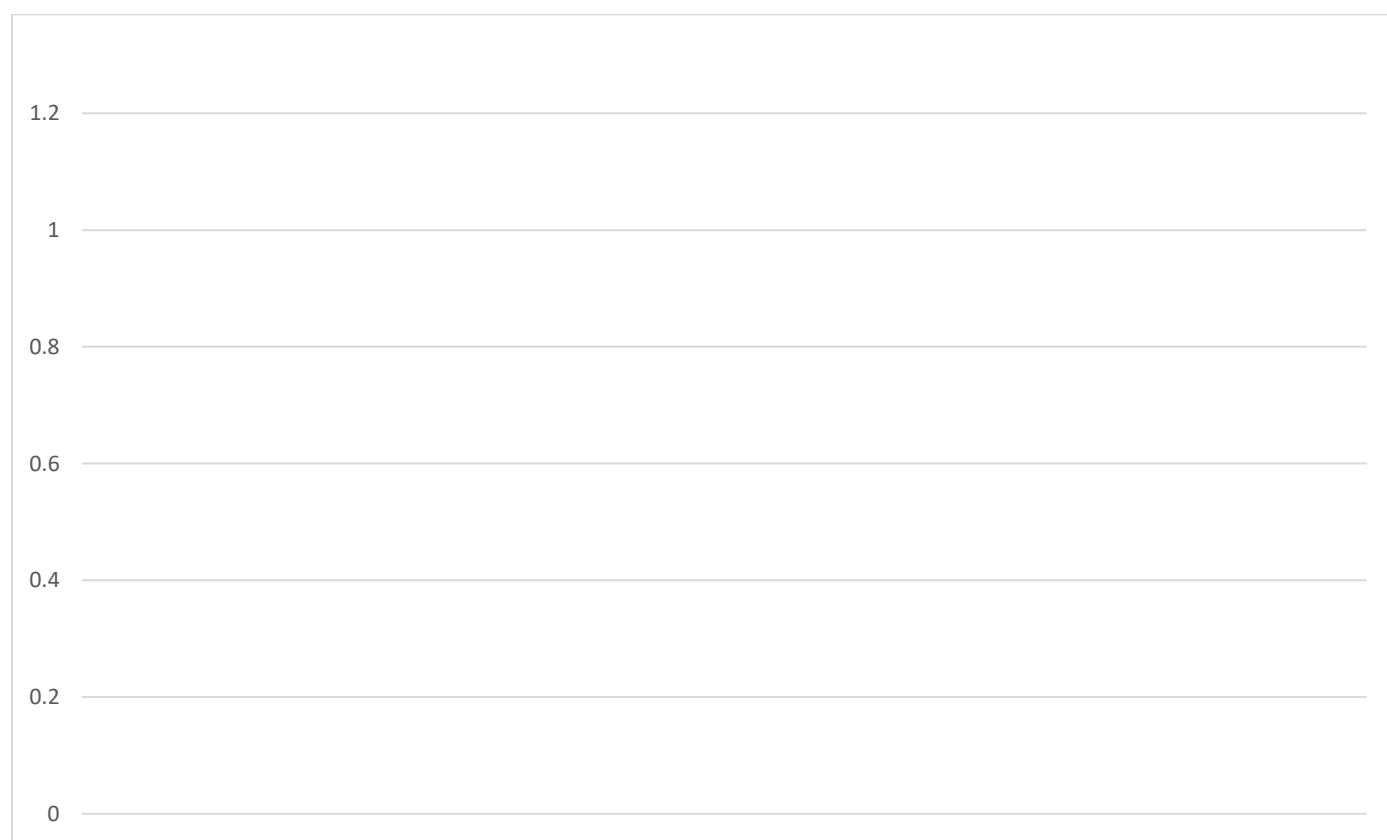


In 2024-25 (BE), the total state expenditure combining revenue and capital, both, is Rs. 736437.71 crore. So far, the biggest budget for the state and among the Indian state including Maharashtra. This is big leap forward to the dream of 1 trillion economy. The current budget is 6.69 percent increase over the 2023-24 budget estimate. The 2023-24 budget has seen a jump of 12.13 percent increase over 2022-23 (BE). Furthermore, in 2019-20 (BE), Uttar Pradesh had Rs. 4,79,701.1 crore budget. It was 11.97 percent increase over the previous budget 2018-19 (BE). The increase in 2019-20 was consistence with increase of 11.27 percent in 2018-19 (BE) over 2017-18 (BE). The trend suggests that 2024-25 (BE) increase is lesser than budget since 2017-18.

Fig. 1



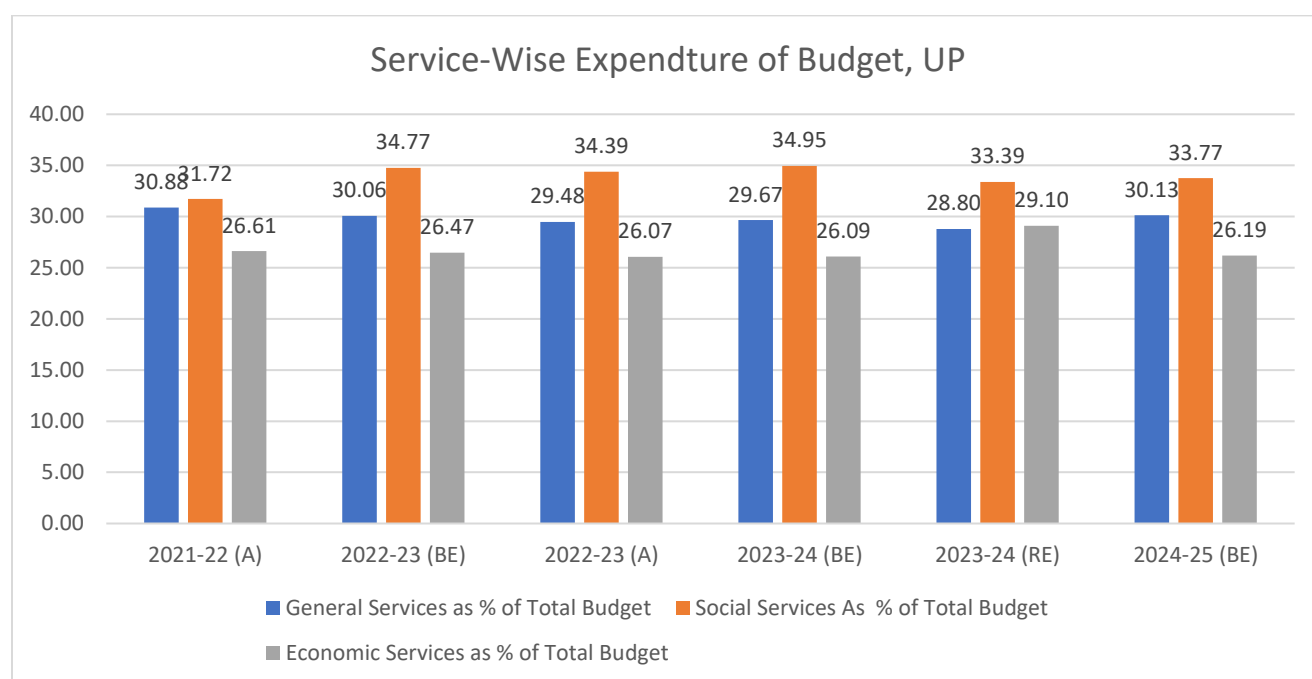
Source: Various year's budget documents, UP, govt.

Nevertheless, students of public finance along with other concern focus not only on the announcement of estimated expenditure but the actual expenditure that takes place in the state. The figure (1) revealed the total estimated has never match the actual expenditure. However, the positive side is that since 2016-17, one can see the gradual increase in actual expenditure, except

in the year 2017-17 and 2020-21. The latest actual expenditure for the year 2022-23 is Rs. 505905.55 crore.

Second aspect of the budget is resource allocation under the social sector. This sector includes General Education, Technical Education, Sports and Youth Services, Arts and Culture, Medical and Public health, Family Welfare, Water Supply and Sanitation, Housing, Urban Development, Social Security, Welfare of SCs/STs and OBCs, Nutrition etc.

Fig. 2



Source: Various years budget documents, UP Govt.

Figure 2 reveal that social sector is getting larger share than general services and economic services. This show the priority of the government in right direction. In 2024-25 (BE), social sector allocation has slightly come down to 33.77 percent as 34.95 percent in 2023-24 (BE), the highest so far. But, 34.39 percent was highest ever in terms of actual allocation under social services in the year 2022-23.

[illegible]

Tribal Sub-Plan, Grant 81		950.04	1335.74	1123.45	838.71	2109.31	2165.02	1251.63	1797.65	1890.49	1638.26
SCSP, Grant 83		19239.14	30362.91	24838.54	19255.43	28163.18	28305.52	20631	30626.73	29297.53	33657.2

Source:

The third layer of analysis deep down to the department-wise estimated, allocated and actual expenditure. Fig. 3 show that combined, primary, middle and higher, allocation for Education in 2024-25 (BE) is Rs. 103813.85 crore. However, the same document reveal that revised estimate allocation for combine education has come to Rs. 75063.94 crore as compared to Rs. 95317.2 crore. This is a downsizing of Rs. 20253.26 crore. In 2024-25 (BE), the health department combined estimated to receive Rs. 40339.99 crore. This is lower than previous year budget by Rs. 2237.04 crore. The actual expenditure has also downward trend. Urban Development department has poor implementation of resources against their allocation. In 2022-23 (Actual), expenditure was Rs. 13950.65 crore against the allocation of Rs. 22635.18 crore.

To conclude the argument, one can argue that one should not focus on the estimated allocation of current year. Rather, actual allocation should be a variable to look for resource expenditure. It can be argued that actual expenditure has been slowly and gradually rising in the state. But, state should develop its capacity to better expenditure of allocated resource. Otherwise, social sector fund cut would become a regular phenomenon.