

Social Sectors

Progress towards sustained improvement in the quality of life of the people in general and the poor in particular continued as reflected in the UNDP's global Human Development Report (HDR) for 2006 which ranks India in terms of the Human Development Index (HDI) at 126, up one rank from last year, among the countries with medium human development out of 177 countries of the world (Table 10.1). In terms of the Gender Development Index (GDI), however, India showed a marked improvement from the 105th rank in 2000 to 96th rank in 2004.

10.2 Progress on the social sector front, however, continued to be slow as reflected in India's latest HDI ranking being lower by two compared to 2000. While the comparable absolute values of the three dimensional (income, health and education) HDI for India has improved consistently over the years, the

relative ranking of India has remained sticky. Some countries in the region have done better than India.

10.3 The paramount need for making rapid strides in living standards, health, education, gender justice, welfare and development of scheduled castes (SCs), scheduled tribes (STs) and other backward castes (OBCs) continues. The Approach Paper to the Eleventh Plan categorically states that the Plan will seek to reduce poverty, disparities across regions and communities by ensuring access to basic physical infrastructure as well as health and education for all, and recognize gender as a cross-cutting theme across all sectors. While the Approach Paper provides the assurance, some major initiatives consistent with the broad outlines of social sector development agenda laid down by the National Common Minimum Programme (NCMP) have already been taken in 2006-07 (Box 10.1)

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	
	2000	2004	2000	2004	2000	2004	2000	2004
Norway	0.956	0.965	1	1	0.941	0.962	3	1
Australia	0.947	0.957	5	3	0.956	0.956	1	3
Sri Lanka	0.747	0.755	89	93	0.737	0.749	70	68
China	0.730	0.768	96	81	0.699	0.765	77	64
Indonesia	0.682	0.711	110	108	0.678	0.704	91	81
India	0.577	0.611	124	126	0.560	0.591	105	96
Pakistan	0.511	0.539	138	134	0.468	0.513	120	105
Bangladesh	0.510	0.530	145	137	0.468	0.524	121	102
Nepal	0.500	0.527	142	138	0.470	0.513	119	106
Mozambique	0.364	0.390	170	168	0.307	0.387	144	128
Niger	0.268	0.311	172	177	0.263	0.292	146	136

Source : UNDP Human Development Report (HDR) 2002 & 2006.

Box 10.1 : Major initiatives in the Social Sector in 2006-07

- The **National Rural Employment Guarantee Scheme (NREGS)** launched on February 2, 2006 has been made fully operational in 200 backward districts of the country. Allocation for three rural employment schemes, i.e., SGRY, NREGS and SGSY, in 2006-07 is Rs. 15,500 crore, of which Rs. 11,300 crore is for NREGS.
- Allocation for **Bharat Nirman**, the programme for building infrastructure and providing basic amenities to rural areas, has been enhanced by 54 per cent from Rs. 12,160 crore in 2005-06 to Rs. 18,696 crore in 2006-07.
- Provision for **health and education** in 2006-07 enhanced by 22.0 per cent and 31.3 per cent, respectively, to Rs. 12,564 crore and Rs. 24,115 crore, respectively.
- The allocation for **Mid-Day Meal (MDM) Scheme**, the largest school lunch programme in the world covering 12 crore children, has been enhanced from Rs.3,345 crore in 2005-06 to Rs. 5,348 crore in 2006-07.
- Provision for **Rajiv Gandhi National Drinking Water Mission** (for rural drinking water supply) has been increased from Rs. 4,050 crore to Rs. 5,200 crore between 2005-06 and 2006-07.
- Allocation for **National Rural Health Mission**, launched on April 12, 2005, increased from Rs. 6,731 crore to Rs. 9,065 crore between 2005-06 and 2006-07.
- Against an estimated outlay of Rs. 6,250 crore for the **Jawaharlal Nehru National Urban Renewal Mission** for 2006-07, Rs. 4,595 crore has been provided as grant component.
- Old age pensions granted to destitute persons of 65 years and above under the **National Social Assistance Programme (NSAP)** has been increased from Rs. 75 per month to Rs. 200 per month. The Central grant allocated on this account is Rs. 2,800 crore during 2006-07.
- Allocation for schemes exclusively for **welfare and development of SCs and STs** has been enhanced by 14.5 per cent to Rs. 2,902 crore in 2006-07.

10.4 Central government expenditure on social services including rural development have gone up consistently over the years increasing from Rs. 18,240 crore in 1995-96

to Rs. 87,607 crore in 2006-07 (BE) (Table 10.2). While most social sector subjects fall within the purview of the States, Central support for social programmes has

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

(Rs. Crore)

Social service	1995-96	2001-02	2002-03	2003-04	2004-05	2005-06 (RE)	2006-07 (BE)
1. Social Service							
a. Education, Sports, Youth Affairs	3,630	8,642	9,885	10,928	13,985	18,018	23,530
b. Health & Family Welfare	2,542	5,977	6,521	7,195	8,191	9,988	12,941
c. Water Supply, Housing etc.	1,756	5,989	6,815	7,892	9,023	9,759	10,375
d. Information & Broadcasting	596	1,284	1,395	1,300	1,319	1,557	1,594
e. Welfare of SC/ST and OBC	800	1,093	1,152	1,132	1,322	1,482	1,763
f. Labour & Employment	507	847	771	833	1,002	1,262	1,478
g. Social Welfare & Nutrition	1,270	2,620	2,372	2,343	2,580	3,799	4,673
h. North-Eastern areas	-	-	-	-	-	7,884	9,571
i. Other Social Services	530	2,010	438	713	1,701	2,220	802
Total	11,631	28,462	29,349	32,336	39,123	55,969	66,727
2. Rural Development	6,609	6,241	11,960	12,226	9,514	14,250	15,654
3. i) Pradhan Mantri Gramodaya Yojana (PMGY)*		2,533	2,600	2,400	2,766	-	-
ii) Pradhan Mantri Gram Sadak Yojana (PMGSY)*		2,500	2,500	2,325	2,461	4,220	5,226
4. Social Service, Rural Dev., PMGY and PMGSY (1+2+3)	18,240	39,736	46,409	49,287	53,864	74,439	87,607

* : Launched in 2000-01 (BE) as a new initiative for basic rural needs. However, PMGY has been discontinued from 2005-06.

Source : Budget documents.

continued to expand in various forms. While part of the normal central assistance gets integrated into annual plans of States for social sector development, the major programme-specific funding to States is through the Centrally Sponsored Schemes (CSS). Pattern of funding for schemes, however, varies depending on not only the importance attached to the sectors, but also the inability of the States to pledge huge resources for large interventions. For example, about 90 per cent central grant is available for programmes like the National Rural Employment Guarantee Scheme (NREGS) and Mid-Day-Meal (MDM) Scheme, while for certain other schemes,

State share of funding may go up to as much as 50 per cent.

10.5 The emphasis on social sector is also reflected in the increasing trend of expenditure on social services by the general government (Centre and States combined) in recent years (Table 10.3). Expenditure on social sectors, as a proportion of total expenditure, after decreasing from 21.4 per cent in 2001-02 to 19.7 per cent in 2003-04, increased to 22.2 per cent in 2006-07 (BE). The corresponding increases in the share of total expenditure for education and health were from 9.7 per cent to 10.6 per cent, and from 4.4 per cent to 5.1 per cent, respectively.

**Table 10.3 : Trends of social sector expenditure by General Government
(Centre and State Governments combined)**

ITEMS	2001 -02 Actual	2002 -03 Actual	2003-04 Actual	2004 -05 Actual	2005 -06 RE	2006-07 BE
In rupees crore						
Total expenditure	644,746	704,904	796,384	869,757	1,009,668	1,114,929
Expenditure on social sector	137,843	145,226	156,893	177,016	222,210	247,572
Education	68,071	72,535	76,878	85,793	102,628	117,812
Health	28,578	31,457	34,822	39,078	50,164	56,932
Others	41,194	41,234	45,193	52,146	69,418	72,828
(In per cent)						
As percentage of GDP:						
Total expenditure	28.26	28.77	28.85	27.82	28.30	27.19
Expenditure on social sector	6.04	5.93	5.68	5.66	6.23	6.04
Education	2.98	2.96	2.79	2.74	2.88	2.87
Health	1.25	1.28	1.26	1.25	1.41	1.39
Others	1.81	1.68	1.64	1.67	1.95	1.78
As percentage of total expenditure:						
Expenditure on social sector	21.4	20.6	19.7	20.4	22.0	22.2
Education	10.6	10.3	9.7	9.9	10.2	10.6
Health	4.4	4.5	4.4	4.5	5.0	5.1
Others	6.4	5.8	5.7	6.0	6.9	6.5
As percentage of social sector expenditure						
Education	49.4	49.9	49.0	48.5	46.2	47.6
Health	20.7	21.7	22.2	22.1	22.6	23.0
Others	29.9	28.4	28.8	29.5	31.2	29.4

Source : Budget documents of Union and State Governments/RBI.