UNION BUDGET ANALYSIS 2025 - 26

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Executive Summary

The Union Budget has been presented in a macro environment characterised by declining growth, a falling savings rate, decline in wages and rising household debt.

The budgetary stance for the year 2025-26 tried to strike a balance between fiscal expansion and consolidation. The budget speech emphasized that the Union budget would initiate reforms in key areas, namely taxation, urban development, mining, the financial sector, power and regulatory frameworks. The tax revenue forecast for 2025-26 (BE) stands at Rs 28.37 lakh crore, marking a 9.82 per cent increase from 2024-25 (BE). Despite this rise, the Union Government's spending as a proportion of GDP is expected to decrease slightly compared to last year's Budget Estimate (BE). Upholding fiscal prudence and aligning with the FRBM Act, the fiscal deficit target is set at 4.4 per cent of GDP, representing a 0.5 percentage point decrease from the 2024-25 (BE) for the ensuing financial year. As a result, the overall fiscal space—total Union Budget to GDP—has been persistently declining since FY 2020-21. Before the pandemic, the Union Government's spending stood at 13.4 percent of GDP, as shown in Figure 1. FY 2020-21 saw a significant jump in this ratio to 17.7 per cent, primarily due to COVID-19 responses. Now, with the 2025-26 (BE) spending forecast at 14.2 percent of GDP, it seems to suggest that proactive interventions are necessary to slide in growth. Within this total expenditure, revenue expenditure represents the majority comprising 78 per cent of total expenditure and shows a 7 per cent rise from the previous year's RE. Since FY 21-22, the share of capital expenditure (capex) has been increasing.

In 2025-26, the Ministry of Rural Development has been allocated Rs 1,90,406 crore. The Department of Rural Development has been allocated Rs 1,87,755 crore, 8% higher than the revised estimates of 2024- 25. The Department of Land Resources has been allocated Rs 2,651 crore, 35% higher than the revised estimates of 2024-25. The Department of Rural Development has been allocated Rs 1,87,755 crore in 2025-26. Between 2020-21 and 2022-23, allocation to the Department was increased significantly to provide more financial support during the pandemic. This increased allocation was towards MGNREGS and welfare schemes, such as the direct benefit transfer to women under Pradhan Mantri Jan Dhan Yojana. In 2024-25, the revised expenditure of the department is expected to be 2% lower than the budget estimate. This is primarily due to underutilisation of funds under Pradhan Mantri Awaas Yojana-Gramin. For 2025-26, the scheme has been allocated Rs 86,000 crore, similar to the revised estimates for 2024-25. As MGNREGS is a demand driven scheme, the expenditure rises and falls in response to demand for work in rural areas. It jumped

55% in 2020-21 as the demand for work went up during COVID-19 pandemic driven by people migrating back to villages. PMAY (G) was launched in 2016 to address gaps in the demand and supply of rural housing. It aimed to ensure housing for all by 2022. Based on the Socio Economic and Caste Census (SECC), 2011, the housing shortage in rural areas was estimated to be 4.03 crore. For 2025-26, the scheme has been allocated Rs 54,832 crore, an increase of 69% over the revised estimate of 2024-25. However, as per revised estimate for 2024- 25, 41% of funds allocated to the scheme had not been utilised. The Ministry in a reply to the Standing Committee (2024), had given reasons for unspent balances, such as: (i) states releasing both central and their own share simultaneously towards end of the financial year, and (ii) expenditure being affected by seasonal factors such as prolonged monsoon.

The Budget Estimate (BE) of MoHUA for 2024-25 is ₹82,576.57 crore, an 8.04% increase from ₹76,431.60 crore in 2023-24. Compared to the Revised Estimate (RE) of ₹69,270.72 crore for 2023-24. Rs. 96,777 has been allocated for 2025-26 which is 15 percent higher than the previous year. The Ministry's budget as a percentage of GDP constituted 0.27 percent in 2024-25, slightly down from 0.28% in 2023-24. Its share in the total government expenditure for 2024-25 is 1.71%, up from 1.70% last year. Based on the available data from the Government of India's Union Budgets, here is a table summarizing the total allocation to the Ministry of Housing and Urban Affairs (MoHUA) over the past five financial years, out of the total Union Budget’s allocations to various Ministries. A review of the Demands for Grants report of the Ministry of Housing and Urban Affairs reveals particular recurring issues, not very different from other sectors, namely, low utilisation of funds in the schemes related to urban policy. India’s urban population has increased by 29.10% since 2011. A 2022 World Bank report estimates that $840 billion (or $55 billion annually) is needed over 15 years to fund urban infrastructure.

Over the five years, India’s health budget trends reveal a modest increase in absolute terms but stagnation relative to GDP and the total Union Budget. The National Health Policy (NHP) 2017 set a target for public health expenditure to reach 2.5% of GDP by 2025, but the Union government’s expenditure has remained stagnant to 0.3% of GDP from 2023-24 to current BE of 2025-26. While the 2024-25 health budget allocated Rs. 98,761 crore it has not allocated Rs. 109,120.18 crore, a 10.4% increase from last year. The share of the health budget to the total Union Budget has been almost stagnant at 2.0% from 2023-24 to 2025-26. Key infrastructure shortfalls persist, especially in rural and tribal areas, where sub-centers, primary health centers (PHCs), and community health centers (CHCs) face significant gaps. Urban areas also report a nearly 36.7% shortfall in PHCs. Human resources remain another critical issue, with India's doctor-to-population ratio at 1:1511—below the WHO's recommendation of 1:1000. The table 2 shows the Finance Commission grants released to the health sector from the total Finance Commission grants.

Overall, the expenditure on education is gradually increasing, as shown in the graph. The amount increased to Rs 128650.05 crore in the latest budget (2025-26) from Rs 99311.52 crore in 2020-21. This can be reflected also in the sum amount as the BE for HE has crossed the 50000 mark during 2025-26. Budget utilisation percentage has increased substantially in HE during 2023-But in terms of percentage there has been a gradual decline. During 2025-26 it is 2.54% of the total budget, which was 3.26 during 2020-21. The SSA budget has crossed the 40000 mark for the first time. Budget Allocation of FY 2025-26 in Flagship Schemes have increased i.e Samagra Shiksha (by Rs 3750 Cr), PM-POSHAN (by Rs 32 Cr) and PM-SHRI (by Rs 1450 Cr) with respect to Budget Allocation (BE) of FY 2024-25.

Since 2017-18 key development strategies for Scheduled Castes (SC) and Scheduled Tribe (ST) namely Tribal Sub Plan (TSP) and Scheduled Castes Sub Plan have been replaced as the Development Action Plan for SCs and STs (DAPSC & DAPST) respectively. Many development policy strategies have been introduced to channelise a proportionate share of plan benefits and outlays to the SC and ST communities. 41 ministries and departments are allocating funds for DAPSC, as reported in Statement 10 A, showing a marginal increase. Forty ministries and departments have allocated funds under DAPSC in 2024-25. The absolute allocation has marginally gone up to Rs 1,68,475 crore in 2025-26(BE) from Rs 1,65,597.70 crore in 2024-25 (BE). This is a small increase. In the Union Budget 2025-26, the total allocation reported for the Department of Social Justice and Empowerment (DoSJE) is Rs 13,611 crore, which is an increase of Rs 611 crore from Rs 13,000 crore in 2025-26 (BE). Further, expenditure has been reported to Rs. 8561 against 12847 crore in the BE for 2023-24. In 2024-25, the allocations under DAPST have been made in proportion to the ST population and 46 ministries, departments and UTs have reported allocations under DAPST. However, the funds under DAPST across many ministries/departments are largely for the general sector programmes that are reported notionally with regard to benefits for STs, instead of being allocated based on the actual needs of the community, with its active participation. EMRS is one of the largest schemes for promoting school education for the tribal community, implemented by MoTA, which has got a slightly higher allocation of Rs 6,399.00 crore in 2024-25 BE from Rs 5,943.00 crore in 2023-24 (BE). Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) aims to enhance the socio-economic conditions of PVTG communities by providing them with basic facilities. The budget for Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan in 2025-25 (RE) and 2025-26 (BE) have been earmarked Rs. 1285.68 crore and Rs.6105 crore respectively.

In fact, the total budget of the Ministry of Minority Affairs (MoMA) as a proportion of the total Union Budget has declined to 0.04 per cent in 2024-25 (BE) from 0.12 percent in 2022-23 (BE). This year's total allocation for the MoMA is less than the amount allocated in 2012-13. It also appears that Union Budget outlays have not been provided in accordance with the demands for funds made by the MoMA. For 2022-23, Rs 5,020.50 crore was allocated against demands made for Rs 8,152 crore. For the last few years, MoMA has not been able to utilise funds against the BE, particularly in 2023-24, 0nly Rs. 154 crore was spent against Rs.3080 Crore which account to just 5 percent of total allocation. Actual expenditure of Rs 802.69 crore was incurred out of the Rs 5,020.50 crore outlay in 2022-23. The ministry spent Rs 3,998.57 crore out of the BE of Rs 5,029.10 crore and Rs 4,325.24 crore out of Rs 4,810.77 crore in 2020-21 and 2021-22, respectively. As highlighted by the Departmentally Related Standing Committee on Social Justice – 2023-24, the scholarship schemes face several implementation issues with poor utilisation of funds, inadequate coverage of beneficiaries due to the quota system, low unit costs due to inadequate allocations of funds, and also scrapping of some of the schemes. The amounts given to students as scholarships are not adequate to meet their educational expenses. The unit cost for scholarships in Pre-Matric, Post-Matric and Merit-cum-Means schemes for minorities has not been revised since the inception of the schemes (in 2007-08). As of now, the Scholarship Schemes did not utilise the fund for the last three financial years because they are yet to be approved for implementation beyond the year 2021-22. Thus, the tentative allocations for scholarship schemes for 2022-2,2023-24 and 2024- 25 were not utilised due to non-approval by Cabinet Committee on Economic Affairs (CCEA) as the Expenditure Finance Committee (EFC) had already appraised this issue. In anticipation of approval of three Scholarship Schemes from 2022-23 onwards, the budgetary allocation for the year 2023-24 and 2024-25 were obtained and the MoMA is hopeful of receiving the approval of Competent Authority and spending the budgetary allocation for the year 2024-25.

In the year 2025-25, as per Statement 12 of expenditure budget of the Union Government representing allocation to the Children Welfare, Rs. 116132.5 crore has been estimated for expenditure under the three Parts –Part A (100%), Part B (up to 30 %) and Part C (below 30%). This allocation is 0.33 percent share of GDP, which is 0.01 percentage less than 2024-25 (BE). Also, the revised estimate for 2024-25 reveals further decline in the expenditure. For 2024-25 (RE), CB is 0.31 percent of GDP. However, the share of actual expenditure as percent of GDP in 2023-24 (A) has gone down drastically. Now, coming to the CB as percent of total union budget expenditure it is 2.29 percent in 2025-26 (BE). This is an increase of 0.01 from previous year BE (Chart 1). But, 2024-25 (RE) estimate has come down to 2.13 percent of total Union expenditure from 2.28 percent in 2024-25 (BE). It means cutting of funds from CB. However, the real slash of funds can be seen in actual expenditure of 2023-24 (A). It is 2.01 percent of the total Union Budget. The 2023-24 (BE) was 2.31 percent of the total union budget. If we disaggregate the total child budget allocation in 2025-26 into four sectors – Education, Development, Health and Protection- the previous trend has been continuing (Chart 2). 77.10 percent of total CB has gone to education followed by 17.12 percent to Development & Nutrition. Health of children received a mere 4.11 percent of total CB. The least allocation as usual has gone to the protection of children in India. Allocation for protection of children is the need of the hour as crime against children has been increasing at all India levels in successive years. As per NCRB report, in the year 2020, the total number of crimes against children was 128531, which rises to 149404 in 2021. Further, it rose to162449 in the year 2022.

In the Union Budget 2025-26, the government has allocated Rs 2477 crore under various departments for the Persons with Disabilities. Despite India’s total budget increasing from Rs 30 lakh crore in 2020-21 to Rs 50 lakh crore in 2025-26, funding for the Department of Empowerment of Persons with Disabilities (DEPwD) has been reduced from Rs 1325 crore to Rs 1275 crore for the same years. The Department of

Empowerment of Persons with Disabilities received an allocation of ₹1,225.27 crore, which is a slight increase from the previous year. However, this increase does not signify comprehensive support for new initiatives or programs tailored to address the unique challenges faced by PwDs. Moreover, the previous budget emphasized the importance of inclusive growth, but the lack of significant measures in the final budget indicates a worrying disconnect between policy intentions and actual financial support. Critics argue that the absence of specific budgetary provisions for Divyangs reflects a broader issue in ensuring adequate support for people with disabilities in their pursuit of self-determination and opportunity.

Analysis of Fiscal Indicator

Introduction

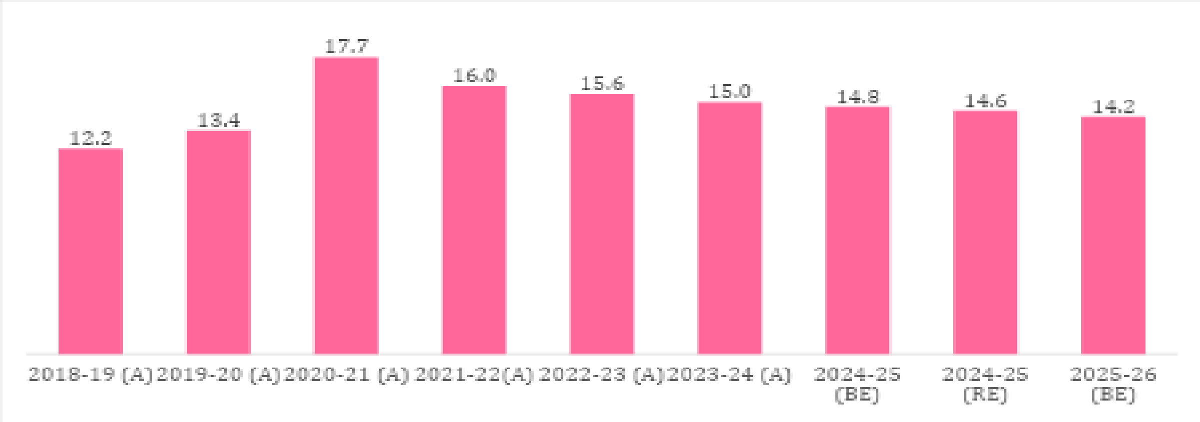
The Union Budget has been presented in an uncertain macro-economic environment characterised by declining growth, a falling savings rate, higher corporate earnings with lower wages and rising household debt. The budgetary announcement for the year 2025-26 tried to strike a balance between fiscal expansion and consolidation. The budget speech emphasized that the Union budget would initiate reforms in key areas, namely taxation, urban development, mining, the financial sector, power and regulatory frameworks.

Trends in Union Government Expenditure

The tax revenue forecast for 2025-26 (BE) stands at Rs 28.37 lakh crore, marking a 9.82 per cent increase from 2024-25 (BE). Despite this rise, the Union Government's spending as a proportion of GDP is expected to decrease slightly compared to last year's Budget Estimate (BE). Upholding fiscal prudence and aligning with the FRBM Act, the fiscal deficit target is set at 4.4 per cent of GDP, representing a 0.5 percentage point decrease from the 2024-25 (BE) for the ensuing financial year. As a result, the overall fiscal space—total Union Budget to GDP—has been persistently declining since FY 2020-21.

Before the pandemic, the Union Government's spending stood at 13.4 percent of GDP, as shown in Figure 1. FY 2020-21 saw a significant jump in this ratio to 17.7 per cent, primarily due to COVID-19 responses, subsidy payments, development spending through employment, additional ration provisioning etc. Further, there has been greater increase in the fiscal transfer through Direct Benefit Transfer (DBT) led public provisioning. Now, with the 2025-26 (BE) spending forecast at 14.2 percent of GDP, it seems to suggest that proactive interventions are necessary to slide in growth.

Figure1: Trends in Total Union Budget Expenditure as a Proportion of GDP (in %)



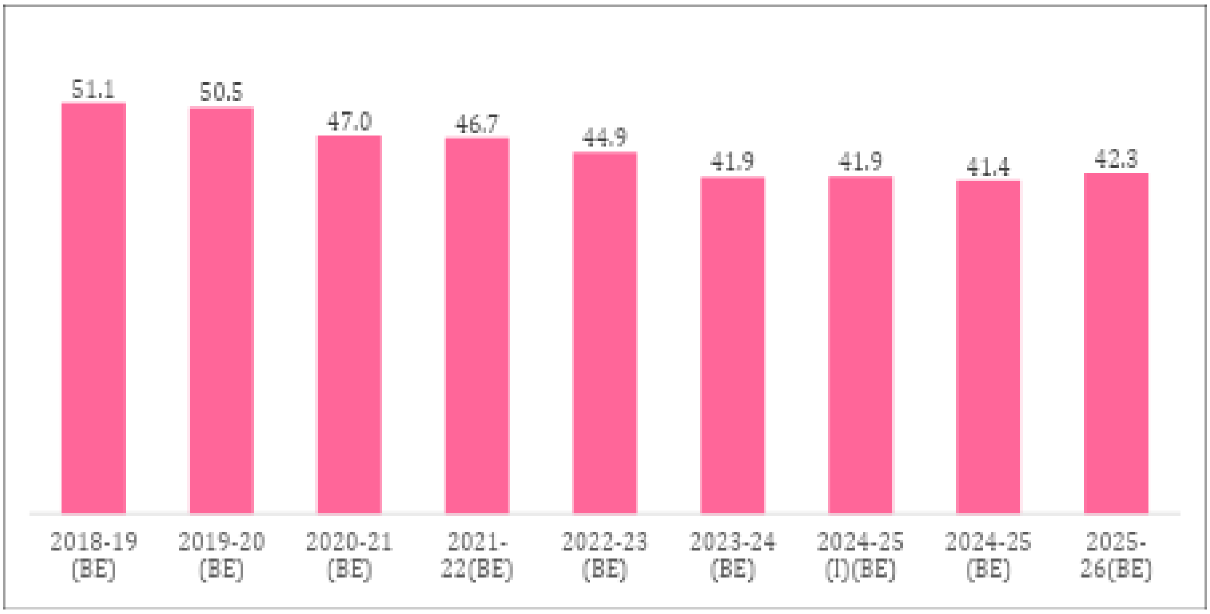
Source: Compiled by Author from Union Budget Documents, various years

Union Government total expenditure for FY 25-26 is forecasted at Rs 50.65 lakh crore, marking a 7 per cent increase over FY 24-25 RE. Within this total expenditure, revenue expenditure represents the majority comprising 78 per cent of total expenditure and shows a 7 per cent rise from the previous year's RE. Since FY 21-22, the share of capital expenditure (capex) has been increasing. For FY 25-26, share of capex in total expenditure is projected to account for 22 per cent, same as last year's RE. As a result, Union Government spending as a proportion of GDP is forecasted at 14.2 per cent, a slight decline compared to last year's RE.

Upturn Trends in Committed Liabilities of Union Government

A significant portion of the budget is allocated to covering committed liabilities, which primarily consist of expenditure such as salaries, pensions, subsidies, and interest payments on debt taken during past years. Governments are required to fulfil these obligations regardless of any resource constraints they might encounter. The proportion of the budget dedicated to these committed liabilities directly impacts the fiscal space available for development spending in the social and economic sector. Figure 2 shows that in the 2018-19 (BE), over half of the Union Government's budget was expected to be directed towards these obligations. However, this share has been on a downward trend since 2024-25(BE) , and is expected to increase to 42.3 percent in 2025-26 (BE).

Figure2: Trends in Committed liabilities of Union Government (in %)



Source: Compiled by Author from Union Budget Documents, various years

Less Emphasis on Capital Expenditure

The budget has continued its focus on raising capital expenditure since 2021-22 as it has a huge multiplier impact on economic growth and employment creation. In 2025-26 (BE), capital expenditure was estimated at Rs 11.21 lakh crore, constituting 3.14 percent of GDP. This allocation has declined in 2025-26 (BE) as compared to the 2024-25 (BE). The cut in capital expenditure in the recent budget shows less priorities in capital investments that leads to stimulating economic growth across various sectors.

Table: Capital Expenditure as a Proportion of the Total Union Budget and GDP (%)

Year	Total Expenditure (Rs lakh crore)	Capital Expenditure (Rs lakh crore)	Capital Exp. As % of Total Budget	Capital Exp. As % of GDP
2018-19 (A)	23.15	3.08	13.29	1.63
2019-20 (A)	26.86	3.36	12.50	1.67
2020-21 (A)	35.10	4.26	12.15	2.15
2021-22(A)	37.94	5.93	15.63	2.51
2022-23 (A)	41.93	7.40	17.65	2.75

2023-24 (A)	44.43	9.49	21.36	3.21
2024-25(BE)	48.21	11.11	23.05	3.40
2024-25 (RE)	47.16	10.18	21.59	3.14
2025-26 (BE)	50.65	11.21	22.13	3.14

Source: Compiled by Author from Union Budget Documents, various years

This increase in capital expenditure is primarily for three ministries: the Ministry of Railways, Ministry of Road Transport and Highways and Ministry of Defence, which account for 63 per cent of total capital expenditure in 2025-26 (BE). Compared to 2024-25 (RE) this is a decline of 5 percentage points. The capital expenditure for the Ministry of Railways has remained unchanged for 2025-26 (BE) compared to 2024-25 (BE).

Table: Key Ministries Appropriating Capital Outlays (Rs in Crore)

	Ministry of Defence	Ministry of Railways	Ministry of Road Transport and Highways	Total of three Ministry's	Capital Expenditure	Share in Total Capital Expenditure (%)
2018-19 (A)	97351	52838	67646	217835	307714	71
2019-20 (A)	113441	67842	68374	249656	335726	74
2020-21 (A)	137409	109324	89195	335928	426317	79

2021-22(A)	141468	117271	113312	372050	592874	63
2022-23 (A)	147450	159256	205986	512692	740025	69
2023-24 (A)	160241	242579	263910	666730	949195	70
2024-25(BE)	178500	252000	272238	702738	1111111	63
2024-25 (RE)	166000	252000	272478	690478	1018429	68
2025-26 (BE)	187135	252000	272237	711372	1121090	63

Note: (i) The calculation for ministries only accounts for capital outlay under Central Sector Schemes.

Source: Compiled by Author from Union Budget Documents, various years

Pruning the Fiscal Deficit

Since FY 2021-22, adoption of an operationally flexible fiscal consolidation path has served the country well. India is now set to attain the goal outlined in the Budget for FY 2021-22 and reach fiscal deficit level below 4.5 per cent of GDP in FY 2025-26. The Government has outlined the roadmap for the next 6 years has been detailed in the FRBM statement which endeavour to keep fiscal deficit in each year (from FY 2026-27 till FY 2030-31) such that the Central Government debt is on declining path to attain a debt to GDP level of about 50±1 per cent by 31st March 2031 (the last year of the 16th Finance Commission cycle).

High fiscal deficits can escalate national debt and debt servicing costs, potentially undermining economic stability, devaluing the currency, and impeding private investment. The Union Government's commitment to a fiscal glide path underscores its dedication to maintaining sustainable debt levels, ensuring macroeconomic stability, and providing space for private sector investment in capacity expansion. With the fiscal deficit projected to decrease from 4.9 per cent in 2024-25 BE, to 4.4 per cent in FY 2024-25 (BE), the government is firmly following the path to achieve its fiscal consolidation goals.

Table: Trends in Revenue Deficit and Fiscal Deficit (Rs lakh crore)

Items	2019-20 (A)	2020-21 (A)	2021-22(A)	2022-23 (A)	2023-24 (A)	2024-25(BE)	2024-25 (RE)	2025-26 (BE)
Revenue Deficit	6.66 (3.3)	14.49 (7.3)	10.31 (4.4)	10.69 (4.0)	7.65 (2.6)	5.80 (1.8)	6.10 (1.9)	5.23 (1.5)
Fiscal Deficit	9.33 (4.6)	18.18 (9.2)	15.84 (6.7)	17.37 (6.4)	16.54 (5.6)	16.13 (4.9)	15.69 (4.8)	15.68 (4.4)

Source: Compiled by Author from Union Budget Documents, various years

Cutback in Total Subsidies from 2024-25 (RE)

Compared to 2024-25 (RE), the projected outlays in 2025-26(BE) for subsidy has been slightly declined. In 2025-26 (BE), subsidies accounted for 8.41 per cent of the total expenditure which is 8.89 per cent in 2024-25 (BE). Government subsidies on food in 2025-25 BE earmarked an allocation of Rs 203420 crore. This is higher than the revised estimates 2024-25. The food subsidy bill was Rs. 2.11 lakh crore in 2023-24. Allocation for fertilizer subsidy is Rs 1.67 lakh crore for 2025-26, lower than the revised estimate of Rs 1.71 lakh crore for the ongoing financial year. However, it is important to underscore the fact that these subsidies are crucial for the upliftment and wellbeing of marginalised communities, including farmers, who constitute the majority of our population.

Table: Important Subsidies in the Union Budget (Rs in crore)

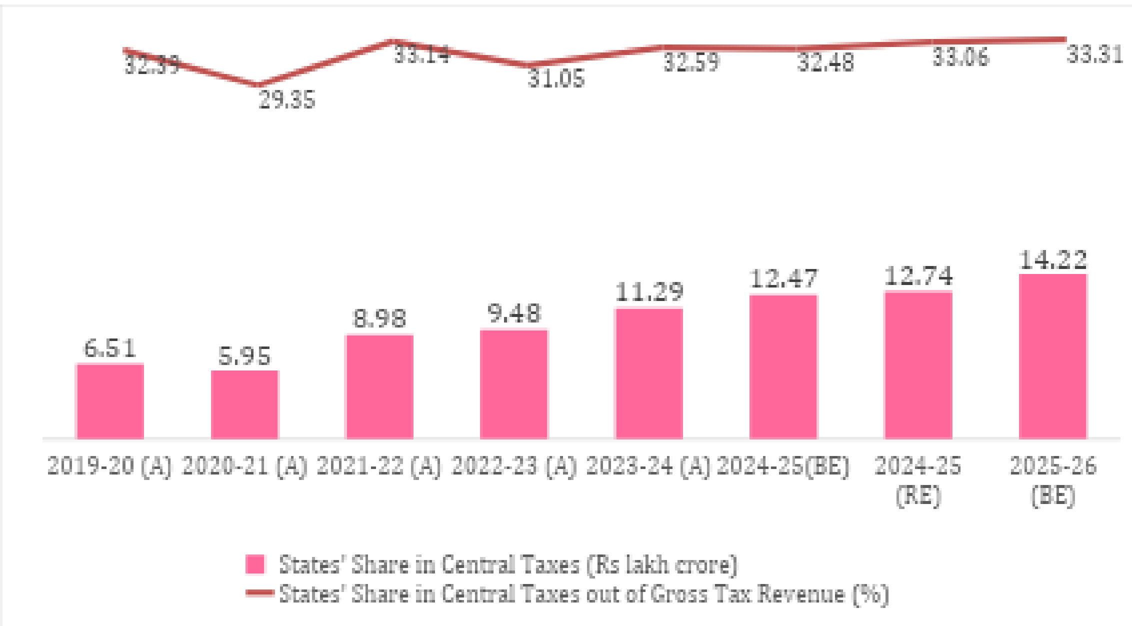
Item	**2021-22 (A)**	**2022-23 (A)**	**2023-24 (A)**	**2024 - 25**	**2024-25 (RE)**	**2025-26 (BE)**

				(BE)		
Food subsidy	288969	272802	211814	205250	197420	203420
Fertiliser subsidy	153758	251339	188292	164000	171299	167887
Petroleum subsidy	3423	6817	12240	11925	14700	12100
Other subsidies	57758	46957	22552	47248	44450	42809
Total Subsidy	**503907**	**577916**	**434899**	**428423**	**427868**	**426216**

Source: Compiled by Author from Union Budget Documents, various years

Transfer of Resources to States through Tax Devolution States' share in central taxes rose by 73.5 per cent between FY 2019-20 and FY 2023-24, yet there was no real term increase in their share of the gross tax revenue during this period. In 2025-26 (BE), the states' share in central taxes is projected to reach an all- me high of Rs 14.22 lakh crore. However, as a proportion of gross tax revenue, the states' share has marginally increased from the previous year's Budget Estimates.

Figure 3: Trends in Tax Devolution to States (in %)



Source: Compiled by Author from Union Budget Documents, various years

Transfer of Resources to States and UTs through Grants in Aid (GIA)

In 2025-26 (BE), GIA transfers to states and UTs amounted to Rs 10.49 lakh crore, a significant component of Other Transfers is the GST compensation on cess to states. Although the compensation on cess was introduced alongside GST to mitigate state revenue losses for five years up to June 2022, the accumulated funds are now being used to service the principal and interest of loans that the Centre acquired during the COVID-19 pandemic. For 2025-26 (BE), GIA transfers to states were higher compared to 2024-25 (BE).

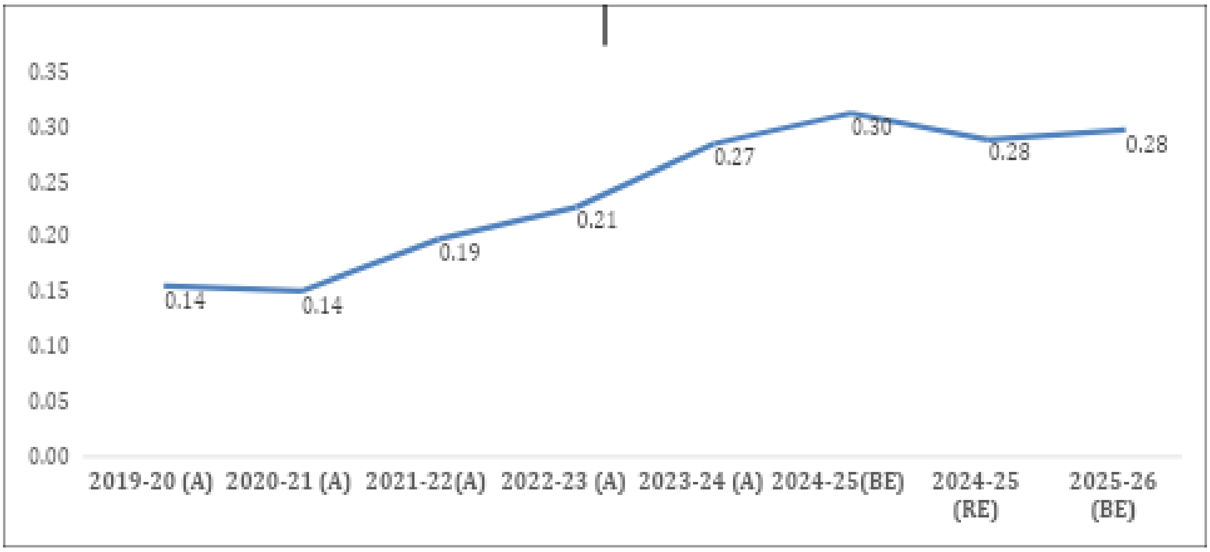
Table: Grant-in-Aid Transfers to States & UTs (Rs lakh crore)

	2019-20 (A)	**2020-21 (A)**	**2021-22 (A)**	**2022-23 (A)**	**2023-24 (A)**	**2024-25 (BE)**	**2024-25 (RE)**	**2025-26 (BE)**
Finance Commission Transfers	1.24	1.84	2.07	1.73	1.49	1.32	1.27	1.33
Centrally Sponsored Schemes	3.10	3.84	4.54	4.38	4.45	5.06	4.15	5.42
Other Transfers	1.99	1.92	2.18	3.18	3.36	3.92	3.75	3.75
GIA transfers to States and Uts	6.33	7.6	8.79	9.28	9.29	10.30	9.17	10.49

Source: Compiled by Author from Union Budget Documents, various years

While achieving the compression in revenue expenditure as a percent of GDP, the government also ensured that free food grains are provided to 81.4 crore people in the country. At the same time, shares of total expenditure allotted to capital spending were progressively enhanced, thereby improving the quality of expenditure. In the recent budget 2025-26 as compared to 2024-25 BE the ratio of Capex to Ravex has declined.

Figure 4: Trend of improvement in quality of Expenditure



Note: Capex- Capital Expenditure and Ravex- Revenue Expenditure

Source: Compiled by Author from Union Budget Documents, various years

Education

Post-independence India prioritized education as a key instrument for promoting social equity and national progress. Influenced by Gandhi's *Nai Talim* (1937 Wardha Commission), which emphasized vocational training, mother-tongue-based medium of instruction and universal access to education. However, the constitutional framers such as Dr. B.R. Ambedkar, aware of the country's resource constraints, placed education under the Directive Principles of State Policy (Article 45). It advocated for ensuring free and compulsory education for children under the age of 14 within a decade. This objective, however, remained non-binding and largely unmet.

Between 1964 and 1966, the Kothari Commission conducted a comprehensive review of India's progress toward achieving the constitutional mandate of universal education under Article 45. The Commission highlighted significant disparities in access, quality, and equity of education, particularly affecting marginalized communities, rural populations, and girls. One of its most important recommendations was the allocation of 6% of GDP to promote education—deemed essential for addressing systemic underfunding, inadequate infrastructure, and teacher shortages. The Commission asserted that such investment was indispensable for transforming India's education system into a driver of social justice and economic development. The Commission's warning—that underinvestment would deepen inequality—has proven to be remarkably prescient.

The economic reforms of the 1990s, centred on liberalization and privatization, significantly reshaped India's education sector. The private entities rapidly started establishing schools and colleges that primarily catered to the urban, middle-class population. While this expansion increased access level and introduced innovative educational models, but it has also accelerated the commercialization of education. As education increasingly became a commodity, many private institutions began prioritizing profitability over inclusivity. Tuition fees rose sharply, rendering quality education provided by private schools unaffordable for low-income families.

Meanwhile, public schools—hampered by chronic underfunding and bureaucratic inefficiencies—struggled to remain competitive. This growing disparity deepened the urban–rural divide and entrenched a two-tier system in terms of privatised excellence for the affluent in urban areas and under-resourced mediocrity for the majority of population rural areas.

Decades of underfunding and neglect of implementation of policies hindered educational progress in India. In 2002, the 86th Constitutional Amendment elevated education to a fundamental right (Article 21A), which was operationalized through the Right to Education Act, 2009. The Act mandated student quotas, improved infrastructure, and universal access. However, while enrollment has increased, learning outcomes remain poor. According to ASER 2022, approximately 57% of rural Class 8 students are unable to read a Class 2-level text. Challenges such as teacher shortages, outdated curricula, and a widening digital divide in the post-pandemic context persist.

The National Education Policy (NEP) 2020 renewed the vision of the Kothari Commission, reaffirming the target of allocating 6% of GDP to education and advocating for a holistic, equitable approach to learning. The policy emphasizes foundational literacy, multilingual education, and vocational training, with the aim of bridging learning gaps and cultivating critical thinking skills. However, the success of NEP 2020 depends heavily on sustained financial commitment—a significant challenge given the history of continued underfunding. Although the policy aspires to universalize education from preschool to secondary levels, its implementation faces substantial hurdles. The disparities in state capacities, insufficient emphasis on teacher training, and persistent digital divides in the post-pandemic era.

India's constitutional journey reflects a strong commitment to achieve high ambition of universal education. However, implementation has consistently fallen short. Bridging gaps in early childhood education, teacher training, and equitable access remains critical. Further, realizing Dr. Ambedkar's vision of education as a tool for liberation requires sustained investment and firm political commitment to transform the country's demographic potential into meaningful empowerment. Without adequate public investment and effective implementation, the National Education Policy (NEP) risks becoming another unfulfilled promise. India's education trajectory reveals a recurring paradox—visionary policies undermined by weak implementation. If this trend continues, the goals set by the NEP may remain unachieved even decades from now.

The NEP's recommendation to allocate 6% of GDP to education remains a vital and urgent goal. Yet, budgetary allocations have consistently remained between 3% and 4% of GDP. Successive economic surveys continue to highlight chronic underinvestment in the sector. This funding gap has worsened educational disparities. Public schools face persistent challenges, including overcrowded classrooms, untrained teachers, and inadequate learning materials.

Early Childhood Education: A Neglected Priority

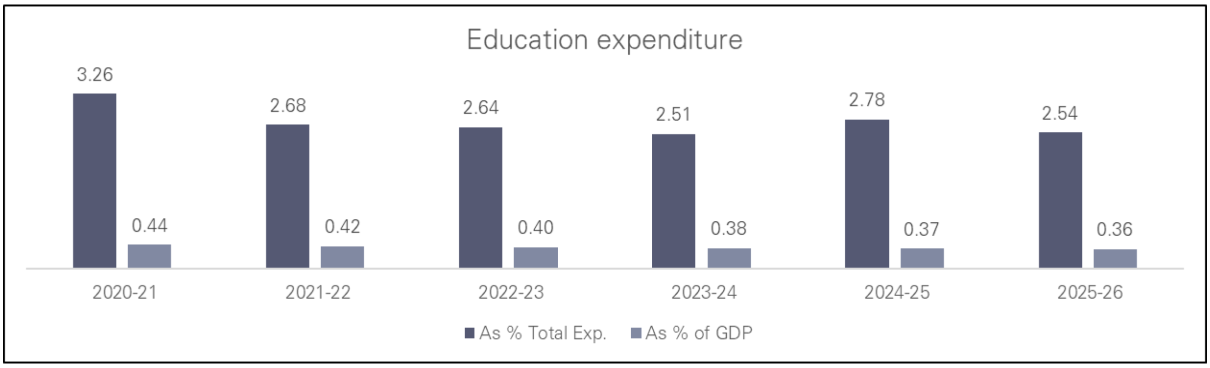
India's Early Childhood Care and Education (ECCE) sector remains critically underfunded and overlooked, with only 0.1% of GDP allocated—well below the recommended 1.5% to 2.2%. Over 37 million children lack access to ECCE services, and 32% are excluded from Anganwadi programs, disproportionately affecting marginalized and rural communities. This neglect contributes to developmental delays and poor learning outcomes, as reflected in the ASER 2022 report.

Although the National Education Policy (NEP) 2020 prioritizes universal access to ECCE, both funding and implementation remain inadequate. Anganwadi centers continue to be under-resourced and poorly integrated with the formal education system. Structural challenges—such as untrained staff, inadequate infrastructure, and stark urban–rural disparities—persist, while privatized ECCE options remain unaffordable for most families. Addressing these issues requires raising ECCE investment to recommended levels, strengthening Anganwadi services, and ensuring targeted support for marginalized groups. Without urgent and sustained investment, India risks deepening educational inequality and failing to harness its demographic potential.

Budget Percentage from 2019–20 to 2025–26: India's education budget, as a percentage of total government expenditure, has steadily declined—from 3.26% in 2020–21 to a projected 2.54% in 2025–26—despite an increase in absolute allocations (from ₹99,311 crore in 2020–21 to ₹1.28 lakh crore in 2025–26). Graphs illustrating education expenditure reveal nominal increases over time (e.g., from ₹99,311.52 crore in 2020–21 to ₹1,28,650.05 crore in 2025–26). However, as a percentage of GDP, education spending remains stagnant at 2.54%, significantly below the recommended benchmark of 6%.

Although budget utilization improved in 2023–24, the declining proportion of total expenditure devoted to education reflects its continued under-prioritization. While flagship schemes such as *Samagra Shiksha* received higher allocations, utilization gaps remain substantial. For instance, the Rashtriya Uchchatar Shiksha Abhiyan (RUSA) utilized only 8% of its allocated budget in 2021–22.

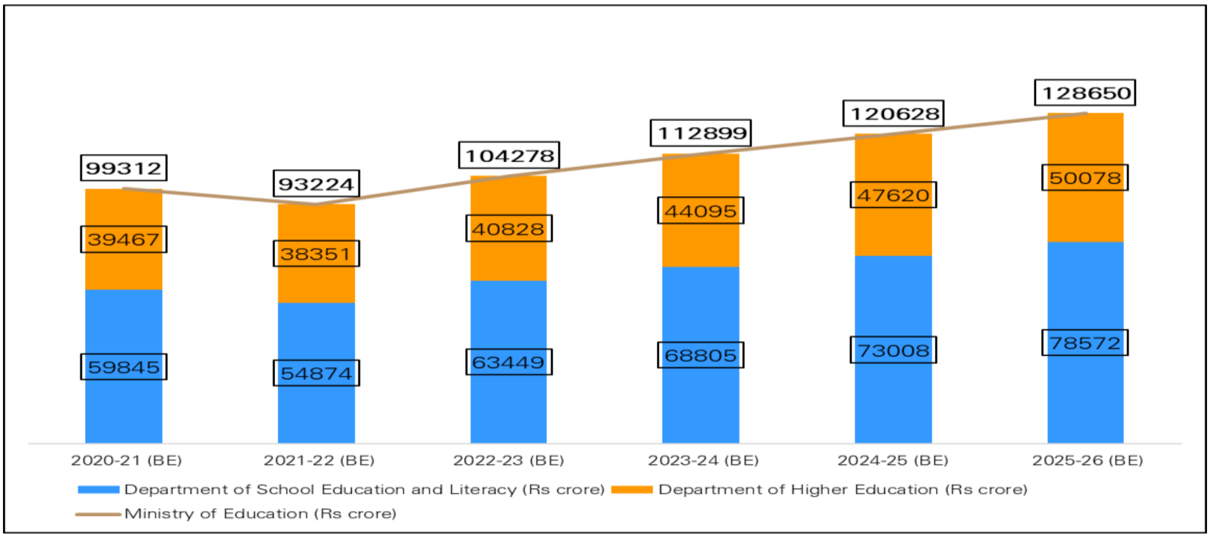
Graph: Priority for Education Budget in the Union Government



Source: Compiled by Author from Union Budget Documents, various years

Spending on higher education has also declined, falling from 1.38% of total government expenditure in 2019–20 to just 0.98% in 2023–24. This reduction has further exacerbated existing educational inequities. Despite a rising Gross Enrollment Ratio (GER) of 28%, persistent underfunding and inefficient use of resources continue to undermine both the quality and equity of the education system. These trends highlight the urgent need for increased GDP allocation to education, along with more efficient and accountable utilization of allocated funds.

Graph: Budgetary allocations under Ministry of Education

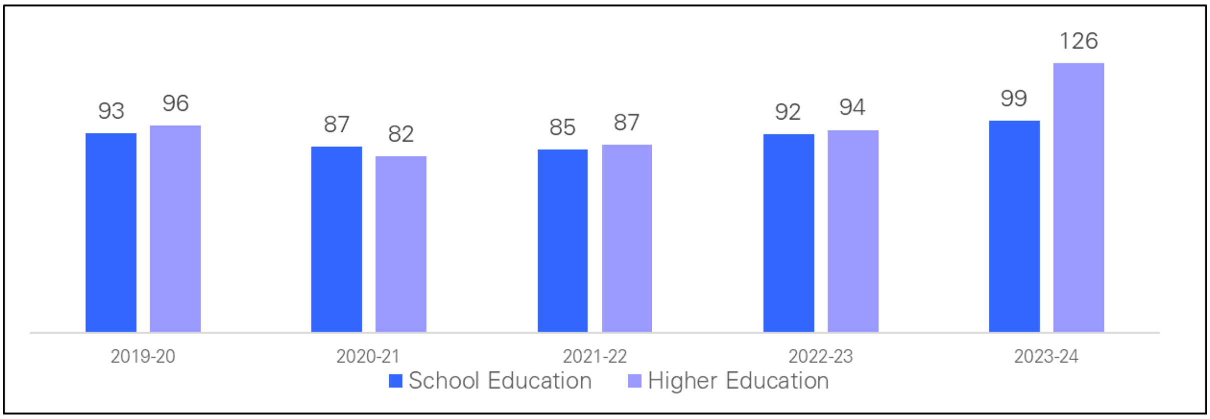


Source: Compiled by Author from Union Budget Documents, various years

Graphs depicting India's education expenditure reveal nominal increases in budget allocations—for instance, from ₹99,311.52 crore in 2020–21 to ₹1,28,650.05 crore by 2025–26. However, as a percentage of GDP, these allocations remain stagnant, declining from 3.26% in 2020–21 to 2.54% in 2025–26—well below the recommended 6% benchmark. While key schemes like *Samagra Shiksha* have received increased funding, utilization gaps persist. Notably, the Rashtriya Uchchatar Shiksha Abhiyan (RUSA) utilized only 8% of its allocated budget in 2021–22.

Spending on higher education has also declined, from 1.38% of total government expenditure in 2019–20 to 0.98% in 2023–24, further exacerbating educational inequities. Despite a rising Gross Enrollment Ratio (GER) of 28%, chronic underfunding and inefficient resource utilization continue to impede both quality and equity in the education system. These trends underscore the urgent need for enhanced GDP allocation and more efficient deployment of educational funds.

Graph : Budget Utilisation in School and Higher Education Department (%)

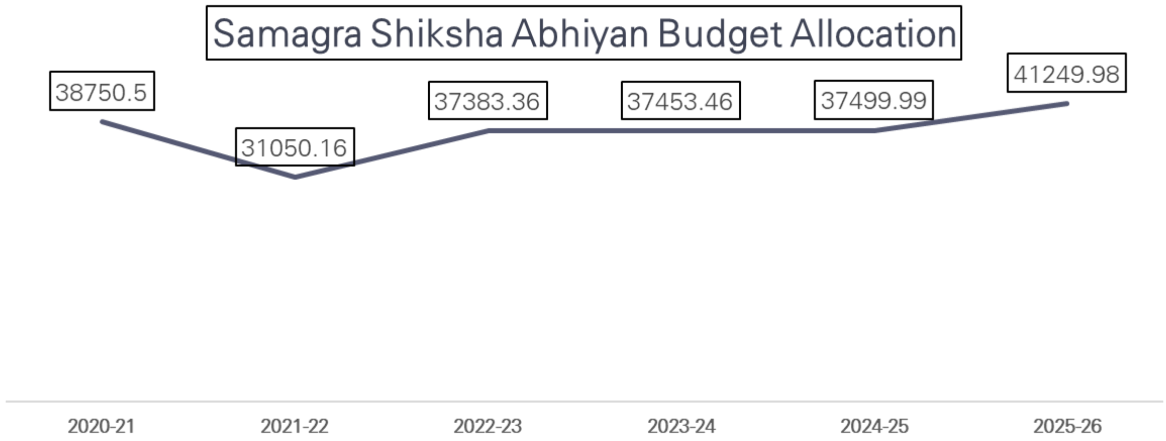


Source: Compiled by Author from Union Budget Documents, various years

The graph on budget utilization in the School and Higher Education Department highlights systemic inefficiencies and sectoral disparities. While school education receives higher allocations—for example, *Samagra Shiksha*'s budget increased to ₹41,250 crore in 2025–26—utilization gaps remain significant. RUSA, for instance, utilized only 8% of its 2021–22 budget estimate. Higher education continues to face chronic underfunding, with its share of total government expenditure declining from 1.38% in 2019–20 to 0.98% in 2023–24, despite a Gross Enrollment Ratio (GER) of 28%.

The underutilization of funds in key schemes, combined with a disproportionate emphasis on school education, has exacerbated sectoral inequities. Institutions such as the Indian Institutes of Technology (IITs) remain under-resourced, receiving just 4.38% of the 2022–23 revised estimates. These trends underscore the urgent need for increased allocations—moving toward the recommended 6% of GDP—and more efficient deployment of funds to address persistent gaps in quality and access across all levels of education.

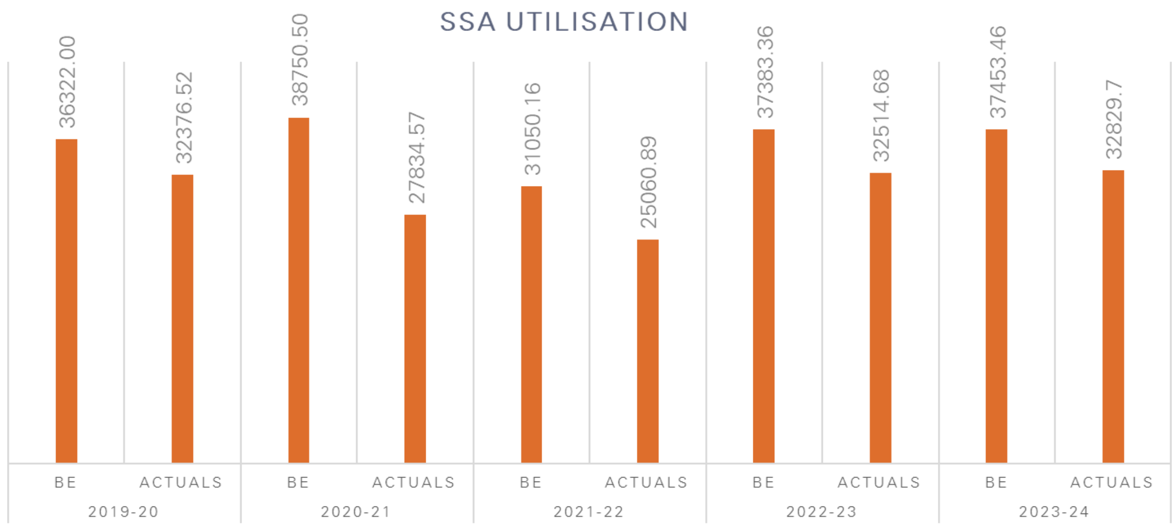
Graph: Budget Expenditure and Allocation under SSA



Source: Compiled by Author from Union Budget Documents, various years

Critical education initiatives such as the Rashtriya Uchchatar Shiksha Abhiyan (RUSA) and the Samagra Shiksha Abhiyan (SSA) have faced persistent budgetary challenges. In 2021–22, RUSA experienced severe underutilization, with only 8% of its Budget Estimates (BE) and 30.52% of its Revised Estimates (RE) being spent, reflecting systemic inefficiencies in fund deployment. Meanwhile, despite an increase in government school enrolment from 13.49 crore in 2020–21 to 14.32 crore in 2021–22, SSA's share of the school education budget declined from 64.24% in 2019–20 to 54.43% in 2022–23. This paradox—rising demand alongside declining budgetary prioritization—risks widening resource gaps and undermining efforts to enhance educational access and quality for India's growing student population.

Graph: Budget Utilisation under SSA



Source: Compiled by Author from Union Budget Documents, various years

Table: Budget Expenditure and Allocation under select scheme under Ministry of Education (Rs. in crore)

Scheme	2023-24 (A)	2024-25 (BE)	2024-25 (RE)	2025-26 BE)
Samagra Shiksha	32829.69	37500	37010	41250
Kendriya Vidyalaya Sangathan	8500	9302.67	8727	9503.84
Navodaya Vidyalaya Samiti	5469.8	5800	5370.79	5305.23
PM Poshan	8457.72	12467.39	10000	12500
PM Shri	1214.68	6050	4500	7500

Source: Compiled by Author from Union Budget Documents, various years

Challenges in the education sector in India

Primary and Elementary Education, Employability and Equity

The government prioritizes primary and elementary education through initiatives like Sarva Shiksha Abhiyan (SSA) and Scholarships and mid-day meal schemes. The disaggregation of budget data shows that most funding is directed toward school education, with limited emphasis on higher education. A major concern is employability and providing employment opportunities for educated youth. Higher education is critical, but benefits are unevenly distributed across different societal groups. **Various layers of inequality exist in access to higher education based on** Rural-urban disparities in terms of Male-female differences, Income levels and occupational backgrounds. Social groups, with SCs, STs, Muslims, and other backward classes having lower access than upper-caste Hindus and OBCs.

It is found that the GER for youth aged 18-23 years at the national level is 26.3% (NSSO 75th Round) and the share of Rural and Urban areas consist of 21 and 39 percent respectively. There is a disparity in terms of Gender and income disparity. The male GER is higher than the female GER. With respect to income disparity, Bottom 20% GER is 13%. and Top 20% GER is 53%.

Economic Burden, Privatisation and Financing Higher Education

Cost of education varies significantly between government and private institutions: The Average fee in government institutions is ₹6900, whereas for Private unaided institutions is ₹30,000 (5x higher than government institutions) and for Private aided institutions is ₹23,000. Marginalized groups are disproportionately dependent on government institutions due to affordability concerns.

in terms of Fee vs. Grants, Government universities/colleges, 89% of funds come from grants. For Private institutions, 55%-70% of funds are fee-based. There is an **Economic disparity in education financing,** Bottom 20% households bear a higher fee burden relative to their incomes and Fee doubles between the 4th and 5th quintiles of income groups.

Private institutions dominate higher education, often increasing inequality despite greater accessibility. Privileged groups with strong economic backgrounds dominate enrolments in private institutions. The speaker’s state-wise analysis highlights variations in privatization:

- Bihar and Jharkhand: Least privatized and lowest GER.
- Karnataka and Telangana: High privatization correlates with higher GER.
- Telangana shows sharp inequality between the bottom 20% and top 20%, despite comparable GER to Karnataka.
- States with high privatization (e.g., Telangana) exhibit Higher GER but sharper inequalities. Privileged groups consistently outperform marginalized groups. Bihar and Jharkhand lag in GER due to limited privatization.

Role of Scholarships and Loans

NEP aims to double the GER by 2025 while encouraging private sector participation in higher education. But there is a contradiction in NEP, unregulated private institutions undermine equality of opportunity and expanding private institutions without controls risks exacerbating inequality. Marginalized groups (SCs, STs, and Muslims) often pay lower fees, reflecting their reliance on government institutions. Higher fees in private institutions indicate perceived quality differences, leading to unequal access to quality education. Household Fee Analysis (NSSO) found that bottom 20% households pay disproportionately high fees where fee differences between private and government institutions highlight economic barriers. Institutional Funding Sources are Private unaided colleges that depend heavily on fees for funding. Government institutions are reliant on grants, providing some relief to economically weaker students. Government-provided loans and scholarships for marginalized groups are insufficient to bridge the inequality gap. Expanding private education without addressing affordability and regulation risks making higher education more inequitable. Marginalized groups, already burdened by costs, are likely to face greater challenges as the system tilts toward privatization.

Policy Recommendations

- Increase Public Spending: Redirect resources to strengthen government institutions.
- Regulate Private Sector: Implement strict controls on fee structures in private institutions.

- Expand Scholarships: Target marginalized groups for enhanced financial support.
- Ensure Quality in Public Institutions: Increase funding and improve infrastructure in government colleges and universities.

1. **Increase Education Spending to 10% of GDP:**
   - The current target of 6% of GDP is insufficient to address India's growing educational needs. A revised target of **10% of GDP** would ensure adequate resources for universal education, ECCE, and higher education.
2. **Enhance Fund Utilization Efficiency:**
   - Streamline processes to ensure full utilization of allocated funds, particularly for schemes like RUSA and SSA. Establish robust monitoring mechanisms to track fund usage.
3. **Prioritize Early Childhood Education:**
   - Increase ECCE funding to the recommended **1.5-2.2% of GDP** to ensure universal access. Strengthen Anganwadi services and integrate them with formal education systems.
4. **Strengthen Public Education Systems:**
   - Invest in public schools and colleges to reduce dependence on private institutions. Improve infrastructure, teacher training, and learning resources in government institutions.
5. **Address Regional and Social Disparities:**
   - Allocate resources equitably to underserved regions and marginalized communities. Focus on bridging the digital divide to ensure inclusive access to education.
6. **Leverage Technology and Innovation:**
   - Integrate technology into teaching and learning processes to improve outcomes. Expand initiatives like e-learning platforms and digital classrooms.

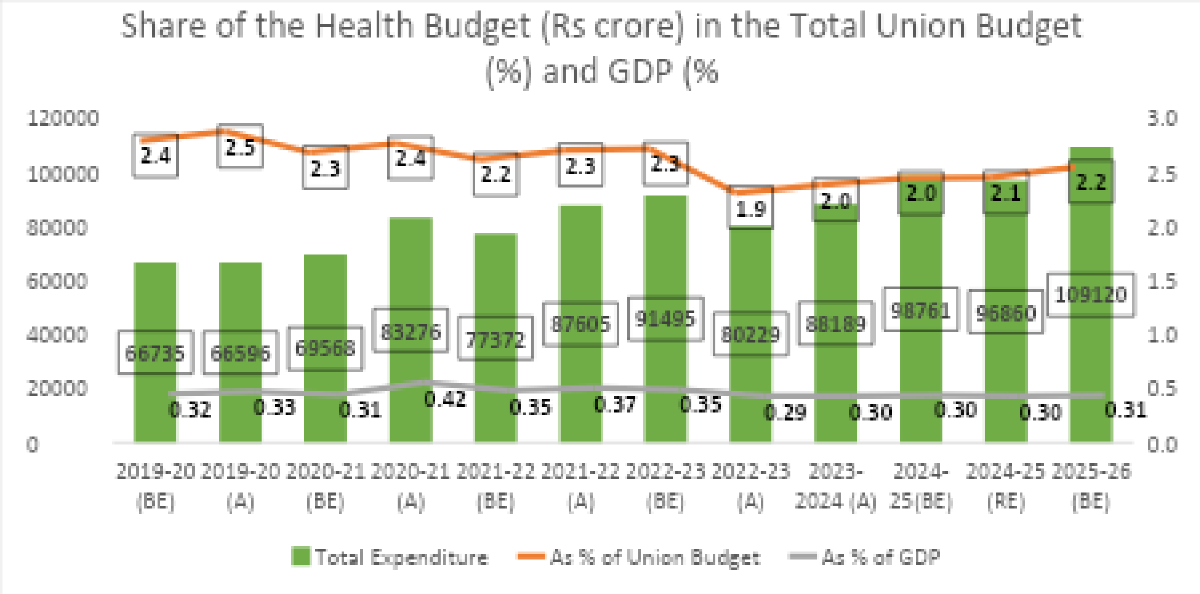
7. **Foster Public-Private Partnerships:**
    - Encourage collaborations between the government and private entities to enhance resource mobilization while ensuring equity and affordability.

Conclusion

India's education system stands at a crossroads. While policies like the NEP 2020 provide a vision for transformation, the persistent underfunding of the sector undermines these aspirations. To realize the goal of equitable, quality education for all, the government must significantly increase its investment in education. Raising spending to **10% of GDP** is not just desirable but essential for India to harness its demographic dividend and achieve sustainable development. Only with bold financial commitments and strategic reforms can India fulfil its constitutional promise of universal education and build a brighter future for its citizens.

Health

Over the five years, India's health budget trends reveal a modest increase in absolute terms but stagnation relative to GDP and the total Union Budget. The National Health Policy (NHP) 2017 set a target for public health expenditure to reach 2.5% of GDP by 2025, but the Union government's expenditure has remained stagnant to 0.3% of GDP from 2023-24 to current BE of 2025-26. While the 2024-25 health budget allocated Rs. 98,761 crore it has not allocated Rs. 109,120.18 crore, a 10.4% increase from last year. The share of the health budget to the total Union Budget has been almost stagnant at 2.0% from 2023-24 to 2025-26.



Source: Compiled by Author from Union Budget Documents, various years

Figure 1. shows the share of the health budget as a percentage of total union budget and GDP from 2019-20 to 2025-26. The share has been almost stagnant at around 2%.

Key infrastructure shortfalls persist, especially in rural and tribal areas, where sub-centers, primary health centers (PHCs), and community health centers (CHCs) face significant gaps. Urban areas also report a nearly 36.7% shortfall in PHCs. Human resources remain another critical issue, with India's doctor-to-population ratio at 1:1511—below the WHO's recommendation of 1:1000. The table 2 shows the Finance Commission grants released to the health sector from the total Finance Commission grants. The allocation of Finance Commission grants to the health sector has increased from 3.16% in 2023-2024 to 8.04% in 2024-2025 and 11.50% in 2025-2026. While this represents a significant rise, given the state of health infrastructure in the country, it is essential that this upward trend continues in a sustained and gradual manner to ensure long-term improvements in healthcare services.

Table : Central Finance Grant for Health Sector (In Rs. Crore)

	2023-2024 (A)	2024-2025(RE)	2025-2026(BE)
Total FC Grants	148522	127146	132767
FC Grants for Health Sector	4693	10225	15272

Source: Compiled by Author from Union Budget Documents, various years

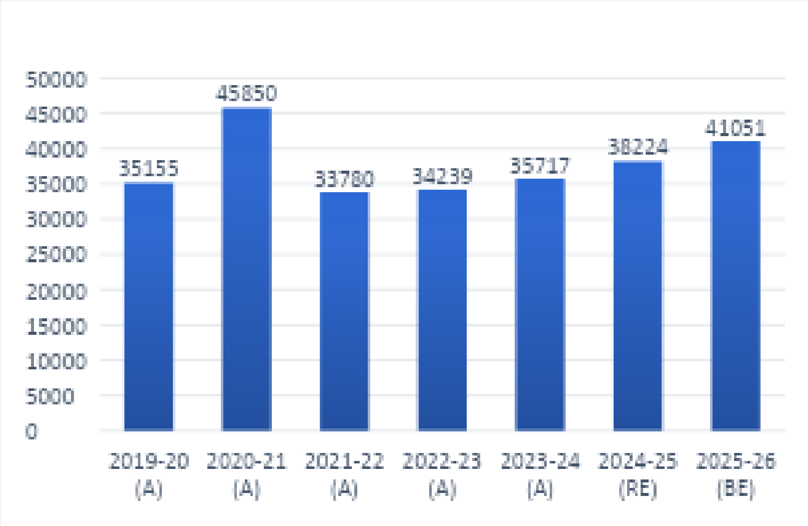
According to National Health Accounts 2021-22, Out-of-pocket expenditure on health (OOPE) is Rs. 3,56,254 crores (39.4% of Total Health Expenditure (THE) , 1.51% of GDP, Rs. 2,600 per capita). Private Health Insurance expenditure is Rs. 66,975 crores (7.40% of THE). This reflects the need for better public healthcare provisioning.

Insurance-based schemes like Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana (PM-JAY) have been emphasized, but without significant public investment in infrastructure and workforce, equitable access to healthcare remains a challenge.

Health Scheme Trends

The *National Health Mission (NHM*), a flagship program critical for primary healthcare and health system strengthening, saw only a marginal increase in allocations, growing from ₹39,119 crore in 2024-25 to ₹41,051 crore in 2025-26. However, issues like fund utilization gaps and its removal from flagship scheme status raised concerns about its effectiveness.

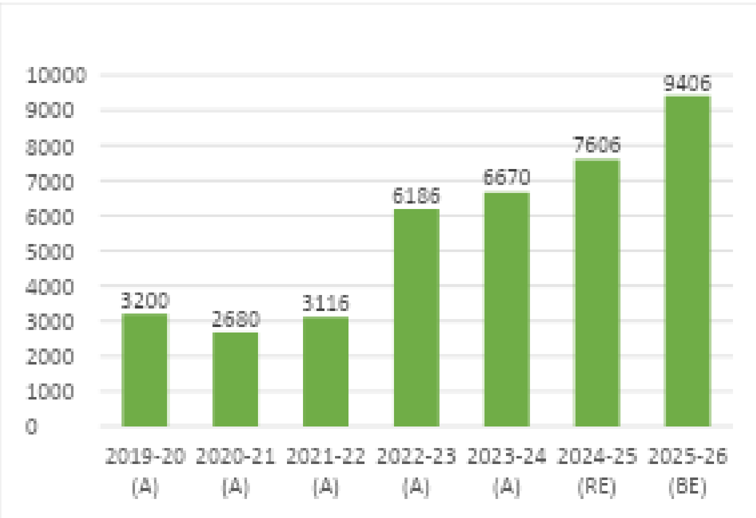
Figure 2: Budget Allocation under NHM



Source: Union Budget documents, various years

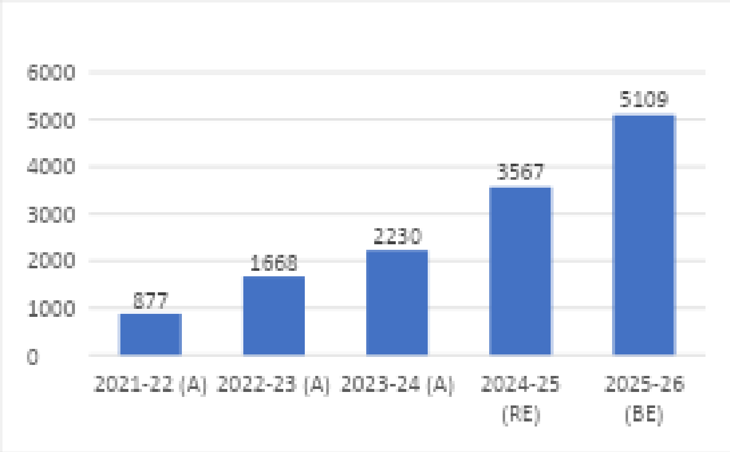
Ayushman Bharat programs like *PM-JAY* continued to promote insurance-based healthcare, received a 23.6 % budget growth from the previous budget. The Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM), aimed at bolstering infrastructure, faced a massive boost of 43.2% funding from 2024-25 (RE). Other programs like Pardhan Mantri Swasthya Suraksha Yojana (PMSSY) were underfunded despite increasing demand post-pandemic, Rs. 2200 from Rs. 1736 2024-25 (RE)

Figure 3 : Ayushman Bharat programs -*PM-JAY*



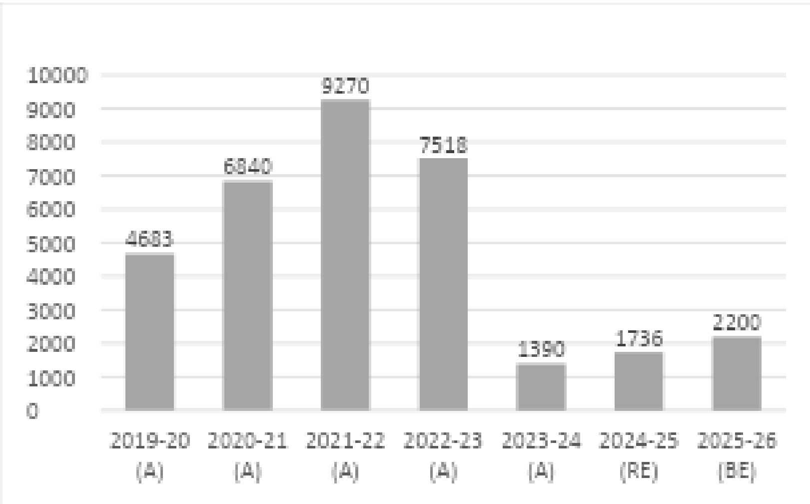
Source: Union Budget Documents, various years

Figure 4 : Mantri Ayushman Bharat Health Infrastructure Mission (



Source: Union Budget Documents, various years

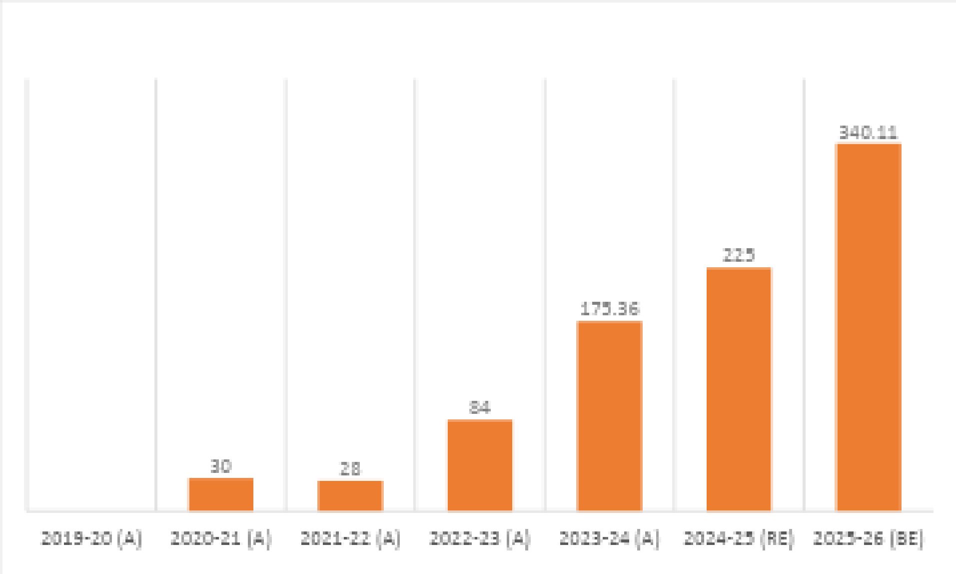
Figure 5: PMABHIM Pardhan Mantri Swasthya Suraksha Yojana (PMSSY)



Source: Union Budget Documents, various years

The graph depicts the budget allocation for the **National Digital Health Mission (NDHM) under NHM** from **2019-20 to 2025-26**. The allocation has significantly increased over the years, rising from **₹30 crore in 2020-21** to **₹340.11 crore in 2025-26 (BE)**. The most substantial jumps occurred in **2023-24 (₹175.36 crore)** and **2025-26 (₹340.11 crore)**, reflecting the government's growing focus on digital health initiatives.

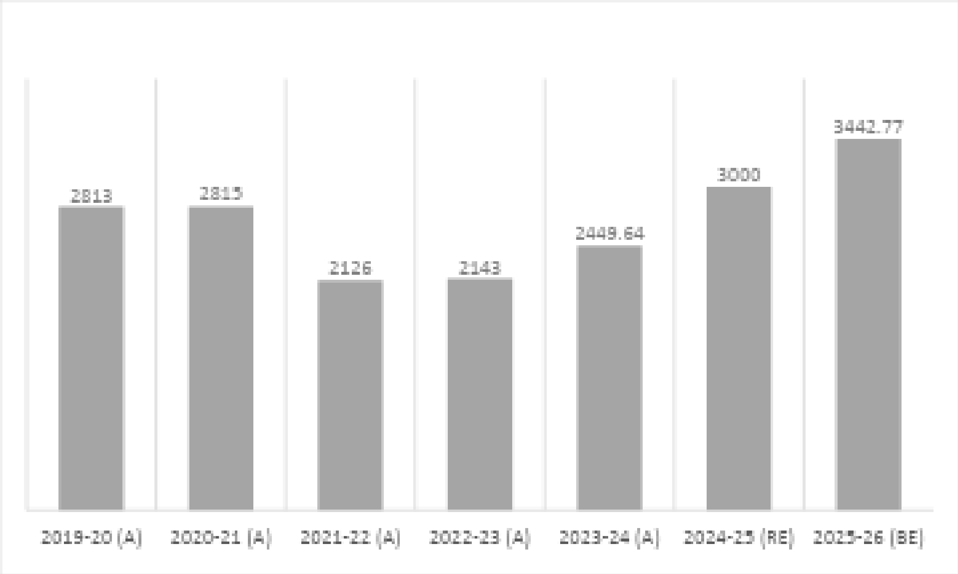
Figure 6: Digital Health Initiatives



Source: Union Budget Documents, various years

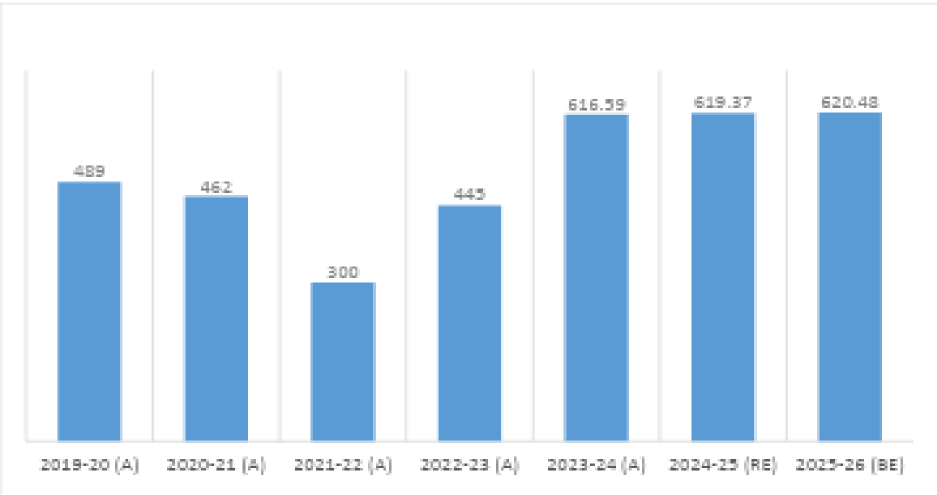
The National AIDS and STD Control Programme saw a decline from ₹2815 crore (2020-21) to ₹2126 crore (2021-22) but has steadily increased, reaching ₹3442.77 crore (2025-26 BE). Family Welfare Schemes funding dropped to ₹300 crore (2021-22) but later stabilized around ₹620 crore (2025-26 BE). The NCDC strengthening programme fluctuated, declining to ₹13.2 crore (2020-21) before rising to ₹54.01 crore (2025-26 BE). These trends indicate a renewed focus on disease control, family welfare, and public health infrastructure in the coming years.

Figure 7:National AIDS and STD Control Programme



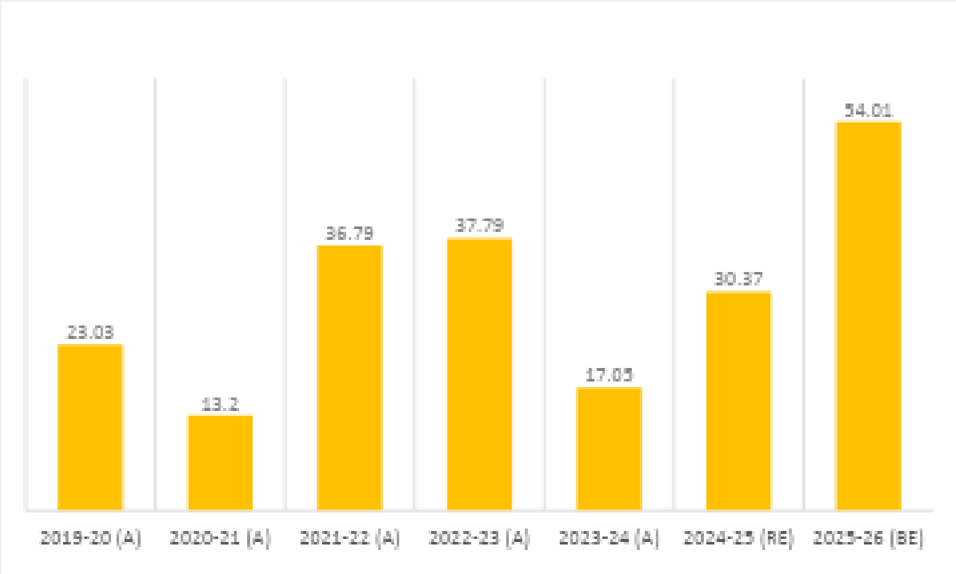
Source: Union Budget Documents, various years

Family Welfare Schemes



Source: Union Budget Documents, various years

NCDC strengthening programme



Source: Union Budget Documents, various years

Overall, the performance of health schemes underlines the urgent need for higher public health investments to achieve equitable healthcare outcomes and bridge systemic gaps.

Major Issues and Challenges in the Health Sector

Inadequate Public Spending

- Public health expenditure remains far below the NHP 2017 target of 2.5% of GDP, with health spending at only 0.3%% of GDP in 2025-26.

Declining Budgetary Priority

- The share of the health sector in the total Union Budget has been stagnant over the years, signalling low prioritisation despite the growing healthcare demands post-pandemic.

Infrastructure Shortfalls

- Significant gaps exist in healthcare infrastructure as per the mid-year population (1st July 2023). In rural areas there is a shortfall of 22%. Sub-Centers (SCs), 30% Primary Health Centers (PHCs), 36% Community Health Centers. In Urban areas, there is 36.7% shortfall in Primary Health Centers. A large no of health sub-centres in rural India do not have building

Human Resource Deficiencies

- Acute shortages of healthcare personnel:
    - The doctor-to-population ratio is 1:1511, below the WHO norm of 1:1000.
    - High vacancy rates for specialists in CHCs (79.5%) and critical healthcare staff in PHCs and SCs.
    - As on 31st March, 2021 the overall shortfall in the posts of Health Workers(F) / ANM is 2.9% of the total requirement as per the norms of per Sub Centre and PHC. There is vacancy of 21.1% HW (Female)/ ANM (at SCs +PHCs) when compared with the sanctioned posts.
    - There is shortfall of 4.3% of allopathic doctors at PHC, out of the total requirement at all India level.
    - The specialist doctors at CHCs there is a shortfall of 83.2% of Surgeons, 74.2% of Obstetricians & Gynecologists, 82.2% of Physicians and 80.6% of Pediatricians. Overall, there is a shortfall of 79.9% specialists at the CHCs as compared to the requirement for existing CHCs.
    - Nearly 40% shortfalls in PHCs and CHCs in urban areas
    - There is a shortfall of 83.2% of Surgeons, 74.2% of Obstetricians & Gynecologists, 82.2% of Physicians and 80.6% of Pediatricians. Overall, there is a shortfall of 79.9% specialists at the CHCs as compared to the requirement for existing CHCs.

Inefficiencies in Health Financing

- Out-of-pocket (OOP) expenditures remain high, constituting 39.4% of total health expenditures in 2021-22. (National Health Account 2021-22)
- There are inefficiencies in fund utilization, particularly in flagship schemes like the National Health Mission (NHM), with gaps between proposed, approved, released, and expended funds.

A distorted picture of actual healthcare investment.

- How states classify healthcare-related expenditures also contributes to the variation in reported healthcare spending.

- For example, Andhra Pradesh and Telangana classify spending on schools for marginalised communities under welfare, rather than education or healthcare. Similarly, in Punjab, electricity subsidies for farmers are categorised under 'agriculture' instead of energy.

Underfunding of Tribal Health Initiatives

- Tribal-focused schemes like PM-JANMAN and the mission to eliminate sickle cell anemia remain underfunded, leading to limited reach and impact in marginalized areas.

Climate Crisis Impact

- Health risks related to climate change, such as the spread of vector-borne diseases and disruptions in food systems, require urgent investments in climate-resilient health infrastructure. However, budgetary allocations for disease control schemes and climate adaptation measures remain inadequate.

Slow Release of Finance Commission Grants

- The 15th Finance Commission recommended ₹70,051 crore in health grants for 2021-26, but only 36.5% of these funds have been released, slowing infrastructure development and healthcare reforms.

1. **Introduction of New Schemes/ Scrapping of old schemes**

Introduction of New Schemes

1. **Pradhan Mantri Janja Adivasi Nyaya Maha Abhiyan (PM-JANMAN) (2023-24):**
    - Launched in November 2023, this scheme targets Particularly Vulnerable Tribal Groups (PVTGs), focusing on providing essential

amenities like secure housing, clean drinking water, sanitation, education, nutrition, and healthcare.

- Allocation: ₹141.71 crore under the flexible pool of NHM.
- Objective: Improve socioeconomic and health conditions of PVTG households and habitats.

2. **Mission to Eliminate Sickle Cell Anemia by 2047 (2023-24):**
   - Designed under the National Health Mission (NHM), this program aims to screen 7 crore individuals over three years (2023-26) for early diagnosis and intervention in tribal areas where the disease is prevalent.
   - However, budgetary allocations for its implementation remain modest.
3. **National Tele Mental Health Programme (2022-23):**
   - Initial allocation: ₹133 crore (2022-23), later reduced to ₹90 crore (2024-25). Now further deducted to ₹79.60 crore in 2025-26.
4. **Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM) (2021-22):**
   - Focused on developing primary, secondary, and tertiary health infrastructure to strengthen the health system's preparedness for future emergencies.
   - Planned outlay: ₹64,180 crore between 2021-26.
   - Massive boost of 43.2% funding from 2024-25 (RE)

5. **Expansion of Medical Education**

In Union Budget 2025-26 the government has added almost 1.1 lakh UG and PG medical education seats in ten years, an increase of 130 per cent. In the next year, 10,000 additional seats will be added in medical colleges and hospitals, towards the goal of adding 75,000 seats in the next 5 years.

6. **Day Care Cancer Centres in all District Hospitals**

Government will facilitate setting up of Day Care Cancer Centres in all district hospitals in the next 3 years. 200 Centres will be established in 2025-26.

7. In Union Budget 2025 PM Jan Arogya Yojana to extend Health Cover to Gig Workers. The Centre will facilitate their identity cards and registration on the e-Shram portal, though it remains unclear whether the benefits will extend to their family members.

1. **National Health Mission (NHM):**
    - While allocations for NHM remain consistent, it has been removed from the "flagship schemes" category, raising concerns given its vital role in health system strengthening and primary care.
    - Budget for the National Centre for Disease Control (NCDC) was reduced by 6.4% in 2024-25, despite growing health risks from communicable diseases and climate change.

Concluding Remarks

The analysis of India's health budget over the past five years highlights incremental growth in allocations but underscores persistent gaps in public health spending, infrastructure, and human resources. Despite new initiatives like PM-JANMAN and the Mission to Eliminate Sickle Cell Anemia, underfunding and inefficiencies continue to hinder progress toward universal health coverage. A focused and sustained commitment to increasing public health expenditure, strengthening primary care, and addressing systemic disparities is critical to achieving the National Health Policy 2017 goals and Sustainable Development Goal 3. Additionally, inconsistencies in how states classify expenditures such as categorizing schools for marginalized communities under welfare or electricity subsidies under agriculture distort the overall understanding of healthcare investment, calling for more transparent and standardized reporting across all states.

Rural Economy

Rural development plays a pivotal role in the process of growth of the rural economy. As of 2021, 65% of India’s population lives in rural areas, and 47% of the people depend on agriculture for livelihood. The Household Consumption Expenditure Survey (2023-24) also noted wide disparity in consumption expenditure. The average monthly per capita expenditure in urban areas was 71% higher than that of rural areas. The average monthly expenditure of the top 5% of rural population (Rs 10,137) was about six times that of the bottom 5% (Rs 1,667). According to the All-India Rural Financial Inclusion Survey (2024), the proportion of rural households with outstanding debt has risen between 2016 and 2021.

In this context, it is imperative to understand the fiscal priorities of the Union Government for the major schemes that have generated employment and livelihood opportunities, and led to expansion of infrastructure and connectivity as well as provision of housing amenities in rural areas particularly in the rural non-farm sector.

The Ministry of Rural Development aims to improve the quality of life in rural areas of the country and acts as the nodal agency for most development and welfare activities in rural India. The Ministry comprises two Departments, the Department of Rural Development and the Department of Land Resources. The Department of Rural Development works to enhance employment opportunities, ensure social security for the vulnerable, and facilitate infrastructure development for economic growth in rural areas. The Department of Land Resources works to ensure sustainable development of rainfed cultivable and degraded lands, and optimise the use of land resources in the country.

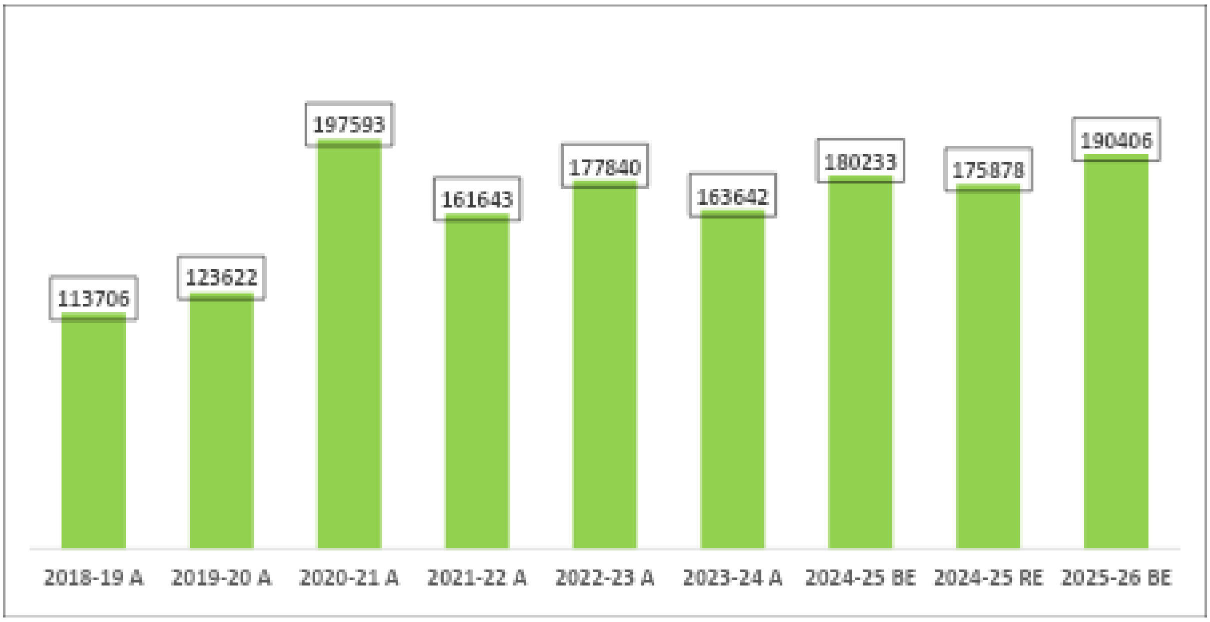
The major flagship schemes run by the Department include Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Pradhan Mantri Gram Sadak Yojana (PMGSY), National Rural Livelihoods Mission (NRLM), and Pradhan Mantri Awaas Yojana-Gramin (PMAY-G).

Major Announcements in the Union Budget Speech 2025-26 for upliftment of the rural development:

1. A Rural Prosperity and Resilience programme will be launched to generate opportunities in rural areas through skilling, technology and investment. The programme will focus on women, youth, farmers and landless families.
2. Public sector banks will develop Grameen Credit Score framework to serve the credit needs of SHG members and people in rural areas.
3. Global and domestic best practices will be incorporated and appropriate technical and financial assistance will be sought from multilateral development banks. In Phase-1, 100 developing Agri-districts will be covered.

In 2025-26, the Ministry of Rural Development has been allocated Rs 1,90,406 crore. The Department of Rural Development has been allocated Rs 1,87,755 crore, 8% higher than the revised estimates of 2024- 25. The Department of Land Resources has been allocated Rs 2,651 crore, 35% higher than the revised estimates of 2024-25.

Figure 1: Budgetary allocation and expenditure under Ministry of Rural Development (In Rs crore)



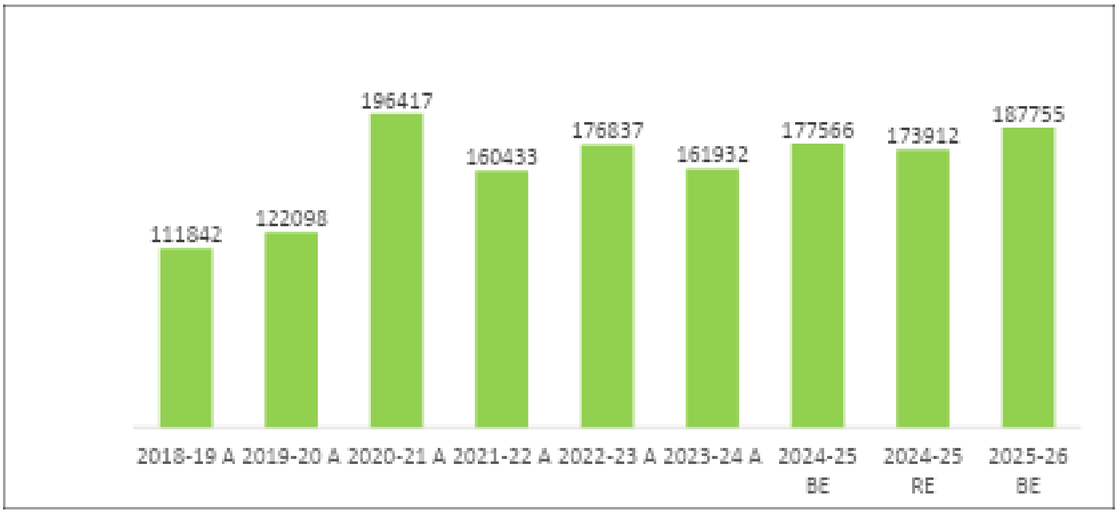
Source: Data compiled from union budget document various years.

Note: Ministry of Rural Development includes Department of Rural Development and Department of Land Resources

The Department of Rural Development has been allocated Rs 1,87,755 crore in 2025-26. Between 2020-21 and 2022-23, allocation to the Department was increased significantly to provide more financial support during the pandemic. This increased allocation was towards MGNREGS and welfare schemes, such as the direct benefit transfer to women under Pradhan Mantri Jan Dhan Yojana. In 2024-25, the revised expenditure of the department is expected to be 2% lower than the budget estimate.

This is primarily due to underutilisation of funds under Pradhan Mantri Awaas Yojana-Gramin.

Figure 2: Budgetary allocation and expenditure under Department of Rural Development (In Rs crore)



Source: Data compiled from union budget document various years.

How optimum is the allocation towards major schemes in the department?

The National Rural Employment Guarantee Act, 2005 provides for 100 days of guaranteed wage employment in a financial year for adults of rural households. Any individual who demands work through the scheme is entitled to a daily unemployment allowance if work is not provided within 15 days. The projects taken up under the scheme include those related to digging canals for irrigation, construction of Anganwadi centres, plantation drives, water supply and sanitation. For 2025-26, the scheme has been allocated Rs 86,000 crore, similar to the revised estimates for 2024-25. As MGNREGS is a demand driven scheme, the expenditure rises and falls in response to demand for work in rural areas. It jumped 55% in 2020-21 as the demand for work went up during COVID-19 pandemic driven by people migrating back to villages.

Table: Budget Allocation Select Schemes of DoRD

Select Schemes of DoRD	2020-21 (A)	2021-22 (A)	2022-23 (A)	2023-24 A	2024-25 BE	2024-25 RE	2025-26 BE
MGNREGA	111170	98468	90806	89154	86000	86000	86000
NRLM	9208	9383	11536	13934	15047	15047	19005
PMAY-G	19269	30057	44962	21770	54500	32426	54832
PMGSY	13688	13992	18783	15380	12000	14500	19000

Source: Data compiled from union budget document various years.

Between 2020-21 and 2022-23, the actual expenditure was higher than the budget estimate mainly due to expenditure on MGNREGS, a demand-based scheme which saw higher work demand because of the COVID-19 pandemic. Under the scheme, the amount of work provided is measured in person days. During 2020-21, the total person days of work generated was 389 crores. That saw a decline in the following two years. In 2024-25, the total person days generated as of January 2025 was 221 crores.

The Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) aims to reduce poverty in rural areas by giving poor households access to finances and employment opportunities. The scheme attempts to mobilise households through self -help groups (SHGs) and enhance access to credit and financial services. To strengthen community resources, the government provides a one time: (i) revolving fund of Rs 20,000 to Rs 30,000 per SHG, and (ii) a community investment fund of up to Rs 2.50 lakh through SHG federations. Under the SHG-Bank Linking programme it facilitates credit access for SHGs through interest subvention. In 2025-26, the scheme has been allocated Rs 19,005 crore, 26% higher than revised estimate of 2024-25.

PMAY (G) was launched in 2016 to address gaps in the demand and supply of rural housing. It aimed to ensure housing for all by 2022. Based on the Socio Economic and Caste Census (SECC), 2011, the housing shortage in rural areas was estimated to be 4.03 crore. For 2025-26, the scheme has been allocated Rs 54,832 crore, an increase of 69% over the revised estimate of 2024-25. However, as per revised estimate for 2024- 25, 41% of funds allocated to the scheme had not been utilised. The Ministry in a reply to the Standing Committee (2024), had given reasons for unspent balances, such as: (i) states releasing both central and their own share simultaneously towards end of the financial year, and (ii) expenditure being affected by seasonal factors such as prolonged monsoon.

The government had launched the Pradhan Mantri Gram Sadak Yojana (PMGSY) in 2000 to address poor connectivity in rural areas. The scheme is being implemented to provide all weather road connectivity to all eligible rural habitations. In 2025-26, it has been allocated Rs 19,000 crore, 31% higher than the revised estimate for 2024-25. As of January 2025, out of the 8,33,604 km of road sanctioned under the scheme, 93% of the roads have been completed.

The National Social Assistance Programme was introduced in 1995, to extend support to citizens who are destitute, aged, sick, or disabled. It comprises of five sub-schemes, (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS), (iv) National Family Benefit Scheme, and the (v) Annapurna scheme. The scheme extends across rural and urban areas, and is implemented by states. The scheme has been allocated Rs 9,652 crore in 2025- 26, similar to the revised allocation for the previous fiscal. The allocation includes Rs 6,646 crore for the old age pension scheme, Rs 659 crore for the National Family Benefit Scheme, Rs 2,027 crore for the widow pension scheme, Rs 290 crore for the disability pension scheme, and Rs 10 crore for the Annapurna scheme.

The way forward:

The government has consistently prioritized the promotion of the rural economy, as evident from the launch of various flagship schemes aimed at infrastructure development and improving living standards in rural areas. This suggests that funding for these initiatives has generally been sufficient and aligned with their objectives, except in the case of MGNREGS. However, there is an urgent need for a more effective and efficient implementation framework to fully achieve the goals set under these schemes. Strengthening execution mechanisms will not only help offset the losses incurred in recent years due to the severe impact of the Covid-19 pandemic but also support sustained economic growth by creating diverse income opportunities and fostering resilient livelihoods in rural communities.

Urban Development

The Ministry of Housing and Urban Affairs (MoHUA) extends financial support to states and urban local bodies (ULBs) to implement development initiatives through flagship missions and centrally sponsored schemes. For the Financial Year (FY) 2024-25, the Ministry’s Budget Estimate (BE) stands at ₹82,576.57 crore, marking an 8.04% increase from ₹76,431.60 crore in FY 2023-24. This is significantly higher than the Revised Estimate (RE) of ₹69,270.72 crore for 2023-24. Looking ahead, an allocation of ₹96,777 crore has been proposed for FY 2025-26, representing a 15% increase from the previous year. As a share of the GDP (at current prices), the Ministry's budget accounts for 0.27% in FY 2024-25, compared to 0.28% in FY 2023-24. Its share of total government expenditure has seen a slight rise, from 1.70% to 1.71% over the same period. However, MoHUA’s share in the Union Budget allocation has shown marginal inconsistencies over time. Since 2011, India’s cumulative urban population has grown by 29.10%. A 2022 World Bank report estimated that an investment of $840 billion—or $55 billion annually—would be required over 15 years to meet urban infrastructure needs.

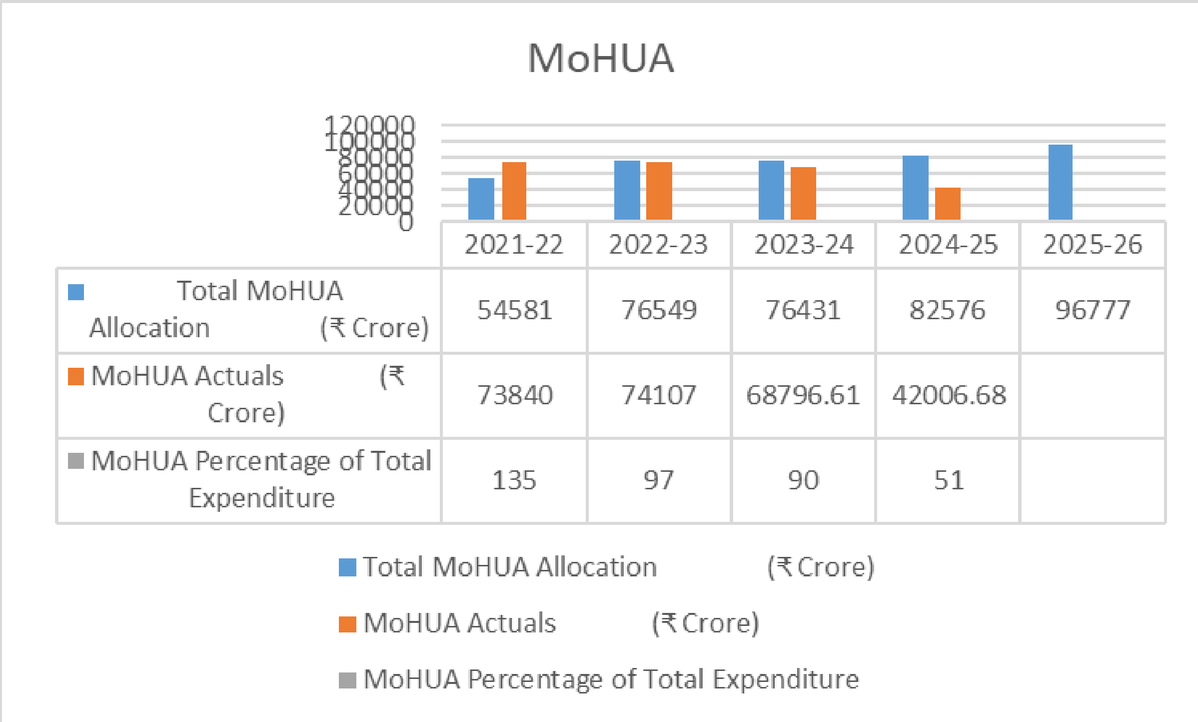
Table : Percentage share of total MoHUA allocation expenditure by Union Government

Financial Year	Total Expenditure (₹ Crore)	MoHUA Allocation (₹ Crore)	MoHUA Percentage of Total Allocation
2021-22	34,83,236	54,581	1.57%
2022-23	39,44,909	76,549	1.94%
2023-24	45,03,097	76,431	1.70%
2024-25	48,20,512	82,576	1.71%
2025-26	50,67,890	96,777	1.91%

Source: Data compiled from union budget document various years.

The table below summarizes the total allocation to the Ministry of Housing and Urban Affairs (MoHUA) as a share of the Union Budget over the past five financial years. Analyzing the Demands for Grants provides insight into the Ministry's fund utilization patterns. While allocations to MoHUA have generally increased over time, its share as a percentage of total Union Budget expenditure has shown slight inconsistencies. Notably, there has often been a significant gap between the Budget Estimates (BE) and actual expenditure, indicating persistent underutilisation of funds. An exception was in FY 2021-22, when the Ministry exceeded its budget allocation.

Graph : Budget Allocation and Actual Expenditure (Amount in Crore)



	2021-22	2022-23	2023-24	2024-25	2025-26
Total MoHUA Allocation (₹ Crore)	54581	76549	76431	82576	96777
MoHUA Actuals (₹ Crore)	73840	74107	68796.61	42006.68	
MoHUA Percentage of Total Expenditure	135	97	90	51	

Source: Data compiled from union budget document various years.

Note: Figure total expenditure for 2024-25 based on available data as on January,2024.

The table below shows that although the allocation in the many schemes of the Ministry of Housing and Urban Affairs has tended to increase over the years. The scheme's percentage share fund utilisation has been inconsistent. The difference between the Budget Estimates (BE) and actual expenditure has been substantial in the majority of years.

Table: Estimated/Allotted vs. Actual Expenditure of Urban Development Schemes

SL. No.	Scheme Name	BE 2023-24 (₹ Cr)	Actual Expenditure 2023-24 (₹ Cr)	BE 2024-25 (₹ Cr)	% of Total BE 2024-25	Amount Utilized (Till 16.10.2024) (₹ Cr)

1	Pradhan Mantri Awas Yojana (Urban) [PMAY-U]	25,103.03	21,684.33	30,170.61	36.54	2,375.00
2	Mass Rapid Transit System (MRTS) & Metro Projects	23,175.01	23,102.20	24,931.98	30.20	11,384.00
3	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	8,000.00	5,590.84	8,000.00	9.69	4,011.00
4	Swachh Bharat Mission (Urban) – [SBM-U]	5,000.00	2,392.28	5,000.00	6.05	1,026.00
5	General Pool Accommodation (Residential/Non-Residential) – CPWD	2,799.96	3,423.16	3,699.99	4.48%	1,388.00
6	Mission for Development of 100 Smart Cities	8,000.00	7,983.95	2,400.00	2.91%	1,127.00
7	PM e-Bus Sewa Scheme	20	1	1,300.00	1.57%	358.3
8	National Urban Digital Mission	0	0	1,150.00	1.40%	0
9	Identification of 04 Academic	0	0	1,000.00	1.21%	0

	Institutions as CoE in Urban Planning/Design					
10	Prime Minister's Street Vendors' Atmanirbhar Nidhi (PM SVANidhi)	468	444.64	326.32	0.39%	144.6
11	Deendayal Antyodaya Yojana – National Urban Livelihood Mission (DAY-NULM)	0.01	501.39	300	0.36%	29.03
12	City Investment to Innovate, Integrate and Sustain (CITIIS) 2.0	0	0	225	0.27%	0
13	Public Health Engineering (PHE) Sector Development	2	1.94	3	-	0
14	Other Schemes/Non-Schemes	3,883.59	3,670.88	4,069.65	4.93%	-
Total	-	76,431.60	68,796.61	82,576.57	100%	-

Source: Demand for grants (2024-25). Ministry of Housing and Urban Affairs, Eighteenth Lok Sabha.

Urbanization has long been framed as a catalyst for economic transformation and improved availability in cities. Successive Union governments have introduced flagship missions aimed at the planned, inclusive, and sustainable development of urban areas and local bodies. The 2024–25 Budget positions “Urban Development” as the fifth of nine national priorities, with MoHUA receiving an allocation of ₹82,576.57 crore—an 8.04% increase from ₹76,431.60 crore in 2023–24. In its responses to the parliamentary standing committee, the Ministry acknowledged a recurring pattern of underutilization of funds across various schemes, with FY 2021–22 being the only notable exception. It attributed this underuse primarily to the demand-driven nature of Centrally Sponsored Schemes (CSS), where fund disbursement depends on requisitions from states and local governments. Low fund utilization often reflects existing unspent balances from previous allocations, delays in project implementation, and the inability of some states to contribute their required share. The Ministry noted, “there is very little progress. Of ₹82,000 crore, the overall expenditure is 30%.” One key structural challenge lies in the Single Nodal Agency (SNA) model, wherein funds are first transferred to the state treasury before reaching the implementing agencies. Delays occur when states fail to provide their matching contributions on time, postponing further fund releases. To address this, the government has introduced the SNA Sparsh system—“just-in-time funding”—which disburses funds only when needed. This model aligns central and state budgets more effectively, reduces borrowing costs, prevents fund parking, and promotes financial discipline through timely and need-based transfers.

Reasons for Delays in Implementation and Steps Taken by the Ministry

(i)\Pradhan Mantri Awas Yojana (Urban) – PMAY(U):

PMAY(U) follows a phased fund release model (40:40:20), contingent on adherence to scheme guidelines. In FY 2023–24, several States and Union Territories (UTs) failed to meet the required compliance levels, leading to lower fund disbursal. Consequently, the projected fund requirements for FY 2024–25 have also been revised downward due to fewer claims meeting compliance standards. The slow pace of house completions under PMAY(U) has significantly impeded progress. The Ministry has urged States/UTs to accelerate compliance and regularly update their progress on the PMAY-U MIS portal. If the target of constructing 118.64 lakh houses is not met by December 2024, additional funds may be needed in FY 2025–26.

Unallotted or unoccupied houses—constructed under various verticals of PMAY(U)—are primarily due to incomplete infrastructure, delays in allotment, and in some cases, lack of beneficiary interest. According to scheme guidelines, trunk infrastructure is the responsibility of ULBs and state governments. However, many have not fulfilled these obligations, leading to implementation gaps.

(ii) Urban Transport and Metro Rapid Transit System (MRTS): The Ministry did not explicitly outline reasons for implementation delays but instead elaborated on planned policy measures. In response to queries about expanding the Rapid Transit System (RTS) in collaboration with the Ministry of Railways, especially in Tier 2 and Tier 3 cities, the Ministry discussed the Regional Rapid Transit System (RRTS) currently in planning.

It highlighted the introduction of Guidelines on Transit-Oriented Development (TOD), aimed at reducing carbon emissions and increasing revenue. TOD forms part of the reforms under the Special Assistance to States for Capital Investment 2023–24 – Part III (Urban Planning Reforms), which has a ₹15,000 crore allocation to incentivize state-level adoption. For hilly and northeastern regions, the Ministry proposed the Ease of Transit initiative, targeting traffic management, public transport, parking, and pedestrian infrastructure. As of now, ₹383 crore has been disbursed to nine states under the TOD initiative. However, it is important to note that TOD is advisory in nature, with no binding financial or operational enforcement mechanism.

(iii) Atal Mission for Rejuvenation and Urban Transformation (AMRUT): AMRUT project implementation lies with States/UTs and involves large-scale investments in water supply and sewerage, often with long gestation periods. Sanctioning such projects typically takes one to two years, and the first installment of Central Assistance constitutes only 20% of the total support. AMRUT 2.0, launched in October 2021, saw less demand than anticipated in FY 2022–23 and FY 2023–24, as states were still in the process of preparing State Water Action Plans (SWAPs) and Detailed Project Reports (DPRs).

Urban Local Bodies (ULBs), which are central to executing urban development responsibilities, often lack the technical and financial capacity to manage such projects effectively. This gap severely limits improvements in infrastructure and service delivery. Additionally, many ULBs face a significant mismatch between their financial needs and their ability to generate revenue.

To address this, the Ministry is monitoring and incentivizing capacity-building reforms. These include credit rating of AMRUT cities, promotion of municipal bonds, and broader urban finance reform initiatives. The Special Assistance Scheme (2023–24) was introduced to help ULBs become creditworthy and eligible to issue municipal bonds. Capacity building for municipal staff also forms part of AMRUT's reform agenda.

(iv) Swachh Bharat Mission (Urban) – SBM(U): Delays in fund utilisation under SBM(U) stem from procedural bottlenecks such as the finalization of DPRs, tendering processes, land allotment, and securing mandatory approvals. The next installment of funding is only released after 75% of the previous central or state share is utilized. Although the fund release follows Ministry of Finance guidelines, forecasting state claims remains challenging. Due to lower utilisation, the budget was revised downward at the RE stage, with Phase II of SBM-U receiving ₹2,392.49 crore. The slow financial and physical progress of the scheme is largely attributable to the absence of pre-planned solid waste management projects in many cities. Major states like Andhra Pradesh, Tamil Nadu, Gujarat, Maharashtra, and Uttar Pradesh are still in the tendering and DPR preparation phases, reducing their ability to absorb available funds. High unspent balances in the SNA accounts of several states further delay fund utilisation and overall expenditure.

Insights on the Beneficiaries of the Schemes

The most recent budget allocation continues to prioritise beneficiary-centric schemes, particularly in the areas of urban housing and mobility. Under the Credit Linked Subsidy Scheme (CLSS), which falls within PMAY (Urban), ₹4,000 crore has been earmarked for beneficiaries from the Economically Weaker Section (EWS), Low-Income Group (LIG), and Middle-Income Group (MIG). This reaffirms the government's commitment to promoting homeownership in urban areas. However, rising housing prices and construction costs persist despite relatively stable levels of financial assistance.

The Smart Cities Mission, extended to March 2025, received an allocation of ₹2,400 crore to support the completion of ongoing projects. The PM e-Bus Sewa scheme—a new initiative launched in FY 2023–24—also saw a significant increase in funding, from ₹20 crore (RE 2023–24) to ₹1,300 crore (BE 2024–25). This upward shift in funding signals a greater emphasis on developing public transport infrastructure across urban centres.

A persistent concern is the financial burden placed on beneficiaries of government-funded schemes. While central support is provided, beneficiaries are expected to contribute toward homeownership. PMAY(U) 2.0 does not offer additional central support, reflecting the government's position that States and Union Territories (UTs) must ensure affordability. The housing benefit is thus conditional on state-level contributions and beneficiary participation. This model has drawn criticism, particularly amid reports of stalled housing projects due to funding gaps, as highlighted in Annexure VI of the government submission.

Under the current framework, the central government provides ₹1 lakh per housing unit under the In-Situ Slum Redevelopment (ISSR) vertical and ₹1.5 lakh per unit under both the Affordable Housing in Partnership (AHP) and Beneficiary-Led Individual Construction (BLC) verticals. The remaining costs are expected to be covered by states, UTs, Urban Local Bodies (ULBs), and beneficiaries. States/UTs are required to include their financial share in the Detailed Project Reports (DPRs) to ensure that costs are equitably distributed and not disproportionately transferred to low-income urban families. States and UTs are also expected to facilitate access to loans from banks and Housing Finance Companies (HFCs) to support beneficiary contributions.

Timely delivery of housing units remains a key administrative issue. The Ministry has clarified that land and urban development fall within the purview of states, placing operational responsibility for housing schemes on state and local governments. Delays in allotments, therefore, point to challenges in intergovernmental coordination and accountability.

Beyond housing, other beneficiary-focused programs, such as PM SVANidhi, aim to integrate street vendors into formal financial and welfare systems. By linking them to social security and economic support schemes, PM SVANidhi exemplifies efforts to formalise the informal workforce.

While these schemes represent a structured framework for urban development, their effectiveness depends on successful implementation by states, affordability for beneficiaries, and efficient delivery mechanisms. The government’s continued emphasis on beneficiary contributions rather than increased direct support reflects a reliance on multistakeholder partnerships. However, this raises important concerns about accessibility and the financial strain on vulnerable urban populations.

Standing Committee on Housing and Urban Affairs Recommendations (2024–25)

- Formulate holistic, long-term plans and budgeting strategies for MoHUA.
- Foster public-private partnerships (PPPs) and collaboration with private and technology partners.
- Ensure optimal use of funds through progressive financing models and increased accountability.
- Accelerate fund utilisation and the completion of PMAY-U housing units. Increase financial support under PMAY 2.0 to reflect rising land and construction costs.
- Promote cost-effective Mass Rapid Transit System (MRTS) development in new urban centres.
- Ensure consistent fund allocation throughout the scheme period and expedite delayed projects.
- Strengthen ULB capacity for effective urban governance and scheme implementation.
- Complete all ongoing projects within the extended Smart Cities Mission timeline.

  Ensure timely rollout of the PM e-Bus Sewa scheme to promote sustainable mobility.
- Finalise the National Urban Digital Mission (NUDM Facilitate the use of funds by Centres of Excellence (CoE) in urban planning.
- Explore the potential launch of PM SVANidhi 2.0.
- Accelerate disbursal under the DAY-NULM scheme.
- Expedite funding under components 1 and 2 of CITIIS 2.0.
- Enhance integration and convergence of housing and urban development schemes for optimal outcomes.

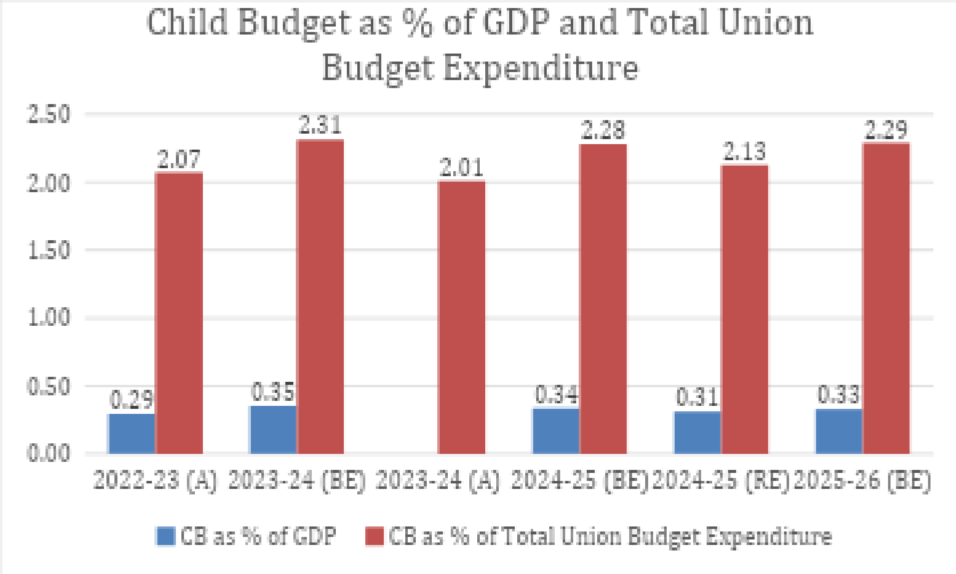
Sources:

- Ministry of Housing and Urban Affairs, Budget Source: Open Budgets for India
- Standing Committee on Housing and Urban Affairs. (2024-25) – Demand for grants (2024-25). Ministry of Housing and Urban Affairs, Eighteenth Lok Sabha.

CHILD BUDGET

In the year 2025-25, as per Statement 12 of expenditure budget of the Union Government representing allocation to the Children Welfare, Rs. 116132.5 crore has been estimated for expenditure under the three Parts –Part A (100%), Part B (up to 30 %) and Part C (below 30%). This allocation is 0.33 percent share of GDP, which is 0.01 percentage less than 2024-25 (BE). Also, the revised estimate for 2024-25 reveals further decline in the expenditure. For 2024-25 (RE), CB is 0.31 percent of GDP. However, the share of actual expenditure as percent of GDP in 2023-24 (A) has gone down drastically.

Chart 1

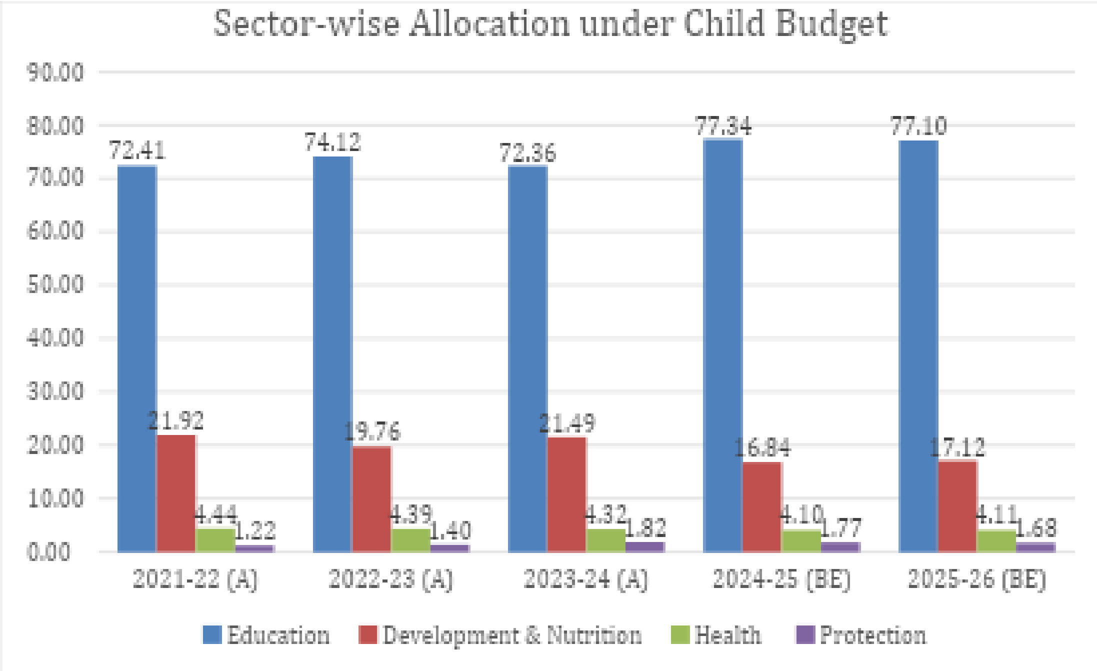


Source: Data compiled from union budget document various years.

Now, coming to the CB as percent of total union budget expenditure it is 2.29 percent in 2025-26 (BE). This is an increase of 0.01 from previous year BE (Chart 1). But, 2024-25 (RE) estimate has come down to 2.13 percent of total Union expenditure from 2.28 percent in 2024-25 (BE). It means cutting of funds from CB. However, the real slash of funds can be seen in actual expenditure of 2023-24 (A). It is 2.01 percent of the total Union Budget. The 2023-24 (BE) was 2.31 percent of the total union budget.

If we disaggregate the total child budget allocation in 2025-26 into four sectors – Education, Development, Health and Protection- the previous trend has been continuing (Chart 2). 77.10 percent of total CB has gone to education followed by 17.12 percent to Development & Nutrition. Health of children received a mere 4.11 percent of total CB. The least allocation as usual has gone to the protection of children in India. Allocation for protection of children is the need of the hour as crime against children has been increasing at all India levels in successive years. As per NCRB report, in the year 2020, the total number of crimes against children was 128531, which rises to 149404 in 2021. Further, it rose to162449 in the year 2022.

Chart 2: Sector wise Allocation under child Budget



Source: Data compiled from union budget document various years.

Out of the total child budget of 116132.50 cr. in 2025-26, Dept. of School Education and Literacy has received 65.88 percent i.e. 76515.87 crore. It seems not sufficient. It is to be noted that despite huge allocation for the education of children the problem of Out of School Children is still persisting. Around 1.17 million children across India have been identified as those not enrolled in primary, secondary and senior secondary education, or Out of School Children (OoSC), for the year 2024-25. Uttar Pradesh accounted for the maximum 784,228 OoSC, of the total 1,170,404 children who remain out of school. Uttar Pradesh was followed by Jharkhand and Assam, which reported 65,070 and 63,848 OoSC, respectively, for 2024-25.

Table 1: Selected Major Scheme under Union Child Budget Statement 12, 2025-26

Scheme	2023-24 (A)	2024-25 (BE)	2024-25 (RE)	2025-26 BE)
Samagra Shiksha	32829.69	37500	37010	41250
Kendriya Vidyalaya Sangathan	8500	9302.67	8727	9503.84

Navodaya Vidyalaya Samiti	5469.8	5800	5370.79	5305.23
PM Poshan	8457.72	12467.39	10000	12500
PM Shri	1214.68	6050	4500	7500
MoMA Educ. Scheme	96.73	1517.34	347.42	424
EMRS	2442.39	5794.78	4063.84	5986.44
Saksham Anganwadi & Poshan 2.0	18538.19	18020	17060.27	18666
Post Matric S'ship for SCs	2628.58	3047.99	2640	3052.8
Mission Vatsalya	1390.71	1472.17	1391	1500

Source: Data compiled from union budget document various years.

New scheme to cater the need of health and education of children in tea growing areas has seen allocation of Rs. 284 crores under PM Cha-Shramik Yojna in 2025-26. Nevertheless, new child killers need attention under the health of children. Air pollution and unintentional injuries are causing the majority of death among children. It was reported that across India between 2017 and 2019 it accounted for about 22.4 percent of the total deaths. Diarrhoeal diseases were another main cause of death among children between five and 14 years old, with 9.2 percent during the same time period. More than 116,000 infants in India died within a month of birth in 2019 due to air pollution — outdoor and indoor — according to the *State of Global Air 2020* report released October 21, 2020.

Next, a decrease in PM-POSHAN is notable in 2024-25 (RE) (table 1). As compared to 2024-25 (BE), approx. Rs.2000 crore has been slashed from the scheme. Approx. Rs. 500 crores less have been allocated in 2025-26 (BE) as compared to 2024-25 (BE) under Navodaya Vidyalaya Samiti. Table 1 also reflects a contrasting picture of priority on education. The Ministry of Minority Affairs has a total allocation of Rs. 424 crore. In 2023-24 (A) only 96.73 crore was actually spent on minority education.

Looking at the CB statement number 12, from nowhere the budget allocation looks inclusive and balanced. At one-point education is taking a larger share of allocation, but at the same time minority students are sidelined from the budget. On the other hand, the health and protection sector within the CB have received lower allocation where it is needed the most. Health and protection needs more allocation.

Gender Budget

India reaffirmed its commitment to "women-led development" during its G20 presidency in 2023 and also adopted the Sustainable Development Goal 5 for achieving gender equality and empowering all women and girls. The government enacted the Women's Reservation Bill in the same year. Women's empowerment and gender equality continue to be central themes in policy discussions. The Economic Survey 2023-24 has highlighted the growing number of women-focused government initiatives, noting an increase in the share of the Gender Budget within the total Union Budget 2024-25 (BE) to 6.5 percent since the Gender Budget Statement was introduced in 2005-06. In this context, it remains crucial to assess how effectively policy declarations and gender equality goals are reflected in budgetary allocations by the Union Government over the years.

Gender Budget refers to the allocation of funds to promote gender equality and women's empowerment while also tracking discrimination and atrocities against women. It ensures that government policies, programs, and expenditures address women's specific needs and bridge gender gaps through the inventions implemented by budgets of different levels of the governments.

The **rationale** of Gender Budgeting arises from the recognition of the fact that the national budget impacts various sections of the society differently, through the pattern of resource allocation and priority accorded to competing sectors. Gender Budgeting in its simplest connotation is 'Gender Analysis' of the budget aimed at examining the budgetary allocation through a gender lens. The purpose of gender budgeting is to monitor expenditure and public service delivery from a gender perspective, as a means of mainstreaming women's concerns in all activities and improving their access to public resources.

Overview of Gender Budget Analysis

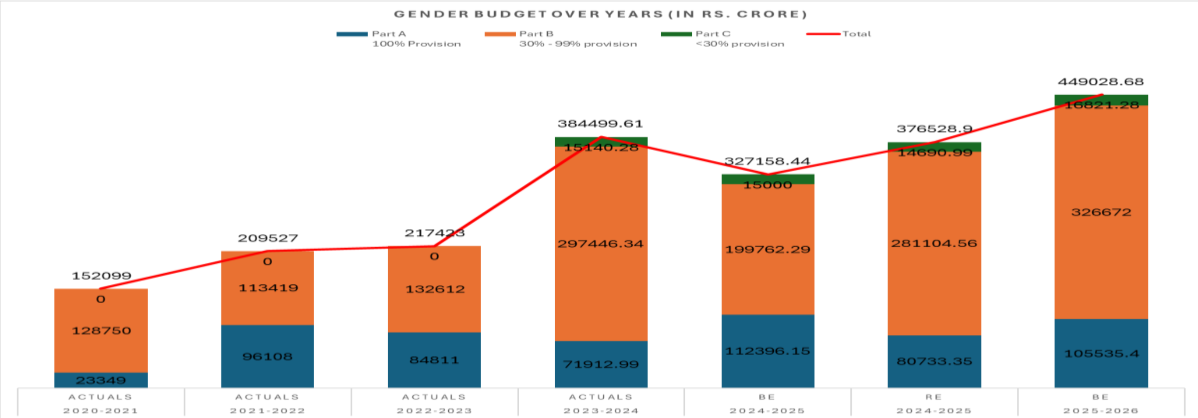
The Gender Budget Statement was first **introduced** in Budget **2005-06**. On the basis of the information furnished by the Ministries/ Departments, the Gender Budget Statement is prepared. This Statement indicates, in **three parts**, the budget provisions for schemes that are substantially meant for the benefit of women.

1. Part A details schemes in which 100% provision is for women,
2. Part B reflects schemes where the allocations for women constitute at least 30% of the provision.
3. Part C added in 2023-24, less than 30% allocation benefiting women and girls.

Total 49 ministries and 5 UTs reported to allocate funds to the gender budget in this year, while in FY 2024-25 there were 38 ministries/Departments & 5 UTs. We may say that this is the highest number of reports by the Ministries/Departments in the GBS since its inception. Twelve new Ministries/Departments Which have reported allocations in the GBS 2025-26 are: Department of Animal Husbandry & Dairying, Department of Biotechnology, Department of Food & Public Distribution, Department of Financial Services, Department of Fisheries, Department of Land Resources, Department of Pharmaceuticals, Department of Water Resources, RD & GR, Ministry of Food Processing Industries, Ministry of Panchayati Raj, Ministry of Ports, Shipping & Waterways, and Ministry of Railways.

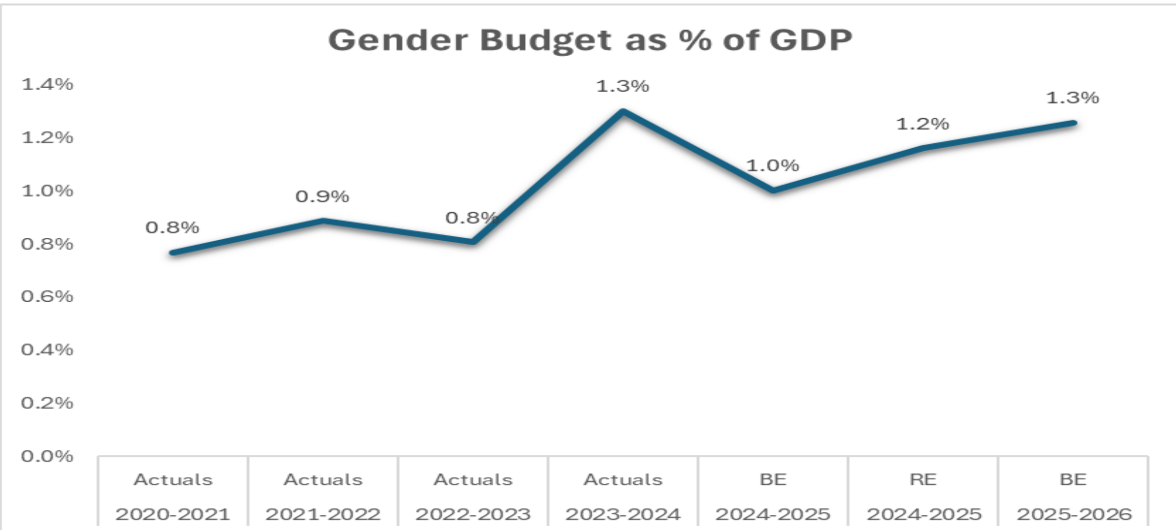
Total Allocation:

In this year Rs. 4.49 lakh crore allocated for welfare of women and girls in the gender budget statement of FY 2025-26, an increase of Rs. 37.25% over the Gender budget allocation of Rs. 3.27 lakh crore in FY 2024-25. Which is an increment in Gender Budget allocation in the total Union Budget as it increases to 8.86% in FY 2025-26 from 6.8% in 2024-25(Table 1).



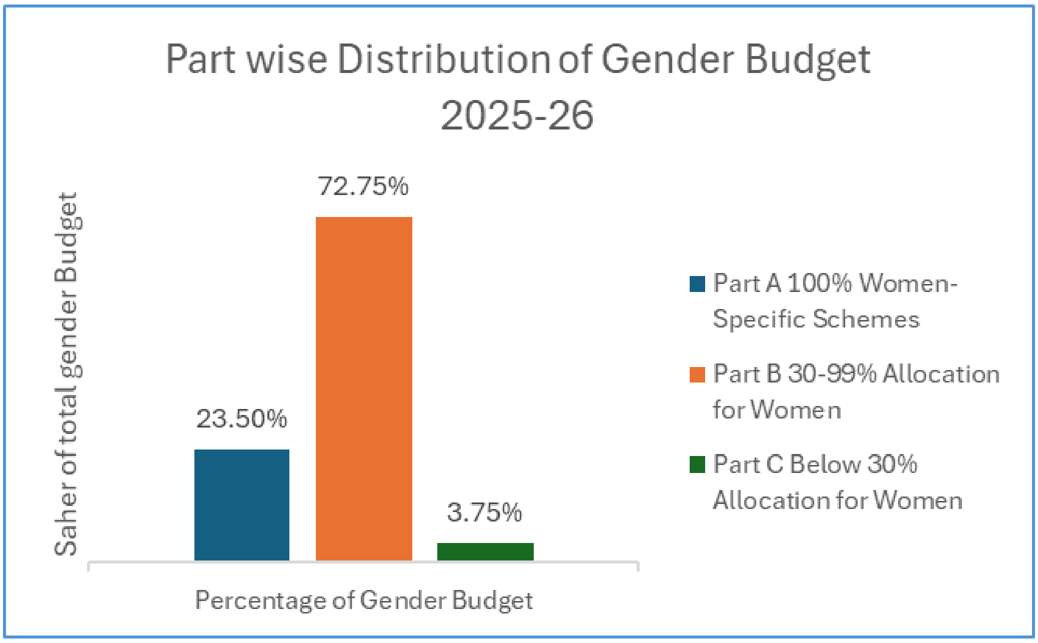
Source: Data compiled from union budget document various years.

Gender budget as %age of GDP



Source: Data compiled from union budget document various years.

Part wise allocation of funds for FY 2025-26



Source: Data compiled from union budget document various years.

Part wise allocation budget analysis

●Part A (100% Provision):

○Consistently increasing but constitutes a smaller share compared to Part B.

○Grows from ₹23,349 crore (2020-21) to ₹1,05,535.40 crore (2025-26).

●Part B (30-99% Provision):

○Largest component of the Gender Budget, with a steady rise each year.

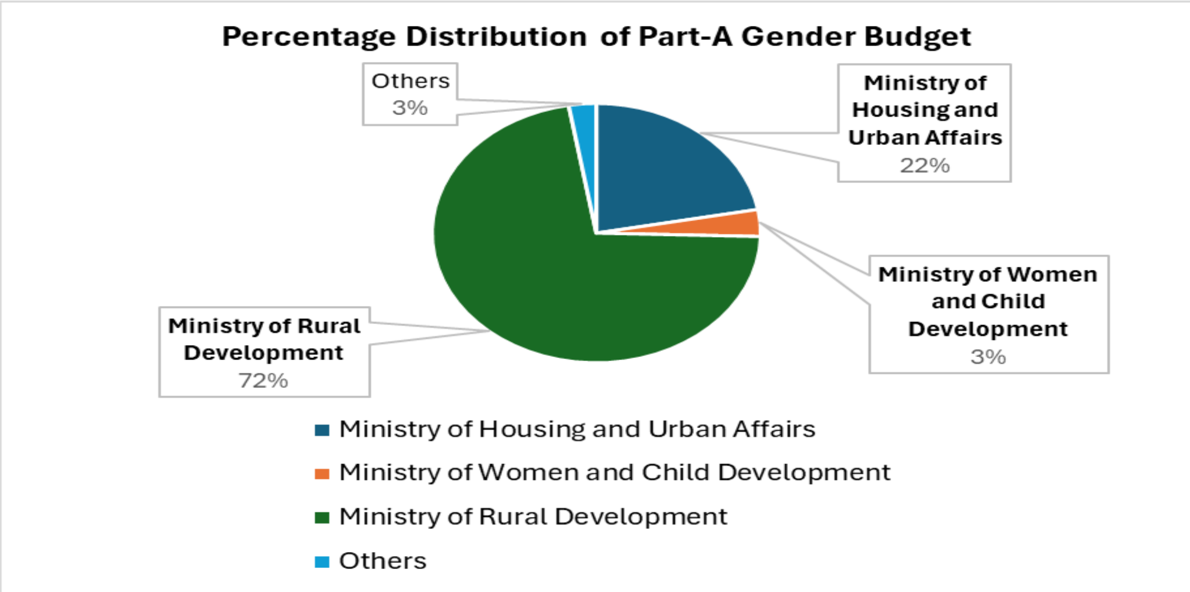
○Grows from ₹1,28,750 crore (2020-21) to ₹3,26,672 crore (2025-26).

●Part C (<30% Provision):

○Newly introduced in 2023-24.

○Allocation for 2024-25 BE is ₹15,000 crore, increasing to ₹16,821.28 crore (2025-26 BE).

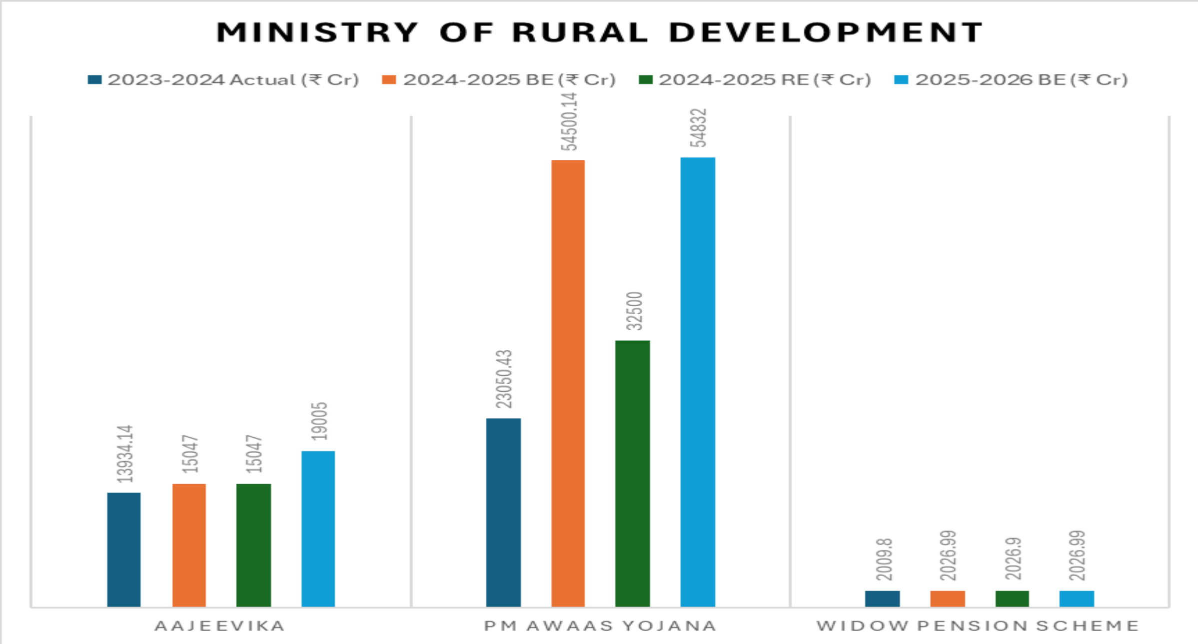
Contribution of different ministries under Part-A Gender Budget

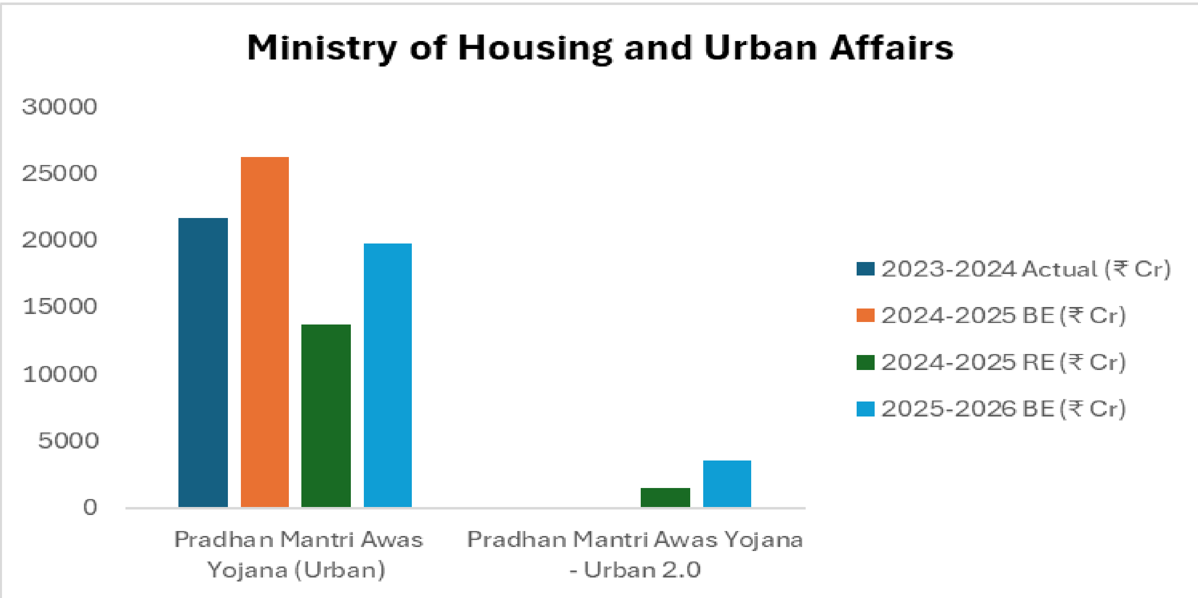


Source: Data compiled from union budget document various years.

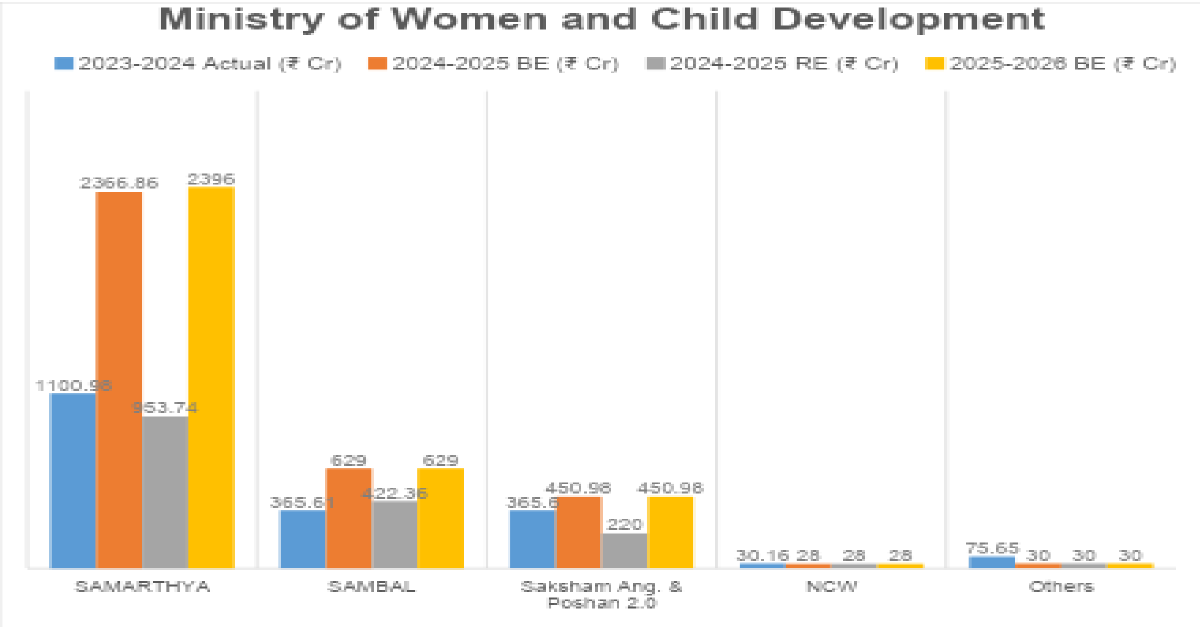
Schemes of Top 3 Ministries of Part A

1. Ministry of Rural Development
2. Ministry of Housing and Urban Affairs
3. Ministry of Women and Child Development





Source: Data compiled from union budget document various years.



Source: Data compiled from union budget document various years.

Increment in the Budget Allocation:

The percentage increase in Gender Budget allocation over the past five years is 128% (Rs. 1.43 lakh crore in FY 2020-21 to Rs. 3.27 lakh crore in FY 2024-25).

Total Ministries:

A total of 43 Ministries/Departments/UTs have reported an allocation of Rs. 3.27 lakh crore in the Gender Budget Statement of FY 2024-25, which is an increase of 37.3% over the same in FY 2023-24. The Ministry of Rural Development, Ministry of Health and Family Welfare, Department of Drinking Water & Sanitation, Department of School Education and Literacy, Ministry of Housing and Urban Affairs, Ministry of Women and Child Development etc. are a few departments/ministries who have significantly high percentage allocation for Gender Budget under their respective schemes.

Expected impact of the increased Gender Budget:

Higher Gender Budget is expected to accelerate the process of women-led development and increase women's overall welfare by ensuring adequate budgetary commitment.

Other measures towards rural welfare

Mahatma Gandhi National Rural Employment Guarantee Scheme

The MGNREGA 2005 aims at enhancing the livelihood security of households in rural areas of the country by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The physical progress of MGNREGS (the Scheme through which MGNREGA is implemented) is indicated below:

Table XI.8: Key indicators on MGNREGS

Indicator	2020-21	2021-22	2022-23	2023-24*	2024-25*
Person-days generated (in crore)	389.1	363.3	293.8	308.9	220.11
Average person-days per household	51.5	50.1	47.8	52.1	42.77
Women participation rate (%age)	53.2	54.7	57.5	58.9	57.97
*As per MIS (as of 10 January 2025)					

Source: Ministry of Rural development , GoI

The share of workers (male and female) in regular/salaried jobs decreased from 22.8 per cent to 21.7 per cent during the same period, the trend has stabilised since 2020-21, with employment levels either holding steady or showing gradual improvement. The decline in casual workers, from 24.9 per cent to 19.8 per cent, also indicates a shift toward more structured forms of self-employment. These changes suggest an evolving workforce that embraces flexibility and independence in response to industry transformations and individual preferences.

State Rural Livelihoods Missions (SRLMs) have developed state-specific strategies to integrate DAY-NRLM components and community institutions, addressing issues such as child education, early marriage, asset creation for women, and violence against women. Currently, 32 SRLMs are implementing these gender interventions.

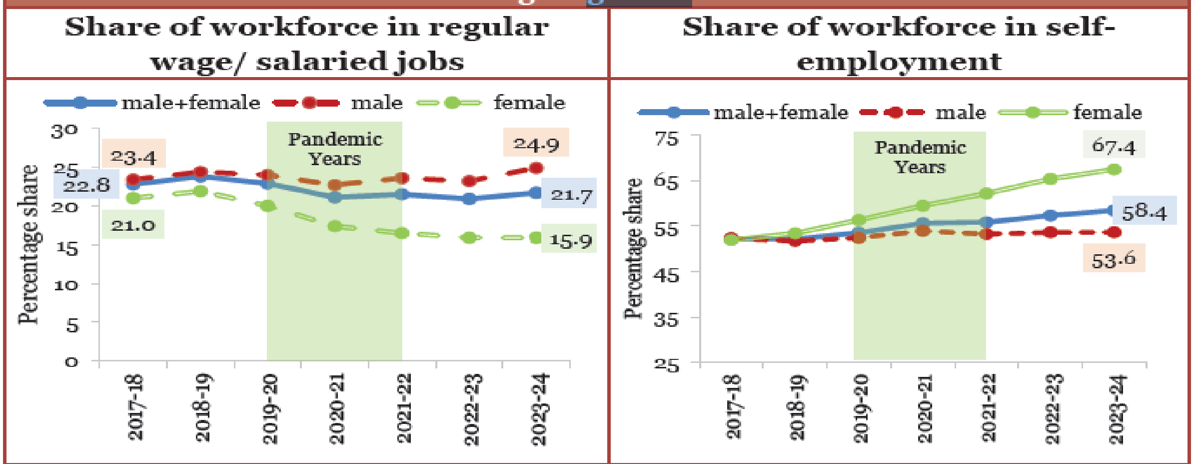
- Gender Resource Centres (GRCs) are being established to address gender issues at the local level, supported by Gender Point Persons (GPPs) who sensitise SHG members

on gender-based violence and discrimination. GPPs are trained by Gender Community

Resource Persons (Gender-CRPs), who build capacity in both SHG members and the wider community.

- Over 25 lakh GPPs and more than 89,000 Gender-CRPs work within more than 31,000 Cluster Level Federations (CLFs) and 5,00,000 Village Organisations (VOs), tackling gender issues with the support of 40,061 GP-level Gender Forums and 1927 Block-level Gender Forums. A total of 3997 GRCs are operating across 18 States and UTs under DAY-NRLM, empowering women and gender-diverse persons to address violence and access their rights.

Chart XII. 7 (b) Trend in broad category-wise employment status: through a gender lens



Source: Annual PLFS report 2023-24, MoSPI

Rise in Female LFPR: Tapping into female labour for economic growth

From the gender perspective, the female labour force participation rate (FLFPR) has been rising for seven years, i.e., from 23.3 per cent in 2017-18 to 41.7 per cent in 2023-24, driven mainly by the rising participation of rural women. The notable rise in the FLFPR is the primary driver of the overall improvement in the labour

Challenges in the implementation of GRB

Key Recommendations

References

1. Analysis of the Union Budget of CBGA for several years
2. Expenditure Budget Vol. I, 2016-2017
3. RAJYA SABHA UNSTARRED QUESTION NO. 305 TO BE ANSWERED ON 27.11.2024
4. The Hindu
5. Statement 13 of 2023, 2024, and 2025

Development Action Plan: Budgeting for Scheduled Castes and Scheduled Tribes

Since 2017-18 key development strategies for Scheduled Castes (SC) and Scheduled Tribe (ST) namely Tribal Sub Plan (TSP) and Scheduled Castes Sub Plan have been replaced as the Development Action Plan for SCs and STs (DAPSC & DAPST) respectively. Many development policy strategies have been introduced to channelise a proportionate share of plan benefits and outlays to the SC and ST communities. Since 1974 to address the historic discrimination and development deprivation they have faced. The policy framework meant for them aimed to be achieved in both, physical and financial terms, by dedicated policy driven strategies, which include the TSP and the SCSP. However, many issues are found in the policy design resource allocation, implementation and monitoring. DAPSC and DAPST focuses on specific schemes to ensure relevant budgeting and non-diversion of funds meant for the SCs and STs. The percentage of earmarking of funds for SCs and STs are calculated against overall allocation for specific schemes (CSSs and CSs) and not against the total budget of the concerned ministries/departments. A "non-lapsable central pool of SCSP and TSP Funds" for unutilised funds to be created and the monitoring of funds should be outcome-based. The fund is to be used for implementing exclusive and need based schemes for the development of the SC and ST communities. The Union government was supposed to provide incentives to state governments for effective implementation of SCSP and TSP. A large amount of the budgetary allocation made by general sector schemes towards DAPSC and DAPST continues to be notional in terms of reporting. The allocation in general schemes tend to be notional since they allocate funds without formulating any methodology/scientific criteria. Such allocations are high in the 2024-25 (BE), such as in the case of the Department of Fertilisers and Department of Agriculture and Farmers Welfare. These allocations do not have any real impact on the SC and ST community and inflate the total quantum of DAPSC and DAPST budget allocation.

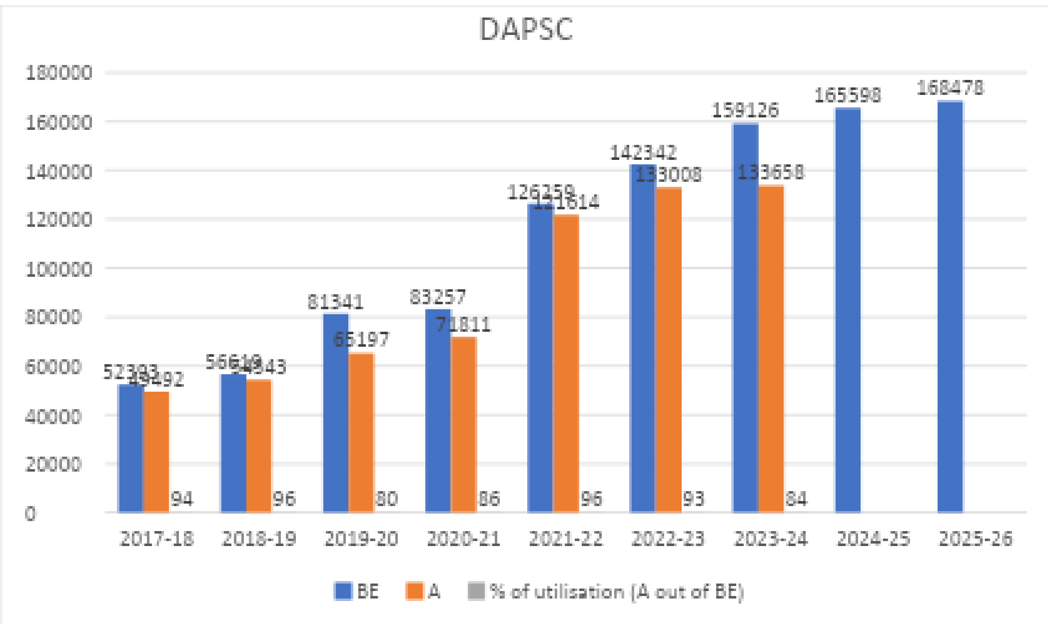
Development Action Plan for Scheduled Castes

41 ministries and departments are allocating funds for DAPSC, as reported in Statement 10 A, shown a marginal increase. Forty ministries and departments have allocated funds under DAPSC in 2024-25. The absolute allocation has marginally gone

up to Rs 1,68,475 crore in 2025-26(BE) from Rs 1,65,597.70 crore in 2024-25 (BE). This is a small

increase. The share of DAPSC allocation has not been in tune with the proportion of SC population to total population since 2021-22. This has been consistently lower than the 16.2 per cent prescribed by the NITI Aayog. Over the years, the total allocation for the welfare of SCs has not been not fully spent and part of it has been surrendered by the ministries/departments. This is due to the limited coverage of departments and ministries under the DAPSC in terms of earmarking funds. While the erstwhile Planning Commission did not consider making the allocation non-lapsable, the NITI Aayog examined the issue of under and non-utilisation of the SCSP, and suggested that these funds be pooled and allocated to the Ministry of Social Justice and Empowerment, the nodal ministry for the welfare of SCs. However, this is still not being implemented. Research shows that the outlays from schemes/programmes do not reach the grassroots because of the lack of an effective decentralised planning process. Schemes/programmes addressing priority sectors such as education, health, vocational training for SCs, and so on, were not planned according to the needs of the community due to weak decentralised planning. Additionally, development schemes/programmes relating to roads, major irrigation projects, mega power and electricity projects did not offer any direct immediate benefits to SCs.

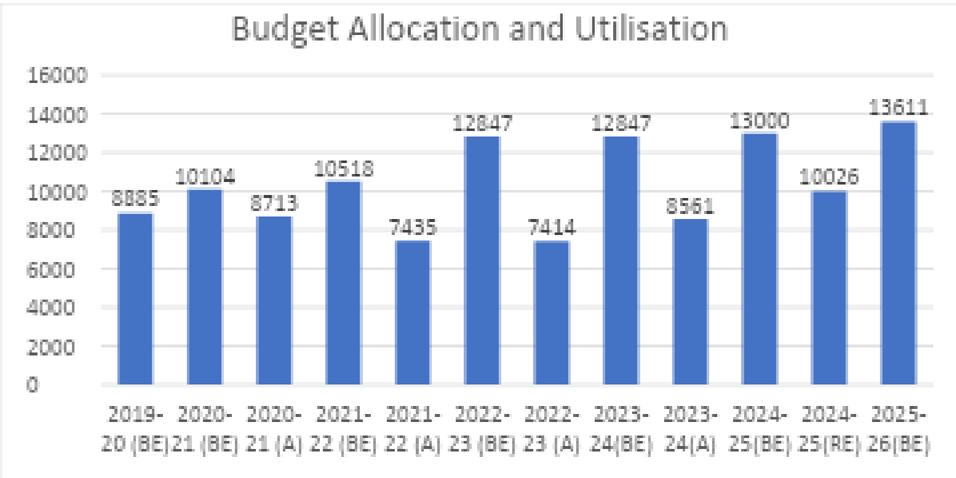
Figure 1: Total fund allocation and expenditure made under DAPSC (Rs crore)



Source: Compiled by CBGA from Statement 10A (Allocation For Welfare Of Schedule Caste) from General Expenditure Profile

In the Union Budget 2025-26, the total allocation reported for the Department of Social Justice and Empowerment (DoSJE) is Rs 13,611 crore, which is an increase of Rs 611 crore from Rs 13,000 crore in 2025-26 (BE). Further, expenditure has been reported to Rs. 8561 against 12847 crore in the BE for 2023-24. The DoSJE, the nodal Department for SC welfare has not seen any significant increase in this budget, only has a share of seven per cent in the total DAPSC which is directly benefiting the SC community.

Figure 2 : Budget Allocation and Utilisation under DoSJE (In Rs. crore)



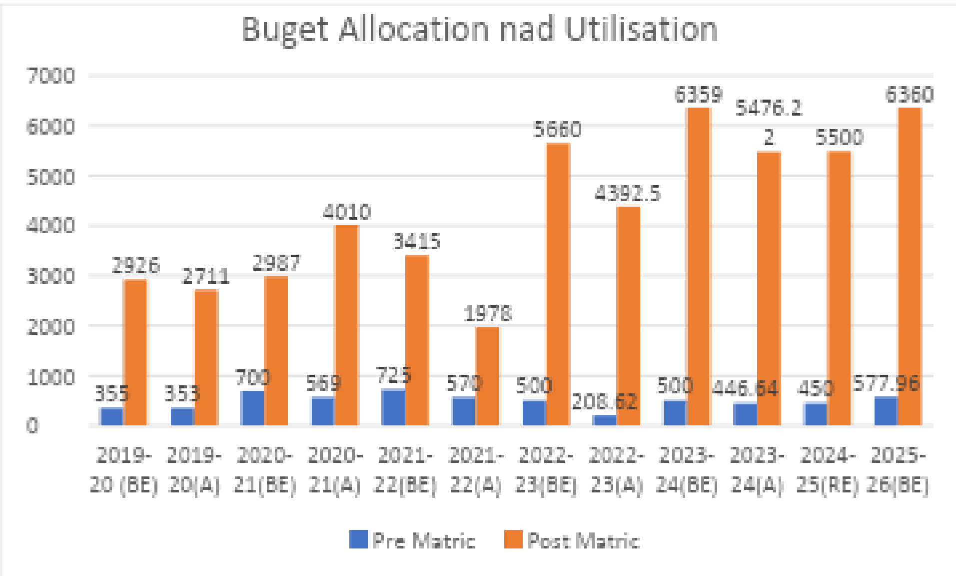
Source: Compiled from Note on Demand, Department of Social Justice and Empowerment (DoSJE)

Pre and post-matric scholarship schemes for SC students

In this budget, the Post-Matric Scholarship for Scheduled Castes (PMS-SC) got a sizable share allocation (50 per cent) of the total DoSJE budget. However, there is no increase in the allocation from the previous year's budget. While Rs 6,359 crore was budgeted in 2023-24 (BE), expenditure has been Rs 5,476 crore as reported in the actual figure for the same year. After undergoing a revision in the PMS in December 2020, it was announced that the PMS would be provided with Rs 35,219 crore until

2025-26. Considering this, the amount of only Rs 1,978 crore and Rs 4,392.5 that have been utilised for 2021-22 and 2022-23 respectively were below expectations to meet the target of fund absorption of Rs 35,219 crore until 2025-26. In 2022-23, the release of 60 percent central share commenced only after the states released their 40 percent share as per the PMS guidelines. The process of verification/sanction of applications in the States/UTs has been slow and subsequently delayed the fund flow. Since not many states have released their 40 percent share on time, the release of the 60 percent Central share was delayed to the students. The DoSJE has a target of providing 80 lakh post matric annual but it could provide 44 lakh and 28 lakh in 2022-23 and 2023-24 respectively.

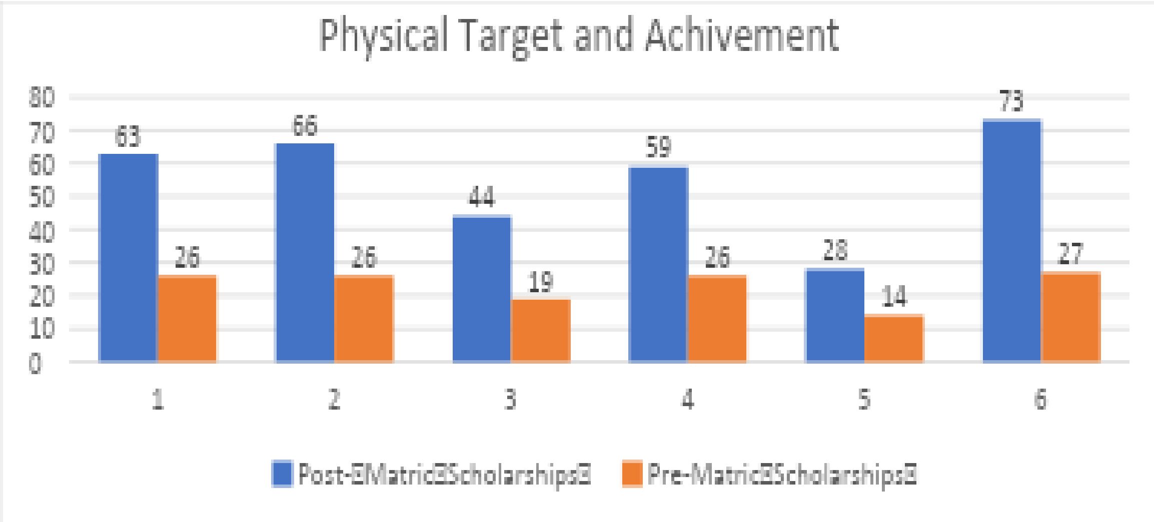
Figure 3: Total fund allocation and expenditure made under the Pre and Post-Matric Scholarship for SCs (Rs crore)



Source: Compiled from Demand for Grants, Ministry of Social Justice and Empowerment (various years)

The current scholarship amount under the maintenance/academic category is not sufficient to meet the actual needs of students even after an increase in allocation in 2020-21. The parental/family income-ceiling eligibility for the scheme has not been revised for eight years, and therefore, does not factor in inflation. After being revised from Rs 1 lakh per annum to Rs 2 lakh per annum in 2010, and then 2.5 lakh per annum in 2013-14, the family income criteria have not changed. To address the impact of inflation, a proposal to increase the academic allowance of scholarship under the scheme by the department was sent to the Finance Ministry. However, the same was not approved by the Finance Ministry. There was target of 80 lakh annually to be provide the students but it was not archived due to receipt of less application/proposals from States and less Aadhar seeding of students bank account as reported by the Departmentally Standing committee Report on Social Justice,2024-25.

Figure 4: Physical target and Achievement under Scholarship schemes



Source: Data compiled from union budget document various years.

The DoSJE accounts for the low share of allocation in the total DAPSC and there has been an inadequate utilisation of funds by the Department over the years as can be seen from the following chart. On being enquired about the reasons due to which Actual Expenditure is less in comparison to the Budgetary Estimates under various schemes during 2022-23 and 2023-24 and the steps being taken to ensure that the Budget Estimated for 2024-25 is fully spent the Standing Committee on Social Justice was informed by MoSJE as Some of the reasons for less budget utilisation.

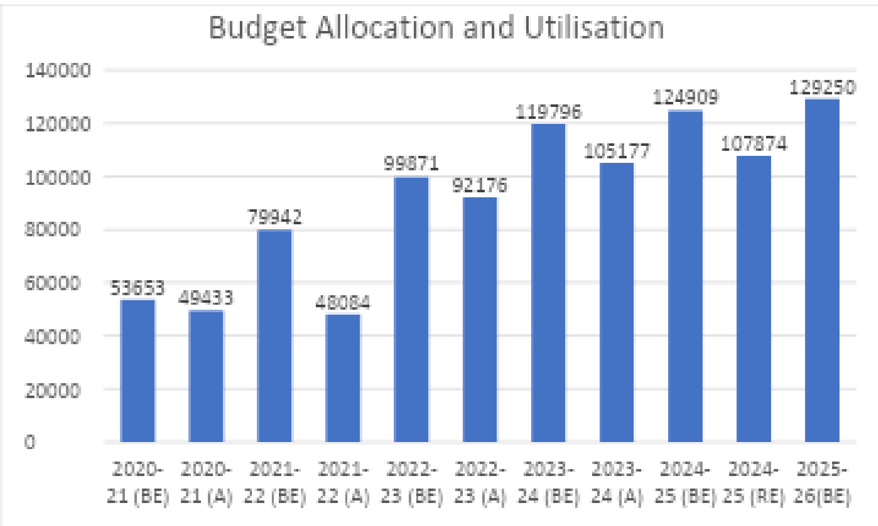
Most of the schemes are demand driven and non-receipt of proposals from the States/UTs/Implementing agencies led to low utilisation. The Schemes available in the States are more suitable to the beneficiaries than the Central Schemes. The non submission/delayed submission of Utilisation Certificates by States due to which further tranches of funds could not be released to States. The Annual action plans were submitted with reduced targets in terms of beneficiaries by the bigger states such as Madhya Pradesh, Rajasthan, Bihar, Chhatisgarh, Odisha, and Gujarat under the Pre and Post-Matric Scholarships Scheme for SCs in the last three years. Further the submission of incomplete, incorrect or dummy documents by applicants, and errors in bank details, missing income certificates, or failure to provide necessary caste verification cause delays in verification of students in case of pre and post matric scholarship leading to delays in providing verified data by the State Governments/UTs. In some cases, the delay is due to delayed release of funds by the State Governments in respect of Pre and Post Matric Scholarship Scheme, as a result of which Central shares could not be released on time. Due to revision in scheme guidelines in respect of *Rashtriya Vayoshri Yojana*, Beggary sub-scheme of SMILE (Support for Marginalised Individuals for Livelihood and Enterprise) and National Helpline for Senior Citizens resulted in less utilization of the allocated Budget." The Single Nodal Agency (SNA) system being used for monitoring the centrally sponsored schemes of the department has mandated that the states' share has to be released first and inspection of NGOs done before release of grant and the new system of SNA has slowed down the pace of fund release from the Centre when states/UTs are not in a position to release their share on time due to a variety of reasons. Delay in fund release has affected the timely disbursement of scholarship to the students.

There is a need for the performance assessment of the schemes and it should be monitored through the periodic progress reports. The Programmme Divisions should ensure to review the progress of Scheme allocations regularly for full utilisation. There is a need to organise Conferences of State Social Welfare Ministers and the State Welfare Secretaries wherein all the schemes of the Departments of SJ & E are reviewed. States/UTs are also advised to strengthen their monitoring mechanism as States are strategic partners in implementation of schemes of the Department. Therefore, initiatives are to be taken to actively involve the States. Regional Workshops to be held for addressing State specific issues and to sensitise them on the need to submit their State Action Plans and ensure effective fund utilisation. Regular capacity building and handholding/cluster/regional meetings and/or workshops for all States/UTs to be conducted to review the progress of the States as well as to resolve any pending issues. The Department has to engage in more IEC (Information, Education and Communication) activities for better publicity and wider dissemination of information about the schemes State Governments are being requested to publicize the schemes of the Department for raising awareness. The evaluation studies have to be conducted from time to time through independent evaluation agencies to check whether the benefits of the Scheme reach the target groups. The field visit of officials to be assigned to States periodically for monitoring scheme progress and resolving issues. Regular capacity building and Handholding/cluster/regional meetings and/or workshops for all States/UTs are conducted to review the progress of the States as well as to resolve any pending issues.

Development Action Plan for Scheduled Tribes

In 2024-25, the allocations under DAPST have been made in proportion to the ST population and 46 ministries, departments and UTs have reported allocations under DAPST. However, the funds under DAPST across many ministries/departments are largely for the general sector programmes that are reported notionally with regard to benefits for STs, instead of being allocated based on the actual needs of the community, with its active participation. In terms of implementation challenges, DAPST is facing problems similar to the DAPSC including low fund utilisation, poor policy design, planning and monitoring.

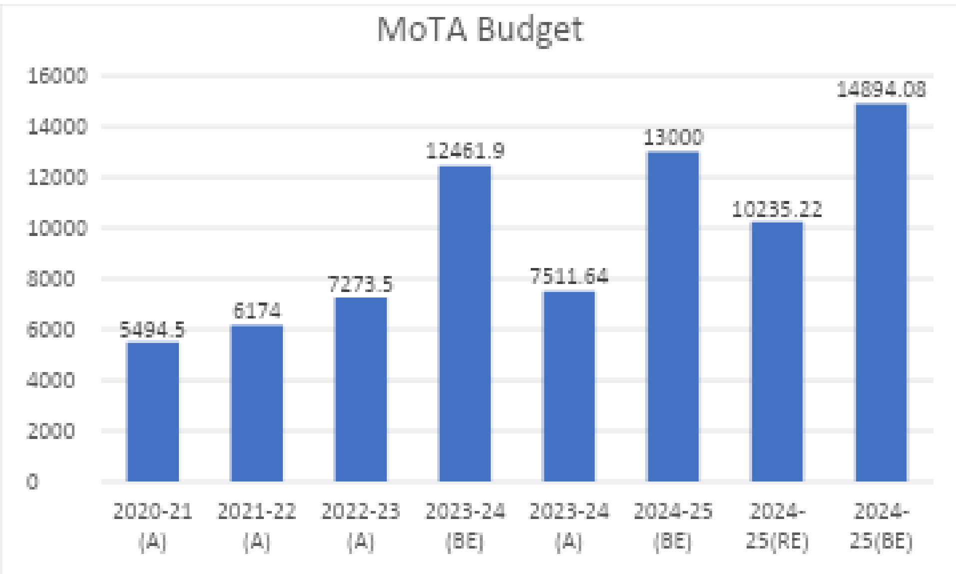
Figure 5: Total fund allocation and utilisation made under DAPST



Source: Compiled from Statement 10B (Allocation For Welfare Of Schedule Tribes) from General Expenditure Profile.

The departmentally related Standing Committee Report on Social Justice and Empowerment (Ministry of Tribal Affairs) 2018-19 highlighted poor monitoring of the implementation of DAPST due to lack of dedicated monitoring units at the state and district levels. The Tribal Welfare Departments of states, the nodal Department for Welfare of STs in the districts as well as institutional development initiatives such as the Integrated Tribal Development Project (ITDP)/Integrated Tribal Development Agency (ITDA) and Tribal Research Institutes (TRI) have remained weak in terms of human resources and financial powers. Further, no robust mechanism has been created in most states for inter-departmental coordination and convergence of resources with line departments. Importantly, the head of ITDA/ITDP/TRI is not a dedicated senior officer but someone performing that duty as an additional charge. The total budget allocation of the Ministry of Tribal Affairs (MoTA) accounts for nine percent of the total allocation under DAPST in this budget. There is an increase of Rs 1894 crore in 2025-25 (BE) when compared with the previous years' budget for the ministry.

Figure 6: Allocation and expenditure under the Ministry of Tribal Affairs (Rs crore)



Source: Data compiled from union budget document various years.

This increase is mainly due to higher allocation (Rs 6,399 crore) for the Eklavya Model Residential Schools (EMRS).

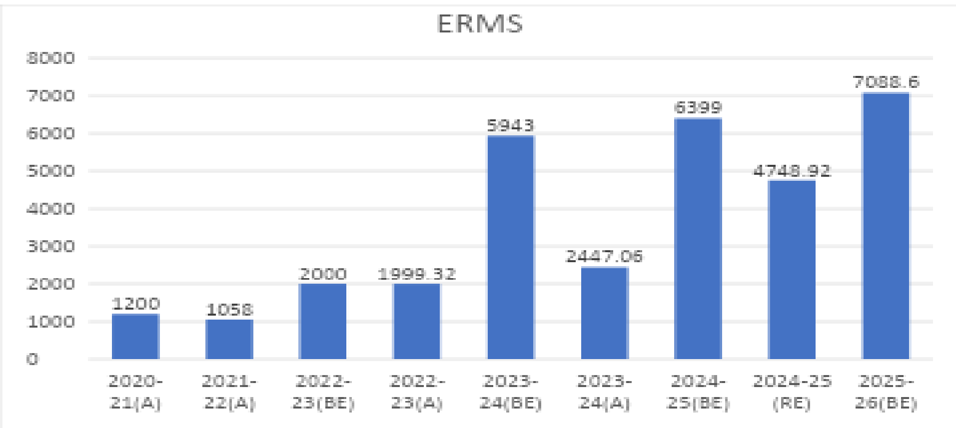
Table 1: Allocation and expenditure in select schemes under the Ministry of Tribal Affairs (Rs crore)

Major Schemes	**2020-21 (A)**	**2021-22 (A)**	**2022-23 (A)**	**2023-24 (BE)**	**2023-24 (A)**	**2024-25 (BE)**	2024-25(RE)	2024-25(BE)
Special Central Assistance to Tribal Sub Plan	799.5	785	1354.4	1485	0	1000	500	2000
Scheme under proviso to Article 275(1) of the Constitution	800	923.5	976.5	1472.1	1172.1	1600	1170.57	1541.48
Vanbandhu Kalyan Yojana	233.7	284	3825	4295.4	3279.3	4241.5	3629.74	5582.45
Pre-Matric Scholarship	248.9	394.2	357.3	411.6	308.6	440.4	200	313.79
Post-Matric Scholarship	1830.2	2257.7	1965	1970.8	2668.8	2374.2	2462.6	2462.68

Source: Compiled from Note on Demand, Ministry of Tribal Affairs

PMADG has been introduced in place of the Special Central Assistance to Tribal Sub Plan in 2022. The PMADG has been revamped, and is aimed at transforming villages with a significant tribal population, into model villages. Before the merger, MoTA had not been able to spend the entire budgetary allocation during 2020-21 and 2021-22 under the Special Central Assistance to Tribal Sub-Plan. The funds were not provided to the state governments to bridge development gaps in sectors such as education, health and agriculture. MoTA has cited many reasons for the non-release of funds to states, including non-fulfilment of schematic norms, delay in submission of utilisation certificates (UC) and physical progress reports (PPR). PMADG envisages covering 36,428 villages which have at least a 50 percent tribal population. The development sectors which are a part of the scheme are health, education, connectivity and livelihood. The seven main areas are road connectivity, telecom connectivity, *Anganwadi* centres, health sub centre, drinking water facility, drainage and solid waste management. A sum of Rs 20.38 lakh per village as 'gap-filling' has been provisioned for approved activities. EMRS is one of the largest schemes for promoting school education for the tribal community, implemented by MoTA, which has got a slightly higher allocation of Rs 6,399.00 crore in 2024-25 BE from Rs 5,943.00 crore in 2023-24 (BE).

Figure 7: Budget allocation and utilisation under the Eklavya Model Residential Schools



Source: Compiled by CBGA from Note on Demand for Grants, Ministry of Tribal Affairs (various years)

In terms of physical progress of the Eklavya Model Residential School(ERMS), as per the norms 60 students per class divided into two sections with 30 students each from class VI to Class X and 90 students per class in three sections with 30 students each in the streams of Science, Commerce and Humanities in Class XI and XII are to be admitted. During the year 2023-24, 9 new schools have been sanctioned in identified blocks in lines with the budget announcement of 2018-19. Cumulatively, 713 schools have been sanctioned, out of these 423 have been sanctioned under the new scheme since 2019. 476 EMRSs are reported to be functional as on 30.09.2024. It is found that there are routine issues relating to delays in the tendering process, land transfer and finalisation of the construction agency. Due to inordinate delays in implementation, the completion date has been revised and extended to 2025. The ERMS was introduced in 1997-98. As per the 2011 census, there are 564 sub-districts across the country i.e. blocks/taluks/tehsils having more than 50 per cent ST population. The number of children enrolled in ERMS has increased over the years in 401 functional schools. But our calculation shows that only 284 children are enrolled per school. The number should have been at least 480 students as per norms. As per the revised guideline of EMRS, 2018, every block with more than 50 per cent ST population and at least 20,000 tribal persons should have had a school by the year 2022.

Pradhan Mantri Janjatiya Adivasi Nyaya Maha Abhiyan (PM-JANMAN)

Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) aims to enhance the socio-economic conditions of PVTG communities by providing them with basic facilities such as safe housing, clean drinking water, improved access to education, health and nutrition, road and telecom connectivity, electrification of unelectrified households and sustainable livelihood opportunities in a mission mode in 3 years with budgetary allocation of about Rs.24,000 crore. These objectives are planned to be met through 11 interventions of 09 Ministries. PVTG Division, Ministry of Tribal Affairs is administering the intervention of multi-purpose centres (MPCs) under the Abhiyan. It is meant exclusively for 75 PVTGs, about 29,000 habitations, 17,000 villages, MoTA has come out with *Dharti Aaba Janjatiya Gram Utkarsh Abhiyan.*

Ministry of Tribal Affairs has discontinued “Development of Particularly Vulnerable Tribal Groups (PVTGs)” Scheme from 2024-25 and have launched *Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan* from 2023-24 targeted at development of PVTGs.

The Government of India intends to enhance the socio-economic conditions of PVTGs in a mission mode in three years with budgetary allocation of about ₹ 24,000 crore with the 11 interventions of 9 Ministries such as Rural Development, Health & Family Welfare, Power, Tribal Affairs, Women and Child Development, etc. The Committee note that during the period 2020-21 to 2022-23, the budgetary allocation made under Development of particularly vulnerable Tribal Groups (PVTGs) was substantially reduced at revision stage. Further, the Committee also noted that during 2022-23. No funds were released to Andaman & Nicobar Islands, Bihar, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Manipur, Uttar Pradesh, Uttrakhand, etc. The Committee are unable to comprehend the reasons for not releasing funds to these States, particularly when a large number of tribal populations resides in these States and how the work envisaged under development of PVTG Scheme was carried out in the absence of funds. The budget for Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan in 2025-25 (RE) and 2025-26 (BE) have been earmarked Rs. 1285.68 crore and Rs.6105 crore respectively.

The issue of notional reporting of allocations should be addressed under the DAPSC and DAPST for maximization of benefits from general sector benefits. The general sector schemes/programmes should prepare the exclusive and need based projects for SCs and STs earmarked under DAPSC and ST and expenditure should not be reported without proper targeting of the actual needs of the community. The delay in utilisation of fund in ERMS needs to be addressed to ensure that the targeted numbers of schools are constructed in a timely manner under this scheme. Fund allocation meant for scholarship for SC and ST should be disbursed to the students on time.

Minorities

As per 2011 Census, the population of Religious Minorities in India constitute 23.39 crore out of total population of 121.09 crore (i.e. 19.28 per cent of total population). Despite many policy initiatives over the last 18 years, the large sections of Muslims and other religious minorities are placed at the bottom level in several development indicators such as educational attainment, gender equality and workforce participation (The Strategy Document of NITI Aayog policy).

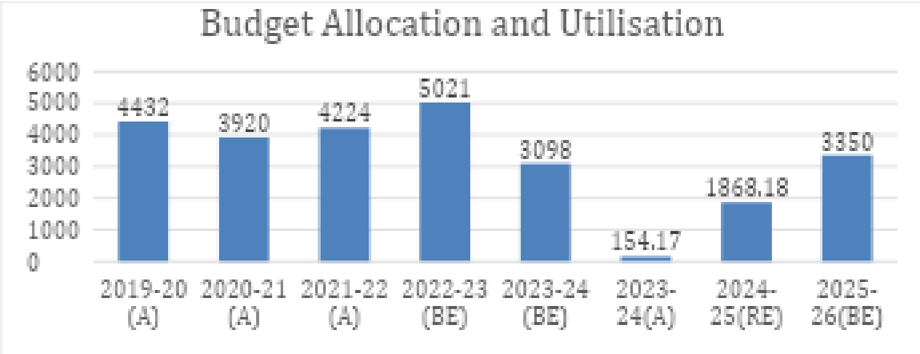
Demand and Supply Gap in Allocation

In fact, the total budget of the Ministry of Minority Affairs (MoMA) as a proportion of the total Union Budget has declined to 0.04 per cent in 2024-25 (BE) from 0.12 percent in 2022-23 (BE). This year's total allocation for the MoMA is less than the amount allocated in 2012-13. It also appears that Union Budget outlays have not been provided in accordance with the demands for funds made by the MoMA. For 2022-23, Rs 5,020.50 crore was allocated against demands made for Rs 8,152 crore.

Low Allocation

In spite of the low development indicators of minorities, which need substantial allocation to correct the development deficit, there is a marginal increase of budget (Rs.167 crore) for the MoMA in 2025-26. There is a small increase in the BE for 2025-26 to Rs 3350 crore from Rs 3183 crore in the BE of 2024-25. MoMA has an increase in allocation of PMJVK in this year's budget (Rs 1913.9 crore) from last year (Rs 910 crore) and huge reduction in the fund for scholarship schemes. The increase in the budget of more than Rs 1000 crore for PMJVK is not going to impact the scheme in achieving its objectives despite the large geographical coverage of the scheme. PMJVK is to develop socio-economic infrastructure and basic amenities in identified Minority Concentration Areas to improve the quality of life of people in these areas and reduce imbalances as compared to the national average. On the basis of Census 2011 data, 870 Minority Concentration Blocks (MCBs), 321 Minority Concentration Towns (MCTs) and 109 Minority Concentration Districts HQs (MCD HQs) in 33 States/UTs have been identified.

Figure 1: Total Budget Allocation and Utilisation under Ministry of Minority Affairs (Rs crore)



Underutilization of Fund

For the last few years, MoMA has not been able to utilise funds against the BE, particularly in 2023-24, 0nly Rs. 154 crore was spent against Rs.3080 Crore which account to just 5 percent of total allocation. Actual expenditure of Rs 802.69 crore was incurred out of the Rs 5,020.50 crore outlay in 2022-23. The ministry spent Rs 3,998.57 crore out of the BE of Rs 5,029.10 crore and Rs 4,325.24 crore out of Rs 4,810.77 crore in 2020-21 and 2021-22, respectively. For instance, in the last Budget, a new scheme called PM *VIKAS* was announced for the skilling, entrepreneurship and leadership of minorities. The new scheme, with allocation of Rs 540 crore in 2023-24, but it could utilize only Rs.240 crore. It sought to benefit approximately 9 lakh candidates by 2025-26. However, its budgetary allocation has been reduced to Rs 220 crore in 2024-25 (RE) from Rs 500 crore in 2024-25 (BE).The reasons for MoMA not being able to spend the allocated amount include lack of approval of scholarship schemes by the Cabinet Committee of Economic Affairs since 2022-23, delays in release of the matching share by states and, subsequently, non-release from the Union Government in CSSs such as PMJVK and *Pradhan Mantri Virasat Ka Samvardhan* (PM VIKAS).

Major reason for decline in MoMA budget allocation

The major reason behind the decline in the allocation of MoMA has been discontinuation of several schemes/institutions such as *Maulana Azad* National Fellowship for Minority students, Interest subsidy on educational loans for overseas students, Free coaching Schemes, limiting coverage of the Pre-Matric Scholarship for classes 9-10, closing the *Maulana Azad* Education Foundation (MAEF)/*Begum Hazrat*

Mahal Scholarship Scheme, and the Scheme for *Madrasas* and Minorities. There has also been a decline in allocations for many major schemes, such as Post Matric, Merit Cum Means, Pre-Matric Scheme and Free Coaching and allied schemes due to delay in approval of those schemes. The closure of the Education Scheme for Madrasas and Minorities, Maulana Azad Education Foundation and Maulana Azad Fellowship will affect the upward mobility and quality of education of minority students. The discontinuation of the Education Scheme for Madrasas and Minorities has affected the education of children in Madrasas due to non-payment of honoraria to more than 30,000 teachers in Uttar Pradesh for many years. The scheme was aimed to provide financial assistance to introduce modern subjects in Madrasas, support teachers' training, and augment school infrastructure in minority institutions to improve the quality of education of poor students.

Table 1: Allocation and Utilisation of Select Schemes Under the Ministry of Minority Affairs (Rs crore)

Schemes	2021-22 (A)	2022-23 (A)	2023-24 (BE)	2023-24 (Actual)	2024-25(BE)	2024-25 (RE)	2025-26(BE)
Merit Cum Means Scholarships	345.77	34.89	44	152.74	33.8	19.41	7.34
Free Coaching and allied schemes	37.15	25	30	11.7	10	3.5	10
Pre-Matric Scholarship	1350.99	43.95	433	95.83	326.16	90	195.7
Post-Matric Scholarship	411.87	29	1065	85.02	1145.38	343.91	413.99
Maulana Azad Fellowship	74	98.85	96	83.45	45.08	45	42.8

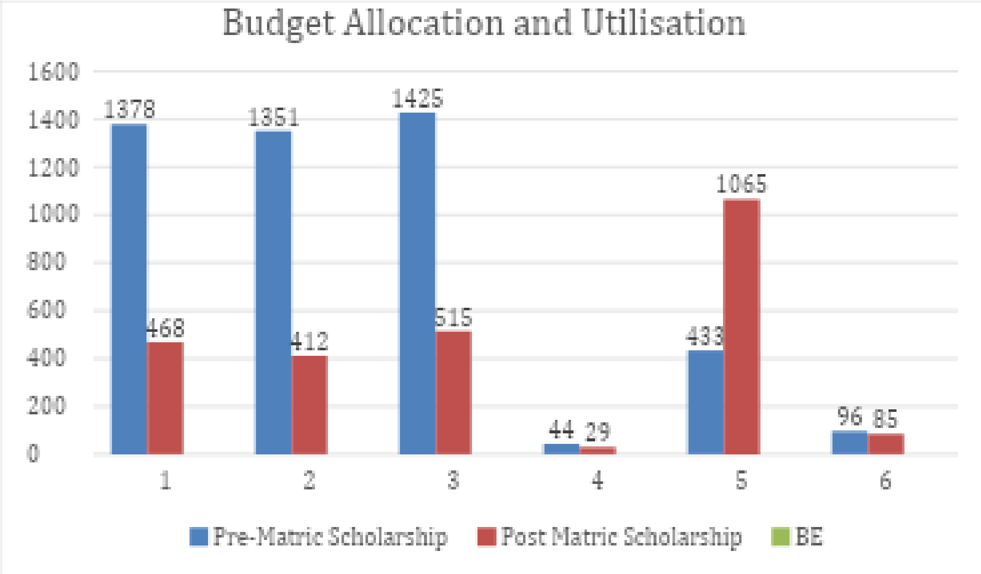
Grants and Equity to SCAs/ National Minorities Development Finance Corporation (NMDFC)	102	161	64	61	800	742	780
Pradhan Mantri Jan Vikas Karyakaram (PMJVK)	1266.87	222.67	600	189	910.9	908.9	1913.9
PM Vikas			540	209.42	500	230	517

Source: Note on Demand for Grants, MoMA.

Challenges in Implementation of Scholarship Programme

As highlighted by the Departmentally Related Standing Committee on Social Justice – 2023-24, the scholarship schemes face several implementation issues with poor utilisation of funds, inadequate coverage of beneficiaries due to the quota system, low unit costs due to inadequate allocations of funds, and also scrapping of some of the schemes. The amounts given to students as scholarships are not adequate to meet their educational expenses. The unit cost for scholarships in Pre-Matric, Post-Matric and Merit-cum-Means schemes for minorities has not been revised since the inception of the schemes (in 2007-08). As of now, the Scholarship Schemes did not utilise the fund for the last three financial years because they are yet to be approved for implementation beyond the year 2021-22. Thus, the tentative allocations for scholarship schemes for 2022-2,2023-24 and 2024- 25 were not utilised due to non-approval by Cabinet Committee on Economic Affairs (CCEA) as the Expenditure Finance Committee (EFC) had already appraised this issue. In anticipation of approval of three Scholarship Schemes from 2022-23 onwards, the budgetary allocation for the year 2023-24 and 2024-25 were obtained and the MoMA is hopeful of receiving the approval of Competent Authority and spending the budgetary allocation for the year 2024-25.

Figure 2: Fund Utilisation in select Scholarship Schemes in 2022-23 (In Rs. Crore)



Source: Departmentally Related Standing Committee on Social Justice (Ministry of Minority Affairs), 2024-25

Currently, MoMA is one of the main sources of financing for the development need of minorities. An analysis of the website of MoMA indicates that the financial resource allocation benefiting minorities has not been completely and timely reported under the schemes run by select general ministries and departments under the 15 Point Programme for the last 10 years. Further, the revised guidelines of renamed or new Central Schemes over the last ten years lack specific provisions for minorities. Therefore, disaggregated data on minorities with regard to their share in public sector employment, credit facilities and development outcomes by line Ministries and departments has not been reported under the 15 Point Programme

The total budget allocation for MoMA should be increased significantly given the level of deprivation in the educational and economic attainment of minorities. All scholarship schemes be given approval with immediate effect and should be made demand driven, and additional financial resources should be provided to enhance unit costs along with a revision in the eligibility criterion related to parental income. Schemes that have been discontinued should be revived. Under the 15 Point Programme, resource allocation should be made in line with the diverse needs of minority communities across different sectors.

Person with disabilities

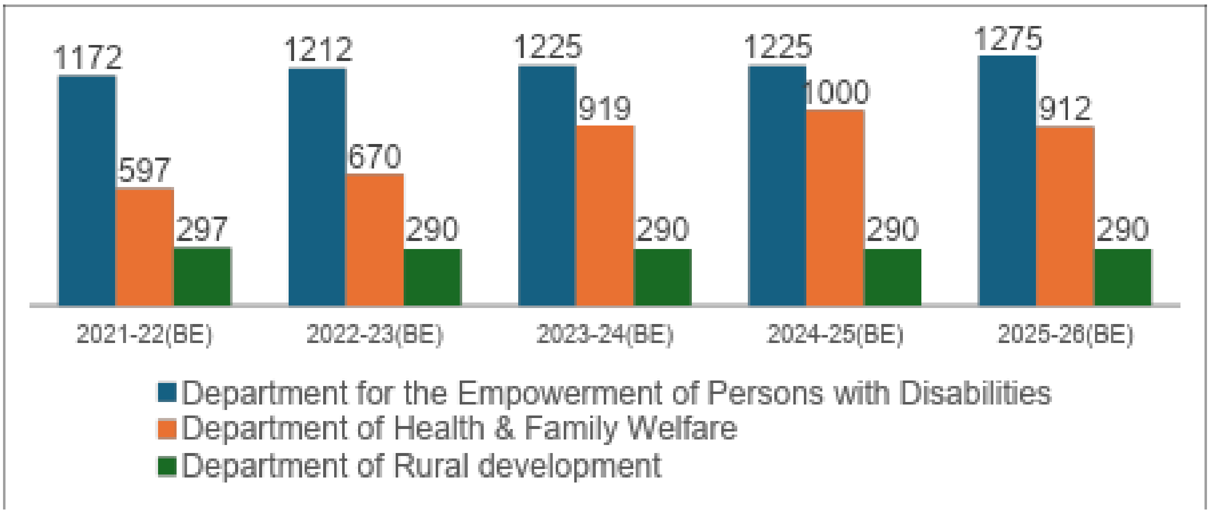
In the Union Budget 2025-26, the government has allocated Rs 2477 crore under various departments for the Persons with Disabilities. Despite India's total budget increasing from Rs 30 lakh crore in 2020-21 to Rs 50 lakh crore in 2025-26, funding for the Department of Empowerment of Persons with Disabilities (DEPwD) has been reduced from Rs 1325 crore to Rs 1275 crore for the same years.

The Union Budget 2024-25 has raised significant concerns regarding support for Persons with Disabilities (PwDs), commonly referred to as "Divyangs." While the preliminary budget speech referenced strengthening the rights of Divyangs and transgender persons, emphasizing the government's commitment to inclusive growth. However, the budget lacks targeted measures to address the specific needs of this population.

The Department of Empowerment of Persons with Disabilities received an allocation of ₹1,225.27 crore, which is a slight increase from the previous year. However, this increase does not signify comprehensive support for new initiatives or programs tailored to address the unique challenges faced by PwDs. Moreover, the previous budget emphasized the importance of inclusive growth, but the lack of significant measures in the final budget indicates a worrying disconnect between policy intentions and actual financial support. Critics argue that the absence of specific budgetary provisions for Divyangs reflects a broader issue in ensuring adequate support for people with disabilities in their pursuit of self-determination and opportunity.

The lack of disaggregated data on outcomes further complicates the assessment of responsiveness in priority areas such as poverty alleviation, women's empowerment, youth initiatives, and agricultural support. Additionally, there is a concerning trend of declining budget allocations for disability-related programs relative to GDP, suggesting that the government's prioritization of disability issues may not be keeping pace with economic growth.Department wise Allocation for Persons with Disabilities (Rs crore)

Table: Budget Allocation for PwDs by select department



Source: Compiled from Union Budget documents, various years.

In the Union Budget 2024-25, the Indian government has allocated ₹1,275 crores to the **Department of Empowerment of Persons with Disabilities,** reflecting a 9.22% increase from the previous year's revised estimate of ₹1,167.27 crores.

Within this allocation, specific health-related provisions include:

Assistance to Disabled Persons for Purchase/Fitting of Aids and Appliances (ADIP): ₹316.7 crore

Deendayal Disabled Rehabilitation Scheme: ₹165 crore

Support for National Rehabilitation Institutes: ₹430.19 crore

Table: Scheme wise Allocation

Interventions	Actual 2023-2024	Budget 2024-2025	Revised 2024-2025	Budget 2025-2026
Establishment Expenditure of the Centre	30.86	42.75	36.5	38
National Program for the Welfare of Persons with Disabilities				
Assistance to Disabled Persons for Purchase/Fitting of Aids and Appliances	290.6	315	350	316.7
Deendayal Disabled Rehabilitation Scheme	129.98	139	165	139
Scheme for implementation of Persons with Disability Act	76.79	135.33	111	115

Scholarship for Students with Disabilities	130.07	142.68	80	145
Autonomous Bodies				
National University of Rehabilitation Science and Disability Studies		0.01	0.01	0.01
Rehabilitation Council of India	6.4	4.5	4.5	5
Centre for Disability Sports	35.34	25	23.3	25
Support to National Institutes	408.85	370	391.97	430.19
Budgetary Support to National Trust	35	25	31	35

Source: Compiled from Union Budget documents, various years.

These allocations are part of the broader budget for the Ministry of Health and Family Welfare, which has been allocated ₹99,858.56 crorea in the 2024-25 budget. While the budget outlines these specific allocations, detailed information on the exact financial provisions dedicated solely to health-related initiatives within the disability sector is limited. The mentioned schemes and allocations indicate the government's commitment to supporting health and rehabilitation services for individuals with disabilities.

Health Sector Schemes for Disabilities

India, the government provides various schemes and initiatives to support persons with disabilities, aiming to enhance their socio-economic inclusion. For the financial year 2024-25, these initiatives are typically part of broader government programs aimed at empowering individuals with disabilities, providing financial aid, and improving access to healthcare, education, and employment.

1. **Deendayal Disabled Rehabilitation Scheme (DDRS)**

Objective: To provide financial assistance to NGOs working in the field of disability, especially in rural areas, for setting up rehabilitation centers, daycare centers, and other services for persons with disabilities.

Funding: Under this scheme, NGOs can receive grants for providing services such as early intervention, education, vocational training, and rehabilitation.

Budget Allocation: As of previous years, the budget for this scheme is often in the range of ₹200–₹300 crore. The exact allocation for 2024-25 would be detailed in the budget announcement, but it is expected to remain consistent with previous trends.

2. **National Fellowship for Students with Disabilities**

Objective: To provide financial assistance to students with disabilities for pursuing higher education in regular courses at the post-graduate and doctoral levels.

Funding: It offers financial assistance to cover tuition, living expenses, and other allowances.

Budget Allocation: Typically, this budget hovers around ₹20–₹25 crore annually, though this may vary each year.

3. **Assistance to Disabled Persons for Purchase/Fitting of Aids and Appliances (ADIP) Scheme**

Objective: To help persons with disabilities by providing financial assistance for the purchase of aids and appliances to improve their functional capabilities.

Budget Allocation: The budget for ADIP in the previous years was around ₹100 crore. This may increase depending on the year’s fiscal requirements and priority areas.

4. **Support to Disabled Persons for Purchase/Fitting of Aids and Appliances (SADP) Scheme**

Objective: The scheme is designed to improve the mobility, dexterity, and independence of people with disabilities by providing financial support for assistive devices.

Funding: Financial support is provided through empaneled agencies like ALIMCO (Artificial Limbs Manufacturing Corporation of India).

Budget Allocation: Generally allocated ₹50 crore annually, but adjustments may be made based on needs and fiscal changes.

Accessible India Campaign (Sugamya Bharat Abhiyan)

Objective: To make public spaces, transport systems, and government buildings more accessible to persons with disabilities.

Budget Allocation: The allocation can vary, with the campaign often receiving around ₹40–₹50 crore annually.

6. National Handicapped Finance and Development Corporation (NHFDC)

Objective: To provide financial assistance for the economic empowerment of persons with disabilities through loans, subsidies, and skill development.

Budget Allocation: This is usually part of larger government funding and may involve ₹150 crore or more annually.

Pradhan Mantri Jan Arogya Yojana (PM-JAY)

Objective: Although not specifically for persons with disabilities, the PM-JAY health insurance scheme covers economically vulnerable individuals, including those with disabilities, for healthcare expenses.

Budget Allocation: The scheme has been allocated ₹6,000–₹7,000 crore for healthcare services, including treatments for persons with disabilities.

8. Right of Persons with Disabilities (RPWD) Act, 2016

Objective: The Act aims to protect the rights of people with disabilities and ensure their integration into society through education, employment, and access to various services.

Funding: Various sub-schemes are funded under this legislation, with the overall budget for disability-related welfare often reaching ₹1,500–₹2,000 crores annually.

Conclusion:

The budget for schemes for persons with disabilities in India can vary annually, with an overall allocation expected to rise in 2025-26 to support inclusive development. The schemes mentioned above provide a combination of direct financial aid, infrastructural development, and educational support, all designed to foster the inclusion of persons with disabilities into mainstream society. In light of these concerns, stakeholders—including advocacy groups and civil society organizations—are calling for more robust measures and targeted funding to ensure that PwDs receive the necessary resources and opportunities to thrive. Effective implementation of policies aimed at improving accessibility, education, healthcare, and employment for Persons with Disabilities remains critical to promoting an inclusive society where all individuals can participate fully and equally. Comprehensive strategies prioritizing the inclusion and empowerment of PwDs are essential for creating an equitable society where everyone has the opportunity to succeed.

To effectively address the challenges faced by Persons with Disabilities (PwDs) in India and ensure their inclusion and empowerment, several key recommendations are proposed. First, the government should significantly increase budgetary allocations for disability-related programs to provide sufficient resources that address the diverse needs of this population. Additionally, targeted programs must be developed to specifically tackle various aspects of disability services, including education, employment, healthcare, and accessibility. Second, robust data collection mechanisms should be established to gather disaggregated data on PwDs, enabling a better understanding of their demographics, needs, and challenges. This data will inform policy decisions and program effectiveness. A comprehensive monitoring framework is also essential to evaluate the impact of existing disability policies and identify areas for improvement. Lastly, enforcing current policies related to the rights and welfare of PwDs is crucial, along with capacity building for government officials and stakeholders to enhance their understanding of disability issues. Encouraging collaboration between government agencies and advocacy groups can lead to more effective implementation of policies tailored to the needs of PwDs. By adopting these recommendations, India can make significant strides toward creating a more inclusive society that empowers Persons with Disabilities and contributes to the overall development and well-being of the nation.