

TREND IN SOCIAL SECTOR EXPENDITURE

10.20 Central Government expenditure on social services and rural development has gone up consistently over the years (Table 10.8). The share of Central Government expenditure on social services including rural development in total expenditure (plan and non-plan) has increased from 11.23 per cent in 2002-03 to 19.44 per cent in 2008-09 (RE). Central support for social programmes has continued to expand in various forms although most social sector subjects fall within the purview of the States. Major programme specific funding is available to the states through the Centrally-sponsored schemes.

10.21 Expenditure on social services including education, sports, art and culture, medical and public health, family welfare, water supply and sanitation, housing, urban development; welfare of SCs, STs and OBCs, labour and labour welfare, social security and welfare, nutrition, relief for natural calamities etc. by the General Government (Centre and States

combined) has shown increase in recent years (Table 10.9) reflecting higher priority to social services. Expenditure on social services as a proportion of total expenditure increased from 19.3 per cent in 2003-04 to 21.6 per cent in 2006-07 and further to 22.4 per cent in 2007-08 (RE) and 24.1 per cent in 2008-09 (BE). Expenditure on education as a proportion of total expenditure has increased from 9.5 per cent in 2003-04 to 10.8 per cent in 2008-09 (BE). Share of health in total expenditure has also increased from 4.3 per cent in 2003-04 to 5.1 per cent in 2008-09 (BE).

10.22 The Government in recent years has increased its outlays in the social sector. However, the reach of public and quasi-public goods and services supplied by the state to people still leave a lot of scope for improvement. There are still leakages in the schemes and the benefits in full do not reach the intended target groups of people. At the same time, some innovative measures have been initiated in NREGS to bring in more transparency in

Table 10.8 : Central Government expenditure (Plan and non-Plan) on social services and rural development

(as per cent of total expenditure)

ITEM	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 RE
1. Social Service							
a. Education, Sports, Youth affairs	2.39	2.32	2.81	3.71	4.28	4.24	4.07
b. Health & Family welfare	1.58	1.53	1.64	1.89	1.87	2.08	1.86
c. Water Supply, Housing etc.	1.65	1.67	1.81	2.08	1.72	2.06	2.34
d. Information & Broadcasting	0.34	0.28	0.26	0.30	0.25	0.22	0.21
e. Welfare of SC/ST and OBC	0.28	0.24	0.27	0.33	0.34	0.38	0.35
f. Labour & Employment	0.19	0.18	0.20	0.25	0.32	0.27	0.27
g. Social Welfare & Nutrition	0.57	0.50	0.52	0.84	0.85	0.84	0.73
h. North-Eastern areas	0.00	0.00	0.00	0.00	0.00	0.00	1.58
i. Other Social Services	0.11	0.15	0.34	0.40	-0.17	1.29	1.79
Total	7.10	6.86	7.85	9.79	9.47	11.39	13.19
2. Rural Development	2.89	2.59	1.91	3.12	2.84	2.56	4.55
3. I) Pradhan Mantri Gramodaya Yojana (PMGY) ^a	0.63	0.51	0.56	0.00	0.00	0.00	0.00
II) Pradhan Mantri Gram Sadak Yojana (PMGSY)	0.60	0.49	0.49	0.83	1.08	1.54*	1.70*
4. Social Services, Rural Dev., PMGY and PMGSY	11.23	10.46	10.81	13.75	13.38	15.48	19.44
5. Total Central Government Expenditure	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source : Budget documents and Ministry of Rural Development.

^a Launched in 2000-01 as a new initiative for basic rural needs. However, PMGY has been discontinued from 2005-06.

* Includes Rs. 7,000 crore and Rs. 7,500 crore as loans taken from RIDF Window of NABARD during 2007-08 (actual) and 2008-09 (RE) respectively.

Table 10.9 : Social services expenditure (Centre and State Governments combined)

ITEMS	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 RE	2008-09 BE
Total Expenditure	7,96,384	8,69,757	9,59,855	11,09,174	13,55,831	14,85,536
Expenditure on Social Services	1,53,454	1,72,812	2,02,672	2,39,340	3,03,490	3,57,381
of which:						
i) Education	75,607	84,111	96,365	1,14,744	1,35,679	1,60,642
ii) Health	34,066	37,535	45,428	52,126	66,423	75,055
iii) Others	43,781	51,166	60,879	72,470	1,01,388	1,21,684
	As percentage of GDP					
Total Expenditure	28.91	27.62	26.76	26.86	28.70	27.91
Expenditure on Social Services	5.57	5.49	5.65	5.80	6.43	6.72
of which:						
i) Education	2.74	2.67	2.69	2.78	2.87	3.02
ii) Health	1.24	1.19	1.27	1.26	1.41	1.41
iii) Others	1.59	1.62	1.70	1.76	2.15	2.29
	As percentage of total expenditure					
Expenditure on Social Services	19.3	19.9	21.1	21.6	22.4	24.1
of which:						
i) Education	9.5	9.7	10.0	10.3	10.0	10.8
ii) Health	4.3	4.3	4.7	4.7	4.9	5.1
iii) Others	5.5	5.9	6.3	6.5	7.5	8.2
	As percentage of social services expenditure					
i) Education	49.3	48.7	47.5	47.9	44.7	44.9
ii) Health	22.2	21.7	22.4	21.8	21.9	21.0
iii) Others	28.5	29.6	30.0	30.3	33.4	34.0

Source : Budget Documents of the Union and State Governments, RBI.

disbursements of funds and prevent leakages. However, it is necessary that for every programme, an Internet accessible public accountability information system (PAIS) should be available. This system would provide information about the funds allocated and the expenditure made along with the name of the beneficiaries. This system should be accompanied by an integrated smart card system which empowers the citizen to demand approved/budgeted entitlements as right. The system needs to be built on the identification and issue of unique ID number to all residents. Based on this Unique ID number (UID) and associated information all residents should be entitled to a smart card containing specified unchangeable data. Entitlements would then need to be based upon the data contained in the smart card and services/subsidies/entitlements received would also be recorded against this card. This system would help

in proper targeting and ensuring services reaching the intended beneficiaries of the Government programmes and hence serve as the basis of efficient delivery of services. UID scheme is a Planning Commission initiative and the initial UID database would be created using the electoral rolls database of the Election Commission of India. This database would be then enriched through linkages with partner databases. Initially, the linkages would be made with ration card database of the Department of Food and Public Distribution and the Below Poverty Line database created from the socio-economic household survey conducted by the Ministry of Rural Development. The Government of India has approved the constitution of UID Authority of India (UIDAI) as an attached office of the Planning Commission with an initial core team of 115 positions. The Planning Commission is in the process of positioning the core team.