary nutrition, early care and education to around eight crore beneficiary children under the age of 6 years, making it the largest public provisioning of such services globally. Considering global evidence that 85 per cent of brain development is achieved by the age of 6 years, the Anganwadi eco-system becomes a critical access point for building our children's base to secure their future.

⁵¹ NAS is a central Government-led large-scale assessment that provides a 'snapshot of what students know and can do' at the end of Grades 3, 5, 8 and 10. About 34 lakh students of 1.18 lakh schools in 720 districts from both rural and urban areas participated in NAS 2021. The national, state, and district Report Cards are available at nas.gov.in.

In order to realise PBPB through Anganwadis, the latter will have to be strengthened with high-quality infrastructure, play equipment, and well-trained Anganwadi workers/teachers. In this regard, all Anganwadi Workers are to be trained on ECCE principles, including using activities, play and indigenous and DIY toys, through 40,000 Master Trainers. As of January 2024, 3735 State Level Master Trainers have been trained through 95 training programmes, covering 25 States and 182 Districts.

The potential of Anganwadis as a useful employment generation institution and for creating a stronger and productive India of the future may be enhanced.

7.52 The major schemes of the Government that are driving the NEP 2020 goals and policies into action are mentioned in Table VII.4.

Table VII.4: Government initiatives in school education

	Programme	Purpose	Progress
1.	<i>Samagra Shiksha Abhiyan</i> ⁵²		
	NISHTHA	Integrated Teacher Training Programme	Extended to cover teachers at all levels 1,26,208 Master Trainers certified in NISHTHA ECCE
	District Institutes of Education and Training (DIETs)	District-level nodal institutions guiding school education and teacher education	All 613 functional DIETs are to be upgraded into DIETs of Excellence in the next five years. In this first cycle of upgradation (FY24), an amount of ₹ 92,320.18 lakh has been approved i.r.o. 125 DIETs across the country. Based on proposals received from States, ₹ 27923.53 lakh has been released for upgradation of 23 States/UTs as first instalment in FY 24.
	Career Counselling at block level		Guidelines issued in August 2023 for the provisioning of one Academic Resource Person at each Block/ULB in the BRC for Career Counselling from FY 25.
	Vidya Pravesh	3-month play-based 'school preparation module' for all Grade-I Students with and without preschool education	Implemented by 36 States/UTs 1.13 crore students from 8.46 lakh schools covered in 2023-24

⁵² Samagra Shiksha Abhiyan was introduced in FY19 by merging the existing CSS schemes viz; Sarva Shiksha Abhiyan covering elementary education, the Rashtriya Madhyamik Shiksha Abhiyan covering secondary education and Teacher Education to treat education as a continuum from pre-school to senior secondary.

	Programme	Purpose	Progress
	Kasturba Gandhi Balika Vidyalaya (KGBV)	Residential schools for girls from disadvantaged groups such as SC, ST, OBC, Minority and Below Poverty Line	7.07 lakh girls' students are currently enrolled in 5116 KGBVs nationwide.
	Inclusive Education for Children with Special Needs (CwSN)	Accessibility of education	<p>18.50 lakh children with special needs covered from pre-primary to class XII</p> <p>Stipend @₹ 200 per month for ten months to 5.57 lakh CwSN girls</p> <p>Aids and appliances for over 3.65 lakh eligible CwSN</p> <p>Home-based education for 72,186 children with severe &/multiple disabilities</p> <p>32,196 special educators to appropriately address the learning needs of CwSN</p> <p>Teaching Learning Resources in Indian sign language, Accessibility Booklet, Tactile Map Books, Talking Books, DAISY books</p> <p>PRASHAST Pre-Assessment Holistic Screening Checklist for Schools for early screening of 21 disability conditions</p>
2.	National Assessment Centre - PARAKH	<p>The Major Objectives of PARAKH are:</p> <p>a) Guide School Educational Boards</p> <p>b) Large Scale Achievement Surveys.</p> <p>c) Setting Standards, norms and guidelines for student assessment</p> <p>d) Build professional and institutional capacity for assessments</p>	<p>Policy recommendations for equivalence across school boards are being drafted after stakeholder discussions.</p> <p>State Educational Achievement Survey⁵³ conducted in November 2023, covering approximately 84 lakh learners from 4 lakh schools at 6416 blocks from 32 States & UTs.</p> <p>Development and Dissemination of "Holistic Progress Cards" for Foundational, Preparatory, and Middle Stages.</p>

⁵³ The motive of State Educational Achievement Survey is to understand learning gaps at the block level, going further deeper than the district level. While National Achievement Survey is to be carried out every three years, SEAS is to be conducted in the interim years.

	Programme	Purpose	Progress
			Workshops organised under Project Vidyasagar to familiarise teacher educators and teachers on competency based assessment as suggested in NEP 2020.
3.	Digital Infrastructure for Knowledge Sharing (DIKSHA)	National digital platform for school education, by NCERT	Free mobile application and web portal for learners, teachers, parents, etc., in 36 Indian and foreign languages 3,53,063 e-contents made available 1.71 crore registered users, 2.5 lakh daily active users
4.	Strengthening of Teaching-Learning and Results for States (STARS)	Improve the quality and governance of school education in six states (Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Odisha, and Rajasthan)	Independent Verification Agency was onboarded to verify results as per the Disbursement Linked Indicators, such as an increase in language proficiency, secondary school completion rate, governance index, etc. 6/6 targets achieved in first two years.
5.	Pradhan Mantri Schools for Rising India (PM-SHRI)	Setting up 14,500 exemplar schools showcasing NEP implementation	Three phases of school selection were completed. 10,858 schools selected from 32 States/UTs/KVS/NVS ₹5942.21 crore approved for 10,080 PM-SHRI Schools in FY25. The PAB meeting for PM SHRI Schools selected in third phase will be held soon.
6.	ULLAS-Nav Bharat Saaksharta Karyakram	Foundational Literacy and Numeracy for non-literates above 15 years of age	Online content (ULLAS Primers) created in 22 local languages through an app that redirects to the DIKSHA portal 1.33 crore learners and 35 volunteer teachers registered 77 lakh learners appeared for literacy test and more than 65 lakh have become neo-literate by passing

	Programme	Purpose	Progress
7.	PM POSHAN (POshan SHAkti Nirman) Scheme	One hot cooked meal for students of class I-VIII in Government and Government-aided schools	Benefits 11.63 crore children in 10.67 lakh schools in FY24 (till Dec 2023) 24.85 lakh cook-cum-helpers engaged, and 9.1 lakh kitchen-cum-stores constructed.
8.	National Means-cum-Merit Scholarship Scheme	Scholarships to meritorious students from economically weaker sections to arrest their drop-outs.	One lakh fresh scholarships of ₹12,000 per annum are awarded to fresh students of Class IX who clear the NMMSS exam and continue up to Class XII on the basis of eligibility criteria under the Scheme. In the year 2023-24, a total of ₹ 300.10 crore was sanctioned to 250089 students.

7.53 Besides the abovementioned initiatives to ingrain NEP 2020 in school education, an innovative programme for community, private sector, and alumnae participation in strengthening Government and Government-aided schools is delved deeper into in Box VII.6.

Box VII.6: Vidyanjali: A school volunteer programme

The Vidyanjali programme was launched on 7 September 2021 to strengthen school infrastructure and improve the quality of school education through community participation, CSR and private sector involvement across the country as envisioned in the NEP 2020. The programme offers companies/organisations/trusts, and groups an opportunity to support multiple schools of their choice by participating in projects created by States/UTs and autonomous bodies through a dedicated CSR module on the portal. This is not to substitute the Government's responsibility but to complement, supplement and strengthen Government efforts to reach the last mile in the best possible way.

Vidyanjali portal (<https://vidyanjali.education.gov.in>) acts as a facilitator by connecting volunteers - alumni of educational institutions, serving and retired teachers, scientists, Government/semi-Government officials, retired armed forces personnel, self-employed and salaried professionals, homemakers, persons from the Indian diaspora and any other organisation/group or company – directly with schools of their choice.

The Volunteers play a crucial role by bringing innovative teaching methods and interactive activities that foster creative thinking among students. Further, resourceful schools can also contribute their expertise and resources to schools that require additional support under the twinning of the school's feature under the programme.

Growth of Vidyanjali over the year (cumulative since launch in 2021)

Total number of schools onboarded	Total number of individual volunteers registered	Total CSR/ NGOs registered	Children impacted
7,47,133	4,58,511	2,881	1,44,35,995

Source: Dept. of School Education and Literacy

Impact of Vidyanjali

The Vidyanjali initiative has played a crucial role in enhancing the educational experiences of over 1.44 crore students by facilitating comprehensive community engagement and leveraging volunteer contributions across various domains, including subject assistance and mentoring and the provision of modern electronics and digital devices. This extensive volunteer involvement has enriched students' learning with diverse resources ranging from subject assistance and mentoring for gifted children to the provision of modern electronics and digital devices such as mobile phones and computers. Additionally, volunteers have supplied essential items like first aid kits and sports equipment and even transformed learning spaces with smart classrooms and upgraded kitchen gardens.

The initiative has successfully met many asset requests, with 26,268 requests completed. These requests encompass a variety of essential items and facilities crucial for enhancing the educational environment, such as basic electrical infrastructure, classroom needs, health and safety aids, etc. In addition to asset requests, the programme has completed 13,100 activities, each possibly extending over multiple days or tasks. Success stories include Delhi, which has demonstrated exemplary participation with 2883 out of 2969 schools registered, along with 14,882 active Volunteers.

Progress in school infrastructure

7.54 Basic facilities in schools continued to improve in FY 23 over earlier years. Toilets (girls or boys), drinking water, and hand-washing facilities are now available in most Government schools. Priority to drinking water and sanitation in schools under the Samagra Shiksha Scheme and the Swachh Bharat Mission have been instrumental in providing required resources and creating these school assets. Under the Information & Communication Technology (ICT) component of the Samagra Shiksha Scheme, the Government supports the establishment of smart classrooms and ICT labs in schools, including support for hardware, educational software, and e-content for teaching.

Table VII.5: Status of school infrastructure
(Schools with basic facilities as a percentage of all schools)

Year	2012-13	2019-20	2020-21	2021-22	2022-23 (P)
Girls toilet	88.1	96.9	97.3	97.5	97.0
Boys toilet	67.2	95.9	96.2	96.2	95.6
Hand wash facility	36.3	90.2	91.9	93.6	94.1
Library/Reading Room/ Reading Corner	69.2	84.1	85.6	87.3	88.3
Electricity	54.6	83.4	86.9	89.3	91.7
Medical check-ups in school in a year	61.1	82.3	50.4*	54.6*	74.3
Computer	22.2	38.5	41.3	47.5	47.7
Internet	6.2	22.3	24.5	33.9	49.7

* Due to COVID-19, schools were closed physically. Hence, fewer medical check-ups were done. P: Provisional
Source: UDISE+, <https://dashboard.udiseplus.gov.in/#/home>

National Curriculum Framework for School Education (NCF-SE) 2023

7.55 Launched in August 2023, the NCF-SE 2023 brings to life the aims and commitment of NEP 2020 by enabling its implementation. The NCF was drafted by a 12-member National Steering Committee and sought inputs from around 16 lakh diverse stakeholders, including teachers, parents, students, educational institutions, neo- and non-literates, subjects' experts, scholars, Anganwadi personnel, etc., from across the country.

7.56 The NCF-2023 improves upon its predecessor, NCF-2005, in several ways, including, inter alia, promoting competency-based education⁵⁴, introducing vocational education from grade 3 rather than grade 9, learning languages native to India, and charting a comprehensive roadmap for ECCE and Foundational Literacy and Numeracy (FLN). This is transformational as FLN is a pre-requisite for instilling value into further years of school education and hence in realising learning outcomes (Muralidharan 2024)⁵⁵. Besides, it brings more clarity, details, and direction on integrating Indigenous knowledge in the school curriculum, using education technology, including ICT, and moving away from rote memorisation.

54 Competency-based education is an approach that focuses on the development and demonstration of specific skills, knowledge, abilities, and dispositions, rather than solely relying on rote memorization.

55 Muralidharan, K., 2024. Accelerating India's Development: A state-led roadmap for effective governance. Penguin India Viking, ISBN: 9780670095940, Chapter 10.

Vocational Education

7.57 Vocational education has received focused attention in the NEP 2020, which mandates its mainstreaming in all institutions, with focus areas based on skills gap analysis and mapping of local job opportunities. This includes the development of pre-vocational capacities in children in the Foundational and preparatory stages and exposure to work in the middle stage, thus equipping them to achieve vocation-specific capacities/skills in the secondary stage in accordance with their aptitude, competence, and aspirations.

7.58 Under the Samagra Shiksha Scheme, a non-recurring grant for purchasing tools and equipment, including furniture, computers, etc., is given to states/UTs to augment school infrastructure and accommodate vocational education. Assistance is also provided for capacity building of teachers/skill trainers, development of competency-based curriculum and teaching learning material, development of management information system, etc. States/UTs can choose from NSQF-compliant 113 job roles in 22 sectors.⁵⁶

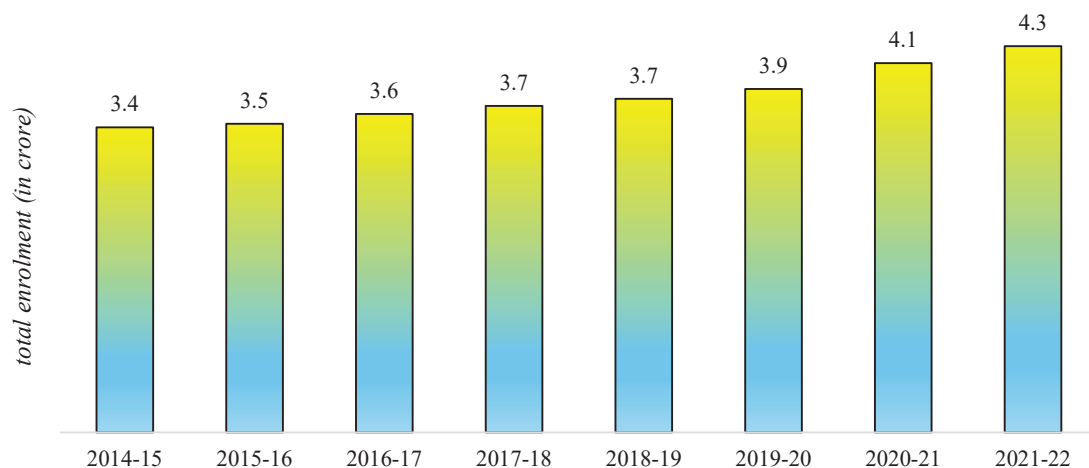
7.59 In terms of progress achieved, 29,342 Schools have been covered under skill education from FY19 to FY24 (till March 2024). 22 sectors with 88 job roles were covered under Skill education till FY24. A total of 25 new job roles were introduced in FY24 under the Hub and spoke model, under which infrastructure of the hub schools can be utilised by the nearby spoke schools, 1011 spoke schools have been approved. Exposure of skill education to upper primary students has been approved for 1,08,418 schools for FY25, and exposure has been given to 3643981 students. Employability skill modules, including communication skills, self-management skills, ICT skills, entrepreneurship skills, and green skills, have been included in the job roles curriculum.

Higher Education

7.60 The higher education sector, comprising tertiary and post-school learning in universities and other institutions, has witnessed an acceleration in total enrolment coupled with rising 'enrolment equity' over the past eight years. As per AISHE 2021-22⁵⁷, total enrolment in higher education has increased to nearly 4.33 crore in FY22 from 4.14 crore in FY21 and 3.42 crore in FY15 (an increase of 26.5 per cent since FY15).

⁵⁶ The 22 sectors are: Aerospace and Aviation, Agriculture, Apparel Made ups & Home Furnishing, Automotive, Banking Finance and Insurance Services (BFSI), Beauty and Wellness, Construction, Electronics & Hardware, Handicrafts and Carpets, Healthcare, Information Technology/Information Technology Enabled Services (IT/ITeS), Management & Entrepreneurship, Media & Entertainment, Food Industry, Physical Education & Sports, Plumber, Power, Retail, Security, Telecom, Tourism & Hospitality, Transportation Logistics & Warehousing.

⁵⁷ All India Survey on Higher Education (AISHE) is the only comprehensive survey by the Ministry of Education (MoE) to capture the data on Higher Education in the country since 2011 to create a robust and inclusive database for Higher Education. Information in AISHE 2021-22 is related to financial year 2021-22, i.e. From 1st April 2021 to 31st March 2022.

Chart VII.6: Total students' enrolments in higher education

Source: All India Survey on Higher Education (AISHE) report 2021-22, Ministry of Education

Rising equity in higher education

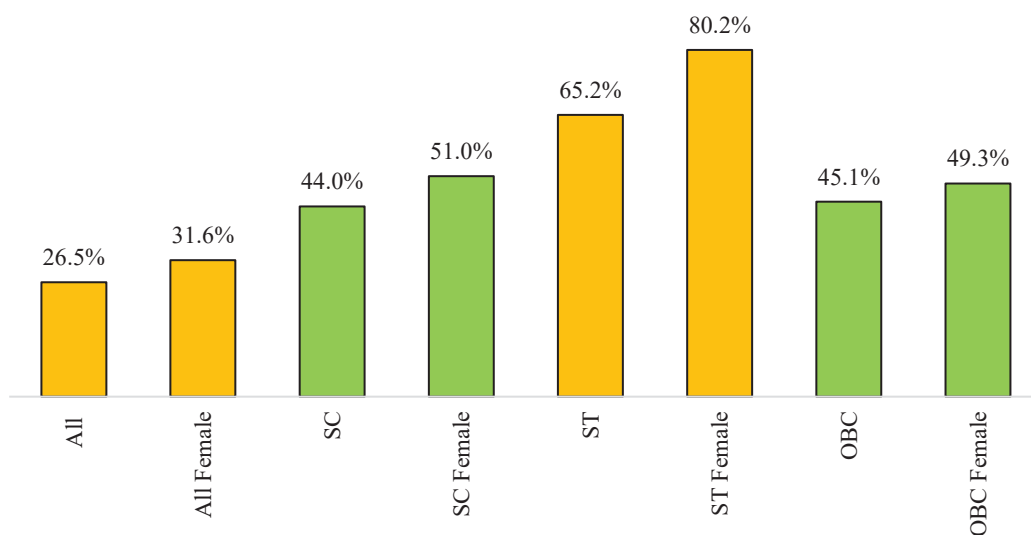
7.61 The rise in enrolment in higher education has been driven by underprivileged sections such as SC, ST and OBC, with a faster growth in female enrolment across sections. Female enrolment in higher education increased to 2.07 crore in FY22 from 1.57 crore in FY15, i.e., a 31.6 per cent increase since FY15. The growing equity in higher education implies better employment opportunities for the hitherto backward sections.

**Table VII.6: Enrolment in higher education from various categories
(numbers in lakhs)**

	2014-15	2021-22
All	342	433
All Female	157	207
SC	46.1	66.2
SC Female	21	31.7
ST	16.4	27.1
ST Female	7.5	13.5
OBC	113	163
OBC Female	52.4	78.2

Source: AISHE 2021-22, Dept. of Higher Education, Ministry of Education

Chart VII.7: Growth in enrolment in higher education institutions between 2014-15 and 2021-22 (per cent)



Source: AISHE 2021-22, Dept. of Higher Education, Ministry of Education

Re-imagining lifelong learning through a digital prism

7.62 India has 26.52 crore students in school, 4.33 crore in higher education and more than 11 crore learners in skilling institutions. The vast expanse of the educational landscape comprises 14.89 lakh schools, 1.50 lakh secondary schools, 1.42 lakh higher secondary schools⁵⁸, 1,168 Universities, 45,473 colleges, 12,002 standalone institutions⁵⁹, 94.8 lakh teachers in school education and 15.98 lakh teachers in higher education.

7.63 These sweeping figures put into perspective the enormity of the challenge and the inherent ambition of the NEP 2020 to transform India's educational ecosystem. NEP lies at the heart of efforts towards strengthening institutional capacity to embed lifelong learning in the education and skills ecosystem. It calls for interconnectedness of initiatives across formal, non-formal, and informal modes to make learning systems more holistic, multidisciplinary, and comprehensive to address diverse learning needs.

7.64 The National Credit Framework (NCrF), announced under NEP in April 2023, forms the bulwark of the regulatory architecture underpinning life-long learning. Bolstering the regulatory architecture is an extensive array of digital solutions, such as digital public infrastructure (DPI), which act as force multipliers. Prime among India's educational DPIs is APAAR, i.e. Automated Permanent Academic Account Registry, which serves as an electronic registry for institutions, students, and faculty by creating unique identities and lifelong academic credentials for each stakeholder in the education space. APAAR is supplemented by the Academic Bank of Credits (ABC), an online repository of academic credits that facilitates students' mobility across Higher

58 <https://dashboard.udiseplus.gov.in/#/reportDashboard/sDashboard>

59 <https://tinyurl.com/4sp5tkpz>

Education Institutions (HEIs) through a formal process of credit recognition, accumulation, transfer and redemption. Once an APAAR ID is created, HEIs map the credits a student earns to their ID, with all such credits stored in the ABC in demat form.

7.65 The twin solution of APAAR and ABC, by allowing real-time verification of identity and academic credentials, paves the way for several interesting use cases. These include the possibility of students pursuing credit courses from different institutions for a particular qualification (now a reality) or targeting scholarships/ internships/ educational loans using academic profiles. With the data consent layer built into these DPIs, an exciting world of possibilities opens where the data principal (students) can share their academic credentials with prospective employers or institutions for internships, jobs or collaborative opportunities. As of July 2024, 2037 HEIs have onboarded ABC, and 30.13 crore APAAR IDs have been created for students of higher education, school education and skill institutes.⁶⁰

7.66 India's online learning architecture has been instrumental in creditisation, with University Grants Commission (UGC) Regulations enabling students to earn up to 40 per cent of credits from online courses. Box VII.7 below gives a detailed list of major initiatives in this regard.

Box VII.7: India's online learning architecture

Powered by the combination of Study Webs of Active Learning for Young Aspiring Minds (SWAYAM), SWAYAM PRABHA and SWAYAM Plus, indigenously crafted platforms have emerged as powerful catalysts in bridging the digital divide and achieving the cardinal principles of NEP, viz., access, equity and quality.

- SWAYAM, an open learning MOOC platform, has been pivotal in ensuring students across India have access to high-quality content, thus mainstreaming them into the knowledge economy. The platform has 13140+ course offerings across disciplines, including emerging technologies like AI, Machine Learning and cloud computing. With an enrolment of 4.3 crore, SWAYAM has emerged as one of the most popular e-learning platforms today.
- SWAYAM PRABHA, a DTH (Direct to Home) Satellite TV service comprising 48 DTH channels, has provided UG/PG level educational content across various subjects, available 24x7 with a structured schedule. This service has a remarkable reach, captivating over 1.2 million students and viewing 143,000+ unique videos, totalling 86,000+ hours of watch time.
- SWAYAM Plus is an online platform led by IIT Madras, featuring high-quality courses for credit recognition in collaboration with academia and industry leaders like L&T and Microsoft. It aims to boost employability among college students and lifelong learners, especially in Tier 2 and Tier 3 cities, through courses developed in partnership with industry, focusing on areas such as Manufacturing, Energy, Computer Science & Engineering/IT/ITES, Management, Healthcare, Hospitality & Tourism, and Indian Knowledge Systems. The initiative provides an avenue for upskilling and reskilling to meet dynamic industry requirements.

60 <https://www.abc.gov.in/>

- The NEP emphasises enhancing mobility, flexibility, and choices in higher education. SAMARTH, an e-governance solution developed in collaboration by the Ministry of Education with the Indian Institute of Crafts and Design, aims to digitally transform administrative processes in HEIs, from admissions to awarding degrees. It has been adopted by over 3500 HEIs, including Central Universities, State Universities, Colleges, IITs, IIMs, etc., contributing to establishing a network of digitally-enabled campuses across India.
- The PM e-VIDYA initiative unifies digital education efforts, offering diverse content access through DIKSHA and Sathee platforms. DIKSHA features over 3.5 lakh e-contents and 6,854 Energized Textbooks in 30+ languages.⁶¹ Sathee platform provides resources for competitive exam preparation, including around 2000 video lectures, 80,000+ problems, mock tests, an AI chatbot, and mentorship from IIT and AIIMS students for NEET and JEE aspirants.

Way forward in education

7.67 As education is one of the most critical areas for India's development, mission-mode and cost-effective implementation of well-designed and well-intentioned programmes is essential to improve the quality of education, especially primary education, without which further years of education add little value. To realise the same, unity of purpose and convergence of efforts across the centre, state, and local Governments is called for, as 'public education' is a concurrent list subject.

7.68 To operationalise vocational education across the learning ladder, the model of Lend A Hand India (LAHI), an NGO, is a good example. The LAHI model includes civil society's collaboration with the Governments to introduce vocational education as a core curriculum component, establish labs, recruit and train vocational trainers, organise internships, and offer placement support. By providing comprehensive vocational education services and engaging with key stakeholders, civil society can play an active role in implementing the novel features of NEP 2020.

7.69 Increasing the cost-effectiveness of public spending on education requires spending on pedagogy and governance. This can include filling supervisory positions to monitor teaching quality, recognition of good and bad teacher performance, and hiring of local volunteers to ensure 'teaching at the right level' as textbook completion means little if children are way behind curricular standards (Muralidharan 2024)⁶²

India making headway in R&D

7.70 Research and Development (R&D) is an important source of innovation, progress and increased productivity in an economy. In economics, the endogenous growth theory highlights the long-run economic growth to be determined by the rate of technological progress, alluding to the ultimate sway of R&D on a nation's progress. R&D provides businesses with the technical know-how to improve productivity, reduce operating costs and raise competitiveness.⁶³ In

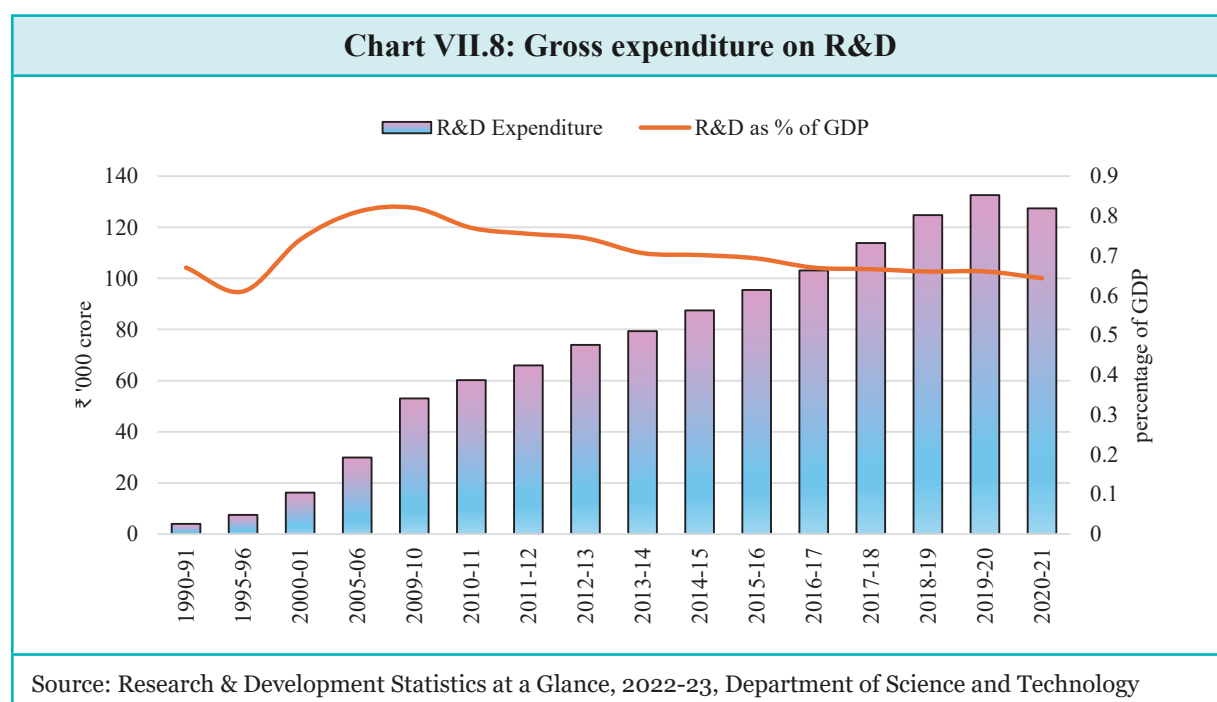
61 <https://tinyurl.com/2xj6ra8h>

62 Muralidharan, K. (2024): "Accelerating India's Development: A state-led roadmap for effective governance". Penguin India Viking, ISBN: 9780670095940, Chapter 10.

63 Joshi, P L. (2023): "India needs to boost investments in research and development (R&D) to increase its global might" Vol 4 No 1, 2023. 4. 1-13. 10.47509/GJAER.2023.VO4I01.01.

emerging areas such as AI, environment sciences, biotechnology, etc. R&D serves both economic and strategic interests.

7.71 India is making rapid progress in R&D, with nearly one lakh patents granted in FY24⁶⁴, compared to less than 25,000 patent grants in FY20.⁶⁵ According to WIPO, India saw the highest growth (31.6 per cent) in patent filings in 2022⁶⁶, demonstrating its evolving innovation landscape and potential for further growth in intellectual property creation. India has consistently improved its rank in the Global Innovation Index from 81st position in 2015 to 40th in 2023, as per GII (2023).⁶⁷ On the human resource side, total Ph.D. enrolment in India has increased to 81.2 per cent in FY22 (2.13 lakh) from FY15 (1.17 lakh).⁶⁸ The Gross Expenditure on R&D (GERD) in the country has been consistently increasing over the years and has more than doubled from ₹60,196.8 crore in FY11 to ₹ 127,381 crore in FY21 (Chart VII.8).



7.72 As a mark of India's ascent in high-quality research, the country climbed up to 9th rank in the Nature's Index 2023⁶⁹, overtaking Australia and Switzerland⁷⁰. India's share⁷¹ of high-quality research articles (measured in terms of absolute numbers and not percentages) increased by 44 per cent in the past four years, i.e., from 1039.7 in 2019 to 1494.7 in 2023. However, India's share remains significantly lower compared to above 20,000 share of China and the US each.

64 PIB release dated 16 March 2024 <https://tinyurl.com/34dz2bfh>

65 PIB release dated 12 April 2022 <https://tinyurl.com/2j4p533n>

66 World Intellectual Property Organization (WIPO) (2023). World Intellectual Property Indicators 2023. Geneva: WIPO. page 30, exhibit A.18

67 PIB release dated 29 December 2023 <https://tinyurl.com/2w2zuefr>

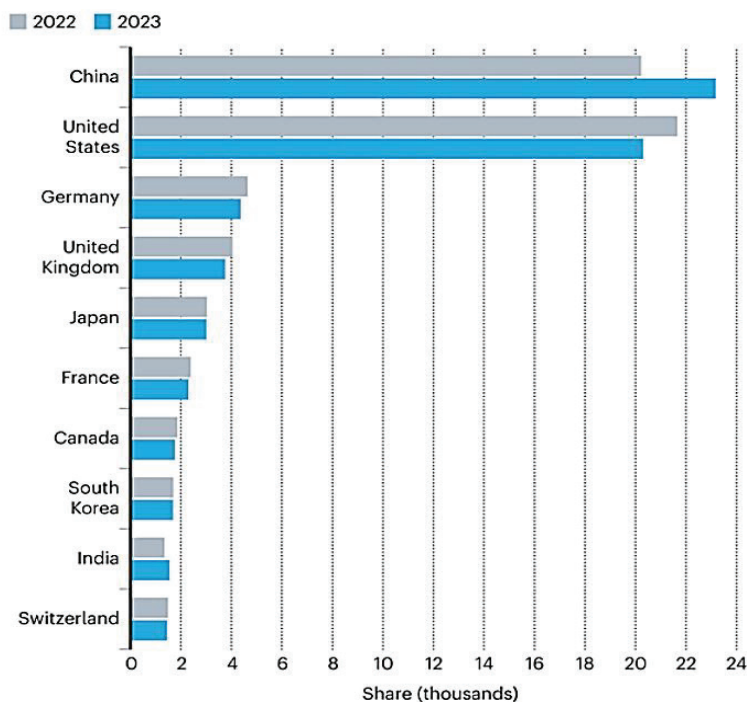
68 PIB release of AISHE report, dated 25 Jan 2024 <https://tinyurl.com/43fh85v2>

69 The Nature Index provides absolute Count and fractional Share counts of article publication at the institutional and national level and, as such, is an indicator of global high-quality research output and collaboration.

70 Benjamin Plackett, 18 June 2024, Nature Index News <https://tinyurl.com/yc8syskb> accessed on 25 June 2024

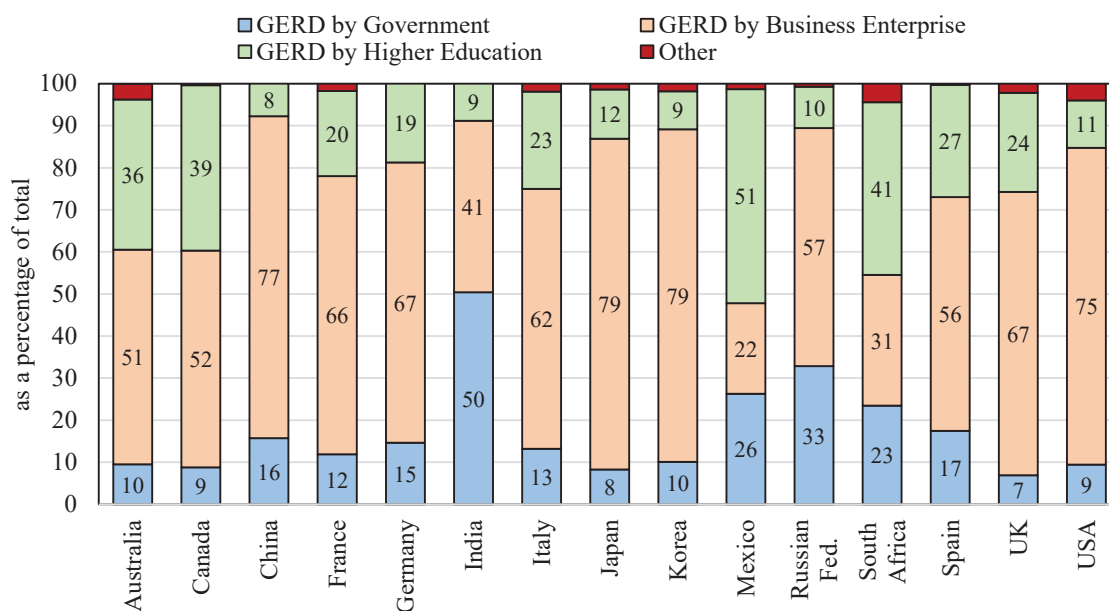
71 Share is a metric that measures contribution to papers in the Index by authors based in a country compared to all authors of the article. For instance, if there are 4 authors of an article and all 4 are from India, it will add 1.0 to India's share. If 2 out of 4 authors are from India, it will add 0.5 to India's share.

Chart VII.9: Contribution to high-quality research papers by top ten countries in the Nature Index



Source: Nature Index 2024 Research Leaders

Chart VII.10: Participation of Government, business enterprise & higher education sector, 2020



Source: Research & Development Statistics at a Glance, 2022-23, Department of Science and Technology

7.73 However, India's R&D investment as a percentage of GDP stands at 0.64 per cent, compared to China (2.41 per cent), the US (3.47 per cent), and Israel (5.71 per cent). Moreover, the private sector's contribution to R&D remains low at 36.4 per cent of the country's GERD compared to China (77 per cent), US (75 per cent), etc.⁷².

7.74 To better translate GERD to research output, the link between higher education, industry and research must be strengthened. Another challenge is low 'Land to Lab' time. Institutions in India develop technologies, but their transformation rate from the lab to the society for the benefit of the people remains low.⁷³

7.75 Several efforts are underway to attract research personnel and create adequate opportunities in the research ecosystem of the nation. The ease of doing research is being bolstered through streamlining of patent grants, leading to a drastic reduction in the average time taken for examination of a patent application from 72 months in 2015 to between 5 to 23 months in 2022, depending upon fields of technology.⁷⁴ The Government has recently decided to increase the scholarships for students pursuing PhD and Post-Doctoral research.⁷⁵ Further, India has launched its own National Research Foundation called 'Anusandhan'⁷⁶ operationalised by the Department of Science and Technology (under the Anusandhan National Research Foundation Act, 2023 Act⁷⁷). This foundation will act as an apex body that aims to strengthen and promote the R&D ecosystem. In the interim budget of FY25, the Government also announced a corpus of 1 lakh crore for research and innovation in the country, adopting the slogan "*Jai Jawan, Jai Kisan, Jai Vigyan, Jai Anusandhan*".

SOCIAL AND ECONOMIC EMPOWERMENT OF WOMEN

7.76 India is transitioning from women's development to women-led development with the vision of a new India where women are equal partners in the story of growth and national progress. To realise the clarion call to Nari Shakti, the Government has made various legislative interventions and enabling provisions to ensure women's participation in various professions.

7.77 India's G20 Presidency in 2023 also listed 'women-led development' as one of its six priorities amid rising global attention towards women's workforce participation. With the award of the Noble Prize in Economics to Prof. Claudia Goldin for her work on key drivers of gender differences in the labour market, the widespread recognition of gender issues is apparent.

7.78 The issues affecting women range from lack of basic necessities such as sanitation, piped water, menstrual hygiene etc., safety, proper nutrition, economic and political equality of opportunity, and a sense of individual identity. Transitioning from women's development to women-led development requires a 360-degree review of the issues and a sincere, pragmatic approach to tackling them.

72 <https://dst.gov.in/document/reports/rd-statistics-glance-2022-23>

73 Strategy for New India@75, NITI AAYOG <https://tinyurl.com/bdzdzb2u>

74 PIB release dated 30 March 2022 <https://tinyurl.com/y4s82kts>

75 PIB release dated 16 March 2023 <https://tinyurl.com/5h5buk9y>

76 <https://dst.gov.in/anusandhan-national-research-foundation-anrf>

77 The Anusandhan National Research Foundation Act, 2023 is an Act of the Parliament of India. It seeks to regulate all research and development in the fields of natural sciences establishments in India. It repeals the Science and Engineering Research Board Act, 2008 and dissolves the SERB.

7.79 With this intent, the Government of India has undertaken multipronged initiatives to improve the well-being of women in the socio-political and economic context.

Steady Rise in Gender Budget

7.80 Over the years, the element of women-centricity in Government initiatives has been rising and is visible in the expanding gender budget. In FY14, the Government provisioned ₹97,134 crore (BE) on the schemes for the welfare and empowerment of women, which has consistently increased over the years and reached ₹3.10 lakh crore in FY25. This shows a 38.7 per cent rise in the Gender Budget Statement (GBS)⁷⁸ vis-à-vis FY24 BE and a 218.8 per cent increase over FY14 BE. The share of the Gender Budget in the total Union Budget has increased to 6.5 per cent in FY25, the highest since the introduction of GBS in FY06.⁷⁹

Social empowerment of women

7.81 Women-led development begins with ensuring the health and education of the girl child. The emphasis on “Beti Bachao, Beti Padhao” has sensitised collective consciousness towards cherishing, educating, and saving for the girl child (via Sukanya Samridhi Yojana)⁸⁰. The sex ratio at birth (SRB) at the national level has improved from 918 (2014-15) to 930 (2023-24, provisional),⁸¹ and the maternal mortality rate has declined from 130/lakh live births in 2014-16 to 97/lakh live births in 2018-20.⁸²

7.82 Over the last decade, the prevalence of institutional delivery has increased from 78.9 per cent in 2015-16 to 88.6 per cent in 2019-21.⁸³ Besides a rise in incomes and awareness of health practices, the positive trend is attributable to the Government’s programme to incentivise institutional delivery through Janani Shishu Suraksha Karyakram. The PM Matru Vandana Yojana⁸⁴, entailing a cash payment of ₹ 5000 for the birth of the first child and ₹6000 for second child who is female, encourages proper rest for the new mothers by partially compensating for any wage loss. Called India’s largest conditional cash transfer programme ever, the scheme has been empirically associated with positive side effects of rise in long-term utilisation of public health services and increasing the interval between births (Haaren and Klonner 2021).⁸⁵

Nutritional security of women and children through Anganwadi centres

7.83 The nutritional status of women is doubly important – first, for their own health, productivity, and well-being, and second, for preventing malnutrition in their young ones. Women’s health thus forms the bedrock of societal health. In recognition of this, the Mission

78 The Gender Budget Statement is a reporting mechanism for Ministries/Departments to review their Programmes from a gender perspective and present information on allocations for women and girls.

79 Source: Budget documents, Union Government

80 Sukanya Samridhi Yojana is a flagship small deposits scheme for financial planning for the girl child. The scheme has more than 3.1 crore accounts to its credit

81 Source: Health Management Information System (HMIS) of Ministry of Health & Family Welfare

82 Source: Sample Registration Survey

83 Source: NFHS-5, India Fact Sheet available at https://rchiips.org/nfhs/NFHS-5_FCTS/India.pdf.

84 The scheme was launched in 2017. As of December 2023, 3.59 crore beneficiaries have been enrolled, of which 3.05 crore beneficiaries have been provided benefit with a total disbursement of ₹13,460 crore. <https://tinyurl.com/tnpesma8>

85 von Haaren P, Klonner S. (2021): “Lessons learned? Intended and unintended effects of India’s second-generation maternal cash transfer scheme” Health Econ. 2021 Sep;30(10):2468-2486.

Saksham Anganwadi & Poshan 2.0 programme endeavours to address malnutrition in pregnant women, lactating mothers, children, and adolescent girls by adopting a lifecycle approach to achieve a malnutrition-free India.

7.84 As an integrated nutrition support programme⁸⁶, it shifts the focus from calorific sufficiency alone to improved health, wellness, and immunity through micronutrient sufficiency. It also includes awareness building on infant and young child feeding practices (including breastfeeding and complementary nutrition), maternal and adolescent nutrition, treatment of malnourished children, and promoting AYUSH practices. The programme lays thrust on improvement in process (using growth measurement devices, equipping Anganwadi workers with smartphones, using Poshan Tracker⁸⁷ for real-time progress and dynamic identification of malnutrition) and behavioural change through community-based events such as Poshan Maah and Poshan Pakhwada, and counselling on health practices. In a further widening of their ambit, Anganwadi centres are being upgraded to Saksham Anganwadis⁸⁸, equipped with LED screens, audio-visual teaching aids, Poshan Vatikas, rainwater harvesting structures, etc., to act as institutions of early childhood care and education for all children.

7.85 The battle against *Kuposhan* stands to benefit from the participation of Panchayat and women's collectives, as exemplified in Odisha's case, where *Jaanch* Committees and Mothers Committees have been set up at the village level to monitor and strengthen the services provided by the ICDS program. The Mothers Committees ensure the quality of meals at AWCs, while the *Jaanch* Committees oversee the feeding programs' quality and quantity accreditation. This setup enhances the accountability of SHGs and increases trust in the safety of the provided food.⁸⁹

7.86 *Access to basic necessities*: For women-led development to even begin, gender-specific disadvantages affecting a large section of women belonging to rural and low-income households need to be tackled first. Towards this goal, the construction of toilets under 'Swachh Bharat Mission', the provision of clean cooking gas connections under 'Ujjawala Yojana' and the provision of tap drinking water connections under 'Jal Jeevan Mission' have transformed the lives of women by reducing the drudgery and care burden. These initiatives, besides addressing concerns of safety and dignity, also free up time and energy for productive work such as participation in women's collectives through National Rural Livelihood Mission (NRLM).

7.87 *Safety through Sambal*:⁹⁰ To deal with gender violence and safety issues, one-stop centres⁹¹ or Sakhi centres offer regular and emergency access to medical and legal aid, police

86 The mission integrates three existing schemes, i.e., Anganwadi Services, Poshan Abhiyaan and Scheme for Adolescent Girls, to be implemented during the 15th Finance Commission period 2021-22 to 2025-26

87 As of 31 May 2023, 10.06 crore beneficiaries (pregnant women, lactating mothers, and children up to 6 years) are registered under Poshan Tracker.

88 Under the programme, 2 lakh AWCs will be upgraded to Saksham Anganwadis @40,000 annually up to 2025-26.

89 Kapur, K. and Suri, S. (2020): "Towards a Malnutrition-Free India: Best Practices and Innovations from POSHAN Abhiyaan," ORF Special Report No. 103, March 2020, Observer Research Foundation.

90 Mission Shakti has been launched as a comprehensive solution to the perceived need for women's safety, rehabilitation, and empowerment. The Mission comprises two sub-schemes, 'Sambal' for the safety and security of women and 'Samarthya' for the empowerment of women. Under Samarthya, existing schemes of Pradhan Mantri Matru Vandana Yojana (PMMVY), Ujjwala & Swadhar Greh named as Shakti Sadan; Working Women Hostel named as Sakhi Niwas; Gender Budgeting; National Creche Scheme (PALNA); along with a new component of Hubs for Empowerment of Women at National, State and District level have been subsumed.

91 801 One Stop Centres OSCs have been approved, of which 733 are operational in nationwide since 1 April 2015.

facilitation, temporary shelter and counselling to empower women affected by violence and in distress to seek justice and rebound from adversity. The 24-hour toll-free women's helpline '181'⁹² offers prompt response on Government schemes and emergency services.

7.88 *Education and Skilling*: India has a long history of social reform movements advocating women's education, with Savitribai Phule⁹³ stating in the 19th century that "...a woman without education is like a banyan tree without roots or leaves." Women's education continues to be an instrument of empowerment in terms of decision-making, intra-household bargaining power, control over resources, and political engagement (Engida 2017).⁹⁴ Sinha (2023) attributes the high rate of human development indicators in southern states of India to high female enrolment in secondary education, which propelled the participation of a sizeable chunk of aware and confident women in development work and self-help groups.⁹⁵

7.89 In terms of enrolment in schools, gender parity has been achieved at all levels⁹⁶ with the implementation of the Sarva Shiksha Abhiyan (launched in 2000) and the Right to Education Act 2009. In higher education, the female GER has been greater than male GER for five consecutive years.⁹⁷ While this implies rising importance of girls' education, its translation to economic empowerment will require better learning outcomes, employability, labour force participation and conducive infrastructure.

7.90 The skilling schemes put a special focus on covering women. Under PMKVY, the participation of women among those trained has increased from 42.7 per cent in FY16 to 52.3 per cent in FY24. Under the Jan Shikshan Sansthan (JSS) Scheme, women constituted about 82 per cent of the total beneficiaries. In the long-term ecosystem, i.e., in ITIs and National Skill Training Institutes (NSTIs), the participation of women has gone up from 9.8 per cent in FY16 to 13.3 per cent in FY24. Under NAPS, the participation of women also increased from 7.7 per cent in FY17 to 20.8 per cent in FY24. However, to materialise the gains from skilling programmes, they need to be complemented with supportive infrastructure such as safe and affordable transport and logistics, creches, and long-term career counselling.

7.91 *Women in Science*: According to World Bank data for 2018⁹⁸, India has among the highest proportion of female Science, Technology, Engineering, and Mathematics (STEM) graduates, at 42.7 per cent. However, the share of female scientists in Research and Development is only 18.6 per cent.⁹⁹ To rectify this contrast, the umbrella scheme 'Women in Science and Engineering-KIRAN (WISE KIRAN)' strives to boost the involvement of women in STEM fields. Between

92 As of now, Women Help Lines are operational in 34 States/ UTs. The WHLs have handled more than 1.26 crore calls so far and have assisted more than 63.95 lakh women up to March 2023.

93 Savitribai Phule was a pioneer of modern Indian education, social reformer, and poet. Along with her husband, Jyotiba Phule, she established India's first girls' school in Pune in 1948.

94 Engida, Y.M. (2021). The Three-Dimensional Role of Education for Women Empowerment. Journal of Social Sciences.

95 Sinha, A. (2023): "The Last Mile: Turning Public Policy Upside Down". 1st edition. Routledge India. Chapter 11, Revisiting Skills for Full Employment

96 See data at UDISE+ dashboard of Dept of School Education, at <https://dashboard.udiseplus.gov.in/#/reportDashboard/sReport>

97 That is, from 2017-18 to 2021-22, as per All India Survey on Higher Education (AISHE) report by Dept. of Higher Education, Ministry of Education.

98 <https://tinyurl.com/mr4btwfx>

99 PIB release dated 7 February 2024 <https://tinyurl.com/5n8p8y29>

2018 and 2023, nearly 1962 women scientists benefitted under the Women Scientist Scheme, which provides opportunities for women scientists, especially those with a career break. The Vigyan Jyoti programme, initiated in 2020, aims to address the underrepresentation of girls in various science and technology courses from 9th to 12th grades. As of December 2023, around 21,600 female students of Class IX-XII from 250 districts are enrolled under this programme. In April 2023, the Council of Scientific & Industrial Research (CSIR) started exclusive Research Grants for Women Scientists under CSIR-ASPIRE and dedicated an exclusive portal. Women's leadership in cutting-edge space research programmes like the Chandrayaan-3 and Aditya-L1 solar missions reflects the ongoing gender transformation in niche scientific sectors.

7.92 *Breaking into male bastions:* The Government has also made enabling provisions allowing women's participation in non-conventional sectors such as fighter pilots in the Indian Air Force, Commandos, Central Police Forces, admissions in Sainik Schools, etc.

7.93 *Political empowerment:* In the arena of public life and political empowerment, the Nari Shakti Vandan Abhiniyam, 2023 (NSVA) is a leap towards women's political participation, empirically associated with improved institutions and greater integrity. In Indian history, the reservation of one-third of seats for women in Panchayats was constitutionalised in 1991, and three decades later, 46 per cent of elected representatives of Panchayats are women. According to research, reservations for women in panchayats have led to greater investment in public goods closely linked to women's concerns, such as drinking water and public roads.¹⁰⁰ Besides, female political representation is also associated with better child health¹⁰¹ and primary education outcomes.¹⁰² Along those lines, the NSVA opens new possibilities for inclusive growth besides being a beacon of gender equality.

7.94 *Transformation of the feminine identity:* *Nari Shakti* begins with the recognition of women as individuals with an independent identity. The significance of this can be seen in an interesting example in history. In 1952, when the Election Commission of India was preparing for the first general elections in independent India, nearly 28 lakh women enrolled not using their proper names but as a mother/wife of someone, leading to the invalidation of their voter registration.¹⁰³ The India of today has come far ahead, and multiple steps have been taken to strengthen the identity of women citizens, recent ones including the issuance of ration card in the name of the eldest woman of the household under NFSA, 2013¹⁰⁴, requirement of female's joint or sole ownership of houses constructed under PM Awas Yojana¹⁰⁵, reaching more than 25 crore unbanked women through the Jan Dhan Yojana¹⁰⁶, and collectivisation of nearly 10 crore rural women under SHGs¹⁰⁷.

100 Chattopadhyay, R and Duflo, E (2004), "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India", *Econometrica*, vol. 72, no. 5, 2004, pp. 1409–43.

101 Bhalotra, S. and Clots-Figueras, I. (2010): "Health and the Political Agency of Women," mimeo, Bristol University.

102 Clots-Figueras, I. (2007) "Are female leaders good for education? : Evidence from India," UC3M Working papers. Economics we077342, Universidad Carlos III de Madrid.

103 *The Hindu*, 19 March 2024, <https://tinyurl.com/ytsy4d3z>

104 National Food Security Act, 2013.

105 Under PM AWAS Yojana (Gramin), 26.6 per cent of the 2.41 crore completed houses are solely in the name of women, and 69 per cent are jointly in the name of wife and husband.

106 <https://tinyurl.com/bd7234z6>

107 Source: PIB release 6 Feb 2024, Release ID: 2003170 <https://tinyurl.com/3nh99vnb>

Economic empowerment of women

7.95 *Rising participation in the labour force*: Increased access to education and skill development, as well as other initiatives for women’s empowerment, has elevated the participation of women in the nation’s development and progress. The female LFPR rose to 37 per cent in 2022-23 from 23.3 per cent in 2017-18. However, rural India has driven the trend, where nearly three-fourths of the women workers are engaged in agriculture-related work. Thus, the rise in LFPR needs to be tapped into higher value-addition sectors suitable to the needs and qualifications of the rural female workforce, and agro-processing emerges as a good contender for the same, as discussed in the chapter on Employment. The role of valuable employment in changing girls’ image from liability to breadwinner is exemplified in the story of Krishnagiri district in Tamil Nadu, discussed in Box VII.8.

Box VII.8: Girls of Krishnagiri writing their own destinies with the ink of financial independence¹⁰⁸

A recent spate of industrial investment in the last decade has led to significant job creation for females in Krishnagiri, a remote district in Tamil Nadu, catalysing a positive socioeconomic chain reaction. The experience shows how women’s financial independence is deeply linked with their overall development, besides being a pivot for social change.

The district was reeling under a high incidence of child marriage, prenatal sex selection, a low child-sex ratio (of 920, compared to the state average of 946)¹⁰⁹, and low female literacy (at 65 per cent)¹¹⁰.

The setup of manufacturing units in electronics, mobile assembly, electric scooters, footwear, etc., has favoured large-scale employment of women, as manufacturers believed female workers to be more productive and dexterous. This triggered a mindset shift as households who considered girls a burden now view them as breadwinners, besides bolstering Government welfare efforts towards female empowerment. This has resulted in a declining incidence of child marriage and school dropout rates of girls, a rise in the average age of marriage, coupled with a surge in female enrolment in polytechnic institutes.

The Krishnagiri experience also spurred second-order effects from the state and corporates. The state Government-initiated policies on providing career guidance in Government schools from class 9th itself, setting up industrial hostels, counselling parents, etc. The rising demand for female employees has also instilled hiring competition among companies, luring their workforce with better pay and relaxation in education criteria by introducing on-the-job training, pick-up and drop facilities, daycare facilities, etc.

7.96 To truly realise the gender dividend of workforce participation by an increasingly educated and skilled female population, proper development of the care economy is essential and long pending, as discussed in the following chapter on Employment.

108 Sourced from a media article: Madhavan, N., 27 Feb 2024, “Why women, once ignored, are being treasured in Krishnagiri” Livemint, <https://tinyurl.com/57pkyrra> accessed on 4 June 2024.

109 Census of India, 2011.

110 <https://krishnagiri.nic.in/about-district/district-at-a-glance/> accessed on 4 June 2024.

7.97 *Financial Inclusion*: Access to financial services improves women's control over household resources and is a gateway to accessing credit and insurance. The PM Jan Dhan Yojana has facilitated the opening of 52.3 crore bank accounts, of which 55.6 per cent of accountholders are women as of May 2024. This is accompanied by a rise in average deposits by nearly four times, from ₹1,065 in March 2015 to ₹4,398 in May 2024.

7.98 *Rural Microfinance*: The Deendayal Antyodaya Yojana- NRLM, which is the Government's Self-Help Groups (SHGs)¹¹¹ programme covering more than 89 million women into 8.3 million SHGs¹¹², has been empirically associated with women empowerment, self-esteem enhancement, personality development, reduced social evils, and medium impacts in terms of better education, higher participation in village institutions and better access to Government schemes. The mission also emphasises social capital and inter-regional knowledge sharing and handholding by community resource persons (CRPs), who are women who have emerged out of poverty through hard work and enterprise. Called the foot soldiers of the livelihood movement, more than 3.5 crore CRPs (comprising Krishi Sakhis, Pashu Sakhis, Bank Sakhis, Bima Sakhis, Banking Correspondent Sakhis) are instrumental in implementing and scaling up SHGs¹¹³. Success stories include Kudumbashree in Kerala, Jeevika in Bihar, Mahila Arthik Vikas Mahila Mandal in Maharashtra, and recently, Looms of Ladakh. The programme is discussed in further detail in Box VII.10 of this chapter.

7.99 *Entrepreneurship*: Female participation has been quite encouraging in the wave of entrepreneurship through Start-up and Stand-Up India. Around 68 per cent of the loans have been sanctioned to women entrepreneurs under PM Mudra Yojana, and 77.7 per cent of the beneficiaries under Stand-Up India are women, as of May 2024.¹¹⁴ Realising the vision of Digital India, more than 53 per cent of the Prime Minister's Rural Digital Literacy Campaign (PMGDISHA) beneficiaries are women (as of July 2023). Bain and Co. (2020) estimate that there are roughly 13.5-15.7 million women-owned businesses in India, making up 17-20 per cent of the country's total enterprises. With more encouragement and support, this number can increase to 31.5 million, i.e., one-third of all enterprises, by 2030, as per estimates.¹¹⁵

Towards equality of asset ownership

7.100 Although the social acceptance of women breaking into traditionally male domains such as flying a fighter plane, running a unicorn company, or leading a district/department has been rising with such news being celebrated, much scope remains in enhancing asset ownership among women and normalising female property rights. Besides the intrinsic moral worth of equality, female ownership of land/assets is crucial for their financial security and utilisation of economic opportunities, enabling rural women's control over resources for farming and related loans and household well-being through family-oriented rather than personal use of resources

111 SHG is a socially and economically homogenous group of up to 20 persons, formed voluntarily for the collective purpose of savings and credit, with no insistence on collateral for loans and end usage of credit.

112 PIB release dated 14 March 2023 <https://tinyurl.com/4a4eruau>

113 PIB release 6 December 2023, RU-33-01-335-061223/EXPLAINER <https://tinyurl.com/4a4eruau>

114 Source: Inputs from Dept of Financial Services

115 Bain & Company (2020): "Powering the Economy with Her: Women entrepreneurship in India" <https://tinyurl.com/43cw2vky> accessed on 21 June 2024

(Agarwal 1994)¹¹⁶. Property ownership has even been associated with decreased spousal violence (Agarwal and Panda, 2007)¹¹⁷. In spite of women-friendly legislation on succession, research estimates that only 14 per cent of landowners in nine sample states¹¹⁸ of India were women¹¹⁹ (Agarwal, Anthwal, and Mahesh, 2021). Even landowning women are found to face multiple issues, such as limited access to single titles, and smaller and inferior quality land¹²⁰ (Jain, Saxena, Sen, and Sanan, 2023).

7.101 The requirement of female ownership of houses constructed under PM AWAS Yojana¹²¹ is an effort by the state to nudge social change towards gender equity. Yet, broader progress will have to emerge from the grassroots, and, borrowing from the wisdom of literature published half a century ago, “*Indicators of social acceptance of any goals set for the future must include attitudes of men and women as well as the availability of institutionalised infrastructures that support the attainment of such goals*”.¹²² Substantive equality in asset ownership would indeed be a high point in actualising the independent identity of women. For development to be led by women, it will also have to be ‘owned’ by them.

RURAL ECONOMY: DRIVING THE GROWTH ENGINE

7.102 The integrated and sustainable development of rural India is at the heart of the Government’s governance strategy. The focus is on holistic economic betterment through decentralised planning, better access to credit, skilling of youth, enhanced livelihood opportunities, empowerment of women, social security net provision, basic housing, education, health, and sanitation facilities, etc. Thrust on welfare services like school infrastructure, primary healthcare centres, technology solutions to issues of governance, improved means of transport and communications, etc., is aimed at equipping the populace with long-term capabilities for living the kind of lives they value. This section presents some of the Government’s rural development policies and programmes.

Enhancing the quality of life in rural India

7.103 The Government is working towards providing basic amenities to all households in rural areas through many schemes and programmes. A summary of the progress in this regard follows.

116 Agarwal, B. (1994): “Gender and command over property: A critical gap in economic analysis and policy in South Asia,” *World Development*, Elsevier, vol. 22(10), pages 1455-1478, October.

117 Agarwal, B. and Panda, P. (2007): “Toward Freedom from Domestic Violence: The Neglected Obvious”, *Journal of Human Development*, 8(3), pp. 359–388. doi: 10.1080/14640880701462171.

118 The nine states include Andhra Pradesh (which in 2014 was split into Andhra Pradesh ‘new’ and Telangana) and Karnataka in south India; Gujarat, Maharashtra, and Madhya Pradesh in western and central India; and Bihar, Jharkhand, and Odisha in eastern India. Of course, this covers a small number of states against a total number of 28.




119 Agarwal, B., Anthwal, P., and Mahesh, M.. (2021): “How Many and Which Women Own Land in India? Inter-gender and intra-gender gaps”, *Journal of Development Studies*

120 Jain, C., Saxena, D., Sen, S., and Sanan, D.(2023): “Women’s land ownership in India: Evidence from digital land records”, *Land Use Policy*, Volume 133, 2023, 106835, ISSN 0264-8377

121 Under PM AWAS Yojana (Gramin), 26.6 per cent of the 2.41 crore completed houses are solely in the name of women, and 69 per cent are jointly in the name of wife and husband.

122 “Towards Equality, Report of the Committee on the Status of Women in India”, 1974, Ministry of Education and Social Welfare, Government of India, page 4, para 1.20.

Table VII.7: Quality of life in rural areas

<p>Basic Amenities</p> 	<ul style="list-style-type: none"> • 11.57 crore toilets and 2.39 lakh community toilet complexes were constructed under Swachh Bharat Mission- Grameen (as of 10 July 2024).¹²³ • 11.7 crore households provided tap water connection under Jal Jeevan Mission (as of 10 July 2024)¹²⁴ • Under PM-AWAS-Gramin, 2.63 crore houses were constructed for the poor in the last nine years (as of 10 July 2024)¹²⁵ • 10.3 crore LPG connections provided under PM Ujjwala Yojana since 2016 (as of 2nd June 2024)¹²⁶ • 21.4 crore rural households electrified under Saubhagya since 2015 (as of 31 March 2019)¹²⁷ • Digital India: 4.29 lakh common service centres functional in rural areas (as of July 2024)¹²⁸ • 15.14 lakh km road construction completed under Gram Sadak Yojana since 2014-15 (as of 10 July 2024)¹²⁹
<p>Banking and financial inclusion</p> 	<ul style="list-style-type: none"> • 9.79 crore beneficiaries registered under Regional Rural banks (as of 26 June 2024)¹³⁰ • 0.19 crore beneficiaries registered under Rural Cooperative banks (as of 26 June 2024)¹³¹ • 465.42 lakh new Kisan Credit card applications have been sanctioned (as of 5 January 2024)¹³² • More than 104.02 crore beneficiaries registered under various DBT schemes as of September 2023¹³³ • 35.7 crore RuPay debit cards have been issued under PMJDY (as of 26 June 2024)¹³⁴ • PFMS e-GramSwaraj integrated with over 2.63 lakh Panchayats out of 2.79 lakh onboarded for their payment transactions¹³⁵ (as of 10 July 2024)
<p>Education</p> 	<ul style="list-style-type: none"> • Rise in school infrastructure under Samagra Shiksha Abhiyan, push to Digital Learning through free online channels and study material, etc. (details in the section on education)

123 <https://sbm.gov.in/sbmgdashboard/statesdashboard.aspx>

124 <https://ejalshakti.gov.in/jjmreport/JJMIndia.aspx>

125 <https://dashboard.rural.nic.in/dashboardnew/pmavg.aspx>

126 <https://www.pmu.gov.in/index.aspx>

127 <https://saubhagya.gov.in/>

128 <https://csc.gov.in/>

129 <https://omms.nic.in/dbweb/Home/TimeSeries>

130 <https://pmjdy.gov.in/account>


131 <https://pmjdy.gov.in/account>

132 <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2002012>

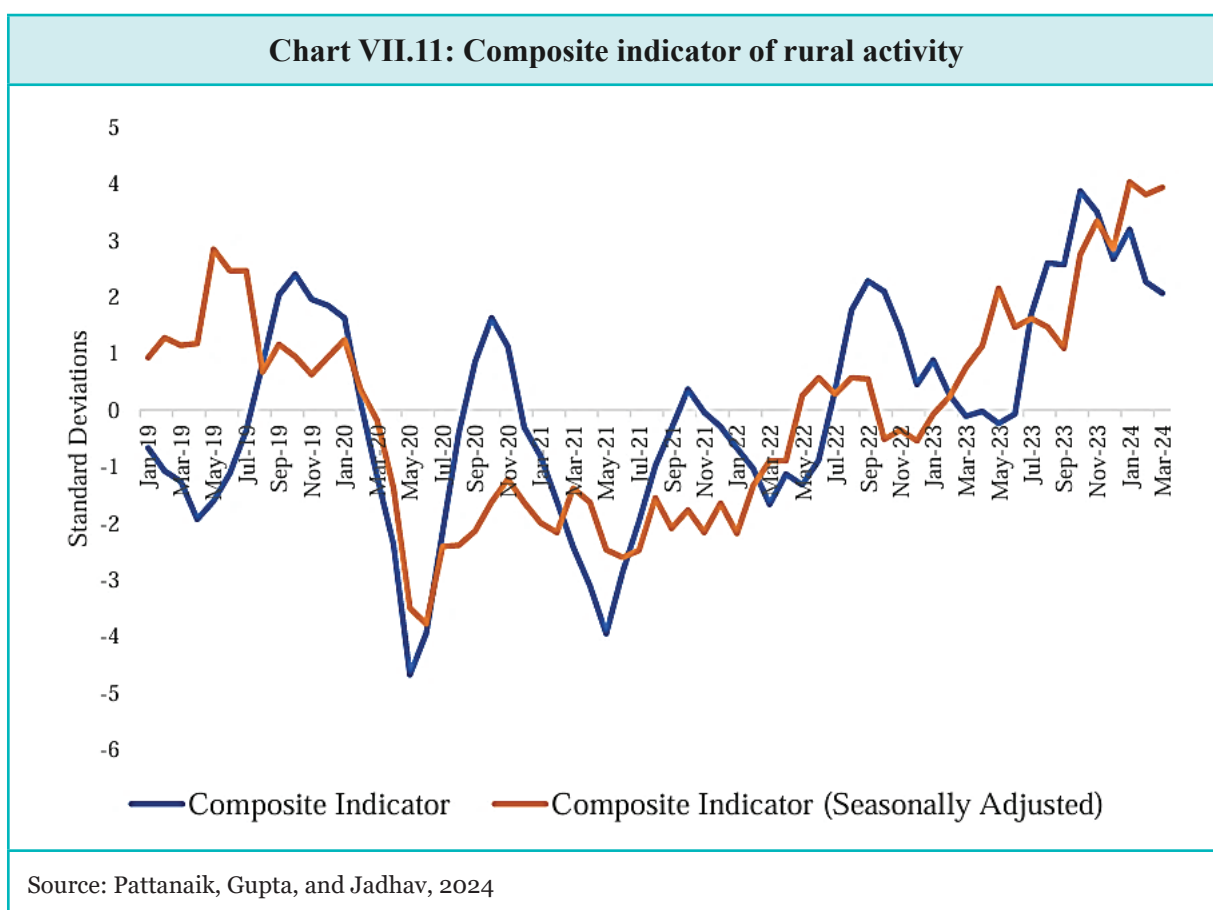
133 <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1990746>

134 <https://pmjdy.gov.in/account>

135 <https://egramswaraj.gov.in/pfmsDashboardNew.do>

<p>Health</p> 	<ul style="list-style-type: none"> • 1.58 lakh Sub Centres • 24,935 primary health centres • 5480 Community Health Centres • More than 1.6 lakh primary healthcare facilities upgraded to Ayushman Arogya Mandir¹³⁶(erstwhile AB-HWCs) (as of 13.12.2023)
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7.104 Rural demand has been rising in 2023-24, as seen in a composite indicator of rural activity¹³⁷ constructed by NABARD economists in a recent working paper (Pattanaik, Gupta, and Jadhav, 2024)¹³⁸. The index indicates that rural demand weakened during the COVID-19 waves and showed expansion during FY24. Normally, rural demand peaks every year in the immediate post-festival period of October and slackens before kharif sowing.



¹³⁶ These Ayushman Arogya Mandir are designed to provide comprehensive primary healthcare services, including preventive, promotive, curative, palliative, and rehabilitative care, focusing on quality.

¹³⁷ The composite indicator comprises thirteen high frequency indicators are used, namely, rural real wages, real agricultural credit, real agricultural exports (all deflated by CPI-rural), terms of trade (i.e., relative prices of food to non-food, sourced from the wholesale price index), rural employment in both agriculture and non-agriculture sector, rural consumer sentiment, MGNREGA demand, reservoir level, IIP-food, fertiliser sales, tractor sales, and two-wheeler sales.

¹³⁸ Pattanaik, S., Gupta, N., and Jadhav, V., (2024): “Policy Insights from the Dynamic Interplay Between Rural Demand and Rural Inflation in India”, NABARD

Strengthening and modernising the safety net of MGNREGS

7.105 The Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA) aims at enhancing the livelihood security of households in rural areas of the country by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.¹³⁹

7.106 The physical progress of MGNREGS (the Scheme through which MGNREGA is implemented) in terms of person-days generation, average person-days per household and participation of women is indicated below:

Table VII.8: Key indicators on MGNREGS

Indicator	2019-20	2020-21	2021-22	2022-23	2023-24*
Person-days generated (in crore)	265.4	389.1	363.3	293.8	309.2
Average person-days per household	48.4	51.52	50.1	47.8	52.1
Women participation rate (%age)	54.8	53.19	54.7	57.5	58.9
*As per MIS (as of 31.03.2024)					

7.107 Multiple efficiency reforms have been introduced to fully utilise the scheme. To ensure probity and elimination of leakages, geotagging before, during, and after the work is being done,¹⁴⁰ 99.9 per cent payments are through National Electronic Fund Management System, wages are transferred under DBT, Aadhaar-based payment has been enabled in 98.6 per cent of total Active workers, and Social Audit units have been set up in 28 states/UT.

7.108 While MGNREGS began as a wage employment scheme, it has evolved into an asset-creation programme for sustainable livelihood diversification, as seen in the rise in the share of individual beneficiary 'works on individual land' from 9.6 per cent of total completed works in FY14 to 73.3 per cent in FY24 (the share in terms of expenditure is much lower, yet rose from 6.1 per cent in FY14 to 32.1 per cent in FY22). Capacity development of workers is being promoted initiatives like Bare Foot Technicians (BFT)¹⁴¹ and UNNATI¹⁴² skilling project.

7.109 Further, in order to derive maximum impact from the scheme, it has been converged with various initiatives such as Nutri-Garden for individual beneficiaries and community in

139 Implemented by the Ministry of Rural Development from 2 February 2006, this Act initially covered 200 most backward districts of the country. It was implemented in an additional 130 districts in Phase II, during 2007-2008. The Act was notified in the remaining rural districts of the country from April 1, 2008 in Phase III

140 More than 5.73 crore assets have been geo-tagged (as of 31 March 2024) and made available in the public domain, since its launch in 2016.

141 So far, 9387 BFTs have been trained in 20 States.

142 The UNNATI skilling project aims to upskill MGNREGS workers by providing training to one adult member (of age 18-45 years) of a household who has completed 100 days of work under Mahatma Gandhi NREGA in the financial year from 2018-19. Full expenditures towards a stipend, against wage loss compensation, are entirely borne by the Central Government. This project was launched in FY20 and aims to enhance the skill base of 2 lakh Mahatma Gandhi NREGA beneficiaries in three years, i.e., FY20, FY21 and FY22. So far, about 59,350 candidates have been trained.

convergence with State Schemes and NRLM, fodder farms in convergence with the Department of Animal Husbandry and Dairying (DAHD), promotion of horticulture in convergence with Ministry of Agriculture and Farmer Welfare, promotion of medicinal plantation in convergence with National Medicinal Plantation Board, Ministry of Ayush, Construction of Gram Panchayat building in a mission mode in convergence with Ministry of Panchayati Raj, construction of community sanitary complexes in convergence with Swachh Bharat Mission (Grameen) – Phase – II, and construction of all-weather road connectivity to border areas in convergence with Border Roads Organisation (BRO), Ministry of Defence.

7.110 Box VII.9 examines whether spending on MGNREGS is an indicator of rural distress.

Box VII.9: Is MGNREGS spending an indicator of rural distress?

There is a marked variation in the performance of the MGNREGS across states. Multiple research studies^{143,144,145} have been conducted to find a definite cause for such unevenness in outcomes but a satisfactory explanation has not been found. Some reports^{146,147} suggest that MGNREGS demand is indicative of rural distress. If this is indeed the case then data trends should show that States with more poverty and higher unemployment rates use more Scheme funds and generate more employment person-days. Additionally, there might be a correlation between MGNREGS fund usage and reduced unemployment. MGNREGS wages could reflect state poverty levels. Past studies¹⁴⁸ have attempted to correlate MGNREGS demand with weather data to indicate real-time rural distress, but the hypothesis needs verification.

Insights from MGNREGS Data

Data for FY24¹⁴⁹ shows that although Tamil Nadu has less than 1 per cent of the country's poor population,¹⁵⁰ it accounted for nearly 15 per cent of all MGNREGS funds released. Similarly, Kerala, with only 0.1 per cent of the poor population, used almost 4 per cent of the Nation's MGNREGS funds. Together, these states generated 51 crore person-days of employment. In contrast, Bihar and UP, with about 45 per cent (20 per cent and 25 per cent respectively) of the poor population, accounted for only 17 per cent (6 per cent and 11 per cent respectively) of MGNREGA funds and generated 53 crore person-days of employment (Chart VII.12).

143 'An Evaluation of India's National Rural Employment Guarantee Act', World Bank, accessed 3 July 2024, <https://tinyurl.com/27farpke>

144 Sami, L. and Khan, A. (2016) 'Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Tool for Employment Generation', *International Journal of Social Sciences and Management* 3: 281

145 Turangi, S. (2022): "MGNREGS Performance (2006–21): An Inter-State Analysis", *South Asia Research* 42, no. 2 (July 2022): 208–32, <https://doi.org/10.1177/02627280221085195>.

146 Nitaware, H., 7 July 2022, 'Demand of Record 30 million Jobs for MGNREGS Reflects Rural Distress', *Down to Earth*, accessed 5 July 2024, <https://tinyurl.com/3a2kj643>

147 Ghildiyal, S., 2 April 2022, 'Rural Distress: Despite Dip in 2021, NREGA Generates around 100 Crore Persondays More than Pre-Pandemic 2019', *The Times of India*, <https://tinyurl.com/884v5y5f>

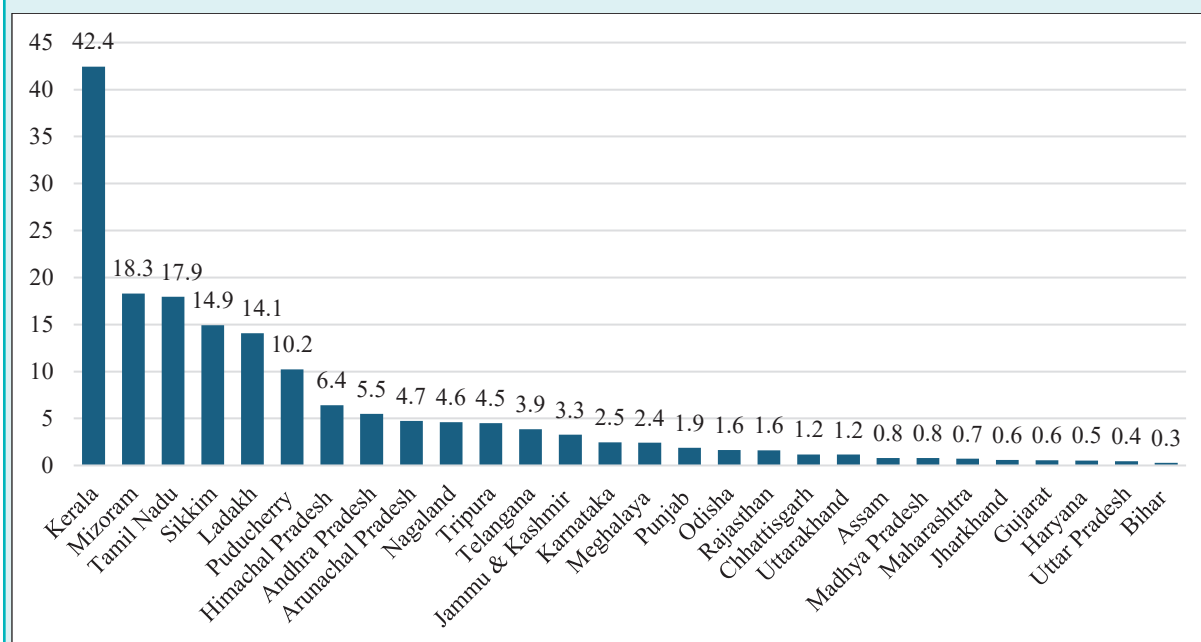
148 Shagun, 'Can MGNREGA Data Serve as Real-Time Index for Rural Distress?', *Down To Earth*, 29 July 2019, <https://tinyurl.com/5ewuhubx>

149 As per data from Department of Rural Development (DoRD) and NFHS-5.

150 Poor population figures calculated from Head Count Ratio (HCR) data from Niti Aayog MPI report.

The correlation coefficient between state-wise multidimensional poverty index and person-days generated is calculated to be only 0.3,¹⁵¹ indicating that MGNREGS fund usage and employment generation are not proportional to poverty levels.

Chart VII.12: Ratio of proportion of MGNREGS fund released to States and proportion of their Poor population¹⁵²



Source: DoRD,NFHS

Additionally, calculations reveal that there is little correlation between MGNREGS fund usage and rural unemployment rates. Data from FY23¹⁵³ shows that states with the highest rural unemployment rates did not necessarily use the most MGNREGS funds. Contrary to the popular narrative, the data does not support the idea that states with high rural unemployment rates in FY22 sought more MGNREGS funds in FY23 (Chart VII.13).

Under the MGNREGA, unless a national minimum wage is set (which the Act permits), states can set their own minimum wage. This fixation should ideally consider local employment opportunities, per-capita incomes, and alternate income sources. However, scheme data¹⁵⁴ reveals that minimum wage fixation is ad-hoc and not correlated with per-capita income or poverty headcount ratio. States such as Haryana, Kerala, Tamil Nadu, Karnataka, and others have relatively high notified wage rates in MGNREGA (Chart VII.14), relative to their per-capita incomes. This significantly impacts state-wise MGNREGS fund usage, as the wage component is fully borne by the Central Government.

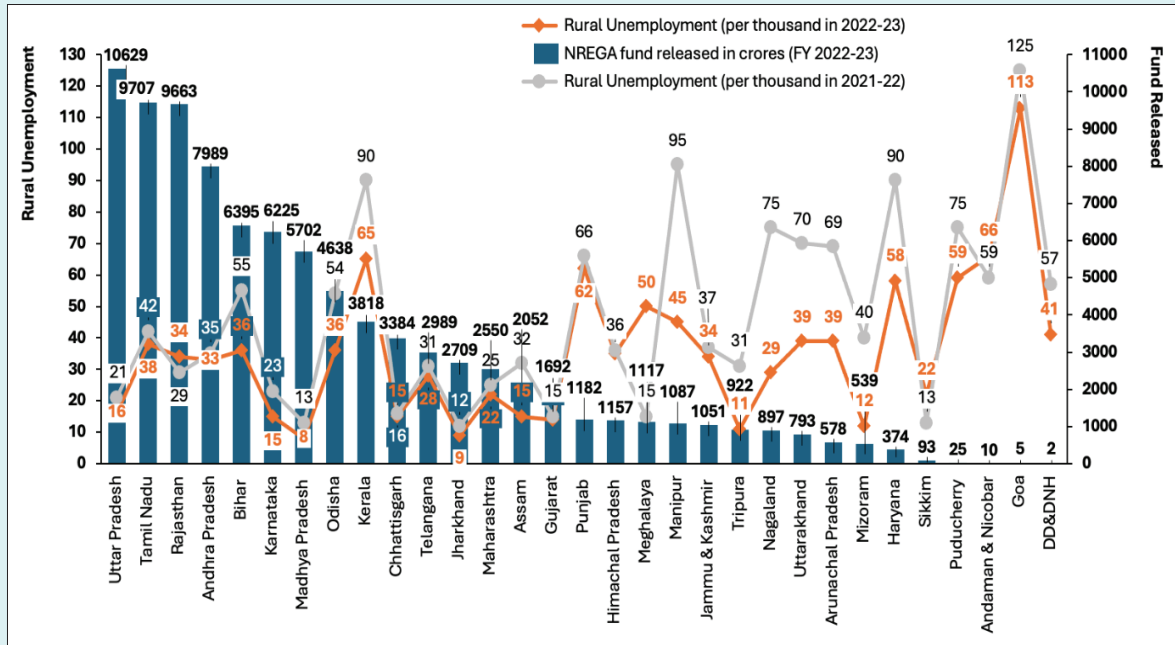
¹⁵¹ Own calculations. A coefficient of 1 would indicate that the poorer a state, greater the number of person-days it generates and a coefficient of 0 would indicate no relationship between poverty and person-days.

¹⁵² Data for West Bengal, Manipur, Lakshadweep, A&N, DD&DNH and Goa not included because no/negligible fund was released to these states/UTs for NREGS in FY24

¹⁵³ Fund release data from DoRD and unemployment data from RBI Handbook of Statistics on Indian States at <https://rbi.org.in/Scripts/PublicationsView.aspx?id=22079>

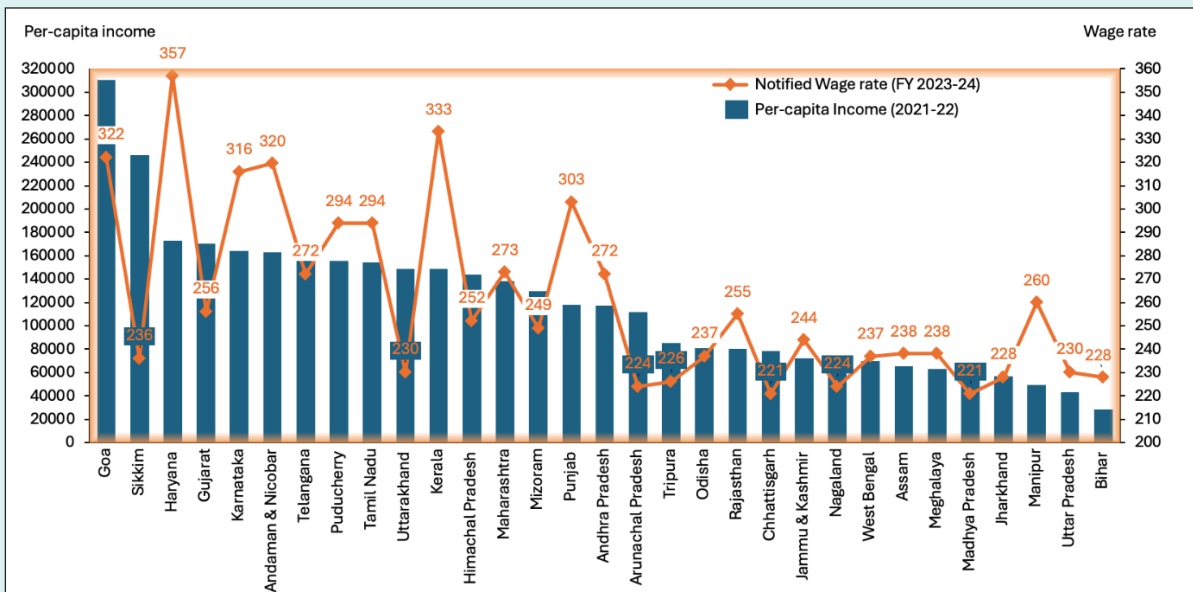
¹⁵⁴ Data from DoRD

Chart VII.13: Unemployment rate (per 1000) and MGNREGS fund released in FY23



Note: Employment figures are the sum of principal status and subsidiary status.
 Source: DoRD, NSSO Employment & Unemployment Survey Reports; PLFS; NSO

Chart VII.14: Comparison of per-capita incomes and Notified wage rates



Note: - For HP, notified wage rate has been considered as the average of the wage rates notified for scheduled areas and non-scheduled areas
 - For A&N, notified wage rate is considered as the average of the rates notified for Andamans and Nicobar

Diagnosis of the factors that explain differences in MGNREGA work demands across States

It is evident from the data above that MGNREGS work demand does not directly correlate with increased rural distress at a micro level. The remarkable evolution of MGNREGS work from being the last resort of village-resident families to becoming more of a smart choice for household asset creation and sustainable income generation has also been noted previously.¹⁵⁵ This indicates that other important aspects must be factored in to explain the State level differences in fund usage. Some of these are discussed below.

Supply-side issues

Difference in time taken by DoRD to release funds to different States- The automated process by DoRD ensures no significant variation in fund release times to different States, indicating that this is not a cause of state-wise differences in fund usage.

Appropriation of MGNREGA budget between states- Differences in MGNREGS fund usage could likely stem from projected annual demands in the agreed labour budgets. Projections¹⁵⁶ for FY25 show that states with a high rural poor population¹⁵⁷, like UP, MP, and Bihar, will have higher annual person-days. Thus, the variance is likely due to actual fund usage based on the work completed.

Demand-side issues

State's institutional capacity to tap benefits under the MGNREGS- To access MGNREGS funds, state governments must finalise labour budgets for the upcoming financial year in advance, following a bottom-up planning process. This includes Gram Panchayat meetings, approvals at Block and District levels, and compilation at the State level. States must utilize at least 75 per cent of the previous year's funds, provide utilisation certificates, expenditure statements, and social audit achievements to apply for fund tranches.¹⁵⁸ States with better institutional capacities and trained functionaries can complete this process on time.

Literature^{159,160,161} establishes a link between per-capita income and institutional quality. States with lower per-capita incomes and higher poverty levels often have weaker institutions, thereby tapping fewer funds per work executed and generating less employment per capita for the rural poor.¹⁶² FY24 data¹⁶³ shows that states like UP (~10 lakh works), Karnataka

155 Nageswaran, V.A. et.al 'Why We Must Re-Examine Narrative of Rural Distress', mint, 22 August 2022, <https://tinyurl.com/5n76hbfx>

156 Person-days employment data as furnished by DoRD.

157 Rural Population data based on RBI's Handbook of Statistics on Indian Economy 2021-22- <https://rbi.org.in/Scripts/PublicationsView.aspx?id=21248>.

158 Detailed guidelines in Annual Master Circular 2024-25 (<https://tinyurl.com/2msf4fpf>).

159 Alonso, J.A., Garcimartin, C. and Kvedaras, V. (2020): "Determinants of Institutional Quality: An Empirical Exploration", *Journal of Economic Policy Reform* 23, no. 2 (2 April 2020): 229–47

160 Rodrik, D., Subramanian, A. and Trebbi, F. (2004): "Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development", *Journal of Economic Growth* 9, no. 2 (2004): 131–65.

161 Acemoglu, D., Johnson, S. and Robinson, J.A. (2001): "The Colonial Origins of Comparative Development: An Empirical Investigation", *American Economic Review* 91, no. 5 (December 2001): 1369–1401

162 Rural poor population data is taken from RBI Handbook of Statistics on Indian Economy 2021-22-<https://rbi.org.in/Scripts/PublicationsView.aspx?id=21248>

163 Data on number and category of works and fund usage as furnished by DoRD

(~9 lakh works), and MP (~7.77 lakh works) executed many works but used fewer MGNREGA funds per work (₹0.93 lakh, ₹0.55 lakh and ₹0.72 lakhs respectively). Conversely, states like Puducherry (₹8.96 lakh per work), Haryana (₹. 4.89 lakh), Rajasthan (₹2.76 lakh), and Tamil Nadu (₹2 lakh) tapped more funds per work.

The trend is similar for person-days employment generated per capita of the rural poor, with Tamil Nadu (69), Kerala (62), Rajasthan (42), and Puducherry (30) outperforming UP (7), MP (10), and Bihar (6). States with higher institutional capacities plan and coordinate better, executing costlier works in rural infrastructure or natural resources management. In contrast, lower-income states like Assam, Jharkhand, Bihar, UP, Chhattisgarh, MP, and Rajasthan have a higher proportion of “individual works”¹⁶⁴ (50 per cent or more), which are less costly and require less planning.

Thus, a state’s institutional capacity is crucial for effectively tapping MGNREGS funds.

Differences in registering demand- Despite provisions mandating State governments to grant unemployment allowance if work is not provided within 15 days, only ₹90,000 was released in FY 24 and ₹7.8 lakh in FY23 across all states.¹⁶⁵ Further, evaluation reports¹⁶⁶ indicate that employment was often unavailable when sought. This suggests that block-level functionaries may not register demand in real time. Consequently, formal data showing MGNREGS work demand may not reflect the true demand and current rural economic distress. This also indicates that work demanded is only reported on the portal when employment is actually provided (*presumably to save on the State Government’s liability towards unemployment allowance*). Hence work demanded on the portal is de-facto equivalent to work provided and not the “real” demand.

Increased leakages- Variations in MGNREGS fund usage arise from irregularities and leakages observed across states. Despite lacking exhaustive documentation, news reports¹⁶⁷, social audits¹⁶⁸ and anecdotal evidence suggests that funds often do not reach intended beneficiaries, making demand an unreliable distress indicator. Over four years, Social Audit Units found ₹935 crore misappropriated under MGNREGS. Instances of workers paying contractors and giving up job cards¹⁶⁹; illegal use of machines instead of labour, unrealistic labour budgets, delays in fund release¹⁷⁰, lack of job card updates and unverified bills have been reported from different regions. The Social Accountability Forum’s audit¹⁷¹ reported ₹658 crore misappropriated over 2018-20, with grievances focusing on wage issues, job cards, and worksites. It also noted that transparency, accountability, and record-keeping processes were often violated in MGNREGA implementation.

164 Data on category of works as furnished by DoRD- these include individual, and community works for vulnerable sections

165 Unemployment allowance data furnished by DoRD.

166 ‘An Evaluation of India’s National Rural Employment Guarantee Act’.

167 Singh, S., 2 October 2023, The Hindu ‘RTI Queries Reveal Several Irregularities in MGNREGA Scheme in West Bengal’

168 Nitnaware, H., 24 January 2023, “MGNREGA Graft: Social Audit Finds Irregularities Worth Rs 54 Lakh in Rajasthan” Down to Earth accessed 24 June 2024, <https://tinyurl.com/3bnjv3r>

169 Bhattacharyya, D. (2023): “Of Conflict and Collaboration”, Economic and Political Weekly’, Vol 58, Issue no. 36, 9 September 2023, <https://www.epw.in/journal/2023/36/special-articles/conflict-and-collaboration.html>.

170 ‘Audit Reports | Comptroller and Auditor General of India’, <https://cag.gov.in/en/audit-report/details/118182>.

171 Social Accountability Forum for Action and Research, ‘MGNREGA Social Audit Report’, November 2020.

From the above diagnostic analysis, it can be concluded that demand under MGNREGS is not a real indicator of rural distress but is rather predominantly linked with the State's institutional capacity and to some extent also different minimum wages and other considerations.

Nurturing rural entrepreneurship at the grassroots

7.111 The Government has implemented a bouquet of vibrant schematic interventions with a distinct focus on seamless access to affordable finance and generating lucrative market opportunities that ultimately aim to provide a fillip to rural entrepreneurship. The Government remains committed to bolstering rural entrepreneurship and has been at the forefront of implementing a plethora of schemes aimed at livelihood generation, providing easy access to finance and marketing, and developing a common infrastructure for promoting rural entrepreneurship. Some of the schemes and programmes are mentioned in Box VII.10 below.

Box VII.10: Initiatives fostering rural entrepreneurship

(a) Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM), for instance, is one of the world's largest social sector schemes aiming to empower poor households to access meaningful self-employment and skilled wage employment opportunities. DAY-NRLM has helped women access scientific knowledge, specialised skills, and valuable exposure to motivate and ignite new energy to reform their livelihoods and venture into new activities. They have taken up enterprises like solar panels to prepare sanitary pads, soaps, detergents, face masks, sanitisers, fencing materials, etc. Initiated in 2011, the Mission has its footprint across 7135 blocks in 742 districts of 28 states and 6 UTs. The progress of the programme on key components has been summarised below.

Progress under DAY-NRLM

Indicator	Cumulative progress (Up to June 2024)
No. of Blocks covered	7135
No. of SHGs promoted (in lakh)	90.86
No. of Households mobilised (in crore)	10.05
Capitalisation Support provided to SHGs (in ₹ crore)	43,610
Amt. of Bank credit accessed by SHGs (in ₹ lakh crore)	8.85
No. of individual enterprises set up under SVEP (in lakh)	2.98
No. of vehicles deployed under AGEY	2333
No. of <i>Mahila Kisan</i> covered (in crore)	3.71
No. of Custom Hiring Centres established	32709
No. of household saving kitchen garden (in crore)	2.28

Source: Ministry of Rural Development

(b) Lakhpati Didis initiative

The *Lakhpati Didis* initiative, launched in 2023, targets to uplift three crore SHG households to a minimum annual income of ₹1 lakh within three years. It focuses on diversified livelihood activities, district-level planning, household support, Government department convergence, and capacity building of staff and community members.

(c) Saras Aajeevika portal and eSARAS mobile App (launched in 2023) showcase a wide array of authentic handcrafted products, such as linen items, furniture, apparel, pickles, etc., made by SHGs. By creating a dedicated marketplace for their indigenously crafted products, the platform thus catalyses rural women into new-age entrepreneurs.

(d) Start-Up Village Entrepreneurship Programme (SVEP) and Aajeevika Grameen Express Yojana (AGEY) are being implemented as non-farm livelihood strategies under DAY-NRLM. SVEP supports entrepreneurs in rural areas in setting up local enterprises. The strategy is to promote knowledge about business feasibility management, provide start-up loan finance access, and scale up the existing enterprise. 2.97 lakh enterprises have been formed in 221 blocks of 29 states/UT. AGEY provides safe, affordable and community-monitored transport services to rural areas. Around 2333 vehicles are operational in 26 states, providing transport services to connect remote rural villages.

(e) The Rural Self Employment Training Institute (RSETI) scheme, which is a sub-scheme of the NRLM, is also aimed at strengthening rural entrepreneurship. RSETIs are essentially district-level Self Employment Training Institutes in rural areas managed by the banks and funded by the Ministry of Rural Development. They provide free-of-cost skill training, credit assistance, and mentorship to rural unemployed youth aged 18-45 years, with an approach of short-term training & long-term hand-holding of entrepreneurs. Their tailor-made curriculum is designed to match the local demands of the agricultural economy and small rural businesses. Since the scheme's inception in 2009, 50.72 lakh candidates have been trained, and 36.23 lakh candidates have been settled as entrepreneurs/apprentices till June 2024, with a settlement rate of more than 72 per cent.

(f) Financing rural entrepreneurship: To support rural entrepreneurs, the National Bank for Agriculture and Rural Development (NABARD) promotes Micro Entrepreneurship Development Programmes (MEDPs) and Livelihood & Enterprise Development Programmes (LEDPs), focusing on funding and skill improvement. NABARD backs SHGs, JLGs, POs, and Micro-entrepreneurs with training and helps them sell their products on online platforms and the Open Network for Digital Commerce (ONDC). Additionally, Off-Farm Producer Organisations (OFPOs) receive guidance to join ONDC. By 31 March 2023, around 5.85 lakh SHG members benefitted from 20,174 MEDPs, receiving ₹52.39 crore in grants, and 2.67 lakh SHG members from 2149 LEDPs, with ₹106.10 crore in grants.

(g) The ‘**SARAS Mela**’ by the Ministry of Rural Development helps SHG beneficiaries sell their products directly in urban markets, eliminating middlemen and improving artisans’ margins. It allows rural producers to engage with buyers, tailor products to consumer preferences, and hone their marketing skills.

(h) Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY): DDU-GKY is a state-led, outcome-driven skilling program focused on rural youth, emphasizing sustainable employment, PPP, and independent third-party certification of outcomes through Sector Skill Councils. The programme occupies a unique position amongst other skill training programmes due to its focus on the poor rural youth and its emphasis on sustainable employment through the prominence and incentives given to post-placement tracking, retention and career progression. Special sub-schemes called ROSHNI and Himayat are also being implemented. A total of 16.5 lakh candidates have been trained, and 10.48 lakh candidates placed under the scheme till June 2024 (provisional).

7.112 Looking forward, the wide local presence of RSETIs (591 RSETIs functioning across 577 districts of the country¹⁷²) and tri-partnership of banks, state Governments, and the central Government can be leveraged to converge efforts across Government programmes such as skilling and livelihood diversification, farm mechanisation through Krishi Vigyan Kendra, job fairs, SHGs, farmer producer organisations, primary agricultural cooperative societies etc. By acting as the fulcrum of skill and credit linkage at the grassroots, RSETIs can thus emerge as district-level enterprise hubs.¹⁷³

7.113 The potential of SHGs needs to be tapped by enabling their upscaling into larger enterprises, harnessing professional support and management. For instance, the mobilisation of tribal women into operating, managing, and owning solar lamp factories and retail solar shops in Dungarpur, Rajasthan, was made possible through handholding by Prof. Chetan Solanki of IIT Bombay and support by the Ministry of New and Renewable Energy, and local administration.¹⁷⁴ With proper training and professional guidance, women’s collectives can emerge as self-sustainable enterprises at scale.

Rural Governance: A story of digital transformations at the grassroots

7.114 Rural development has immense benefits to derive from better rural governance, which can serve as the foundation and multiplier force for both programme-led impact creation and individual-led utilisation of rising opportunities. With a 200 per cent increase in rural internet subscriptions between 2015 and 2021¹⁷⁵, digitisation of governance is a low-hanging fruit to reduce the distance between the village and the administrative headquarters, which is crucial

172 PIB release ID 1983115, 6 December 2023 <https://tinyurl.com/4e68kcjr>

173 Sinha, A. (2023): “The Last Mile: Turning Public Policy Upside Down”, 1st edition. Routledge India. Chapter 11, Revisiting Skills for Full Employment

174 <http://durgaenergy.com/About>.

175 Economic Survey 2022-23, Chapter 12, Physical and Digital Infrastructure: Lifting Potential Growth.

in regional development.¹⁷⁶ In this aspect, multiple digitisation initiatives have been unfolding in rural India.

Box VII.11: Digitisation initiatives to improve rural governance

e-Panchayat Mission Mode Project

The e-Panchayat project seeks to automate the internal workflow processes of approximately 2.71 lakh Panchayats or equivalent bodies, benefiting around 30 lakh elected members and about ten lakh PRI functionaries. In addition, the Government has introduced an application called AuditOnline under the e-Panchayat Mission Mode Project to facilitate online audits of Panchayat accounts and maintain detailed records of internal and external audits.¹⁷⁷

e-Gram SWARAJ

On National Panchayati Raj Day on 24 April 2020, e-Gram SWARAJ (<https://egramswaraj.gov.in/>) was launched to introduce digital Panchayats for rural India. The platform provides a complete profile of the Gram Panchayat, including demographic details, finances, and activities outlined in the Gram Panchayat Development Plan (GPDP). It also integrates with the Public Financial Management System (PFMS) to enable real-time payments and better financial management. 2.52 lakh Gram Panchayats have prepared and uploaded their GPDPs for FY24 on e-Gram SWARAJ.¹⁷⁸

Bhu-Aadhaar

The Identification Parcel Number (ULPIN) or Bhu-Aadhaar is a 14-digit identification number assigned to a land parcel based on its longitude and latitude coordinates. It aims to facilitate demarcation, identification, and standardisation of land parcels, enabling different Government departments to provide land-related services to citizens, including multi-departmental services. Proper land statistics and land accounting through ULPIN would help develop land banks and an Integrated Land Information Management System (ILIMS). ULPIN has been rolled out in 29 states, generating approximately 14.94 crore ULPINs.¹⁷⁹

SVAMITVA Scheme

SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) is a Central Sector Scheme launched in 2020 to provide the 'Record of Rights' to rural household owners. It aims to enable property monetization, reduce disputes, and facilitate comprehensive village-level planning. The drone survey has been completed in 2.90 lakh villages and 1.66 crore property cards have been prepared for 1.06 lakh villages. The scheme has been implemented in Haryana, Uttarakhand, Puducherry, Andaman and Nicobar Islands, and Goa.¹⁸⁰

¹⁷⁶ Asher, S., Nagpal, K., Novosad, P. (2018): "The Cost of Distance: Geography and Governance in Rural India", World Bank Working Paper, 2018.

¹⁷⁷ As per inputs from M/o Panchayati Raj, Government of India.

¹⁷⁸ Ibid.

¹⁷⁹ Ibid.

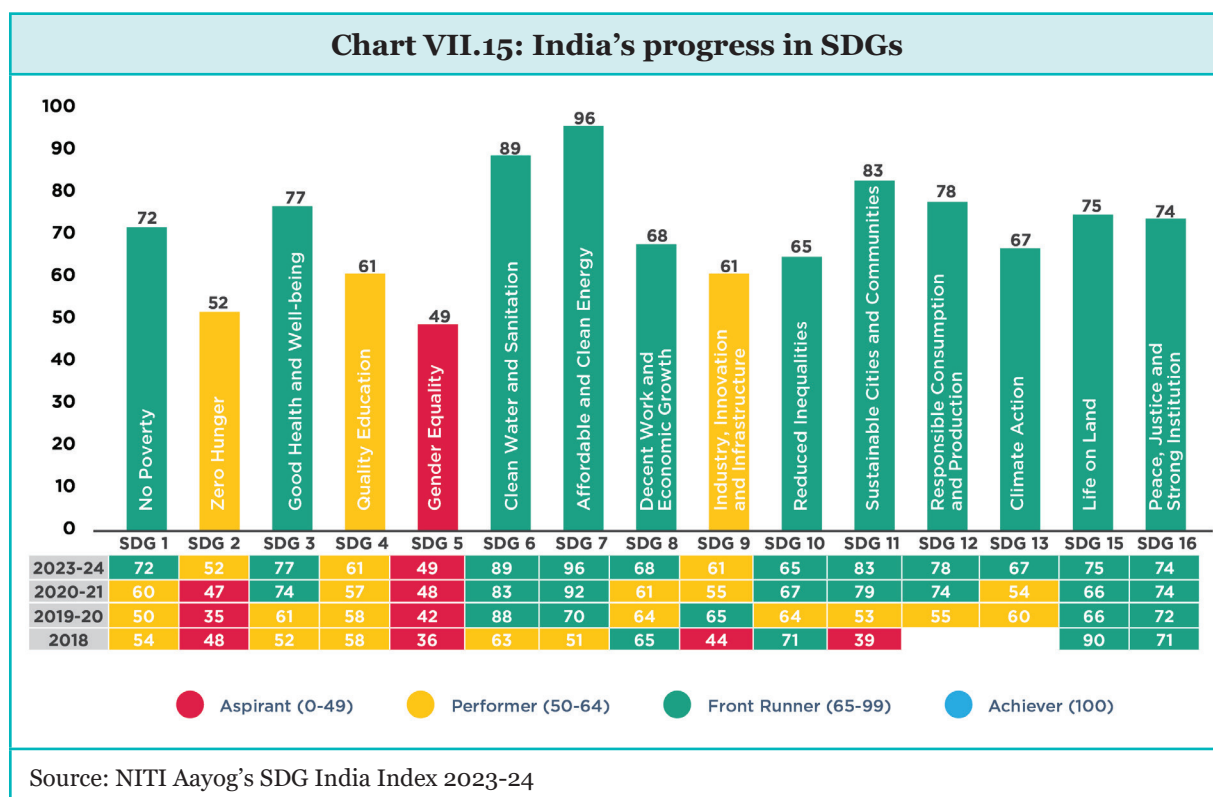
¹⁸⁰ PIB release dated 6 January 2024, Release ID: 1993736 <https://pib.gov.in/PressReleasePage.aspx?PRID=1993736>

TOWARDS SUSTAINABLE DEVELOPMENT

7.115 With less than six years remaining for achieving the Sustainable Development Goals (SDGs), the Government of India has been at the forefront in embracing, adopting, and championing the SDGs to improve the welfare and quality of life for its citizens. Despite the global economy facing multiple headwinds, India has made steady progress towards achieving the 2030 Agenda, showcasing the nation's resilience and commitment to SDGs. According to the progress report on SDGs by NITI Aayog through the SDG India Index, India has significantly improved in meeting these goals despite global challenges. Targeted interventions such as Pradhan Mantri Awas Yojana, Ujjwala Yojana, Swachh Bharat Abhiyan, Jan Dhan Yojana, Ayushman Bharat-PMJAY, Ayushman Arogya Mandir, PM-Mudra Yojana, Saubhagya, and Start-up India have had significant impacts and led to rapid improvements.

7.116 India's progress in achieving SDGs has advanced with each year. The performance is measured for 16 quantifiable goals, and a qualitative assessment is provided for Goal 17. The country's overall score/composite score¹⁸¹ measured by the SDG India Index has ascended from 57 in 2018 to 60 in 2019-20, 66 in 2020-21 to 71 in 2023-24. India has taken significant strides in accelerating progress on the SDGs between the 2020-21 and 2023-24 editions of the Index.

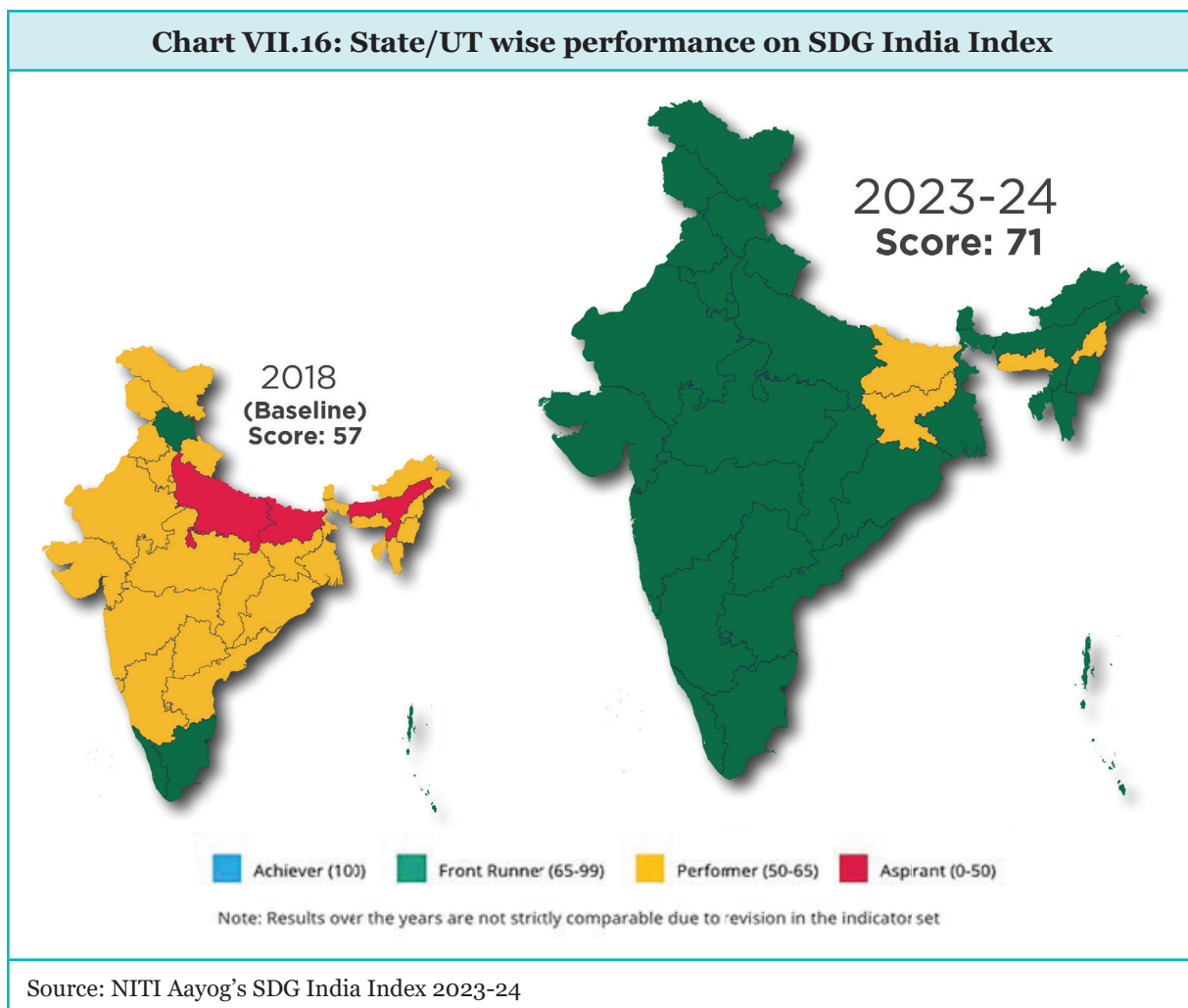
7.117 Since 2018, India has witnessed substantial progress in several key SDGs. Significant progress has been made in Goals 1 (No Poverty), 3 (Good Health and Well-being), 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities) (Chart VII.15).



¹⁸¹ The composite score is the arithmetic mean of the Goal score for 16 Goals, for each State/UT, assigning equal weight to each Goal.

Performance of States and UTs on the NITI Aayog SDG India Index, 2023-24

7.118 The SDG India Index 2023-24 reports a positive trend in the performance of States and UTs in their SDG journey. The scores for States now range from 57 to 79, while UTs score between 65 and 77. This year, 32 States/UTs have scored between 65 and 99, up from 22 in the 2020-21 edition.



7.119 Notably, there are 10 new States and UTs in the Front Runner category. These include Arunachal Pradesh, Assam, Chhattisgarh, Madhya Pradesh, Manipur, Odisha, Rajasthan, Uttar Pradesh, West Bengal, and Dadra and Nagar Haveli and Daman and Diu. The SDG India Index 2023-24 demonstrates the increase in composite scores across all States, with improvements ranging from 1 to 8 points.

7.120 Between 2018 and 2023-24, fastest moving States are Uttar Pradesh (increase in score by 25), followed by J&K (21), Uttarakhand (19), Sikkim (18), Haryana (17), Assam, Tripura and Punjab (16 each), Madhya Pradesh and Odisha (15 each).

CONCLUSION AND WAY FORWARD

7.121 The Indian economy is moving forward with a reformed approach to welfare, focused on empowerment, efficiency in the delivery of services, and participation of the private sector and civil society. In terms of outreach, the saturation of basic necessities has been recognised as the first step to productive participation of every citizen in the economy, imperative for sustained medium-term growth. In terms of efficiency, the digitisation of healthcare, education and governance is a force multiplier for every rupee spent on a welfare programme.

7.122 The education sector is bustling with the across-the-board transformation led by the NEP 2020, which is expected to yield Foundational Literacy And Numeracy for every child passing the third standard in the near future. That said, improving learning outcomes and undoing the COVID-induced learning loss is more urgent than ever. In healthcare, Ayushman Bharat is not only saving lives but also saving generations from the trap of debt. The challenge of ensuring mental health and well-being is intrinsically and economically valuable. In the age of social media and ‘the great rewiring of childhood’, this challenge must be met together with destigmatisation, community participation, and fortification of specialised human resources.

7.123 Women-led development is emanating from their social, economic, and political empowerment, occurring through a constructive intermingling of policy and social change. Nevertheless, much scope remains to enhance asset ownership among women, with significant intrinsic and instrumental gains of fairness and economy to be secured.

7.124 Better quality of life in the hinterland is being reinforced by a host of enabling programmes. The self-help movement has come far in terms of its outreach, and the social capital stands to gain from professional assistance in marketing and management. To provide a fillip to rural enterprises, RSETI can be utilised as district hubs of skill development and enterprise.

7.125 Further, a scheme, however well-designed and noble in its formulation, is only as good as its implementation. It is the governance and unity of purpose at all levels of Government which is the keystone to the success of a social programme. To maximise this efficiency of translating spending into outcomes, many channels at the ground level will have to be unclogged.

7.126 At the heart of economic development lies human development, which is both the means and ends of the former. Unswerving in its commitment, India has a lot to be content about and a lot to be impatient for.

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