

RGICS



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RGICS ISSUE BRIEF

(February, 2018)

**Social Sector Highlights & Critical
Overview of the Union Budget 2018-19:
Health, Education, Women and Children,
SC/STs and Employment Generation**

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Union Budget 2018

Social Sector Highlights and Critical Overview: Health, Education, Women and Children, SC/STs and Employment Generation

Introduction

Rural economy, agriculture and health care have received special attention in the Budget of 2018. The Budget presents several attractive proposals but does not back it up with adequate funds and data. Several of the initiatives are also mere renaming of existing projects and also reflect unused funds from the previous year. This document presents the key highlights of what the Budget holds for the sectors of education, health, women and children, SC/ST and job creation. It also discusses the allocations in the sectors mentioned above and presents a critical overview of the proposed policies.

The combined expenditure on health, education and social security has been increased to 1.38 lakh crores from 1.22 lakh crores. One of the big announcements on the health front has been the flagship programme aimed at covering 10 crore families (50 crore beneficiaries) at 5 lakhs per family for secondary and tertiary care. This scheme is being promoted as the largest government funded programme and a move towards universal health coverage. In addition to this Rs 600 crores will be allotted for providing nutritional support to tuberculosis patients. However health and education cess has been increased by 1% and the education cess on imported goods is to be replaced by a social welfare surcharge of 10%. The Budget 2018 also announced the launch of 1.5 lakh centres which will provide essential drugs, maternal and child services. Rs 1200 crores have been set aside for this programme. It is to be noted that these centres are not new, they are already operational.

Several benefits have been announced for the education sector too. One of them being the launch of RISE (Revitalising Infrastructure and Systems in Education) with an investment of Rs 1,00,000 crore in the next four years. The HEFA (Higher Education Financing Agency) will be structured to fund RISE. This investment is meant for research and infrastructure in premier educational institutes including health institutes. All this is aimed at providing quality education through technology. In addition to this, every block with more than 50% of Scheduled Tribe population and atleast 20,000 tribals will have an Eklavya Model Residential School based on the Navodaya school model. An integrated B.ED programme for teachers will also be initiated and teacher training will be given priority. There is also a proposal to set up twenty four medical colleges and hospitals.

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The budget of 2018 has seen a 20% increase in the allocation to the ministry of Women and Child development from Rs17,640 crores last year to Rs 22, 095 crores this year. The Indira Gandhi Matritiva Sahyog Yojana has seen a leap from Rs 643 crores to Rs 2700 crore which includes Rs 6000/ for women who opt for institutional delivery and vaccination. Mahila Shakti Kendra will be set up at the village level and has been allotted Rs 500 crore for 14 lakh ICDS aganwadi centres. The Child Protection Scheme has been subsumed under ICDS and has received an allocation of Rs 648 crore. The Beti Padhao Beti Bachao scheme has been allocated Rs 200 crores - a five times increase; the Nirbhaya corpus fund now stands at Rs 3000 crore after an allocation of Rs 500 crore this year. Apart from this, there has been a substantial increase in the allocation to the National Rural Livelihood Mission of Rs. 5750 crore in 2018-19. The social security programme has received a boost with an allocation of Rs. 9, 975 crore for the National Social Assistance Programme this year. Keeping in mind, the decline of women's participation in labour over the past few years, the Budget states that only 8% EPF will be charged from women for first three years. About 8 crore women living below poverty line are set to receive free LPG connection.

The allocation to SC/STs has been increased from Rs 39,1000 crores to Rs 566000crores. The expenditure of the SC/ST plan/sub plan over the years is mapped in the table given below.

TABLE -1

Indian Population	12414,9 1,960	SC - 16.6%	ST 8.6%						
	2014-15 (BE)	2014- 15 (AE)	2015- 16 (BE)	2015- 16 (AE)	2016- 17 (BE)	2016- 17 (AE)	2017- 18 (BE)	2017- 18 (RE)	2018- 19 (BE)
Total Budget	17,94,8 92	16,63,6 73	17,77,4 77	17,90,7 83	19,78,0 60	19,75,1 94	21,46,7 35	22,17,7 50	24,42,2 13
Allocation / Expenditure for Scheduled Castes under SCP									
Allocation under SCP	50,548	30,035	30,851	30,604	38,833	34,334	52,393	52,719	56,619
SCP in Percentage	2.82	1.81	1.74	1.71	1.96	1.74	2.44	2.38	2.32
Due SCP	2,97,95 2	2,76,17 0	2,95,06 1	2,97,27 0	3,28,35 8	3,27,88 2	3,56,35 8	3,68,14 7	4,05,40 7

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Shortage in SCP	2,47,404	2,46,135	2,64,210	2,66,666	2,89,525	2,93,549	3,03,965	3,15,428	3,48,789
Allocation /Expenditure for Scheduled Tribes under TSP									
Allocation under TSP	32,387	19,921	19,980	21,217	24,005	21,811	31,920	32,508	39,135
TSP in Percentage	1.80	1.20	1.12	1.18	1.21	1.10	1.49	1.47	1.60
Due TSP	1,54,361	1,43,076	1,52,863	1,54,007	1,70,113	1,69,867	1,84,619	1,90,727	2,10,030
Shortage in TSP	1,21,974	19,867	1,32,883	1,32,791	1,46,108	1,48,056	1,52,700	1,58,218	1,70,896
Allocation /Expenditure for SC/ST together under SCP/TSP									
Allocation under SCP/TSP	82,935	49,956	50,831	51,820	62,838	56,144	84,312	85,227	95,753
SCP/TSP in percentage	4.62	3.00	2.86	3.20	3.18	2.84	3.93	3.84	3.92
Due SCP/TSP	4,52,313	4,19,246	4,47,924	4,51,277	4,98,471	4,97,749	5,40,977	5,58,873	6,15,438
Shortage in SCP/TSP	3,69,378	2,66,001	3,97,094	3,99,457	4,35,633	4,41,605	4,56,665	4,73,646	5,19,684

Source : Delhi Solidarity Group

As per the analysis presented by SC/ST groups as an initial reaction to the budget 2018, "In the year 2014-15 Rs. 20,513 Cr and in the year 2016-17 Rs. 4,499 Cr remains unspent from the welfare fund of Scheduled Castes. For Scheduled Tribes Rs. 12,466 Cr remain unspent in the year 2014-15 and in the year 2016-17 it is Rs.

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2,195 Cr. Percentage of allocation from total Budget 2018-19 is less (SC-2.32% for SC and 1.60% for ST) than that of the year 2014-15 (SC-2.82% and ST – 1.8%)” (Delhi Solidarity group).

In the following section we will highlight the key takeaways and critical overview of the Budget 2018, on issues of health, education, women and children and scheduled castes and scheduled tribes and employment.

I. HEALTH

The budget 2018 is a first in many ways. In a departure from the previous years, the overall allocation for the health sector in 2018-19 Budgets (including the Ministry of Health and Family Welfare and the Ministry of AYUSH) has increased.

i. Allocations

Budget Estimates of Expenditure for 2018-19 show an increase of `2,24,463 crore over the Revised Estimates 2017-18. Under Health and Family Welfare there has been an increase of Rs.1851 crore (higher provision made for Pradhan Mantri Swasthya Suraksha Yojana as stated by the Ministry).

In 2018-19, the MoHFW received an allocation of Rs 54,600 crore (Adding up Department of Health and Family Welfare and Department of Health Research). **In 2017-18, the MoHFW received an allocation of Rs 48,853 crore.**

TABLE -2

Health Sector - Allocations across Different Departments/Ministries (Rs. crore)

Ministry	2016-17 (A)	BE 2016- 17	RE 2017- 18	BE 2018-19	Demand for Grants of Central Govt.
Department of Health and Family Welfare	37671.30	47352.51	51550.85	52800.00	77069.85
Department of Health Research	1323.60	1500.00	1743.39	1800.00	3216.00

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Ministry of AYUSH	1246.34	1428.65	1557.80	1626.37	2130.80
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<http://www.indiabudget.gov.in/vol2.asp?pageid=1>

TABLE 3

CENTRALLY SPONSORED SCHEMES

Scheme	2016-2017 (A)	2017-2018 BE	2017-2018 RE	BE 2018-19
National Health Mission (NHM)	22869.73	27131.20	31292.06	30634.04
Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)	1953.15	3975.00	3175.00	3825.00
Rashtriya Swasthya Bima Yojana (RSBY)	1379.99	1000.00	470.52	2000.00
Tertiary Care Programs (under the Health Ministry)	641.23	725.00	665.90	750.00
Other Central Sector Expenditure (under the Health Ministry)	7109.49	7964.38	9144.36	8813.69

<http://www.indiabudget.gov.in/ub2018-19/eb/stat4a.pdf>

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ii. Highlights: Proposals for the health sector in the Union Budget 2018-19

- Government launches world's largest health care programme. Flagship national health protection scheme to cover 10 crore families -- Rs 5 lakh cover. It aims to provide a cover of up to Rs 5 lakh a family every year for secondary and tertiary care hospitalisation. Budget documents show that the expenditure on health in 2018-19 is pegged at Rs 54,667 crore compared to a revised estimate of Rs 53,198 crore in 2017-18.
- Ayushman Bharat initiative to provide comprehensive healthcare with focus on maternal and child health services. Rs 1,200 crore for the programme. 1.5 lakh Health Sub Centres will be transformed into Health and Wellness Centres. 1.5 lakh Health Sub Centres will be transformed into Health and Wellness Centres under National Health Policy 2017
- Increases health and education cess to 4 per cent. It was earlier 1 per cent. Education and healthcare allocation increased to Rs 1.38 lakh crore
- Government allocates Rs 600 crore to provide nutritional support to Tuberculosis patients @ Rs 500 a month through treatment period
- 24 new government medical colleges and hospitals to be established by upgrading existing district hospital. One medical college per every three constituency
- Increases health and education cess to 4 per cent. It was earlier 1 per cent.(Tax proposal)
- Rs 50,000 additional benefit to senior citizens for investment in mediclaim.

iii. Critical Overview

- The budget allocation to the health sector shows a overall decline 2.1% from last year. Though the allocation for the Department of Health and Family Welfare for 2018-19 is Rs 52,800 crore, an increase of about 2.5% from the revised estimate for 2017-18 – Rs 51,550.85 crore. Therefore, terms of percentage of the GDP, there is a decline in the health budget this year.
- There has been an increase in the health and education cess to 4% (the break-up of which is not available). This puts additional pressure on in the name of health expenditure for the poor, while enabling higher profits for the private healthcare sector. Crucial schemes like National AIDS and

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STD Control Programme, National Health Mission, and other family welfare schemes which should have been the priority face a decrease in budget allocation this year.

- The National Rural Health Mission has already faced severe criticism in the recent CAG Report tabled in the Monsoon Session 2017 for under utilisation of funds, uncontrolled circulation of expired and sub-standard medicines at government hospitals and acute shortage of doctors and paramedical staff. Under these circumstances, the decrease in budget allotment will further put the lives of the rural population including women and certainly does not go with government's ambitious "Health for All" campaign.
- The allotment of Rs 1200 cr for the new health and wellness centres is simply not enough as it means a mere Rs. 80,000 for each sub centres for it's functioning and maintenance.
- **The Grand Health Scheme**
 - In its final iteration in 2016-2017, the RSBY also targeted 5.9 crore families, and managed to enroll 3.6 crore families. Thus the government's announcement today of reaching ten crore families is also vastly ambitious. Last year, the Budget was revised to less than 50% of what was initially estimated. The allocation this year sees a small increase to Rs 2,000 crore. These figures put the credibility of these announcements themselves under doubt.
 - The actual budgetary allocation for the Rashtriya Swasthya Bima Yojana comes to less than Rs 2,000 crore which implies that only Rs 672 crore more than the amount in last year's budget (which incidentally was not spent). There has been no explanation as to where the rest of the money is to come from and why is it limited to only inpatients. The main question that arises here is of the premium and how the government intends to pay for the insurance premium.
 - In the last few years of the RSBY, both the amount of money released as well as utilised, fell considerably. The number of states participating also petered out, with only eight states utilising any of the money disbursed to them under RSBY. Hence, this scheme has neither managed to significantly reduce out-of-pocket expenditure nor has it increased access to healthcare for the poor.

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- As per the government data shows that out of 7,226 hospitals empanelled by the government for RSBY, more than half of them 4,291 hospitals were private, while 2,935 were public hospitals. This implies that the healthcare budget will largely benefit the corporate in terms of generating more profits than the targeted beneficiaries the poor. The recent Health Survey (NFHS-4) by the Health Ministry too has pointed out that more than 55% of households in India do not generally seek health care from the public sector. Hence, by not focusing on strengthening availability of public services allows more opportunities for the private sector to make money out of poor people's illness.

II. Education

i. Allocations

The Budget 2018-2019 allotted Rs 50000 crores to school education and literacy and Rs 35010 crores to higher education. The budget for national education mission was pegged at Rs 31212.51 crores and the mid meal scheme at Rs 10000 crores, both of which the FM claimed will ensure universal school enrolment by 2022. Student financial aid was pegged at Rs 2600 for higher education.¹ It however does not address tax benefits associated with education loans.

TABLE 4

Allotments to schemes:

Scheme	Budget 2017-18 (in crores)	Budget 2018-19 (in crores)
Sarva Siksha Abhyan	23500.00	26128.81
Mid day meal scheme	10000.00	10500.00
Rashtriya Madhyamik Shiksha Abhiyan	3830.00	4213.00
National Scheme for Incentive to Girl Child for Secondary Education	320.00	255.00
Programme for Development of Minorities	120.00	120.00
National Education Mission	1300.00	1400.00

¹<http://www.indiabudget.gov.in/ub2018-19/eb/sbe57.pdf>

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Scheme	Budget 2017-18 (in crores)	Budget 2018-19 (in crores)
Research and Innovation	315.45	350.23
Digital India E-learning	497	456
Student Financial Aid	2380.00	2600.00

ii. Highlights: Proposals for the Education sector in the Budget 2018

- Introduction of the “Revitalising Infrastructure and Systems in Education” (RISE) by 2022 with a total investment of Rs 1,00,000 crore in next four years. This will aim at stepping up investments to provide an impetus to research and related infrastructure in premier educational institutions, including health institutions. As corollary to this initiative, it was stressed that Higher Education Financing Agency (HEFA) would be suitably structured for funding the RISE.
- Another scheme that was highlighted was the Prime Minister’s Research Fellows (PMRF) Scheme. The scheme would identify 1,000 best B.Tech students each year from premier institutions and provide them facilities to do Ph.D in IITs and IISc, with a fellowship. Additionally, it was also proposed that 24 new Government Medical Colleges and Hospitals be set up by upgrading district hospitals in the country.
- To further promote and encourage higher education, up to two new full-fledged Schools of Planning and Architecture will be selected on challenge mode. Additionally, 18 new SPAs would be established in the IITs and NITs as autonomous Schools. The budget assigned for IITs and NITs overall is 4239 crores.²
- In the light of falling standards of primary education, the government announced that it will initiate an integrated B.Ed. programme for teachers. This proposal is preceded by the 1st amendment to the RTE Act moved by the government in 2017 which directs more than 13 lakh untrained teachers to undergo training as a compulsory requirement.
- A flagship program that was introduced is the recently launched digital portal DIKSHA which will aim at using the technology to improve the quality of the education as well as to upgrade the skills of teachers.

²<http://www.indiabudget.gov.in/ub2018-19/eb/sbe58.pdf>

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Budget allocation for Digital India E-learning is however only 0.01% for school education and 0.004% for higher education.

- Placing a special focus on enhancing the quality and accessibility of education of tribal children, the Finance Minister proposed that by the year 2022, every block with more than 50% ST population and at least 20,000 tribal persons will have an Ekalavya Model Residential School on the lines of Navodaya School.
- The budget announcement also proposed replacing the existing 3 per cent education cess on personal income tax and corporation tax with a 4 per cent 'Health and Education Cess' to take care the education and health needs of poor and rural families.
- At present, a 3 per cent cess, consisting of 2 per cent cess for primary education and 1 per cent cess for secondary and higher education

III. Critical Overview

- **RISE:** The aim is to step up investments to provide an impetus to research and related infrastructure in premier educational institutions, including health institutions. Centrally funded institutions (CFIs) such as IITs, IIMs, NITs, IIITs and central universities will no longer receive budget grants for expanding and building new infrastructure. As corollary to this initiative, it was stressed that Higher Education Financing Agency (HEFA) would be suitably structured for funding the RISE. Although this move is likely to encourage fundraising which is important for the autonomy of the institute, this must be over and above the amount budgeted by the Government and not adjusted against it; otherwise, it would defeat the very purpose of setting it up.
- **Impact of HEFA:** The focus on HEFA leads to the assumption that the likelihood of students availing loans in addition to cover the expenses of education costs is almost certain to increase. This situation further worsens an already unfavourable economic situation with Indian banks witnessing a 142% rise in default by students who have taken education loans during the past few years. **NPAs in the education sector stands at Rs 6,336 crore at the end of December 2016, against Rs 2,615 crore in March 2013 which is 8% of the total NPAs.**³The rise in bad loans in the education loan segment in 2013-2016 coincided with the Indian industry battling overcapacity, demand slowdown, stalling of new projects and defaults by top corporates. At the same time, the demand for loans

³<http://indianexpress.com/article/business/banking-and-finance/bad-education-loans-in-3-years-have-seen-142-per-cent-rise-indian-banks-4753878/>

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was up as educational institutions, especially engineering and management colleges, mushroomed, without a check on quality. As the economy is struggling to create jobs and adequate employment opportunities, this rise could be disastrous for students especially from the lower economic strata. While student financial aid is pegged at Rs 2600 for higher education, it does not address tax benefits associated with education loans.⁴

- **Focus on premier institutes:** The budget assigned for IITs and NITs overall is Rs 4239 crores.⁵ The announcement was touted as a major impetus to research in the country. However, the budget allocation only reflects a nominal hike. Moreover, all the major schemes and initiatives cater to the top class institutions whether it is the emphasis on research, setting up of Institutes of Eminence or the Higher Education Funding Agency whereas the both the CAG report and ASER survey report has highlighted the lack of infrastructure in the rural areas. These premier institutes which the government has chosen to exclusively focus on account for 6% of the total student population in India while 94% students are based in semi urban and rural areas.
- **Failure to address concerns raised by CAG reports:** The FM's speech also put special emphasis on SSA and mid day meal scheme, claiming to ensure universal schooling by 2022. In outlaying a disproportionately large budget for SSA, the government appears to have ignored the recommendations of CAG report which flagged discrepancies and under-utilisation of funds under SSA and suggested that importance be given to reviewing the timelines of the RTE budgeting exercise in line with the budget formulation exercise at the centre and the state levels. Ministry statistics on education outline the concern of growing number of drop outs which implies that focus should be more on retention rather than enrolment which has already displayed satisfactory results. Rashtriya Uchchar Shiksha Abhiyaan (RUSA) which attempts to fix this imbalance should have been the centrepiece for the Higher Education this year⁶. The drop in the budgetary allowance for incentives to the girl child also reflects poor understanding of the prevailing scenario in rural areas where CAG reports have stated an increase in the gender disparity.
- **Hike in cess:** The budget announcement also proposed replacing the existing 3% education cess on personal income tax and corporation tax with a 4% 'Health and Education Cess' to take care the education and health needs of poor and rural families. At present, a 3% cess, consisting of 2 per

⁴<http://www.indiabudget.gov.in/ub2018-19/eb/sbe57.pdf>

⁵<http://www.indiabudget.gov.in/ub2018-19/eb/sbe58.pdf>

⁶<https://timesofindia.indiatimes.com/business/india-business/toi-budget-2018-analysis-india-needs-more-spends-on-education/articleshow/62721674.cms>

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cent cess for primary education and 1 per cent cess for secondary and higher education. The new tax imposed provides no clarification or transparency on the break up of the cess.

- **Promotion of SC/ST education infrastructure:** The budget however does address the concerns raised by the Ministry of HRD's dismal statistics on education and literacy amongst SC/ST children. The government's initiative for Eklavya schools is thus, a welcome initiative although no mention has been made regarding its implementation.

I. III. Women and Children

i. Allocations

The Budget allocation for children has increased from Rs. 71817.96 crore in 2017-18 (RE) to Rs. 79088.35 crore in 2018-19 (BE). Budget allocation for Union Ministry of Women and Child development has marginally increased from Rs. 12136.81 crore in 2017-18 (RE) to Rs. 24700.00 crore in 2018-19. The Gender Budget allocation has increased from 117221.47 crore in 2017-18 (RE) to Rs. 121961.32 core in 2018-19 (BE). Apart from this allocation towards autonomous bodies under Union Ministry of women and child such as NIPCCD, CARA, NCPCR, NCW, CSWB and RMK has decreased from Rs. 217.06 crore in 2017-18 (RE) to Rs. 181.92 crore in 2018-19 (BE). The budget has marginally increased allocation to almost all schemes for women and children executed by Ministry of Women and Child Development.

ii. Highlights: Proposals for women and children in the Budget 2018

- Reduce new women employees' contribution to EPF to 8% for first three years of their employment against existing rate of 12% or 10% with no changes in employers' contribution.
- Under the Prime Minister's Ujjwala Scheme the government proposes to provide free gas connection under the scheme to 8 crore poor women. This is viewed as a women empowerment scheme as the beneficiaries of this scheme are largely women
- The budget proposes to lend Rs. 3 lakh crore under MUDRA yojana in 2018-19, as 76% of creditors under this scheme are women.
- Women Self Help Groups (SHGs) will also be encouraged to take up organic agriculture in clusters under National Rural Livelihood Programme.
- Rename existing 1.5 lakh Sub Health Centre into 'Health Wellness Centre'. It also proposes to rename Rashtriya Swasthya Bima Yojana with some modification and repackage it as National Health Protection Scheme to cover 10 crore people providing coverage upto 5 lakh rupees per family. The budget believes that this would create lakhs of employment for women. However, it not clear, how this scheme will create jobs for women.

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- Establishment of Ekalavya Model Residential School on par with Navodaya Vidyalaya for tribal children. It proposes that by the year 2022, every block with more than 50% ST population and at least 20,000 tribal persons, will have an Ekalavya Model School.

iii. Critical Overview

- The total Gender Budget has declined from 0.69% of the revised GDP for 2017-18 to 0.65 percent of the projected GDP for 2018-19. There has also been a decline from 5.2 percent to 4.9 percent in terms of the proportion of the Gender Budget to the total budgetary expenditure between 2017-18 (revised estimates) and the proposed budget for 2018-2019.
- As far as the allocations for the Ministry of Women and Child Development are concerned, it has been increased from 0.95% of the total expenditure in the revised estimates of 2017-18 to 1.0 percent of the total projected expenditure for 2018-19. This does nothing to help women.
- Though the budget speech focused on the plight of the woman farmers, the gender specific allocation for women farmers is only 3.92 percent of the entire gender budget (that is an increase of a paltry 0.63 percent in one year).
- Secondly, the Finance Minister has claimed that this budget will increase employment, especially for women. In order to boost employment, the government is banking on skill development, increase in self-employment, support to medium and small enterprises, and the use of MNREGA for building infrastructure. However, the allocation for MNREGA remains the same as the Revised estimate of 2017-18 at Rs. 55000 Cr. The gender budget in MNREGA remains stagnant at Rs. 18333.33 Crores. Further, the allocations for medium and small scale enterprises (MSME) has only gone up by Rs 85 Cr in the entire budget whereas the allocation for Skill Development and Livelihood generation has in fact decreased by Rs. 33 Crore in the last year.
- ASHA workers have been agitating for recognition of their status as workers by the Government. Currently, they are viewed as volunteers and paid far below the minimum wage. There are about 9 lakh ASHA workers under the National Health mission. The ASHA workers act as the link between the rural population and the public health system and are the first point of contact for women and children in far flung area. However the budget has ignored their demand for recognition and a fixed salary.

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IV. Scheduled Castes and Scheduled Tribes

i. Allocations

The Budget 2018 has proposed an earmarked allocation of Rs. 56,619 crore for SCs and Rs. 39,135 crore for STs in BE 2018-19.⁷ According to the FM, the Government had earlier increased total earmarked allocation for SCs in 279 programmes from Rs. 34,334 crore in 2016-17 to Rs. 52,719 crore in RE 2017-18. For STs, earmarked allocation was increased from Rs. 21,811 crore in 2016-17 to Rs. 32,508 crore in RE 2017-18 in 305 programmes. However, the latest CAG report on the accounts of the Union Government notes that during 2016-17, in 22 schemes for SCs and 19 schemes for STs, the allocation amount was reduced ranging from 50 to 100 per cent at RE stage in contravention of instructions given to the Ministries/Departments. Further, out of total 256 and 261 schemes for welfare of SCs and STs, there were no budget allocations in 36 and 42 sub-schemes respectively at BE stage during 2016-17.⁸

TABLE 5
Total Budget Allocations to Ministries 2018-19 (in Rs. Crores)

Ministry	Revenue	Capital	Total
Social Justice and Empowerment	7342.60	407.40	7750.00
Tribal Affairs	5935.00	65.00	6000.00

TABLE 6
Allocations for Welfare schemes for SCs and STs 2018-19 (in Rs. Crores)

Category	Revenue	Capital	Total
Scheduled Castes	56144.69	473.81	56618.50
Scheduled Tribes	35587.89	3546.84	39134.73

⁷ P 13 of the budget speech

⁸ P. 33, CAG Report on the Accounts of the Union Government. Read here at http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf

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ii. Highlights : Proposals for the SC/ST in the Budget 2018

- Starting 2017-18, the NDA Government replaced the Scheduled Castes Sub Plan and Tribal Sub Plan heads in the Union Budget with ‘Allocation for welfare of SCs and STs’ and merged the plan and non-plan estimates – a move criticised by many Dalit and Adivasi rights activists, who termed it as a violation of Article 46 of the Constitution.⁹
- According to the National Campaign for Dalit Human Rights (NCDHR), in the merged scenario of plan and non-plan estimates, the share of allocations for welfare schemes, as per the Narendra Jadhav guidelines (2010), would get revised to **4.63% for SCs and 2.39% for STs** as a share of total budgetary expenditure.¹⁰
- In the 2018-19 budget, the Finance Minister has earmarked the allocation for welfare schemes at Rs. 56,619 crore for SCs and Rs. 39,135 crore for STs. This is an increase when compared to the Revised Estimate figures for the last year’s budget – Rs. 52,719 crore for SCs and Rs. 32,508 crore for STs. But the 2018-19 allocation, as a percentage of total budgetary expenditure, still does not match up to the Narendra Jadhav guidelines.
- Taken as a percentage of total budget expenditure of Rs. 2442213.30 crore, the welfare schemes for SCs and STs stand at **2.31% and 1.6% respectively**

iii. Critical Overview:

- **Disproportionate Welfare Allocations as per 2010 Jadhav Guidelines:** The welfare allocation for SCs and STs as a percentage of total budgetary expenditure does not meet the Narendra Jadhav guidelines. Further, compared to last year, major health and education welfare schemes for SCs and STs have suffered reduction in allocation. The allocation for Self Employment Scheme for Rehabilitation for Manual Scavengers (SRMS) has seen an insignificant increase when compared to the steep decline it witnessed in the past four years.

⁹ <https://thewire.in/105841/dalit-rights-activists-slam-budget-say-allocation-scsts-violation-jadhav-guidelines/>

¹⁰ <http://epaperbeta.timesofindia.com/Article.aspx?eid=31808&articlexml=Raw-deal-in-Budget-say-Dalits-04022017014006>

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TABLE 7

Welfare Allocations as a Percentage of Total Expenditure (Rs. in crores)

	Total Allocation on Welfare Schemes	Allocations as per Jadhav Guidelines (4.63%)	Due Allocation
Scheduled Castes	56618.50	1,13,074.47	56,455.97
Scheduled Tribes	39134.73	58,368.89	19,234.16

Moreover, the latest CAG report on the accounts of the Union Government notes that during 2016-17, in 22 schemes for SCs and 19 schemes for STs, the allocation amount was reduced ranging from 50 to 100 per cent at RE stage in contravention of instructions given to the Ministries/Departments. Further, out of total 256 and 261 schemes for welfare of SCs and STs, there were no budget allocations in 36 and 42 sub-schemes respectively at BE stage during 2016-17.¹¹

- According to several Dalit-Adivasi rights groups, although the total allocation for welfare schemes for SCs and STs has been increased, the allocation as a share of total budgetary expenditure is disproportionate to the share of SCs and STs in the total population (16% SCs and 8% STs).
- **Health and Education – Reduced Allocations:** Out of the total 279 welfare schemes for SCs, key reductions have been noted in the following schemes:

a) Health :

TABLE 8

Ministry/Department	Schemes	2017-18 BE	2018-19 BE
Department of Health and Family Welfare	National Mental Health Programmes	7.63	7.30
	Capacity Building for Trauma Centres	37.68	27.86
	National Programme for prevention and control of Cancer, Diabetes, Cardiovascular Disease	59.29	58.34

¹¹ P. 33, CAG Report on the Accounts of the Union Government. Read here at http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf

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	and Stroke		
	Establishing New Medical Colleges (upgrading District Hospitals)	734.00	558.63
Ministry of Women and Child Development	Aanganwadi Services (Erstwhile Core ICDS)	3320.00	3266.98

b) Education

TABLE 9

Ministry/Department	Schemes	2017-18 BE	2018-19 BE
Department of School Education and Literacy	National Scheme for Incentive to Girl Child for Secondary Education	147.00	117.56
	Teachers Training and Adult Education	185.49	174.95
Department of Higher Education	UGC	300	280
	Support to IITs	590	460
	Support to IIMs	115	100
Department of Empowerment of Persons with Disabilities	National Fellowship for Persons with Disabilities (PwD)	3.84	0
	National Overseas Scholarship for Students with Disabilities	0.32	0
	Scholarship For Top Class Education for Students with Disabilities	0.72	0
	Post-matric Scholarship to students with disabilities	1.60	0
	Free Coaching for Students with Disabilities	0.32	0

Source: <http://www.indiabudget.gov.in/ub2018-19/eb/stat10a.pdf>

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- Similarly, out of the total 305 welfare schemes for STs, key reductions have been noted in the following schemes:

a) Health

TABLE 10

Ministry/Department	Schemes	2017-18 BE	2018-19 BE
Department of Health and Family Welfare	National Mental Health Programmes	4.12	4.00
	Capacity Building for Trauma Centres	20.42	14.43
	Establishing New Medical Colleges (upgrading District Hospitals)	506.30	299.29
Ministry of Women and Child Development	Aanganwadi Services (Erstwhile Core ICDS)	1420.00	1404.80

b) Education

TABLE 11

Ministry/Department	Schemes	2017-18 BE	2018-19 BE
Department of School Education and Literacy	National Scheme for Incentive to Girl Child for Secondary Education	64	51.18
	Teachers Training and Adult Education	98.67	93.37
	Rashtriya Madhyamik Shiksha Abhiyan	744.47	450.79
Department of Higher Education	UGC	154	130
	Support to IITs	298.40	228.00
	Support to IIMs	60.00	50.00
Department of Empowerment of Persons with Disabilities	National Fellowship for Persons with Disabilities (PWD)	1.92	0
	National Overseas Scholarship for Students with Disabilities	0.16	0
	Scholarship For Top Class	0.36	0

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	Education for Students with Disabilities		
	Post-matric Scholarship to students with disabilities	0.80	0
	Free Coaching for Students with Disabilities	0.16	0

Source: <http://www.indiabudget.gov.in/ub2018-19/eb/stat10b.pdf>

- Self Employment Scheme for Rehabilitation for Manual Scavengers (SRMS) – Reduced Allocations :**
 The allocations for SRMS witnessed a huge decrease from FY2014-15. In 2016-17, the allocation declined by 97%, followed by a 50% decline in 2017-18. In this context, the allocation for 2018-19 is highly insignificant.

TABLE 11

Financial Year	Budget Estimate	Revised Estimate
2011-12 ¹²	98.00	33.00
2012-13 ¹³	98.00	20.00
2013-14 ¹⁴	557.00	69.50
2014-15 ¹⁵	439.04	47.00
2015-16 ¹⁶	460.99	-
2016-17 ¹⁷	10.00	1.00
2017-18 ¹⁸	5.00	5.00
2018-19 ¹⁹	20.00	-

- It has been proposed that by 2022, every block with more than 50% ST population and at least 20,000 tribal people to have 'Ekalavya' schools at par with Navodaya Vidyalas. **However, there is no corresponding allocation for the same in the budget.**

¹² <http://www.indiabudget.gov.in/budget2012-2013/ub2012-13/eb/sbe89.pdf>

¹³ <http://www.indiabudget.gov.in/budget2013-2014/ub2013-14/eb/sbe89.pdf>

¹⁴ <http://www.indiabudget.gov.in/budget2014-2015/ub2014-15/eb/sbe90.pdf>

¹⁵ <http://www.indiabudget.gov.in/budget2015-2016/ub2015-16/eb/sbe91.pdf>

¹⁶ <http://www.indiabudget.gov.in/budget2015-2016/ub2015-16/eb/sbe91.pdf>

¹⁷ <http://www.indiabudget.gov.in/budget2017-2018/ub2017-18/eb/stat10a.pdf>

¹⁸ <http://www.indiabudget.gov.in/ub2018-19/eb/stat10a.pdf>

¹⁹ <http://www.indiabudget.gov.in/ub2018-19/eb/stat10a.pdf>

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V. Job Creation

Creation of new jobs has been one the biggest failure of the current government. Several reports suggest that new job opportunities are continuously decreasing. The government has been announcing several corporate friendly schemes in last three years in a bid to create more jobs. These schemes include sharing cost of employee to heavy reduction in corporate taxes. Despite all this, there has been a continuous decline in job creation. In its fourth budget, Mr. Arun Jaitely continued its policy and announced more bonanza for corporate houses. Major highlights of the budget on job creation are as follows:

i. Highlights : Proposal for job generation in the Budget 2018

- **Sharing Staff Cost of Corporate:**
 - The government has decided to contribute 12% of the wages of all new employees in all sectors in the EPF by the government for three years. It will help employer to hire new employee at a lower cost.
 - It proposes to reduce women employees' contribution in EPF to 8% for first three years of their employment against existing rate of 12% or 10% with no change in employers' contribution. This is aimed to encourage women to join workforce. However, this relaxation is nominal and will affect employee' social security investment.
- **Fix term employment:** Fixed-term employment is a contract in which a company or an enterprise hires an employee for a specific period of time. It can be renewed after the term expires depending on the requirement. In a fixed-term employment, the employee is not on the payroll of the company. Workers employed under this job contract are not entitled for a routine job. The government had earlier introduced this scheme in apparel and footwear sector and in this budget, it has announced to extent it to all sectors.
- **Tax Bonanza for Corporate in the name of job creation:** In the Union Budget, 2017, the government announced a reduction of corporate tax rate to 25% for companies whose turnover was less than `50 crore in financial year 2015-16. This benefitted 96% of the total companies filing tax returns. The budget of 2018 proposes to extend the benefit of this reduced rate of 25% also to companies who have reported turnover up to `250 crore in the financial year 2016-17. This will benefit the entire class of micro, small and medium enterprises which accounts

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for almost 99% of companies filing their tax returns. The estimate of revenue forgone due to this measure is ₹7,000 crores during the financial year 2018-19.

- **Skill Development:** Launch of National Apprenticeship Scheme with stipend support and sharing of the cost of basic training by the Government to give training to 50 lakh youth by 2020. The Government is setting up a model aspirational skill centre in every district of the country under Pradhan Mantri Kaushal Kendra Programme. 306 Pradhan Mantri Kaushal Kendra have been established for imparting skill training through such centers.

ii. Critical Overview

- Reducing EPF to 8% for women will not affect participation of women in the work force.
- Fix term employment will increase exploitation of worker and create insecure and informal workforce. It seems that this scheme is to lure corporate to hire workers but has no long term planning and sustainability of job market.
- **MGNREGA:** The current allocation for the MGNREGA has remained unchanged. The Union budget 2018-19 allocated Rs. 55,000 crore for MGNREGA, same amount was allocated in 2017-18(RE). The unchanged allocation for MGNREGA has not taken into account successive increase in demand of work in rural areas under the programme. Deliberately under-financing MGNREGA would adversely affect employment generation in rural areas.
- **Cut back on MGNREGA jobs:** From 2015-16 MGNREGA has been generating employment of more than 235 crore person days every year. The current budget has set target to generate only 230 crore person days in 2018-19. The budget has not only reduced the budget allocation in absolute term but also reduced its target of job creation.
- **Some Hollow Promises of Job Creation:** The budget proposes to rename existing 1.5 lakh Sub Health Centre into 'Health Wellness Centre'. It also proposes to rename Rashtriya Swasthya Bima Yojana with some modification and repackage it as National Health Protection Scheme to cover 10 crore people providing coverage upto 5 lakh rupees per family. The budget believes that this would create lakhs of employment for women. It is not clear that how just renaming of two schemes can generate new jobs. Moreover, both of these schemes have not allocated any funds in this budget.

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