

AN ANALYSIS ON SOCIAL SERVICES EXPENDITURE IN INDIA

Author's Name: Dr. V. Kokila

Affiliation: Assistant Professor of Economics, Department of Economics, University of Madras, Chepauk, Chennai, India

Corresponding Author Name & E-Mail: Dr. V. Kokila, kokilavedamanickam01@gmail.com

Abstract

The main aim of this paper is to analyze social services expenditure in India, Social service sector plays an important role in raising the Human Development Index status in India. The public expenditure share in the social service sector is very less compare to its need, because social sector includes the major areas like health, education, water supply, sanitation, housing and welfare among others. The present research paper evaluates the social services sector expenditure in India for the time period of 13 years from 2010-11 to 2022-23 and the secondary data are obtained from RBI database.

Keywords: Analysis, Social Services, Expenditure

INTRODUCTION

The Economic Survey 2022-23 states the speech of Smt. Nirmala Sitharaman, (Minister of Finance and Corporate Affairs) in the parliament that world retrieve from the repercussions of Covid -19 pandemic and the Russia-Ukrain war. It is stated that India is preparing itself to enter into the Amrit Kaal which describes the hope for better future, where India would be self-reliant and fulfil all of its humanitarian obligations. This era assured that the economic growth would be supported by social welfare where no one is left behind and all the benefits of economic progress should reach the entire population. The government expenditure on social service sector has shown the rising trends with the aim of social-wellbeing of the nation from 2016 to 2023. Social service sector enhances the human capital, the working age population between age 15 to 59 has been increased from 58 percent in 2001 to higher than 64 percent in 2021 by the addition of 64 million new population entering into the work force relatively young generations 20-35 year old (GoI 2013 Report). This statistics will come true only when the Indian population receives the good health facilities and skillful education. It can be achieved only through the greater budget allocation in the Social services sector.

LITERATURE REVIEW

Purohit (2014) has analyzed social service expenditure on major Indian states using parametric and non-parametric approaches, and found that there is an existence of state level disparities which could be reduced through a mix of strategies involving reallocation of factors (namely, manpower and supply of consumables) within the sector, mobilizing additional resources possible through enhanced budgetary emphasis or encouraging more private sector participation.

Mittal (2016) analyses the effects of social sector expenditure on Human Development Index of Indian States. He found that there is positive relation between social sector spending and human development index of the states. Tamil Nadu, Kerala, Jammu and Kashmir, Himachal Pradesh and Goa are the states with social spending on higher side with higher ranks in HDI during 2004-05. Madhya Pradesh, Chhattisgarh, Bihar and Uttar Pradesh are the states with comparatively lower per capita social expenditure and their ranks in HDI are also comparatively low during 2011-12.

Praveen et. al (2019) focused on the linkages of social sector with economic growth, and they found that public expenditure on education, sports, Art and culture; medical and public health, water supply and sanitation, housing etc. has the positive impact of economic development and public expenditure on social security and family welfare observed the negative impact on economic growth during the study period.

STATEMENT OF THE PROBLEM

The Social services sector includes important sectors like health, education, water supply and sanitation etc. These are relating to economic growth and human development index of a nation, which had a much attention by the academicians in the recent times. It is important to analyze social services sector expenditure in India by the Central Government of India to improvise these related sectors.

OBJECTIVES OF THE STUDY

1. To give an overview of social services expenditure in India.
2. To analyze the growth of social service sector expenditure for 13 year period from 2010-11 to 2022-23.
3. To give the policy implications.

DATA AND METHODOLOGY:

This Study is based on secondary data. This paper evaluates the ‘social service expenditure in India’ from the period of 13 years from 2010-11 to 2022-23 and data obtained from RBI database and macro trends.com, books, journals, articles and online sources.

SOCIAL SERVICE SECTOR IN INDIA:

Social service expenditure is defined as the total expenditure on social services which includes the major heads like Education, Health and family welfare, water supply and sanitation. According to the Ministry of Finance Report of 2023 the government’s spending on social services has shown the increasing trend since 2016 with a focus of social-wellbeing of the population. The public expenditure share on social services has been around 25 percent from 2018 to 2020. But now it is increased to 26.6 percent in 2023 (BE). It has witnessed the 8.4 percent increase from 2021 over 2020. Table.1 shows the social service expenditure for the 13 years from 2010 to 2023.

I. Education Sector

The education sector plays a significant role in social and economic progress in India. The right to education has been enshrined as a fundamental right in the Constitution of India, which states that “the State shall provide free and compulsory education to all children aged six to fourteen years in such a manner as the state may, by law, determine.” The literacy rate in India has shown the continuous rise from 64.8 percent in 2001 census to 74.04 percent in the 2011 census. The following programs enhanced the education sector in India.

- (i) **Free and Compulsory Education:** The right of Children to Free and Compulsory Education Act became operative on April 1, 2010. It has the positive impact on the gross enrolment ratio and decreased the dropout rates.
- (ii) **Sarva Shiksha Abhiyan:** This program covers the secondary education children aged from 14 to 18, and it extended in the form of Rashtriya Madhyamik Shiksha Abhiyan with the inclusion of profession-based vocational training.
- (iii) **Higher Education:** India’s higher education is third largest in the world next to China and United States. It is also observed that in 2030 India will have the highest youngest population and there will be a need of huge investment in the education sector.

II. Health Sector

The health sector in India has accomplished good dispense in health. The Government of India’s dynamism in the public health sector have eradicated some important disease like smallpox, guinea worm disease, polio, leprosy etc. Major health indicators has shown improvement in the health status in India.

- (i) **Infant Mortality Rate:** Infant mortality rate is the probability of child born in a specific year or period dying before reaching the age of one, if subject to age-specific mortality rates of that period.

Table 1. Infant Mortality Rate

Year	Infant Mortality Rate
2023	26.619
2022	27.695
2021	28.771
2020	29.848

Source: Macrotrends 2010-2023.

Interpretation: Table 1. Shows the infant mortality in India from 2020-23, it shows an improvement in infant mortality rate due to the improved health facilities.

- (ii) **Life Expectancy:** Life expectancy is statistical measure of the estimate of the span of a life.

Table 2. Life Expectancy

Year	Life Expectancy
2023	70.42
2022	70.19
2021	69.96
2020	69.73

Source: Macrotrends 2010-2023.

Interpretation: It is revealed from the Table 2. That, the life expectancy rate in India has shown the increasing trend from 2020 to 2023. It is due to progress in economic and social progress.

- (iii) **Maternal Mortality Rate:** Maternal mortality rate is the number of resident maternal deaths within 42 days of pregnancy termination due to complications of pregnancy, childbirth and the puerperium in a specified geographic area.

Table 3. Maternal Mortality Rate in India

Year	Maternal Mortality Rate	Change in Percentage
2017	145.00	3.33% decline from 2016
2016	150.00	5.06% decline from 2015
2015	158.00	4.48% decline from 2014
2014	166.00	5.14% decline from 2013

Source: Macrotrends 2010-2023.

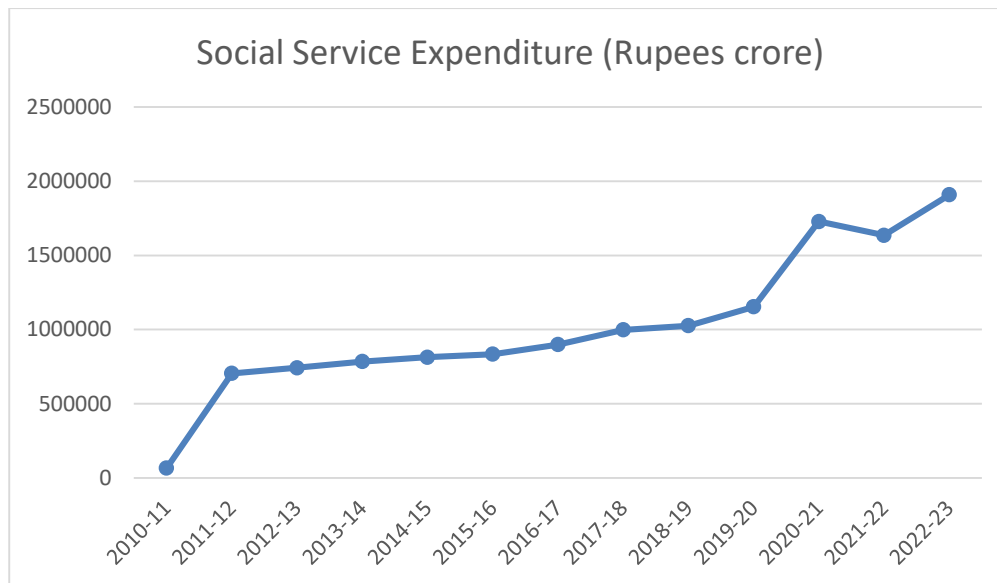
Interpretation: Table 3. Indicates that the maternal mortality rate in India has been declined due to improvement in the health facilities and increase in the number of Primary Health Centres.

Table.4 Social Service Expenditure in India

Year	Social Service Expenditure (Rupees crore)
2010-11	66606
2011-12	705321
2012-13	742417
2013-14	784504
2014-15	813813
2015-16	835019
2016-17	899369
2017-18	998201
2018-19	1025979
2019-20	1153187
2020-21	1728034
2021-22	1635631
2022-23	1908663

Source: RBI Database.

Figure. 1 Social Service Expenditure in India



Interpretations: The above Table. 1 reveals the social service expenditure over the period of 13 years from 2010-11 to 2022-23. It shows the increasing trend from 2010-11 to 2020-21 to improve the socio-economic welfare of the country and there is minimal fall in the year 2021-22 due to the impact of pandemic on expenditure patterns.

CONCLUSION AND RECOMMENDATIONS:

In this paper it is revealed that the Social Services expenditure has increased significantly. The Economic Survey also indicates that expenditure on health sector also increased which revealed from the health indicators table given in this paper. An increase in social services expenditure should be considered as one of the important factor to promote growth and development through improving the Human Development Index in India. It is also important to concentrate the Government introduced schemes in education and health sectors. An increase in social services expenditure contributed to reducing infant mortality, an improvement in life expectancy and investment in education, urban development and family welfare has positive impact on the infant mortality rates and also poverty reduction due to increase expenditure in education sector.

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