

Social Sectors

As per the Human Development Reports (HDRs) published annually by the UNDP since 1991, India has consistently improved on the human development front and is grouped among the countries with 'medium human development'. But, some components of human development indicators for health and education continue to lag behind the improvement in income, and India's rank in terms of Human Development Index (HDI) and Gender Development Index (GDI) continue to be low compared to even some countries of our region. India ranked 127 in HDI for 2002 (same rank as in 2001) out of 177 countries and 103 in GDI out of 144 countries in HDR 2004 (Table 10.1). High regional disparity in HDI across the States has also been a source of concern. An analysis of State-level HDIs by the Planning Commission, however, indicates a decline in such regional disparity during the last two decades.

10.2 Several poverty alleviation measures and area development programmes focusing the poor and the disadvantaged are in operation for decades. These include welfare programmes for the weaker sections, women, children, and a number of special employment programmes for self- and wage employment. Ongoing economic reforms since 1991 strengthened these programmes to generate more employment, create productive assets, impart technical skills and raise the income levels of the poor.

10.3 Ongoing economic reforms and the National Common Minimum Programme (NCMP) attach high priority to the development of social sectors to enable people to participate in and contribute fully to the development process, and at the same time benefit more from higher economic growth and development. Major programmes for the development of social

Table 10.1 : India's global position on human and gender development

| Country | Human development index (HDI) | | HDI Rank | | Gender development index (GDI) | | GDI Rank | |
|--------------|-------------------------------|--------------|------------|------------|--------------------------------|--------------|------------|------------|
| | 1997 | 2002 | 1997 | 2002 | 1997 | 2002 | 1997 | 2002 |
| Norway | 0.927 | 0.956 | 2 | 1 | 0.927 | 0.955 | 2 | 1 |
| Australia | 0.922 | 0.946 | 7 | 3 | 0.921 | 0.945 | 4 | 3 |
| Sri Lanka | 0.721 | 0.740 | 90 | 96 | 0.712 | 0.738 | 76 | 73 |
| China | 0.701 | 0.745 | 98 | 94 | 0.699 | 0.741 | 79 | 71 |
| Indonesia | 0.681 | 0.692 | 105 | 111 | 0.675 | 0.685 | 88 | 90 |
| India | 0.545 | 0.595 | 132 | 127 | 0.525 | 0.572 | 112 | 103 |
| Pakistan | 0.508 | 0.497 | 138 | 142 | 0.472 | 0.471 | 116 | 120 |
| Bangladesh | 0.440 | 0.509 | 150 | 138 | 0.428 | 0.499 | 123 | 110 |
| Nepal | 0.463 | 0.504 | 144 | 140 | 0.441 | 0.484 | 121 | 116 |
| Mozambique | 0.341 | 0.354 | 169 | 171 | 0.326 | 0.339 | 138 | 139 |
| Niger | 0.298 | 0.292 | 173 | 176 | 0.286 | 0.278 | 143 | 144 |

Source: UNDP Human Development Report (HDR) 1999 & 2004.

Box 10.1 : Major programmes for social sector in 2004-05

- Launching of National Food for Work Programme on November 14, 2004 in 150 most backward districts to intensify generation of supplementary wage employment and provision of food security through creation of need based economic, social and community assets in these districts.
- Introduction of National Rural Employment Guarantee Bill, 2004 in Parliament on December 21, 2004 to provide for enhancement of livelihood security of the poor in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work.
- Additional Rs.10, 000 crore of Gross Budgetary Support (GBS) for Plan programmes like Food for Work, Sarva Shiksha Abhiyan, mid-day cooked – meal scheme, basic healthcare, Accelerated Irrigation Benefit Programme, drinking water, and roads.
- Increase in coverage of Antyodaya Anna Yojana from 1.5 crore to 2 crore families.
- Strengthening of public distribution system.
- Allocation of Rs.1, 180 crore for programmes concerning the Scheduled Castes and Rs.1, 146 crore for Scheduled Tribes.
- Additional allocation of Rs.50 crore for the National Minorities Development and Finance Corporation.
- Indicative target of credit linking 5.85 lakh self-help groups (SHGs) during the period up to March 2007.
- Imposition of a cess of 2 per cent on Union taxes and duties to yield Rs.4000 Crore – Rs.5000 crore in a full year, with proceeds earmarked for education including cooked mid-day meal.
- Launching of a programme for upgrading 500 Industrial Training Institutes (ITIs) over the next 5 years.
- A new universal Health Insurance Scheme for the poor.
- A special group insurance scheme of Rs.10, 000 at a premium of only Rs.120 per person.
- No tax for individuals with taxable income up to Rs.1.1 lakh.

sectors during 2004-05 are summarised in Box 10.1.

10.4 Social sector programmes and their implementation fall largely under the jurisdiction of the State Governments. The Central Government, however, supplements the States' efforts by making additional resources available for specific programmes through Centrally Sponsored Schemes, Additional Central Assistance and Special Central Assistance. Total Central Government expenditure on social services including rural development increased from Rs. 18,240 crore in 1995-96 to Rs. 52,090 crore in 2004-05 (BE). (Table 10.2).

10.5 Trends of expenditure on social services and total expenditure by the general government (Centre and States combined) between 1986-87 and 2004-05 (BE) (Table 10.3) indicate that :

- (a) Despite fluctuations, total expenditure of the general government as a proportion of total expenditure increased marginally from 18.9 per cent to 19.3 per cent, with peak of 22.3 per cent in 1999-2000.
- (b) Share of education in social service expenditure increased from 45.6 per cent to 48.8 percent, while share of health declined from 24.1 to 23 percent over the same period.

Table 10.2 : Central Government expenditure (Plan and Non-Plan) on social sectors and rural development

(Rs. Crore)

| Social Service | 1995-96 | 2000-01 | 2001-02 | 2002-03 | 2003-04 (RE) | 2004-05 (BE) |
|--|----------------|----------------|----------------|----------------|-----------------|-----------------|
| 1. Social Service | | | | | | |
| a. Education, Sports, Youth Affairs | 3630 | 7696 | 8642 | 9045 | 11063 | 12091 |
| b. Health & Family Welfare | 2542 | 5291 | 5977 | 6075 | 6846 | 7680 |
| c. Water Supply, Housing etc. | 1756 | 4932 | 5989 | 6346 | 7235 | 7571 |
| d. Information & Broadcasting | 596 | 1317 | 1284 | 1386 | 1302 | 1398 |
| e. Welfare of SC/ST and OBC | 800 | 968 | 1093 | 1117 | 1164 | 1410 |
| f. Labour & Employment | 507 | 894 | 847 | 777 | 841 | 933 |
| g. Social welfare & Nutrition | 1270 | 2409 | 2620 | 2089 | 2203 | 2483 |
| h. North-Eastern areas | | | | 4179 | 4251 | 5658 |
| i. Other Social Services | 530 | 1715 | 2010 | 1330 | 571 | 631 |
| Total | 11631 | 25222 | 28462 | 32344 | 35476 | 39855 |
| 2. Rural Development | 6609 | 4449 | 6241 | 10991 | 11537** | 7001** |
| 3. I) Pradhan Mantri Gramodaya Yojana (PMGY)* | | 2350 | 2533 | 2600 | 2400 | 2766 |
| ii) Pradhan Mantri Gram Sadak Yojana (PMGSY)* | | 2500 | 2500 | 2500 | 2325 | 2468 |
| 4. Social Service, Rural Dev. and PMGY (1+2+3) | 18240 | 34521 | 39736 | 48435 | 51738 | 52090 |
| Total Expenditure | 178275 | 325592 | 362310 | 414162 | 474255 | 477829 |
| GDP at market price | 1188012 | 2089500 | 2271984 | 2463324 | 2760025 | 3108561 |

* : Launched in 2000-01 (BE) as a new initiative for basic rural needs.

** : 2003-04 (RE) includes provision of Rs. 4889 crore for the Special Component of SGRY for draught related programmes and 2004-05 (BE) does not include the allocations meant for certain rural development programmes in the lump sum provision of Rs. 10,000 crore provided to the Ministry of Planning.

Source : Budget documents.

Table 10.3 : Total Expenditure of the General Government on Social Services (Combined Centre and States)

| Years | 1986-87 | 1990-91 | 1995-96 | 2000-01 | 2001-02 | 2002-03 | 2003-04 (RE) | 2004-05 (BE) |
|---|---------|---------|---------|---------|---------|---------|-----------------|-----------------|
| Absolute amounts in Rs. Crore | | | | | | | | |
| Total Expenditure | 100470 | 163673 | 303586 | 595595 | 652968 | 727151 | 887391 | 907363 |
| Social Services | 18967 | 33255 | 65531 | 131805 | 137843 | 145226 | 168190 | 175079 |
| Education | 8651 | 17094 | 32370 | 67036 | 68071 | 72535 | 80779 | 85358 |
| Health | 4566 | 7309 | 14135 | 27960 | 28578 | 31457 | 36850 | 40352 |
| Others | 5750 | 8852 | 19026 | 36809 | 41194 | 41234 | 50561 | 49369 |
| As % to total expenditure | | | | | | | | |
| Social Services | 18.9 | 20.3 | 21.6 | 22.1 | 21.1 | 20.0 | 19.0 | 19.3 |
| Education | 8.6 | 10.4 | 10.7 | 11.3 | 10.4 | 10.0 | 9.1 | 9.4 |
| Health | 4.5 | 4.5 | 4.7 | 4.7 | 4.4 | 4.3 | 4.2 | 4.4 |
| Others | 5.7 | 5.4 | 6.3 | 6.2 | 6.3 | 5.7 | 5.7 | 5.4 |
| As % of expenditure on social services | | | | | | | | |
| Education | 45.6 | 51.4 | 49.4 | 50.9 | 49.4 | 49.9 | 48.0 | 48.8 |
| Health | 24.1 | 22.0 | 21.6 | 21.2 | 20.7 | 21.7 | 21.9 | 23.0 |
| Others | 30.3 | 26.6 | 29.0 | 27.9 | 29.9 | 28.4 | 30.1 | 28.2 |

Source : Reserve Bank of India.