

# Kurukshetra

A JOURNAL ON RURAL DEVELOPMENT

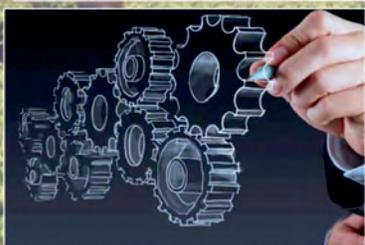
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March 2018

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## Union Budget 2018-19



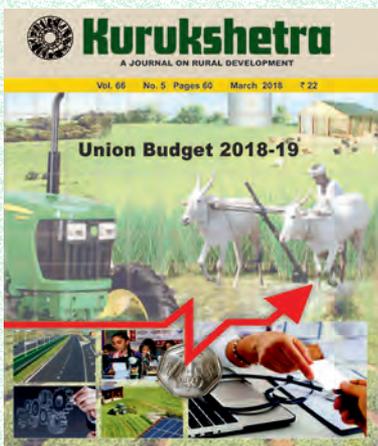
# BUDGET 2018-19: PM on Rural Development & Agriculture



Budget is farmer friendly,  
common citizen friendly,  
business environment friendly  
and  
development friendly: PM

February 1, 2018

- 'Operation Greens' will prove to be an effective instrument in this direction especially for the farmers engaged in producing vegetables and fruits. Now, keeping in mind the agricultural produce in different districts, agricultural cluster approach will be adopted in different districts across the country.
- In our country, the cooperative societies are exempted from paying income tax. But the 'Farmer Producer Organization' -FPO, that is similar to the cooperative societies, does not get this benefit. Therefore, income tax exemption for the 'Farmer Producer Organization' -FPO, which is meant for the welfare of the farmers, is a welcome step.
- Gobar-Dhan Yojana will help in keeping the village clean, while increasing the income of farmers and cattle herders.
- There are about 7000 blocks in more than 700 districts of India. In these blocks, emphasis has been laid on modernization of infrastructure of 22 thousand rural business centers, by innovative and increased connectivity in the villages.
- The target for Ujjwala has been enhanced from 5 crore families to 8 crore families. A large number of dalit, tribal and backward class families have been benefited from this scheme.
- This budget provides for allocation of about Rs 1 lakh crore for the welfare of scheduled castes and scheduled tribes.
- The idea of setting up 1.5lakh Health Wellness Centers spread over all the major panchayats of the country is commendable. This will provide easy access to health care services to the people living in the villages.
- By providing the linkages between the Self Help Groups for women engaged in organic, aromatic and herbal cultivation and the 'Farmer Producer Organizations' the income of the farmers will be increased.



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# Kurukshetra

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Kurukshetra seeks to carry the message of Rural Development to all people. It serves as a forum for free, frank and serious discussion on the problems of Rural Development with special focus on Rural Uplift.

*The views expressed by the authors in the articles are their own. They do not necessarily reflect the views of the Government or the organisations they work for.*

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# Editorial

The key focus of the Budget 2018-19 is on strengthening the rural economy and revving up growth in the rural sector. To that end a slew of measures have been announced in the Budget which among other include higher MSPs for kharif crops, upgradation of rural *haats* to give farmers better access to formal *mandis*, increase in institutional farm credit, new funds for Fisheries and Animal Husbandry sectors, more fund for re-structured National Bamboo Mission fund, allocation for deprived irrigation districts, extension of the facility of Kisan Credit Cards to fisheries and animal husbandry farmers to help them meet their working capital needs. All these measures would transform rural India in a big way.

For the benefit of lower and middle class the measures like increase in loans to Women Self Help Groups, higher targets for Ujjwala, Saubhagya in providing free LPG connections, electricity and toilets have been announced.

These measures, coupled with the mega health insurance programme for the poor and massive spending on rural infrastructure, will go a long way in strengthening the rural economy and boosting consumption in the hinterland.

Among the most important initiatives in the budget is the health insurance scheme which is set to benefit 100 million households with coverage of Rs 5 lakh per annum. This is by far, the world's largest health insurance plan for which government will bear the cost. Setting up 1.5 lakh Health Wellness Centers spread over all the major panchayats of the country will bring healthcare to the doorsteps of the rural people.

Several announcements have been made in the budget in respect of Senior Citizens. Senior Citizens will now be entitled to have a minimum interest of 8% on amount up to Rs 15 lakh under the Pradhan Mantri Vaya Vandan Yojana. No tax will be levied on interest up to Rs 50,000 on their Bank and Post Office deposits. Besides, relief from Income Tax has been provided on expenditure up to Rs 1 lakh incurred on treatment of serious diseases.

In this budget, the government has reduced the tax rate for MSME by 5%. They will now have to pay only 25% tax in place of 30% which was the practice earlier. Credit seeking facility from the banks and NBFCs has been eased to ensure the required working capital for MSME industries. It will give a further impetus to the mission of 'Make in India'.

Special emphasis has been given to development of infrastructure related to Digital India. Allocation of Rs. 6 lakh crores has been made which is Rs. 1 lakh crore more than the previous year. These schemes will enhance employment opportunities in our country manifold.

Lauding the Budget, Prime Minister Narendra Modi has said that the focus of the budget is on issues ranging from Agriculture to Infrastructure. It is expected to give a boost to the hopes and aspirations of 125 crore people of the country and accelerate the development process.

Finance Minister ended his budget speech by quoting from Vivekananda's Memoirs of European Travel: "You merge yourselves in the void and disappear, and let new India arise in your place. Let her arise – out of the peasants' cottage, grasping the plough; out of the huts of the fisherman. Let her spring from the grocer's shop, from beside the oven of the fritter seller. Let her emanate from the factory, from marts, and from markets. Let her emerge from groves and forests, from hills and mountains". Truly, an apt quote to conclude the Budget which strives to empower the informal economy.

## CITIEZEN CENTRIC RURAL GROWTH

Amarjeet Sinha

Today 1,30,947 habitations stand connected under PMGSY and another 14,620 through State Governments' programmes bringing the total habitations connected to 82%. In 2016-17, a total of 47,447 kms roads were constructed at a speed of 130 kms per day. Efforts are being made to take this to 51,000 kms at a speed of 140 kms per day in 2017-18. This will enable achievement of completed all weather road connectivity to all the eligible habitations by March, 2019.

The Department of Rural Development has been continuously trying to improve the quality of lives of rural poor households. From Budget provision of Rs. 50,162 crore in 2012-13 the allocation for DoRD went up to Rs. 109042.45 crores in 2017-18. Besides this, higher Finance Commission grant and larger State share in PMGSY and PMAY(G) was also available for programmes of DoRD during 2017-18. All together it amounts to almost three times the total funds available in 2012-13. Besides increased financial provision, the Department of Rural Development has undertaken farreachinggovernance reforms for promoting transparency, using the Socio-Economic Census – 2011 (SECC 2011), IT/DBT payment system, transaction-based programme MISs and space technology for geo-tagging of assets.

The PMGSY set out to provide all weather road connectivity to 1,78,184 habitations of 500 population in plain areas and 250 population in hilly areas. As of March, 2014, 97838 habitations (55%) were connected. Today 1,30,947 habitations stand connected under PMGSY and another 14,620 through State Governments' programmes bringing the total habitations connected to 82%. In 2016-17, a total of 47,447 kms roads were constructed at a speed of 130 kms per day. Efforts are being made to take this to 51,000 kms at a speed of 140 kms per day in 2017-18. This will enable achievement of completed all weather road connectivity to all the eligible habitations by March, 2019.



Realising the importance of good wide roads to agriculture market (mandis), there is a need to consolidate the rural road network by providing for upgradation of existing selected rural roads based on their economic potential and their role in facilitating the growth of rural market centres and rural hubs. This will further strengthen Phase-II which is already under implementation. 1.10 lakh kilometers of upgradation is proposed as PMGSY-III. To do so, annual funding support of Rs.19,000 crore, from the Central Government upto 2022, will be required. Prime Minister's dream of "New India 2022" requires connectivity and also consolidation of roads that connect markets, to enable farmers to get the benefit of markets.

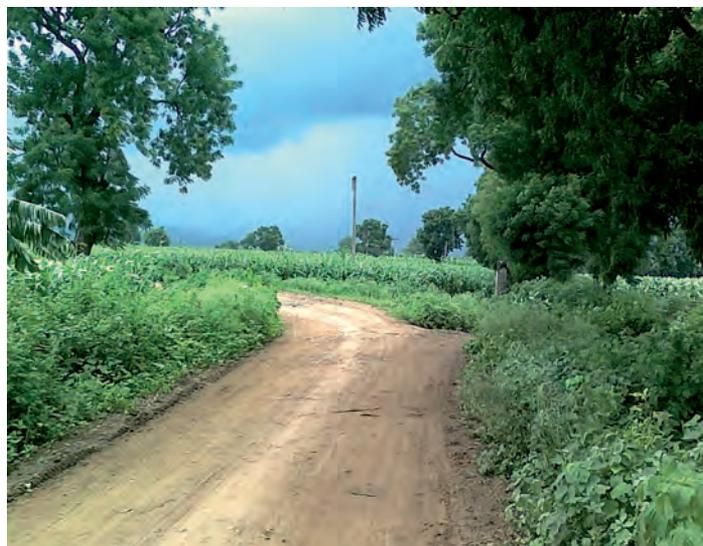
Realising the importance of improved road maintenance and GIS mapping of all roads, for States/UTs to qualify for Phase-III, they will have to necessarily ensure a robust maintenance policy and funding along with completion of GIS mapping of all roads. This will ensure maintenance of PMGSY roads at high standards. 15% of all PMGSY roads are now being taken up through use of innovative green technologies like use of waste plastic, geo-textiles, fly ash, iron and copper slag and cold mix. This not only reduces cost of construction, but also promotes use of local and 'waste' materials, thereby reducing carbon footprint.

For diversifying livelihoods the Deendayal Antyodaya Yojana-National Rural Livelihood

Mission has successfully brought more than 4.5 crore women into the fold of SHGs. Through capacity development and skill training, the Bank linkages for economic activities have expanded considerably in the last few years. From Bank linkages of Rs. 23,953 crore in 2014-15 the current outstanding loans stands at nearly Rs. 60,000 crores. Women SHGs in Northern, Eastern and North-Eastern States are also diversifying livelihoods like the SHGs in Southern States did over the last few decades. This facilitates poor households coming out of poverty by increasing productive assets and incomes. Work with over 32 lakh women farmers is also going on for sustainable agriculture moving towards development of 1000 organic clusters. DAY-NRLM and MGNREGS along with Ministry of Agriculture will provide support for developing market infrastructure for these women SHGs, Producer Groups and Producer Companies.

MGNREGS has provided the role of social insurance in times of need. The resources for wage employment have been effectively utilized over the last three years to improve livelihood security of poor households and also to promote climate resilient agriculture through effective water conservation, afforestation and asset development. Over 10 lakh farm ponds and 6.7 lakh compost pits have already been completed during this period besides over 1.6 lakh Liquid Resource Management soak pits and Solid Resource Management spread across many States. MGNREGS resources have also been used in convergence with the PMAY(G) to provide 90/95 days of work and Rs. 12,000 either through

Swachha Bharat Mission or MGNREGS for individual household latrines with the new homes of poor people. During the last three years over 73.50 lakh houses have already been completed which include 19.66 lakh PMAY(G) houses. Another 30 lakh PMAY(G) homes are expected to be completed by 31<sup>st</sup>



March, 2018 as they are already at an advanced stage. MGNREGS has been used as a livelihood resource and a range of individual beneficiary schemes like farm ponds, irrigation wells, goat sheds, dairy sheds, poultry sheds etc. has been constructed for poor households using these resources.

The DoRD hopes to continue this resolve to eliminate rural poverty in the new India of 2022 through concerted action for livelihood diversification and improved infrastructure. The Department has already started work on 5,000 Clusters spread over 50,000 Gram Panchayats in partnership with the State Governments to simultaneously address all the dimensions of poverty effectively. The DoRD develops skill for wage employment under DDUGKY and self-employment through Rural Self Employment Training Institutes (RSETI) for over 7 lakh poor households every year. Efforts to improve skill and capacity development for poor households significantly over the current level will be made using the Skill India initiatives more effectively along with even better implementation of DDUGKY and RSETI programmes.

In the last Budget, announcement had been made regarding Mission Antyodaya bringing one crore households in 50,000 Gram Panchayats out of poverty. The Department of Rural Development has done a ranking of these Gram Panchayats, purposively selected by the State Governments. The gaps on infrastructure, human development and economic parameters have been identified and our Government is committed to bridge these

gaps and make a difference in the life of the poorest households. Timely and transparent provision of social security support will be further improved for the old, widows, and differently able persons. Besides social security, special efforts for skill and livelihood opportunities for young widows and

the differently able has been initiated as part of the skills thrust of the Ministry.

Efforts to develop 300 Rurban clusters and nearly 1200 Saansad Adarsh Gram Panchayats is also part of the Mission Antyodaya thrust. Over 8000 Mission Antyodaya Gram Panchayats fall in 115 aspirational districts. All efforts for their speedy development through livelihood diversification, will be made. Under the Mahila Kisan Sashaktikaran Pariyojana (MKSP), work is going on with over 32 lakh women Self Help Group Members for sustainable agriculture.

For promoting Indian Agricultural Exports, developing geographical areas which are certified as organic, is important. In partnership with Ministry of Agriculture, Department of Rural Development, through its women Self Help Groups in Mission Antyodaya clusters, will work towards developing at least 1000 clusters for sustainable agriculture through convergence focused on water conservation, solid and liquid waste management linked to manufacture of organic compost for use in organic farming, skill development, banking linkage, livelihood infrastructure facilities etc.

### **A Robust Accountability Framework:**

The Department of Rural Development has developed a very strong and robust accountability framework for all its programmes. Building on the principle of eligibility through Socio Economic Census 2011, and accountability through the multi-pronged framework of Social Audit, Financial Audit, Geo-tagging and use of IT-DBT, the programmes of DoRD have made significant progress in institutionalizing a transparent framework with zero tolerance for corruption.

Besides all transaction based MIS in the public domain that provides geo-tagged photos and real time information, efforts have been made to develop citizen centric apps like Gram Samvad, Meri Sadak, Awaas App etc. to improve the accountability to the people. The Department already had a system of National Level Monitoring



Institutions that visit 600 districts of the country in two rounds each year and do a randomly selected sample verification of the work in the field. Besides this, a range of Research and Evaluation studies have been taken up on all flagship programmes. The National Evaluation of DAY-NRLM by IRMA, of MGNREGS Natural Resource Management initiatives by Institute of Economic Growth, Delhi and of PMGSY by IIM Ahmedabad have been completed and are available on website of the Ministry. NIPFP has just concluded the first part of the study of the PMAY(G) and same would be on the public website very shortly. Besides this, National Institute of Rural Development and Panchayati Raj has commissioned a range of studies on MGNREGS whose findings will also be in the public domain very soon.

The Department has set up an Advisory Group on Internal Audit to suggest system for continuous improvement in implementation of schemes and better compliance. The Group has prepared a framework for launching a certificate programme for internal auditors. The curriculum has been developed for the certificate programme and very soon National Institute of Rural Development and Panchayati Raj in partnership with the Institute of Internal Auditors of India will roll out the certificate programme for retired and serving Accounts Officers and other Government Servants. We hope to create a community Cadre of 5000 certified Internal Auditors in 2018-19.

Likewise for social audit, with the guidance of the Comptroller and Auditor General of India, the auditing standard of social audit have been notified for the first time and appropriate certificate programmes have been developed by NIRD&PR in partnership with Tata Institute of Social Sciences, Mumbai, for District, Block and Village Level Resource Persons. A Policy decision was taken to have women Self Help Group members as the Social Auditors after formal certificate programme for them. We hope to build a community Cadre of 50,000 Social Auditors drawn from women SHGs in 2018-19. This will ensure large scale Social Audit of rural development initiatives across Departments.

Under DAY-NRLM a data base of nearly 4.7 crores members of Self Help Groups are placed in the public domain. Further, disaggregated block level reports on key performance indicators of the Mission are also available.

In April 2017, the DAY-NRLM has launched a transaction-based MIS to capture SHG member level transactions. The system has already been rolled out in 1400 Blocks across 25 States. This MIS which is also in public domain enables the project management as well as community members to monitor the performance and financial position of SHGs and their federations on a real time basis”.

An Advisory Group on Information Technology has also been set up to further strengthen Cyber Security and undertake forensic audit of field units to ensure compliance to law, security and to maintain transparency in all the IT based payment system.

To assess the progress of programmes in States, the Department has introduced a system of Common Review Mission (CRM). Eight States are visited by total 32 independent professionals as part of the CRM each year. The team visits two districts in each State and gives the Ministry its feedback on how our programmes are doing at the field level. Three CRMs have been undertaken so far over the last three years and their findings have provided a road map for further improving the Accountability Framework of Rural Development programmes.

The Department of Rural Development has also set up a small Internal Audit Wing which

undertakes timely field verification of financial system from time to time and provides insights into the quality of financial management so that corrective action can be taken on time. One portal namely GRIP for online processing and analysis of internal audit has been developed and it is being used in internal audit of MGNREGA and PMAY (Gramin).

With all the above mentioned systems in place, Rural Development Programmes now have a very strong robust accountability framework in partnership with the States. This has facilitated the adoption of transparent system of record keeping, public information and citizen grievance redressal system. DoRD hopes to further deepen these processes by conducting programmes at Gram Panchayat level from time to time with periodic public updation of display records in Gram Panchayat offices. Reforms to simplify Record Registers, Community Information Boards, use of logo with financial details etc. is being relentlessly pursued to further strengthen the accountability from time to time. Over 2.43 crore MGNREGS assets and/all PMAY Gramin homes at different stages of construction are all geo-tagged and available on the public website. This greatly enhances transparency and accountability.

To further improve the monitoring of progress in flagship priority programmes at the district level, the District Development Coordination and Monitoring Committee (called DISHA in short) was constituted last year under the Chairmanship of the Hon’ble Members of Parliament. Representatives of State and Local Governments are also part of the Committee. The DISHA Committee has to meet every quarter to review progress of schemes. To facilitate effective monitoring of progress, the Disha portal has been developed where progress can be seen Gram Panchayat wise to ascertain where greater attention and support is needed. 9 programmes are already on board the Disha portal and efforts to bring all 40 flagship programmes on board are under way. This will go a long way in improving the effective monitoring of programmes to ensure better and more meaningful outcomes.

***(The author is Secretary, Ministry of Rural Development, Government of India. Email: secyrd@nic.in)***

## Budget Highlights 2018-19

- General Budget 2018-19 is guided by mission to strengthen agriculture, rural development, health, education, employment, MSME and infrastructure sectors.
- **Doubling farmers' Income** - Minimum Support Price for all unannounced *Kharif* crops will be one and half times of their production cost like majority of *Rabi* crops.
- **Institutional Farm Credit** raised to Rs. 11 lakh crore in 2018-19 from Rs. 10 lakh crore in 2017-18.
- Under **Pradhan Mantri Krishi Sinchai Yojana - Har Khet ko Pani**, 96 deprived irrigation districts will be taken up with an allocation of Rs 2600 crore.
- **22,000 rural Haats** to be developed and upgraded into **Gramin Agricultural Markets** to protect the interests of 86 per cent small and marginal farmers.
- **"Operation Greens"** launched to address price fluctuations in potato, tomato and onion for benefit of farmers and consumers.
- **Two New Funds** of Rs 10,000 crore announced for **Fisheries** and **Animal Husbandary** sectors;
- Re-structured **National Bamboo Mission** gets Rs. 1290 crore.
- **Loans to Women Self Help Groups** will increase to Rs. 75,000 crore in 2019 from Rs 42,500 crore last year.
- Under **Ujjwala Scheme** distribution of free LPG connections will be given to 8 crore poor women instead of the previous target of 5 crore women.
- Under **Saubahagya Yojana**, 4 crore poor households are being provided with electricity connection with an outlay of Rs. 16,000 crore.
- **Outlay on health**, education and social protection will be Rs. 1.38 lakh crore.
- Tribal students to get **Ekalavya Residential Schools in each tribal block** by 2022. Welfare fund for SCs gets a boost.
- **World's largest Health Protection Scheme** covering over 10 crore poor and vulnerable families launched with a family limit upto 5 lakh rupees for secondary and tertiary treatment.
- Rs. 14.34 Lakh Crore to be spent in 2018-19 for creation of **livelihood and infrastructure in rural areas**.
- **Education** will be treated holistically from pre-nursery to class XII. Rs. 1,00,000 Crore initiative to drive research and infrastructure over the next four years.



*The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley before presenting the General Budget 2018-19, in New Delhi on February 01, 2018.*

## STEPS FOR DOUBLING FARMERS INCOME

Avinash Mishra, Geetika Gunjan

The Indian agriculture is on the path of structural as well as institutional transformation. The multipronged approach will make agriculture more dynamic and productive. The focus on FPOs, food processing, agricultural marketing agri-exports are some of the examples how government is able to reach the layers of agriculture dynamism. The setting up of minimum support price for agricultural produce above the 1.5 times of production cost shows government concern to the farmers. The Union Budget has come up rightly on the expectations of agriculture community both on the short as well as long term perspective. This is the way forward in the doubling farmer's income by 2022.

**A**griculture and allied activities are thrust areas in central financing as more than 50 per cent of our population depends on agriculture for their livelihood. In addition, the fortunes of industrial sector as well as service sector are intricately linked with the output and growth of this sector. Hence, accelerating reforms in agriculture for improving its productivity is crucial for inclusive growth. A sustainable solution lies in stepping up investment in irrigation sector, farms and allied activities such as aquaculture & animal husbandry, provision of marketing support, food processing and credit availability on easy terms. There is also a need to address the supply side bottlenecks in the agriculture sector, which have resulted in widening the demand – supply gaps and putting pressure on inflation. With a view to provide a boost to agriculture production and promote inclusive growth, Union Budget 2018-19 has taken various initiatives to transform Indian agriculture to a sustainable source of livelihood for the farmers.

### Irrigation Sector:

Availability of water plays an important role in raising production and enhancing productivity of agriculture. Further, the productivity of irrigated areas is significantly higher than the productivity of un-irrigated areas. In India, only 68 million Ha (48 per cent of Net Sown Area) is currently under irrigation. The Union Budget 2018-19 has given foremost importance to Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with the objective of 'Har Khet Ko Pani' and 'Per Drop More Crop'. PMKSY scheme has four components, namely, (1) Accelerated Irrigation Benefits Programme and

Command Area Development (AIBP-CAD), (2) Minor Irrigation (Har Khet Ko Pani), (3) Watershed Development, and (4) Micro Irrigation (Per Drop More Crop).

The Government of India has initiated 99 projects under mission mode whereas the works for identified 48 projects will remain in progress alongwith left over works of other projects from previous phase. It will create an additional irrigation potential of 44.5 lakh Ha in major and minor irrigation by December, 2019. To execute this, PMKSY- Accelerated Irrigation Benefits Programme & Command Area Development (AIBP-CAD) has been provided Rs. 6000.00crore through NABARD funding along with open market financing. These initiatives are expected to increase the yield of crops & income of farmers, replenishment of ground water and increased water availability for other uses.



**Farmer Friendly**  
**#NewIndiaBudget**

- Record Allocation of Rs 14.34 lakh crore** for Rural Development & Agriculture
- Farmers to get 1.5 times higher** than cost as MSP
- 22,000 Gramin Agriculture Markets** to help farmers sell their produce
- Operation Greens** to augment Food Processing
- Institutional Credit for Agriculture hiked to Rs 11 lakh crore**

With the objectives of 1.86 lakh Ha of additional area to be brought under irrigation during 2018-19, PMKSY-Watershed Development has been provided Rs. 2146.00 crore. It will lead to higher agriculture yield and enhance farmer's income too.

As per the Economic Survey 2017-18, the effect of extreme weather shocks are almost twice as high in rain-fed areas as compared to irrigated areas. The government has proposed to include 96 most water deprived districts with an allocation of Rs. 2600 crore where only less than 30 per cent of the land holdings covered are under irrigation. The average annual rainfall of these districts are 750 mm and more, however, less than 60 per cent of the annual replenish able groundwater resources have been developed i.e. there is scope for further groundwater development without endangering groundwater sustainability. In these 96 districts, the government is likely to construct 9.49 lakh groundwater abstraction structures through tube wells, dug wells, bore wells and Dug cum Bore wells. This project envisages convergence with PMKSY-Watershed Component and MGNREGA for supporting water harvesting and groundwater recharge interventions for sustaining longterm groundwater development.

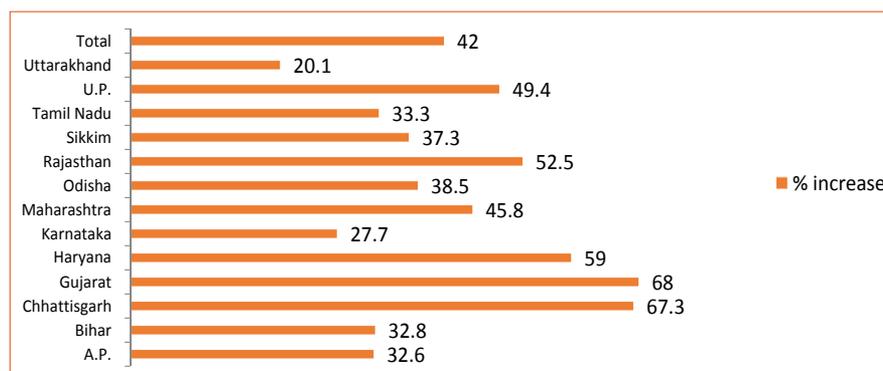
The Water Use Efficiency (WUE) in Indian agriculture, at about 30-40 per cent, is one of the lowest in the world, against 55 per cent in China. This requires paradigm shift in conservation and in agriculture policies, which should lead to saving of water, fertilizer and energy resulting in crop diversification and equitable distribution of resources. The objective of PMKSY-Per Drop More Crop is the use of innovative water saving technologies in irrigation called Micro Irrigation. Micro irrigation saves irrigation water from 40 to 70 per cent (Mo Agri & FW, 2004), conserves energy from 10-17 per cent, reduces fertilizers consumption from 15 to 50 per cent, and decreases labour cost of about 30-40 per cent (FICCI, 2016). This technology leads to increment in gross irrigated areas, adaptation of multi crop system, reduction of various inputs together, shrinks the expenditure on agriculture and enhances farmer's income.

A look on the impact of micro irrigation (state-wise) on the potential farmer's income (Figure-1) clearly envisages that if micro irrigation is applied at its full potential, the average increase in farmer's income at all India level will be 42 per cent. There is a large variation on the impact of micro irrigation in potential increase in farmer's income across the states. Uttarakhand state has marked minimum increase (20 per cent) in farmer's income whereas Gujarat state has marked highest increase (68 per cent) in potential farmer's income. Although the cost of adoption of technology is high as compared to other irrigation system, the benefit cost analysis for the adoption of technology (FICCI, 2016) in each state too shows that the benefits accrued to the farmers outweigh the cost of installing in every case. Recognizing the importance of micro irrigation in the contemporary agriculture, the government has provided Rs. 4000 crore for the water saving induced technology adaptation under "Per drop More Crop".

### Minimum Support Price (MSP):

MSP is a tool of market intervention by the Government of India to ensure the farmers from any sharp fall in the market price of a commodity. While the structural reforms of agriculture takes time to trickle down the effect on the grass root level, the increase in Minimum Support Price has immediate effects on the farmers income, agricultural productivity & growth. Addressing the issue of agrarian distress of farmers in India, the Union Budget has ensured MSP for all 23 crops with at least one and half times of their production cost (A2) plus the imputed value of family labour at prevailing wage rate (FL). Cost A2 includes all expenses paid by farmers in cash or kind in

Figure 1: Potential Increase in Farmer's Income

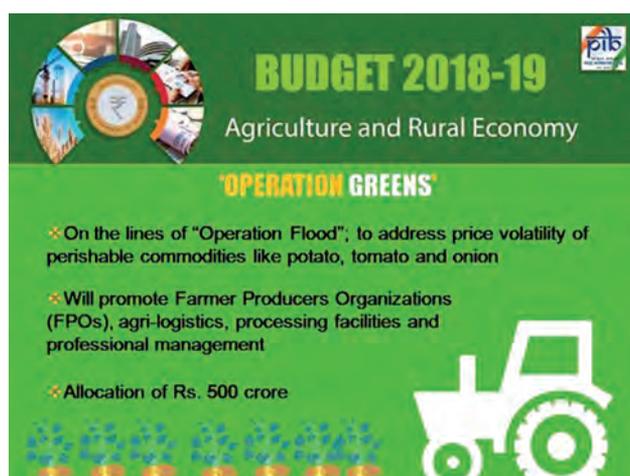


(Source: Accelerating growth of Indian Agriculture, GT & FICCI, 2016)

production of the crop like seed, fertilizer, manure, chemicals, hired human, bullock and machine labour, irrigation expenses, maintenance cost, etc. It also includes imputed cost of own seed, manure, bullock and machine labour, rent paid for leased in land, depreciation of assets and interest on working capital. Ensuring MSP is a significant and straight step in moving towards the goal of doubling farmer's income by 2022.

### Operation Green :

The government has launched "Operation Green" for onion, potato and tomato crops on the line of "Operation Flood". It will promote FPOs, agri logistics, processing facilities and professional management with a budgetary allocation of Rs 500 crores. These three vegetables are consumed throughout the year, however, the seasonal and regional production of these perishable commodities pose a challenge in connecting farmers and consumers. In addition, CPI inflation at all India level for FY 2016-17 has driven mainly due to prices of vegetables and fruits.



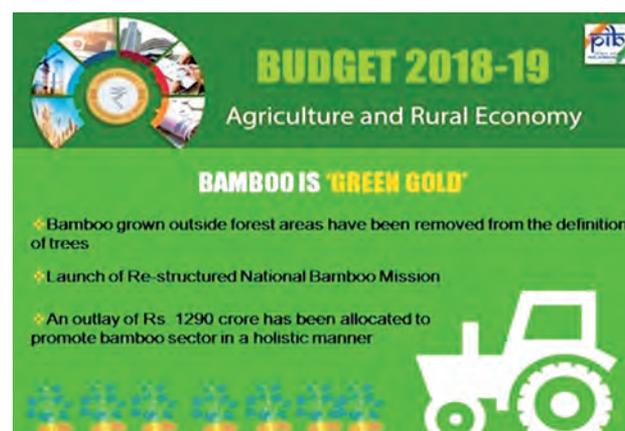
### FPOs :

Farmer Producer Organizations (FPOs) are the most appropriate institutional form for a prosperous and sustainable agriculture sector that enable farmers to enhance productivity through efficient, cost-effective and sustainable resource use and realize higher returns for their produce, through collective action supported by the government, and fruitful collaboration with academia, research agencies, civil society and the private sector. FPOs remove hurdles in enabling farmers' access the markets, both as buyers and sellers, enable policy

environment for investments in FPOs to leverage their collective production and marketing power. FPOs are very important drivers for socio economic growth in the rural areas. Encouraging enabling environment for aggregation of farmers into FPOs will help take advantage of economies of scale. The 100 per cent tax deduction for FPOs with annual turnover of Rs 100 crore will boost 'Operation Greens' and 'SAMPADA' Yojana. Also, organic farming will also be promoted under the cluster model by encouraging women self help groups, Farmer Producer Organizations (FPOs), and Village producer organizations (VPOs) to take up organic farming. This will bring in economies of scale, spur establishment of entire value chain, and boost exports besides giving recognition to the districts for specific crops.

### National Bamboo Mission:

Recognizing the significance of Bamboo tree as a 'Green Gold', the government has launched a Restructured National Bamboo Mission, a sub scheme of Mission for Integrated Development of Horticulture (MIDH), a 100 per cent Centrally Sponsored Scheme of Department of Agriculture & Cooperation (DAC), Ministry of Agriculture with an outlay of 1290 crore to promote bamboo sector in an inclusive manner. There is also a change in the definition of bamboo too i.e. bamboo grown outside forest areas is removed from the definition of trees. The objective of the mission is the holistic growth of the bamboo sector which contains enhancing acreage (in forest and non-forest areas) and productivity of bamboo through varietal change and improved agriculture, marketing of bamboo and bamboo based handicrafts, promotion of Research and Development (R&D) of varieties and technologies through a seamless blend of traditional



wisdom and modern scientific knowledge and creation of employment opportunities for skilled and unskilled persons. It requires a coordinated approach between multi stakeholders and synergy among production, R&D & marketing agencies in public as well as private sectors.

### **Agri-exports:**

India is the fourth-largest agri-export country that constitutes around 12.08 per cent (FY 2016-17) of the country's exports. India mainly exports tea, coffee, rice, cereals, tobacco, spices, cashew, oil meals, fruits, vegetables, and marine products. The country's agricultural exports are around \$ 33.38 billion at present against the potential of \$100 billion. To harness the optimum potential, the Union Budget 2018-19 has proposed to set up state-of-the-art facility in 42 mega food parks to facilitate agri produce to meet global standards through certification and traceability. The government is also in the process of identifying and creating new markets for Indian agri products. The boost in export of agri products will lead to the boost to Indian agriculture and enhance productivity through upsurge demand and better prices.

### **Agriculture Marketing :**

The objective of doubling farmer's income and improvement in the conditions of agriculture depend largely only on the efficient management and elaborate arrangements of agriculture marketing; farmers can dispose their surplus produce at a fair and reasonable price. To strengthening and upgrading the agriculture marketing networks, the government has proposed to set up an Agri-Market Infrastructure Fund with a corpus of Rs. 2000 crore to develop and upgrade existing 22,000 rural haats into Gramin Agricultural Markets (GrAMs) and 585 APMCs using MGNREGA and other Government Schemes. Through the electronically linked GrAMs, farmers can sell directly to the last end consumers. This step will reduce wastages and improve farmer's income. Further, the linking habitations of Pradhan Mantri Gram Sadak Yojna Phase III to GrAM results to the end-to-end connectivity in agriculture marketing.

### **Food Processing:**

The food processing industry plays a vital role in minimizing wastage at all stages in the

food processing chain, enhancing shelf life of food products, ensuring value addition to agricultural produce, diversification & commercialization of agriculture, generation of employment, enhancing farmer's income and creating surplus for the export of agro & processed foods. To make food-processing sector dynamic and strong, there is a need to encourage R&D in food processing for product and process development and improved packaging. Further, a policy support, and support for creation of Infrastructure, capacity expansion/ Upgradation and other supportive measures needed for the growth of the sector. The allocation to food processing doubled to Rs 1,400 crore and establishment of specialized agro processing financial institutions. The increased allocations will ensure flow of further investments and promote employment in the sector. Focus on infrastructure and testing facilities will help reduce wastages, increase value addition and address food safety aspect as well. Establishment of specialized agro processing financial institutions will help design suitable financial instruments and increase flow of credit to the sector.

### **Agriculture Credit:**

Credit for agriculture plays a pivotal role in the agricultural development of India. It adds to the productivity by supporting mechanization and contributes to the growth of Agriculture by enabling the purchase of variable inputs. The direct agriculture credit amount has a positive and statistically significant impact on agriculture output and its effect is immediate (RBI, 2009). Recognizing the multifold benefits of agricultural credit, the volume of institutional credit for agriculture sector has been raised from Rs. 10 lakh crore in 2017-18 and to Rs. 11 lakh crore for the year 2018-19. Meeting the rural economy's credit requirement will improve livelihood for farmers, reduce dependency on the informal lending sector, allow investment in better inputs & help the farmer deploy technology at the field level.

### **Aquaculture and Animal Husbandry:**

Small-scale fisheries and aquaculture have an important contribution in the areas of employment generation as well as adding to the farmer's income and agri exports. As the population of India is growing and per-capita income is rising, the demand

for aquaculture products and livestock products are expected to grow. To meet the required demand, there is a need for government intervention to utilize the optimum potentials of aquaculture and animal husbandry. The government has proposed to set up Fisheries & Aquaculture Infrastructure fund and Animal Husbandry Infrastructure fund with a combined corpus of 10,000 crores. The creation of these funds will help in strengthening the agricultural value chain and help to attract investment as well as technology in these areas. Further, the government has decided to provide Kisan Credit Card benefit to fisheries farmers.

### Other Initiatives

The government has provided Rs. 200 crore to encourage an organized cultivation of highly specialized medicinal and aromatic plants and associated industry. There is also a provision of subsidized machinery for management of crop residue for Haryana, Punjab & UP farmers to get rid of environmental hazard.

### Conclusion:

The Indian agriculture is on the path of structural as well as institutional transformation. The multipronged approach will make agriculture more dynamic and productive. The focus on FPOs, food processing, agricultural marketing agri-exports are some of the examples how government is able to reach the layers of agriculture dynamism. The setting up of minimum support price for agricultural produce above the 1.5 times of production cost shows government concern to the farmers. The Union Budget has come up rightly on the expectations of

agriculture community both on the short as well as long term perspective. This is the way forward in the doubling farmer's income by 2022.

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### Union Budget 2018-19: Benefit for Farmers, Poor and other vulnerable sections:

- Free LPG connections to the poor through Ujjwala yojana.
- 4 crore households are being provided with electricity connections under Saubhagya Yojna
- More than 800 medicines are being sold at lower price, through more than 3 thousand Jan Aushadhi Centers.
- Special scheme for free dialysis of poor have been initiated.
- Persons belonging to poor and middle class to be provided relief on interest rates on housing schemes and in all government services, whether bus or train tickets or individual certificates on line, including passports which may be delivered at doorstep in two or three days or Company registration in one day time.

## BLUE PRINT FOR RURAL REVITALIZATION

Dr Dhurjati Mukherjee

The government has adopted the right strategy on focussing on the farm and rural sector, where majority of the population live and whose social and economic welfare needs to be looked into. This thrust was evident in the last year's budget also and has rightly continued. It now remains to be seen how effective the implementation methodology would be so that the largest number of people benefit.

As indicated in the *Economic Survey*, which had focussed on the farm sector, employment and health, the present Budget has met the expectations of most experts who have been deliberating about the possible thrust areas. The Budget has found mixed response from various sections which include politicians, economists, media etc. Though questions have been raised about the implementation of proposals made, one has to agree that the Finance Minister has done his job reasonably well and possibly the best in the given circumstances.

As expected, the thrust has rightly been on agriculture in view of the agrarian crisis that has plagued the country. In fact, as the Survey pointed out that real agricultural GDP had remained constant for the last four years. There were also suggestions by experts before during consultations about the need to devise a more systematic procurement method, raising farm credit targets and expanding the network e-NAM (National Agriculture Market).

Thus, the emphasis on agriculture needs to be commended. In fact, hiking the minimum support prices by 1.5 times may be considered a roadmap for doubling farmers' income in the coming years. Here, however, it needs to be pointed out that the number of poor and marginal farmers who would actually be benefitted has been questioned which only time will tell. By hiking the agricultural credit target to Rs 11 lakh crores, the Finance Minister aims to ensure farmers' a 50 per cent return on their cost of production.

According to economist, Ashok Gulati, if the farmers' demands are fully met by the committee made up of representatives of the Centre, states and NITI Ayog, the minimum support price of paddy and soya will increase by 44 per cent, maize by 47 per cent, groundnut by 38 per cent and long staple cotton by 52 per cent. A section of economists believe that this proposed accretion seems a step in the creation of a National Agriculture Market. However, it will take time for this to fructify as the inter-play of vested interests have to be eliminated. The ruling party will also have to redefine its rural party structure to achieve this objective.

It is noteworthy that Rs 2600 crores have been earmarked to boost groundwater irrigation under the Prime Minister Krishi Sinchai Yojana, which is aimed to provide assured irrigation in 96 irrigation deprived districts where less than 30 per cent of the land holdings get water. The scope of the Long Term Irrigation Fund (LITF) under NABARD would also be expanded to cover specified command area development projects. Similarly, an additional allocation of Rs 1000 crores has been rightly made for extending irrigation and strengthening irrigation facilities and improving groundwater management in rural areas. This also

### AGRICULTURE

- Farmers to get a minimum of 50 % over their cost of production
- Decided to fix Minimum Support Price on majority of Rabi crops at 1.5 times the cost of production
- Developing and upgrading 22000 rural haats into Gramin Agricultural Markets (GrAMs) to help 86 % of farmers and access market facilities
- Kisan Credit Card to Fisheries and Animal Husbandry Farmers






reiterates the government's commitment to boost production which is imperative at this juncture.

The Finance Minister's observation that "the government's commitment to farmer welfare is evident by institutionalizing mechanisms such as development of gram in agricultural markets, increasing minimum support price (MSP), promoting cluster-based agriculture, developing last mile infrastructure and a fillip to realize the untapped export potential of the sector" appears quite encouraging. The proposal for creation of the Agri-Market Infrastructure Fund, with a corpus of Rs 2000 crores for developing and upgrading agricultural marketing infrastructure in the 22,000 gram in agricultural markets and 585 agricultural produce market committees (APMCs) merits commendation.

A significant proposal is 'Operation Green' on the lines of 'Operation Flood' to tackle the volatility of tomato, onion and potato prices. The awareness that traditional agriculture cannot provide adequate income, animal husbandry, fisheries and aquaculture are some of the rural activities that stand to gain from the Budget. A Rs 10,000 crore fund to finance infrastructure requirements of fisheries, aquaculture and animal husbandry has been created to generate rural employment.

In this connection, it needs to be pointed out that the decision to give Kisan Credit Cards to dairy farmers and fisheries will "facilitate cash flow and improve credibility thus improving on business growth". These measures may help in increasing

farm incomes during 2017-2022 and in line with doubling incomes during the next 4-5 years.

A point that needs to be mentioned here is that the budgetary allocation for MGNREGA has been kept at Rs 55,000 crores which is exactly the same the scheme is likely to spend in 2017-18. The job scheme did not make budgetary headlines, possibly due to inadequate allocation though it may be expected that the government may give extra money in the revised estimates later in the year.

While recasting the 'Restructured National Bamboo Mission', the Finance Minister aptly referred to bamboo as 'green gold' and made a sizeable outlay of Rs 1290 crores. The promotion of this Mission may help in value addition and help schedules castes and tribes forest areas. However, with proper skill development in this sector, there could be much activity and entrepreneurship development.

The emphasis on rural infrastructure development is indeed noteworthy where around Rs 14.34 lakh crores have been earmarked. The expenditure is aimed at creating employment of 321 crore person days, 3.17 kilometre of rural roads, 51 lakh new houses, 1.88 crore toilets and provide 1.75 crore new household with electric connections besides boosting agricultural growth. These obviously look quite encouraging though much will depend on the efficiency of implementation. This clearly shows that the government is interested in giving a thrust to rural development programmes.

Social infrastructure development has also received due attention. Though the government has increased cess by one per cent to 4, the allocations towards health and education could have not been hiked a little more. In the realm of health, the proposal to set up 24 new government medical colleges and hospitals may meet the target of setting up one medical college for three parliamentary constituencies. However, it would have been better if the figure of 24 would have been doubled. The wellness centres proposed for maternal and child health may help the rural sector and the provision of Rs 1200 crores appears quite satisfactory though more funds may be necessary.

As is well known, the state of state health facilities in the villages has remained somewhat dismal and the impoverished sections find it difficult to avail private sector treatment. Thus one cannot doubt the fact that upgrading health centres in the villages was very much necessary. Rs 5 lakh medical

reimbursement under the National Health Protection Scheme (NHPS), which replaces the Rashtriya Swasthya Bima Yojana (RSBY), provides an annual coverage of Rs 50,000 and is envisaged to benefit 10 crore poor families, needs to be appreciated. This is expected to be one of the biggest health care programmes in the world and the modus operandi of the scheme would be decided by NITI Ayog in consultation with the states.

There have been allegations, and not without reason, that implementation of all these plans would require enhanced resources that have not been allocated. It stands at Rs 9975 crores compared to Rs 9500 crores (Budget estimate) of 2017-18. Thus it remains to be seen how the Finance Minister's promise of providing health facilities to the poor would be realized. It needs to be reiterated once again that the India's allocation for health as percentage of GDP is much lower compared to the other emerging economies like Brazil, China, South Africa etc.

One may mention here that the government has rolled out a Rs 1.4 lakh crore roadmap to turn farmers into generators of solar power, which they can use to run their pump sets and sell the surplus to discoms. The refreshed version of Kusum (Kisan Uria Suraksha Utthaan Maha Abhiyan) will aid solar power generation capacity of 28,250 MW over the next ten years. It will allow farmers to put barren land to profitable use by allowing construction of solar power projects on them. This is definitely a good attempt to generate income while also helping farmers to increase their productivity.

The promise to create 70 lakh more jobs may be an over estimate but specific programmes are in line to make this a reality. One may mention here that the government has rolled out a Rs 1.4 lakh crore roadmap to turn farmers into generators of solar power, which they can use to run their pump sets and sell the surplus to discoms. Some economists feel that this is highly unrealistic figure though the emphasis on both physical and social infrastructure definitely may create some direct and indirect jobs.

The envisaged investment of Rs 5.35 lakh crore for Phase-I of the Bharat Mala programme for roads and capex of Rs 1.46 lakh crore for railways may provide the momentum for creation of jobs. It is difficult to believe that there would be much increase in employment creation in the big formal sector but there is potential in rural infrastructure development and labour-intensive small and micro sectors.

As far as the education sector is concerned, the school education and literacy sector has recorded a modest 7.86 per cent increase but it is noteworthy that Eklavya Vidyalayas would be set up in every block which has 50 per cent ST population and at least 20,000 tribals on the lines of Navodaya Vidyalayas. Setting up central universities in specialized areas like agriculture, dairy etc. which are necessary to give thrust to agriculture and rural development would have helped. Also the government could have planned to assist state governments in setting up model schools in each sub-division or two in each district by giving say 50 per cent grant.

One cannot deny that the Budget reflects the social philosophy to boost the rural sector. This is evident from the fact that subsidy on food, fertilizer and kitchen fuel has been increased by 15 per cent to Rs 2.64 lakh crores up from Rs 2.29 lakh crores revised estimate in the current fiscal. As is well known around 80 crore people are provided foodgrains at highly subsidized prices under the Food Security Act.

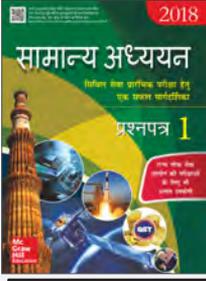
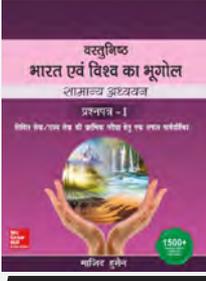
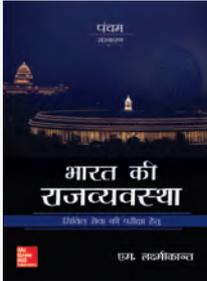
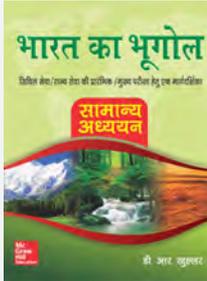
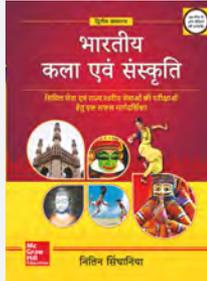
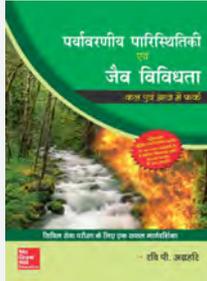
The Congress leaders, as usual, have dubbed the Budget as 'mere rhetoric' and 'unimplementable promises' due to insufficient resource allocations while the Leftists have found nothing for social outcasts, SCs, STs and OBCs. One has to agree that the Finance Minister works under certain limitations and financial constraints. However, it needs to be added that lot of expectations have been raised in the Budget and only the sincerity of the government and the implementation schedule will make these a reality. Moreover resource allocation in some sectors needs to be boosted up which, it is expected, the government would consider while formulating the revised estimates.

Finally, it needs to be stated that the government has adopted the right strategy on focussing on the farm and rural sector, where majority of the population live and whose social and economic welfare needs to be looked into. This thrust was evident in the last year's budget also and has rightly continued. It now remains to be seen how effective the implementation methodology would be so that the largest number of people benefit.

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## SKILL DEVELOPMENT AND EMPLOYMENT FOR RURAL YOUTH

A. Srija

The Union Budget 2018-19 in terms of allocation has given a boost to agriculture, infrastructure creation in rural areas, education in villages and backward districts, adoption of backward districts among others. The emphasis is on strengthening the rural sector, where majority of the youth that would enter the labour market in the coming years resides

India is a young country as highlighted by our Prime Minister in his Independence Day Speech of August 2017. India today has the world's largest youth population and as the country strives to move towards a New India by 2022, the 75<sup>th</sup> year of India's independence, it is the youth of the country who have to take the great leap forward. The United Nations defines youth as persons in the age group of 15-24 years i.e. the age when one leaves the fold of compulsory education and tries to find one's first employment while India's National Youth Policy, 2014 defines youth as those falling between 15-29 years, who constitute about 27.5 per cent of the population. The Ministry of Statistics & Programme Implementation in their National Sample Survey defines youth as those falling between 15-29 years while the Labour Bureau defines youth as those falling in the age group of 18-29 years. The labour force participation rate (LFPR) of the youth was 48.5

per cent in rural areas and 36.2 per cent in urban areas in 2015-16<sup>1</sup>.

The proportion of youth entering the labour market starts increasing in the 18-29 age bracket. As may be seen from Table-1, while only 10 per cent of those in the age group 15-17 years entered the labour market, the relative figure for the 18-29 age group was 47.3 per cent out of which the proportion of males (67.5 per cent) in the labour force was higher than that of the females (25 per cent). As against 47.3 per cent youth entering the labour force, only 42.4 per cent formed the workforce. The proportion of male WPR was more than double that of female WPR (Table-1). The unemployment rate sees a steady decline with progression in age. At the entry level (15-17 years), the unemployment rate is high at 13 per cent, in the prime of youth it decreases to 10.2 per cent and during the most productive period of 30 years and above the unemployment rate is almost below 1 per cent.

A comparison of the participation of youth in the labour market across the last three annual surveys shows that in the last survey, 2015-16, there was a decline in labour force and workforce participation rate as compared to 2013-14 and 2012-13 among the 18-29 age group. (Graph-1). The unemployment rate increased to double-digit level as compared to 2013-14.

The educational profile of the youth (Table-2) shows that among those with literacy levels below primary almost 50 per cent of the population is not even in the labour force. The percentage was more than 60 per cent among youth holding an educational qualification of secondary/higher secondary/certificate course. This high rate of attrition among youth is a cause of concern. The high rate of unemployment among youth with higher

**#NewIndiaBudget for New Opportunities**

- Target of lending increased to Rs 3 Lakh crore under Mudra
- Government to contribute 12% of the wages of the new employees in the EPF for all the sectors for next 3 years.
- National Apprenticeship Scheme with stipend support launched to give training to 50 lakh youth
- Tax Rate reduced to 25% for small & medium enterprises with turnover up to Rs 250 crore
- Govt to announce measures for addressing NPAs & stressed accounts of MSMEs

**Table 1: Labour Market Indicators of Youth Population in per cent as per UPSS**

Indicators	15-17 years			18-29 years			30 years & above		
	M	F	P	M	F	P	M	F	P
LFPR	13.1	6.2	10.0	67.5	25.0	47.3	88.1	31.1	60.3
WPR	11.4	5.4	8.7	61.6	21.3	42.4	87.7	30.4	59.7
UR	12.6	13.7	13.0	8.7	14.6	10.2	0.5	2.2	0.9

*Note: LFPR -Labour Force Participation Rate, WPR-Worker Population Ratio, UR-Unemployment Rate. UPSS- Usual Principal & Subsidiary Status*

*(Source: Youth Employment-Unemployment Scenario, 2015-16, Vol.II, Labour Bureau)*

**Table 2: Distribution of Youth (18-29 years) by Educational Qualification in per cent**

Educational Qualification	Employed	Unemployed	Not in labour force
Not literate	43.0	2.2	54.8
Below primary	46.7	2.5	50.8
Primary	47.2	3.1	49.8
Middle/Secondary/ Higher Secondary	28.3	3.3	68.4
Certificate Course at UG level	29.3	9.0	61.7
Diploma at Graduate Level	35.1	10.5	54.4
Graduate & above	34.5	18.4	47.1

*(Source: Youth Employment-Unemployment Scenario, 2015-16, Vol.II, Labour Bureau (UPS))*

**Table 3: Distribution of Youth (18-29 years) as per UPS approach in per cent**

	Employed	Unemployed	Not in labour force
<b>Rural</b>	35.2	5.3	59.5
<b>Urban</b>	25.3	4.6	70.1

*(Source: Youth Employment-Unemployment Scenario, 2015-16, Vol.II, Labour Bureau, Annexure, Table-15.)*

educational qualification raises the issue of quality of education/skilling rendered. Does our education address the employability of the youth or the jobs available do not match the aspirations of the youth or there could be a scarcity of jobs opted for by the youth? All three probabilities in varying proportions could factor in for the high rate of attrition.

The spatial distribution of the youth (Table-3) shows that 60 per cent of the youth in rural areas and 70 per cent in urban areas remained outside the labour force.

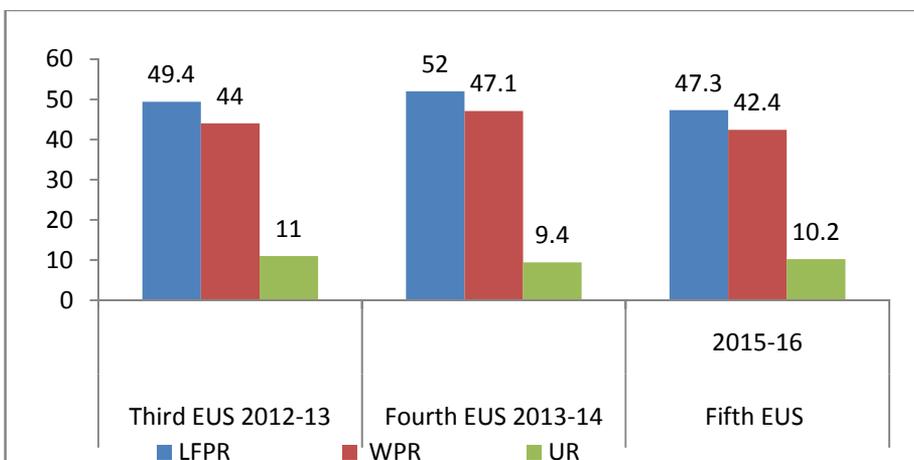
Considering that nearly 38.9 per cent of the population in rural areas and 48.8 per cent in urban areas in the age group 30 years & above also remained outside the labour force, the high proportion of the population in the age group 18-29years remaining

outside the labour force cannot be viewed as wholly pursuing education.

Among the 42.4 per cent of the 18-29 age group who are in the workforce, 39 per cent are self-employed, 36.6 per cent are casual workers, 5.4 per cent are contract workers and only 19 per cent are wage/salaried<sup>1</sup>. Occupation wise, almost 38.1 per cent of the youth were employed in agriculture and allied activities while 19.4 per cent were employed in trade, repair, transport, storage, communication, food service activities etc. and 15.1 per cent in construction activities.

According to the ASER 2017 study conducted on 14-18 year olds, it was found that a majority (42 per cent) were working, irrespective of being in formal education or not. Of these, almost 79

**Graph-1 Labour Market Indicators across three EUS Surveys**



per cent were working in their parent's farm and three quarters of the youth surveyed were involved in daily household chores— 77 per cent males and 89 per cent females<sup>2</sup>. The study looked into the preparedness of the youth entering the labour market and it was found that even among those who had completed eight years of schooling, a significant proportion of them lacked foundational skills in reading and doing maths<sup>3</sup>. These findings bring to the fore the challenges for India to reap its demographic dividend.

### Current Initiatives in Skilling Rural Youth

India is faced with a huge workforce that is unskilled/semi-skilled and to absorb them into decent jobs, the country is faced with the task of imparting short-term certificate courses as well as Recognition of Prior Learning (RPL) for those who are already employed. Under the Pradhan Mantri Kaushal Vikas Yojana, till 1<sup>st</sup> February, 2018, about 44.13 lakh candidates have been trained of which 29.91 lakh received short-term training and 7.82 lakh in RPL and about 6.4 lakh are undergoing training in short-term and RPL. As regards placement under PMKVY 2.0 as on 1<sup>st</sup> Feb, 2018, out of 11.8 lakh trained candidates, 7.9 lakh candidates were certified and 2.8 lakh candidates received placement<sup>4</sup>.

Under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), a placement linked skill-training programme for the rural poor youth during 2017-18, 1.03 lakh were trained in 398 trades out of which 64,967 were given placement as on 31<sup>st</sup> December, 2017. Training in self-employment is provided by Rural Self-Employment Training

Institutes (RSETIs) in more than 56 vocations spread across areas like agriculture, processing, product manufacture etc. There are 586 RSETIs functioning across the country. Between April, 2008 and November, 2017, 25.24 lakh unemployed youth have been trained, of which 16.64 lakh have been settled. Through RSETIs, 7897 candidates have been trained during 2017-18 under the Project LIFE-MGNREGA. The

project aims to improve the skill status of MGNREGA workers so that they can move from the status of partial employment to full employment.

Under Deen Dayal Antyodaya Yojana of NRLM (DAY-NRLM), total of 56 lakh households were mobilized into 4.84 lakh SHGs. During 2017-18, about 14.2 lakh SHGs had accessed credit of Rs.18000 crore till October 2017. Further within the DAY-NRLM, the following sub-components are implemented to provide livelihood opportunities to the rural masses. About 33 lakh Mahila Kisans were covered under Mahila Kisan Sashaktikaran Pariyojana (MKSP) in 17 States to provide agriculture based livelihoods. The Aajeevika Grameen Express Yojana provides alternative source of livelihood to the members of SHGs by facilitating them to operate public transport services in backward rural areas in the form of e-rickshaws, 3 and 4 wheeler motorised transport vehicles to connect remote villages with key services and amenities such as access to markets, education and health facilities.

To promote entrepreneurship among the rural youth, Start-Up Village Entrepreneurship Programme (SVEP) is being implemented under DAY-NRLM. A total of 7800 enterprises have been promoted across 17 States and is expected to cover additional 25000 entrepreneurs during the year 2018-19. This venture aims to develop institutional credit-entrepreneurship linkage among the local entrepreneurs.

The Stand-Up India scheme aims to promote entrepreneurship among women and SC/STs. This scheme facilitates bank loans between Rs.10 lakh



and Rs.1 crore to at least one SC/ST borrower and to at least one woman borrower per bank branch for setting up a Greenfield enterprise. An amount of Rs.4747.95 crores was disbursed as loan to entrepreneurs in the proportion of Scheduled Caste-15.05 per cent, Scheduled Tribe-4.28 per cent and Women-80.67 per cent in 2016<sup>5</sup>. There has been an increase in credit off take through MUDRA scheme. The main loanees are women and those belonging to SCs, STs and OBCs.

The Start-Up India programme was started in 2016 to build an ecosystem for nurturing innovations and entrepreneurship and thereby generate employment opportunities. As of 4<sup>th</sup> January, 2018, 6096 applications were recognised as Start-Ups and 74 Start-Ups have been approved for availing tax benefits. The main sectors where Start-Ups are operating include IT services, health care and life sciences, education, professional & commercial services and food & beverages<sup>6</sup>.

### Union Budget Announcements 2018-19:

To further strengthen these efforts, in the Union Budget 2018-19, a slew of measures were announced to further intensify skill development so that the employability as well as employment avenues of rural youth increase.

i. The government will promote cluster based development of agri commodities especially horticulture crops. This is to reap the advantage of scale of operations in the entire chain from production to marketing at the district level.

The initiative would require skilling rural youth in crop centric food processing techniques, storing, packing as well as in marketing. Further, the coming up of such holistic agri-clusters at the districts would provide non-farm job opportunities closer home and dissuade rural youth from migrating to the cities for better job prospects.

- ii. Organic farming in clusters is also to be promoted among women SHGs under the National Livelihood Programme. In the farm sector with men migrating to towns and cities, women are left to do the farming. Encouraging organic farming through SHGs would provide the necessary institutional linkage required for undertaking organic farming in the form of quality seeds, organic manure, packing, marketing etc. It would also create avenues for entrepreneurial ventures in making available organic seeds, manure, processing, packing, marketing of organic products in rural areas.
- iii. Kissan Credit Card facility has been extended to fisheries and animal husbandry farmers. Majority of the small and marginal farmers who are engaged in animal husbandry especially women would benefit from this move. The Kisan Credit Card facility also needs to cover fisherwomen selling fish as they remain indebted to the local moneylenders.
- iv. Re-structured National Bamboo Mission with an outlay of Rs.1290 crore announced to promote bamboo in a holistic manner. This would give a boost to the North East sector that is heavily dependent on the bamboo sector for its livelihood.
- v. The target date for completion of phase-III of Pradhan Mantri Gram Sadak Yojana has been brought forward from 2022 to 2019. Rural road connectivity to agricultural and rural markets, higher secondary schools and hospitals would be the focus. It is proposed to cover 57,000 kms with pucca roads with an investment of Rs.19000 crores. This would provide jobs in rural areas to the unskilled and semi-skilled involved in construction of roads.
- vi. Under the Swachh Bharat Mission–Gramin, about 1.88 crore household toilets are proposed to be completed with an outlay of



Rs.30343 crores and 16.92 crore person days of employment would be created.

- vii. Pradhan Mantri Awaas Yojana-Gramin 49 lakh houses are to be constructed with an outlay of Rs.33000 crores and create 46.55 crore man-days of employment.
- viii. Durable assets such as roads, food storage godowns, land development, vermi composts, gramin housing, animal husbandry shelters etc are being created under MGNREGA. During 2018-19, Rs.55000 crore has been allocated and 230 crore person days of employment is proposed to be created. In the current financial year 2017-18 till Feb 13, 2018 the employment generated under MGNREGA is 195 crore person days.
- ix. Under the Mega Food Park Scheme, 12 Parks are proposed during the year which aims to provide direct and indirect employment to 95000 persons in 2017-18 and 2018-19.
- x. Realising the importance of National Rural Livelihood Mission, the allocation has been increased to Rs.5750 crore in 2018-19 for forming 9 lakh SHGs, 5 lakh Mahila Kisans, 25000 SVEPs, skill training 4 lakh and 15 Value Chain Development Projects.
- xi. Basic education is a pre-requisite for skilling. Towards meeting this end Ekalavya Model Residential School in every block with more than 50 per cent tribal population and atleast 20,000 tribal persons by 2022 have been announced. These schools will have special facilities for preserving local art and culture and would provide training in sports and skill development.
- xii. The government has increased its allocation for improving the social metrics of the 115 backward districts and make them the aspirational districts.
- xiii. It is proposed to extend fixed term employment to all sectors. In the last budget, fixed term employment was announced for the labour intensive apparel and footwear sectors. This move along with the government contribution of 12 per cent of wages towards EPF for the next three years would improve the quality of employment. The Union Budget itself acknowledges that an independent study conducted has shown that 70 lakh formal jobs would be created this year.
- xiv. To make skill aspirational among the youth, a model skill centre in every district of the country under the scheme Pradhan Mantri Kaushal Kendra has been proposed. In the current year, about 306 PMKKs would be set up. Under Pradhan Mantri Kaushalya Vikas Yojana 2.0, about 18 lakh beneficiaries are proposed to be covered during 2018-19 at a cost of Rs.1171 crores.

To conclude, the Union Budget 2018-19 in terms of allocation has given a boost to agriculture, infrastructure creation in rural areas, education in villages and backward districts, adoption of backward districts among others. The emphasis is on strengthening the rural sector, where majority of the youth that would enter the labour market in the coming years resides.

#### Footnotes

- 1 ibid Page-11
- 2 Annual Status of Education Report 2017
- 3 ibid
- 4 Ministry of Skill Development & Entrepreneurship Lok Sabha Unstarred Question No.390 dated 05-02-2018.
- 5 PIB Release 1<sup>st</sup> August, 2017
- 6 MSDE Lok Sabha Unstarred Question No.280 dated 05-02-2018.

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## AYUSHMAAN BHARAT: MAKING RURAL HEALTH UNIVERSAL

Dr Chandrakant Lahariya

'Ayushman Bharat' program, announced in the union budget 2018-19, is a big ticket initiative and a potential 'game-changer' for Indian healthcare system. It has irreversibly placed health higher on political agenda and public discourse and has brought the attention back on strengthening primary healthcare and continuum of care. The newly proposed National Health Protection Scheme (NHPS) targets a broader base of vulnerable and deprived population; and designed to fulfil the legitimate expectations of people from any functioning health system, accessibility, affordability and appropriate care. The successful implementation of 'Ayushman Bharat' program, supplemented by a few complementary initiatives can help achieving targets set in National Health Policy (2017) of India. This program could be as much about delivering health services in short term, as much it is about preparing Indian health systems for making health coverage universal.

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In the Union Budget 2018-19, the allocation to health<sup>1</sup> sector has been increased by 12 per cent from Rs. 50,280 Crore in 2017-18 to Rs. 56,226 Crore (Budgetary estimates). A number of schemes have been announced for health sector (Box 1), including 'Ayushman Bharat' program, encompassing two major components. The first initiative - Health and Wellness Centres (HWCs) aims at provision of comprehensive primary healthcare services closer to the community. Second initiative- the National Health Protection Scheme or NHPS -aims to provide financial protection of up to Rs. 500,000 per family per year, for 10 crore families, for secondary and tertiary care hospitalization related expenditure. The NHPS is being considered as one of the biggest policy announcements in the recent years. An initial financial allocation of total Rs. 3,200 crore has been made, for these two initiatives.

### Proposed Health and Wellness Centres (HWC):

At present, Health Sub-Centres (HSCs) are the first point of contact between people and Indian healthcare system. Each HSC caters to 5,000 population in plains and 3,000 population in hilly, tribal and backward areas. The health services provided at each HSC are of limited range: mother and child care; treatment of common illnesses & implementation of national health programs. The health services required to tackle some of the emerging health challenges, i.e. non communicable diseases, are not offered through HSCs yet. Though, there are more than 150,000 HSC in India, their functioning and utilization has been suboptimal<sup>2</sup>. In the financial year 2018-19, a target of making 11,000 HWCs functional has been set and an allocation of Rs.1,200 crore has been made<sup>3</sup>. HWCs would be created by upgrading existing HSCs to provide a

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**Swasth Bharat, Samridha Bharat**

- National Health Protection Scheme**
  - World's largest healthcare scheme
  - Cover 10 crore poor and vulnerable families i.e. 50 crore beneficiaries
  - ₹5 lakh per family per annum in secondary and tertiary care institutions
- ₹1,200 crore allocated for the flagship programme in health wellness centres**
- ₹600 crore as nutritional support for all TB patients**
- 24 new government medical colleges to be set up by upgrading existing district hospitals**
- At least one medical college every 3 parliamentary constituencies**

comprehensive package of primary healthcare services, including preventive, promotive, curative and rehabilitative services and free essential drugs and diagnostic services (Box 2).

### **Proposed National Health Protection Scheme-2018:**

The newly announced NHPS-2018<sup>3</sup> would replace the existing Rashtriya Swasthya Bima Yojana (RSBY)<sup>4</sup>. After full scale roll-out, NHPS-2018 would cover over 100 million poor and vulnerable families (approximately 500 million beneficiaries). This will be equivalent to 40 per cent of total population in India. The NHPS has been labeled as 'the largest

#### **Box 1:**

##### **Union Budget 2018-19:Key health sector and related announcements**

Financial allocation of Rs 52,800 crore to Dept. of Health and Family Welfare.

- Ayushman Bharat Program with two initiatives has been allocated Rs 3,200 crore.
- A total of Rs 600 crore for cash assistance of Rs 500 per month for tuberculosis patient for the duration of treatment.
- 24 district hospitals will be upgraded to medical colleges, to ensure at least 1 Medical College for every 3 Parliamentary Constituencies and at least 1 government medical college in each state of India.
- The 3 per cent 'education cess' has been changed to 4 per cent 'Health and education cess', estimated to generate an additional revenue of Rs 11,000 crore in the financial year.
- Initiative to control air pollution by supporting the farmers in Haryana, Punjab, Uttar Pradesh and National Capital region of Delhi for the in-situ disposal of crop waste.
- Expansion of Ujjwala scheme (to provide free 'Liquefied Petroleum Gas' connection to rural women) from 50 million to 80 million women in India. Allocation of Rs 3200 crore.
- Continuation of Swachh Bharat Mission with target of building additional 20 million toilets.
- Allocation to National Nutrition Mission has been doubled to Rs 3000 crore.
- Increase of nearly 10 per cent for Jan Aushadhi Yojana, Swachh Bharat Mission-Rural and Aanganwadi Services.

#### **Box 2:**

##### **Comprehensive primary healthcare : Health and Wellness Centres**

The comprehensive primary healthcare (through HWCs) in India focuses upon the provision of package of 12 essential services. In addition, the HWCs are proposed to be linked to Block level Primary Health Centres (PHC as first referral point). The approach includes expanding the workforce to create a Primary Health Care Team, which would have a mid-level healthcare provider or MLHP, improving availability of drugs for chronic diseases and point of care diagnostic, developing IT systems to strengthen continuum of care, monitoring, innovations in service delivery, capacity Building of care providers and Health promotion.

Twelve packages of proposed services:

1. Care in pregnancy and child-birth.
2. Neonatal and infant health care services
3. Childhood and adolescent health care services.
4. Family planning, Contraceptive services and Other Reproductive Health Care services.
5. Management of Communicable Diseases: National Health Programs.
6. General Out-patient care for acute simple illnesses and minor ailments.
7. Screening and Management of Non-Communicable diseases.
8. Screening and Basic management of Mental health ailments.
9. Care for Common Ophthalmic and ENT problems.
10. Basic Dental health care.
11. Geriatric and palliative health care services.
12. Trauma Care (that can be managed at this level) and Emergency Medical services.

The proposed essential Staff at HWC (one each) are as follows:

- ANM/health worker- Female.
- Health assistant – Male.
- Counsellor.
- Mid-Level healthcare provider (Community Health Officer/ Nurse/AYUSH).

government funded health (insurance/assurance) programme in the world'. An initial allocation of Rs. 2,000 crore has been made in the union budget 2018-19. The specifics of NHPS-2018 are being further detailed out by the officials in the Ministry of Health and Family Welfare and NITI Aayog, the Government of India (Box 3).

### Can 'Ayushman Bharat' address key health challenges in India?

The key health system challenges in India are largely well known. Though, there is a vast network of primary healthcare system (around 156,000 HSC and 25,000 primary health centres), these facilities

provide only 11 per cent of total health services in India. While experience shows that a well-functioning 'primary healthcare system' can cater up to 80 per cent- 90 per cent of all health needs of any population. Similarly, as nearly 80 per cent of all out-patient consultations and 60 per cent of all hospitalization happens in private sector, majority of Indian population (poor included) attend either unqualified providers (quality of care known and poor) or qualified private healthcare providers (quality largely undocumented and unknown). In both cases, they often have to pay from their pocket, beyond their paying capacity. There are reports that people often have to sell assets or

#### Box 3:

#### Proposed design and implementation plan for NHPS-2018

The design of NHPS-2018 is still being worked out by senior policy makers in Government of India, in consultation with various stakeholders including state governments.

- Some of the background work was done following announcement of NHPS-2016. The benefit packages, rates, empanelment criteria, basic information on IT platform, and outline of national and state health authorities was worked out; however, would require revision, in light of revised package.
- The 'deprivation data' from socio-economic and caste census (SECC) of 2011 will be used for eligibility of beneficiaries. The enrolment and identification will be linked with Aadhaar number.
- A premium of Rs1,082 per family has been estimated under NHPS-2018. The government would pay the entire premium, for the targeted beneficiaries, with no contribution or co-payment by the beneficiaries.
- The full scale implementation of NHPS (for 10 crore families) would cost approx. Rs 12,000 crore per year including administrative and other costs.
- The premium will be shared between union and state governments, at 60-40, 80-20 or 90-10 formula, as applicable for other centrally sponsored schemes (CSS). The state government would have to contribute around Rs. 4,330 crore per annum and remaining around Rs 7,600 crore would come from the Union Government.
- The state government would be free to choose between trust or insurance model for the implementation of the scheme. There would be freedom to the states for appropriate harmonization of ongoing state specific insurance/assurance schemes with NHPS.
- As per information available from various sources, "data preparation and revision of package rates." "Preparation of IT systems" and "setting up of institutions at national and state level" and "preparation of guidelines and documents." is planned for coming months to be completed by June 2018. The public awareness would be started after that. Thereafter, the states would float tenders to invite proposals from private insurers (July 2018), the government hopes to see states prepared with their tenders.
- Once the process is completed, the NHPS would be implemented possibly from 15 Aug 2018 and not later than 02 Oct 2018.
- NHPS likely to be implemented by 5-7 states of India in the first year, with additional states onboarding in the following years.

borrow to pay healthcare bills. It is estimated that in India annually, 63 to 80 million people either get into poverty or fall deeper into poverty (if already below poverty line) due to health related expenditures. These expenditures on health grossly undermine the elaborate efforts by the union and state governments in India to reduce poverty. The unhealthy workforce leads to absenteeism and reduced productivity which also affects economic growth of country.

### **'Ayushman Bharat', National Health Policy 2017 and Universal Health Coverage**

'Ayushman Bharat' program received instant public and media attention. This announcement follows up the proposals in National Health Policy of India (NHP-2017). The stated goal of NHP 2017 is in full alignment and echoes with the concept of Universal Health Coverage (UHC) at global level. Universal Health Coverage (UHC) is defined that 'all people have access to needed promotive, preventive, curative and rehabilitative health services, of sufficient quality to be effective, while also ensuring that people do not suffer financial hardship when paying for these services'. The NHP 2017 goal could be considered the most explicit 'statement of intent' by the Indian government to advance UHC in the country, which was further re-affirmed by the Union Finance Minister in his budget speech, when he said that "The government is steadily but surely progressing towards the goal of universal health coverage." Through 'Ayushman Bharat', two policy

prescriptions of NHP 2017- strengthening primary healthcare and reducing financial burden on the people while accessing to health services, have been given 'implementable programmatic form' and can help India to make stride towards UHC.

### **Making 'Ayushman Bharat' program a Success:**

A few steps could facilitate the implementation of 'Ayushman Bharat' program as follow:

**Detailed planning and sustained engagement with stakeholders:** There is a need for developing a detailed plan and time bound road-map for implementation. This would ensure the success of these initiatives from the early stage and to nudge additional states to join. The government should fully utilize available expertise within government and amongst the stakeholders at all levels.

**Engage the state governments earnestly:** Health is a state subject in India and atleast 24 Indian states have their own health insurance/assurance schemes with various degree of financial protection. There might be some reluctance amongst states to transition from their existing schemes. Moreover, under NHPS-2018, the state governments need to contribute financial resources. These contributions might be reasonably big for a few states such as UP and Bihar. Similarly, for HWC, the states have to take initiatives to train and depute mid-level health care providers in a time bound manner. Lack of availability of trained mid-level providers could be a rate limiting factor in setting up HWCs, and alternative mechanisms need to be explored for

#### **Box 4:**

#### **Ayushman Bharat Program: Possible Considerations**

Will it be helpful to prioritize implementation of NHPS in high focus states? There is 'supply deficiency' (of health services) in many states of India such as North Eastern States and also on the large Indian states ranked low in NITI Aayog's State Health Index-2018. Even with state willingness, in these states, the implementation of NHPS-2018 is likely to be a challenge. There are a number of Indian states which have broad range of health insurance scheme, approaching financial coverage slightly less than offered in NHPS and with good administrative capacity for insurance schemes, i.e., Chhattisgarh, Karnataka, Andhra Pradesh, Himachal Pradesh and Rajasthan. These states could also be prioritized for early adoption and implementation of NHPS.

Can 'Ayushman Bharat' replace National Health Mission? The National Health Mission (NHM) which has made a lot of difference in health services, however, is still perceived as a program for maternal and child health. It has been only partially successful in making health services integrated service delivery and reducing out of pocket. April 2020 onwards, 'Ayushman Bharat' program could be a suitable platform for transitioning from NHM to a more comprehensive system of health services for Indian citizen.

rapid availability of 150,000 such providers in next 3-4 years. All of these would require commitment and early engagement of political leadership of states.

**Strengthen administrative regulatory and capacity at all levels:** The state capacity to implement large scale insurance scheme (to design a benefit package, negotiate the cost with providers or monitor the implementation) is limited. Insurance scheme should not lead to induced care and state would have to ensure that care is appropriate to the need. In this context, the capacity of state governments to regulate health providers and health insurance sectors would take time to develop. The supply deficiency (specially in north eastern states and some central Indian states) could be an implementation challenge and need to be given a due importance.

**Build on the learnings from past and other ongoing schemes:** Though, in the past, Universal Health Insurance Scheme (2002), National Rural Health Mission (2005), Rashtriya Swasthya Bima Yojana(2008), National Urban Health Mission (2013) and NHPS- 2016 have been announced and success has been mixed. The free medicine and diagnostics schemes by various state governments and free dialysis program by union government have struggled to reach the targeted beneficiaries. These schemes need to be studied and lessons derived.

**Sustain the top level of political commitment:** The apparent high level of political commitment-starting from Prime Minister, Finance Minister, NITI Aayog and Ministry of Health and Family Welfare for Ayushman Bharat should be used to accelerate the implementation. The public and media attention

received by the scheme could bring desired accountability.

### Optimizing Implementation:

The epidemiological profile of the population changed in the last few decades, as reported in the 'State of the Health in India' report released in Nov 2017. The Indian health system needs to change to the need of people and not vice versa. The opportunity provided by Ayushman Bharat program can be best utilized to strengthen and re-design health systems in India in a more integrated and people centric fashion.

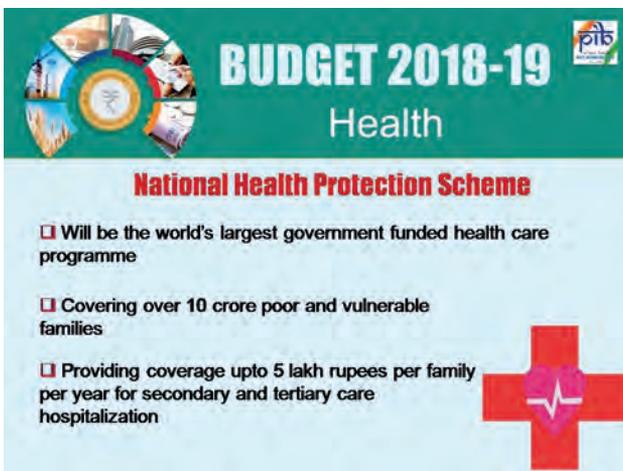
**Strengthen primary healthcare and referral linkage:** A stronger primary healthcare system (beyond HWCs) and continuum of care through functional referral linkage will be required to achieve UHC. Between basic healthcare closer to community (delivered through HWCs) and hospitalization (secondary care) there is role and definitive need for availability of physicians to provide out-patient consultations. Therefore, in addition to HWCs, the primary health centres and community health centres, also need to be strengthened.

**Consider progressive universalization:** First, the expansion of NHPS beyond 10 crore families, till entire population is covered, should be part of mid-term roadmap. While premium for poor can be paid by government, the non-poor<sup>5</sup> can join on basis of payment (preferably mandatory contribution). Second, NHPS is a good opportunity to integrate all health insurance schemes in Indian states, for creating a bigger and single pool at state

#### Box 5:

#### What would achieving UHC mean to an ordinary citizen of India?

What would it mean to a citizen of India to achieve universal health coverage in the country? Let's understand from the perspective of a poor, elderly widow living in a remote tribal village of India. To her, UHC would mean that she would have access to desired health services within acceptable distance and time frame. Her decision to seek healthcare services and choice to select a health facility would not depend upon her health problem or her place of living, or her income level. She would have enough choices on providers. When she would need specialized care, it would be facilitated by the first level of providers. When attending the health services from licensed providers, she would not have to worry about the quality. She would have reasonable assurance that government would have mechanisms in place that she receives good quality services. She would have sufficient confidence that access to services would be within her financial affordability and the use of health services would not make her poor. The day when elderly tribal widow in a faraway remote village in India would not have to worry about access and utilization of health services, that would be the day Indian government can claim to have achieved Universal Health Coverage.



level. Third, the expenditure on out-patient care and medicines and diagnostics constitutes nearly 2/3 of Out of pocket expenditures in India. The out-patient consultation should be included in NHPS packages.

**Strengthen health care regulation:** The Economic survey 2018 reported that in private sector, the cost of most laboratory investigation is highly variable. For example, the cost of Liver Function Tests (LFTs) in Indian cities ranges from Rs 90- to Rs 7,100. Clearly, there is need for controlling the price of healthcare. NHPS (through benefit package and pricing) supplemented by regulatory strengthening could bring the cost of healthcare down. Indian states do not need new regulation and effective implementation of existing regulatory mechanism can deliver a lot more.

**Increasing government investment in health:** Full functioning of HWCs including establishing of additional HWCs (especially in urban areas) would require an initial expenditure of around Rs. 30,000 crore and then annual recurrent expenditure of Rs. 20,000 crore. Full scale (100 per cent population coverage in future) and universal implementation of two schemes under 'Ayushman Bharat' would require around Rs 50,000 crore per annum. This is in alignment with stated NHP-2017 proposal to increase union government expenditure to the range of 2.5 per cent of Gross Domestic Product (GDP) by the year 2025.

In summary, there are a few possibilities that emerged after the Union Budget and it is up to the union and state governments to optimize the outcome. This could also be an opportunity to transition National Health Mission, April 2020 onwards (Box 4).

## The Game-Changer in Making:

'Ayushman Bharat' program is a big ticket initiative and a potential game-changer. It has irreversibly placed health higher on political agenda and public discourse. Second, successful implementation would ensure that health challenges are addressed more holistically with focus on all levels of care (primary, secondary and tertiary care systems), covering prevention and health promotion as well. Third, it has brought attention back on strengthening primary healthcare and continuum of care. Fourth, the NHPS approach to target vulnerable and deprived population is a major policy shift from the traditional approach of targeting social sector programs on poor only. This single step has nearly doubled the target beneficiaries. Fifth, the launch of NHPS would formally introduce the concept of separation of provision and 'financing/purchasing function' and introduce 'strategic purchasing' in Indian states. Sixth, the linkage between good health and economic growth is being explicitly acknowledged<sup>5</sup>. Finally, the program appears to meet the legitimate expectations of people from any functioning health system: accessibility, affordability and appropriate care. It can provide an important milestone towards India's aspiration to achieve UHC (Box 5).

## Conclusion:

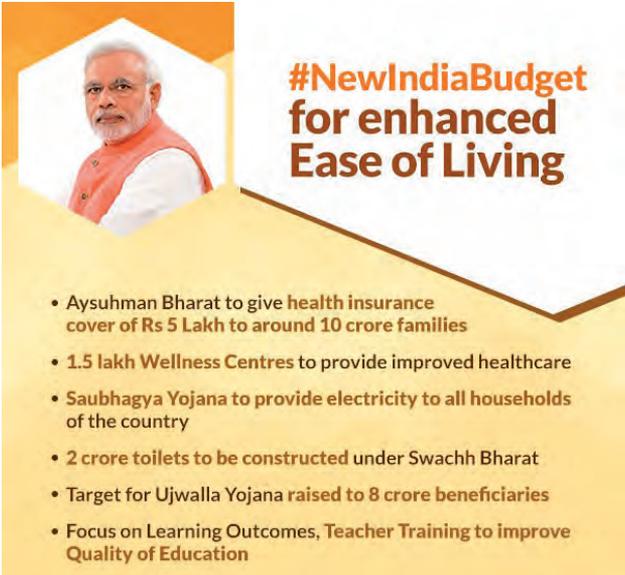
For countries aiming to march towards Universal Health Coverage, there is no 'one size fits all' approach or solution. The strategies and pathways have to be locally developed and implemented. Every approach would have 'pros and cons' and the key would be to build upon strengths and minimize limitations. 'Ayushman Bharat' Program appears to be one such approach and is as much about delivering health services in short term as it is about preparing Indian health systems for making health coverage universal. For new India by 2022, effective implementation of 'Ayushman' (blessed with long life) Bharat program can ensure 'Niramaya' (healthy) Bharat as well. This would be possible when transition from 'policy and budgetary announcements' to 'on the ground implementation' is accelerated.

## Footnotes

1. The health allocation referred here is the combined total of allocation made to Dept. of Health and Family welfare, Department of Health

Research and Ministry of AYUSH. The figures are budget estimates (BE) for 2017-18 and 2018-19.

2. More specifically, the health sub-centres in India suffer from poor infrastructure, under-staffing and lack of equipment and medicines. Of 156,231 HSC as on 31 March 2017; only 17,204 or 11 per cent meet the Indian Public Health Standards (IPHS) set under National Health Mission. About one fifth of HSCs are without regular water supply and another one fourth without electricity. Over 6,000 HSC did not have an Auxiliary Nurse Midwife/health worker (female). The posts of health worker (male) are vacant at almost two-third of all (~100,000) HSC in India
3. Converting HSC into HWC will cost Rs. 17 Lakh per facility. In the year 2018-19, a total of 11,000 HSCs are proposed to be converted into HWCs. The total funds needed would be around Rs. 1,900 crore. However, centre's share provide 60 per cent of this amount, with remaining coming from state governments.
4. The acronym NHPS-2018 has been used in this article, to differentiate it from the scheme of similar name announced in union budget 2016-17. The NHPS- 2016 had proposed to provide financial cover of up to Rs. 100,000 per family per year with additional cover of Rs. 30,000 for every elderly member in the family. The NHPS-2016 was aimed to provide health cover to nearly 60 million families. Only elderly component of NHPS-2016 was immediately implemented and full scheme was awaiting approval by the union cabinet, when NHPS 2018 was announced.
5. Rashtriya Swasthya Bima Yojana or RSBY: This scheme was launched in year 2008 under Ministry of Labour and Employment and aimed to cover nearly 4 crore BPL families. The scheme provided insurance coverage of upto 30,000 to five members of families. In late 2014, the



**#NewIndiaBudget for enhanced Ease of Living**

- Aysuhman Bharat to give health insurance cover of Rs 5 Lakh to around 10 crore families
- 1.5 lakh Wellness Centres to provide improved healthcare
- Saubhagya Yojana to provide electricity to all households of the country
- 2 crore toilets to be constructed under Swachh Bharat
- Target for Ujjwala Yojana raised to 8 crore beneficiaries
- Focus on Learning Outcomes, Teacher Training to improve Quality of Education

scheme was transferred to Ministry of Health and family Welfare, Government of India.

6. As poor & vulnerable often lack voice needed to get quality services from a government system, a scheme for poor and vulnerable only, has inherent risk of being implemented sub-optimally or offering poor quality of services. There is imperative that over period of time, non-poor are part of any government scheme.
7. The Union Finance Minister in his budget speech 2018-19 said "Only 'Swasth Bharat' can be 'Samridha Bharat'. India cannot realize its demographic dividends without its citizen being healthy.' and "Ayushman Bharat Programme will build a New India 2022 and ensure enhanced productivity, well-being and avert wage loss and impoverishment. These Schemes will also generate lakhs of jobs, particularly for women"

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# Kurukshetra

**FORTHCOMING ISSUE**

April 2018

:

Agriculture and Allied Sector

## THRUST ON EDUCATION

Dr Anupriya Chadha

The focus of the Central Government needs to be now on encouraging States to take steps for improvement in quality of education. It is in this context, that steps are being undertaken to create a single scheme for School Education by merging the different Centrally Sponsored Schemes with the broader goal of improving school effectiveness. This sector-wide development programme/scheme would envisage one comprehensive strategic plan for development of school education.

The Education is fundamental to development and growth. It is the most important tool to eliminating gender inequality, to reducing poverty, to fostering peace and for building an equitable society. Education also promotes national interest and acts as an integrative force in society, imparting values that foster social cohesion and national identity. This makes Education a subject of high priority for every Government. The Budget 2018-19 has also made some key announcements in the education sector. Integration of the existing schemes, providing improved access to Schedule Tribes (STs), shift from regular blackboards to digital blackboards, revitalization of the infrastructure of the higher education institutions and fiscal accountability are the key highlights of the Union Budget 2018-19. This article will focus on some of these highlights, which also found a key place in the National Policy on Education (NPE), 1986 and the subsequent Programme of Action (POA), 1992.

The NPE initiated a wide range of programmes for achieving the goal of Universalisation of Elementary Education (UEE). The 1980s and 1990s witnessed several schematic and programme

interventions, such as the Operation Black Board (OBB), Shiksha Karmi Project (SKP), Mahila Samakhya (MS), Lok Jumbish Project (LJP), District Primary Education Programme (DPEP) and the Sarva Shiksha Abhiyan (SSA) for UEE across the country. This was further strengthened with the passage of the Right of Children to Free and Compulsory Education (RTE) Act, 2009 which gave a legal mandate to provide free and compulsory elementary education to every child in the age group of 6-14 years.

The National Programme of Education (1986) emphasized equitable access and the enrolment of girls, SCs and STs. The NPE and the Programme of Action (POA), 1992 while recognizing secondary education as a critical instrument for social change, called for its phased expansion. POA specifically laid emphasis again on increasing access to secondary education, increased autonomy of Boards of Secondary Education; introduction of technology in school curriculum and vocationalisation through specialized institutions. The Rashtriya Madhyamik Shiksha Abhiyan (RMSA) scheme initiated in 2009, demonstrated the government's intent for a secondary education system that can support India's growth and development.

The Centrally Sponsored Scheme of Restructuring and Reorganization of Teacher Education (CSSTE) initiated in 1987 primarily for improvement in the status and professional competence of teachers. It envisaged teacher education as a continuous process with pre-service and in-service training being its inseparable components.

### Merger of Schemes in School Education:

The Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Centrally Sponsored Scheme on Teacher Education (CSSTE) are the three major flagship school education

**BUDGET 2018-19**  
Education

**REVITALISING INFRASTRUCTURE AND SYSTEMS IN EDUCATION (RISE)**

\*Launch of a major initiative named "Revitalising Infrastructure and Systems in Education (RISE) by 2022" with a total investment of Rs. 1,00,000 crore

\*Higher Education Financing Agency (HEFA) would be suitably structured for funding this initiative.

development programmes of the Ministry of Human Resource development (MHRD) being implemented in partnership with States. While the SSA covers the elementary level (grades I-VIII), the RMSA covers grades IX-X (IX-XII for certain components). SSA has been designated as the vehicle for implementation of the RTE Act, 2009. CSSTE aims to provide infrastructural and institutional support to Government Teacher Education Institutions (TEIs) to enhance the quality of teachers across classes I-X.

The common objectives of all the Schemes are to enhance access; to promote equity through the inclusion of disadvantaged groups and weaker sections, and to improve the quality of education for all. Interventions in SSA and RMSA are directed towards ensuring minimum standards in schooling provisions; creating equal opportunities for schooling for all; strengthening school based management for school improvement; developing in children grade specific competencies and increasing the engagement of primary stakeholders in education. CSSTE is providing teachers' education through proper institutional setup for both pre-service and in-service training.

Although these Schemes have contributed significantly in promoting access, equality, quality and equity, but with time, parallel institutional arrangements at national, state, district and sub-district levels with little convergence with mainstream school education administration have been created for the planning and management of these Schemes.

Hence, their scope and coverage remain segmented. The Schemes were mainly input driven focusing more on delivering intermediate results. These Schemes somehow seem to have little clarity on the learning outcomes to be ensured in the school education sector.

Independent evaluations of the Schemes have suggested increased convergence and integration between the Schemes through a single school education development programme covering grades I-XII. This would help in instilling allocative efficiency and optimal utilization of budgetary and human resources. Some States have already strived to attain convergence between the two Schemes of SSA and RMSA. This kind of convergence would facilitate productive synergies, better co-ordination and economies of administrative costs.

The challenge of provision of quality of education still remains. The focus of the Central Government needs to be now on encouraging States to take steps for improvement in quality of education. It is in this context, that steps are being undertaken to create a single scheme for School Education by merging the different Centrally Sponsored Schemes with the broader goal of improving school effectiveness. This sector-wide development programme/scheme would envisage one comprehensive strategic plan for development of school education.

Other advantages of this merger would be institutional capacity building, exploration of new digital initiatives for strengthening in-service and pre-service teacher training innovative pedagogy, integration of training structures, etc. This would strengthen the quality of teaching in schools across levels. It goes without saying that quality education entails both teaching and learning. This will also be in line with the **Integrated B. Ed programme, another highlight of the Union Budget 2018**, which aims to improve the quality of teaching and training to make education a holistic process from pre nursery to class XII. It would be a combination degree in arts, science, and education course. This is a step to take care of the 13 lakh untrained teachers and to make the B. Ed programme more robust, practical, vibrant and focused. A digital platform for teachers is already in place through the portal DIKSHA, which will enable the teachers to train themselves, to boost their skills and upgrade their knowledge.

On a similar note, the role of technology in teaching and learning cannot be undermined. Technology undoubtedly is invading traditional school. It's the era of the tablets, e content, computers and digital training. An increasing number of traditional classrooms factor in personal-use technology as part of the curriculum. Many studies have shown that technology can act as an effective agent of change in the classroom. Technology in classroom increases independent access and learning, provides greater choices for content delivery, increases self confidence, enhances communication, provides flexibility in teaching, learning and evaluating and gives immediate feedback. The initiative of **digital blackboards** is the need of the hour. As pointed out by the Finance Minister, "Technology will be the driving force in improving the quality of education in the country." It is a huge investment, but it is expected

to radically change the way children are being taught. Technology might also help in enhancing the learning levels, especially of children with significant learning challenges who generally struggle with the convention modes of teaching.

The budget for all the three schemes will be merged into a single budget provision. This will be the Central share to be provided to the States and UTs with the existing fund sharing pattern of 60:40; 90:10 for North-Eastern states and 3 Himalayan States and 100 per cent for Union Territories without Legislature. This will be allocated amongst the States based on an index of requirements/performance. States would be expected to bring a single Plan for the entire school education sector. The Central assistance would be provided at all levels uniformly treating a school as a continuum. The thrust of the Scheme would be to support States to improve the quality of school education. The government allocated Rs 85,010 crore for school education in 2018-19. The budget allocation for 2018-19 is, however, less than 4 per cent higher than the revised budget estimate of the current year. The 2017-18 budget on school education was Rs. 81,868 crore. Innovation in schools, mapping of learning outcomes and school assessments are the key focus in school education and specific funds would be earmarked for this purpose.

In the school sector, SSA has been allocated a budget of Rs 26,128 crore up from Rs 23,500 crore in the previous budget. Similarly, RMSA will be provided with Rs. 4,213 crore, up by Rs 300 crore from the previous budget. The flagship school meal programme of Mid-day-Meal will get Rs10,500 crore, an increase of Rs500 crore from the previous budget. Even as the budget talked about setting up a chain of special schools for tribal students, it cut the allocation for both its marquee school chains of Kendriya Vidyalayas and Jawahar Navodaya Vidyalayas.

Another step towards improving quality education is the scheme of **Eklavya Model Residential Schools (EMRS)** for ST students under the Ministry of Tribal Affairs. The objective of EMRS is to provide quality middle and high level education to Scheduled Tribe (ST) students in remote areas, to enable them to have access to the best opportunities in education at par with the non ST population. This would be achieved by a plethora of interventions to meet their distinctive needs. Ministry of Tribal Affairs has recognised 163 priority districts having

25 per cent or more Scheduled Tribe (ST) population for establishment of EMRSs. In order to further expand access to the educational opportunities. Government seeks to extend the facility of EMRSs in every block with more than 50 per cent Scheduled Tribe population and at least 20,000 tribal people as per the Union Budget 2018. This is a very welcome step as STs are most backward even as compared to other marginalized groups. However, analysis also says that it would be hard to find blocks with more than 50 per cent ST population other than the North Eastern states, which are predominantly tribal dominated. As part of the budget, the government has allotted Rs39,135 crore for STs and Rs56,619 crore for scheduled castes (SCs). Last year, in its revised estimates, the government had allotted Rs32,508 crore for STs and Rs52,719 crore for SCs.

Touching on infrastructure, the Budget 2018 has made it clear that Centrally funded institutions (CFIs) such as IITs, IIMs, NITs, IIITs and central universities will no longer receive budget grants for expanding and building new infrastructure. Instead, all infrastructure financing will be moved to the Higher Education Funding Agency (HEFA), which was set up by the government last year to mobilise funds from the market and offer 10-year loans to CFIs. Under the new funding model, called **Revitalising Infrastructure and Systems in Education or RISE**, the central universities and institutes will be able to borrow up to Rs 1,00,000 crore in the next four years as compared to Rs. 10,000 crore which was given to CFIs each year.

It would be too early to assess the effectiveness of the various schemes and allocations announced. A holistic move in the school sector surely seems a welcome step along with an integrated B. Ed programme for teachers and digital blackboards. Technology will and should continue to play an important role in education. Other schemes like RISE would need time to assess its impact. But let us for the time being believe that all the above measures are efforts in the direction of providing better education for all, including the excluded and the disadvantaged groups which will result in accelerating progress in improving access, quality and student achievement worldwide.

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## PROMISING BUDGET FOR WOMEN

Dr Nandini Sahay

In the light of prevailing gender inequality and unemployment, this budget as a whole appears promising for Indian women. The need of women from all sections of society, i.e., rural, single, widow, urban, poor or salaried, has found a place in the proposed budget. The need of the hour is to utilize the budget in an optimum way. Proper monitoring and implementation of programmes and policies would ensure to fulfil the socio economic needs of women and would improve their education, safety, security, health, job opportunities and all other aspects related to women. This budget is a testimony of government's commitment towards women empowerment and improving their quality of life.

Union Budget of the country for 2018-19 was presented in the Lok Sabha on Thursday, 1<sup>st</sup> February, 2018 with emphasis on agriculture, healthcare, rural sector, employment and infrastructure. Government has proposed a series of structural reforms, which has the potential to make India one of the fastest growing country of the world. Just before the Budget was presented, Economic Survey<sup>1</sup> of India was released that showed pressing issue of gender equality in the country. Research on the status of women revealed the dismal condition of Indian women in family

because of prevailing patriarchal mind set and lack of equal opportunities. To bridge this gender gap, the budget ensured that reasonable funds are allocated for women in all ongoing schemes and programmes, and in all development activities. The government also increased the allocation to women specific programmes by 4 per cent to Rs 1,21,961 crores for the next fiscal year. The revised budget estimate for 2017-18 for such schemes stood at Rs 1,17,221 crores. In this article, some of the schemes and allocations, which aim to empower Indian women, have been analysed from gender perspective.

The Union Budget for 2018-19 has given due importance to women and child issues. The overall budget of the WCD Ministry has increased to Rs.24700 crore. The Ministry had earlier introduced the outreach programme of ICDS (Integrated Child Development Services) to improve the nutritional and health status of children in the age group of 0-6 years, to reduce the number of school drop outs, to fight malnutrition, mortality and morbidity existing among children. Expecting and lactating mothers' needs have also been taken care of under this scheme with allocation of Rs 1100 crores. Under the umbrella of ICDS, the following schemes have been allocated funds:

**Anganwadi Services** introduced by the government in 1975, is a centre where mother and child health care services are provided. This includes providing information about the modern family planning methods, nutrition, education, supplementation, immunization, health check-up and referral services. In the 2018-19 Union Budget, Rs 16332 crores have been allocated as against Rs 15245 crores in the revised budget of 2017-18. An increase of 7 per cent for Anganwadi centre is a good sign for taking care of the need of millions of children. But there is a case of ameliorating the working condition and remuneration of Anganwadi workers for greater motivation.



**#NewIndiaBudget**

### ENABLING EASE OF LIVING

-  Target of providing free gas connection to women under Pradhan Mantri Ujjwala Yojana increased to **8 crore from 5 crore announced in year 2016**
-  **Rs. 16,000 crore** to be spent to provide electricity to all households under **Saubhagya Yojana**
-  **2 crore toilets** to be constructed under **Swachh Bharat** in the **year 2018-19**. This will be in addition to 6 crore toilets constructed between 2014-2018.
-  Standard deduction of **Rs 40,000** for transport allowance and reimbursement of miscellaneous medical expenses for **salaried class**
-  Exemption of interest income on deposits to be increased from **Rs.10,000 to Rs.50,000 for senior citizens**
-  **Senior citizens** now eligible for deduction up to **Rs. 50,000 per annum** for health insurance premium and medical expenditure
-  **Pradhan Mantri Vaya Vandana Yojana** extended up to **March 2020** with investment limit enhanced to **Rs. 15 lakh**

**Pradhan Mantri Matru Vandana Yojana** is a Maternity Benefit Programme introduced for Pregnant Women & Lactating Mothers (PW&LM). Under this scheme, partial compensation is provided to mothers for the wage loss in terms of cash incentives so that they can take adequate rest before and after delivery of the child. However, the scheme is restricted to only one child per woman.

In the present budget, the maternity leave has been increased up to 26 weeks which is a commendable initiative as working mothers often land up quitting their jobs after having children. Further, to help women working in un-organised sector, Crèches have been mandated to provide day-care facilities for children (6 months to 6 years) and also to improve nutrition and health status of children. The allocation of fund has been doubled in the present budget under **National Creche Scheme**, which is a laudable initiative. However, with this allocation, the scheme will be able to cover only a third of children below six who are in need of care and protection, while the need is to cover all such children. The recent estimate of NFHS-4(2015-16) reveals that there exist a large number of children who are severely underweight, severely stunted and moderately to severely wasted. This is mainly because of the prevailing socio economic inequality in childhood malnutrition.

The **National Nutrition Mission (NNM)** has been allocated approximately Rs 3,000 crores for the year 2018-19 with an aim to reduce the occurrence of stunting and undernutrition among children and to prevent anaemia among adolescents and women. The increase in the allocation of budget for this scheme is a welcome move as more number of children and women would be covered which would prevent the long term damage to both individuals and society in India.

**Child Protection Services** scheme was introduced to prevent children from all type of abuse, exploitation, neglect, discrimination, abandonment and separation from their families. An amount of Rs 725 crore has been proposed for it in the present budget. To protect the vulnerable population against violence, exploitation and abuse, this increase in budget allocation is a humanitarian move. **Scheme for Adolescent Girls (SAG)** was introduced to provide nutrition, hygiene and awareness about the reproductive health, to adolescent girls to take care of their physical, mental and reproductive health need. In the present budget, Rs.500 crores have been allocated for this scheme. Considering that India has 253 million adolescents (10 to 19 years), this allocation appears modest.

In addition, the following Women-Specific and Pro-Women Schemes designed to address issues of women and to provide them a safe and conducive environment for their overall development, were also allocated increased funds in this budget. **Sukanya Samridhi Yojana** is a saving scheme introduced by Government of India on 22 January, 2015 as a part of the Beti Bachao, Beti Padhao campaign, to encourage parents to open a bank account for the education and marriage of their daughters. In his budget speech, Finance Minister said that 1.26 crore girls have benefitted through the Sukanya Samridhi Yojana accounts. Government's commitment to make investment for the higher education of a girl child and her future would empower them with all the opportunities to gain equal status in the society. **Ujjwala** is another comprehensive scheme which was introduced for girls and women to prohibit trafficking of women and children by involving local communities, generate awareness, and encouraging public participation. Social issue of human trafficking which is existing for the purpose of forced labour, sexual slavery and sexual exploitation would be addressed under this scheme and victims would be rescued and repatriated to their family and society. A sum of Rs 60 crore has been allocated towards this scheme, against Rs 35 crore in the revised estimate. An enhanced fund to address this issue is a worthy step of the government committed to protect girls and women from lifetime abuse and hardship.

Women's labour force participation rate in India is below 25 per cent, whereas globally it is 40 per cent<sup>7</sup>. To encourage women to join the formal sector, an amendment was proposed in the Employees Provident Fund (EPF) and Miscellaneous Provisions Act, 1952. Women employees' contribution in provident fund has been reduced to 8 per cent for the first three years of their employment against the existing rate of 12 per cent or 10 per cent. But the employers' contribution of 12 per cent will continue. This move would help women employees in securing a higher take-home pay. However, more such schemes are needed to attract women to join formal sector.

To motivate women to take up organic agriculture in clusters under National Rural Livelihood Programme, this year, the government would distribute loans worth Rs.75,000 crore by March 2019. Moreover, the extension of access to finance through KISAN credit to those engaged in fisheries and animal husbandry, largely women farmers, is likely to positively impact women's lives. Though the budget has given importance to agriculture and

rural economy, but it has to further acknowledge the growing role of women in the farm sector.

**Mahila Shakti Kendra** was established to provide “one stop convergent support services for empowering rural women with opportunities for skill development, employment, digital literacy, health and nutrition”. The aim was to empower rural women through community participation and create an environment where they can harness their potential in an optimum way. It is a part of the Umbrella Scheme “Mission for Protection and Empowerment for Women” of the Ministry of Women and Child development. Mahila Shakti Kendra under the above scheme has been allocated an enhanced budget of Rs 267 crore from Rs 64 crore last fiscal, which reveals that the government is pledged to uplift the status of rural women. Proper implementation and monitoring of this scheme would empower these marginalised women not only for themselves, but also for their families, communities and for overall economic productivity of the country.

An allocation of Rs 3 lakh crore for loans under the **Pradhan Mantri MUDRA Yojana (PMMY)**, has been announced in the proposed budget. The scheme launched by the Prime Minister in April 2015, provides loans up to Rs 10 lakh to the non-corporate, non-farm, small/micro enterprises. 76 percent of the Mudra Loans have gone to women micro entrepreneurs.

**Nirbhaya Fund** was announced in 2013 budget speech, with Government contribution of Rs. 1000 Crores for empowerment, safety and security of women and girl children. The allocation for this is Rs 500 crores to create one-stop facility for survivors of rape and sexual violence. Medical, legal and psychological assistance is given to the victims at one-stop centre.

The Ministry of Women and Child Development implements two shelter based schemes, namely, **Swadhar Greh Scheme** and **Short Stay Home** for providing emergency outreach services to women who do not have societal/family support or independent means of income. Under these schemes free shelter, food, medical care, counselling etc. are provided to the beneficiaries. Rs.95 crores has been allocated to the SwadharGreh Scheme for these vulnerable women. Under “**Working Women Hostel**” scheme, safe and affordable accommodation would be provided to working women, those under training and to girls attending professional courses. The allocation for Working Women’s Hostel Scheme has been raised to Rs.60 crore, showing an increase of 20

per cent. **The Swadhar Scheme** under Union Ministry of Women and Child Development was launched in 2002 for rehabilitation of women who live in difficult circumstances. The aim is to provide food, clothing, shelter, and care to vulnerable women/girls such as widows deserted by their families and relatives, women prisoners released from jail and without family support, women survivors of natural disasters, women victims of terrorist/extremist violence etc. The allocation of fund to this Scheme is Rs.95 crores.

**Pradhan Mantri Ujjwala Yojana** is a scheme of the Ministry of Petroleum & Natural Gas for providing LPG connections to women from Below Poverty Line (BPL) households with a support of Rs.1600 per connection (in the name of women) in the next 3 years. The aim is to free poor women from smoke-filled kitchens and thereby to protect the health of women & children. Under this scheme, 5 crore LPG connections will be provided, which is proposed to be increased to 8 crore poor women.

**National Social Assistance Programme (NSAP)** provides financial assistance to the elderly, widows and persons with disabilities in the form of social security. It consist of sub-schemes viz Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS), National Family Benefit Scheme (NFBS) and Annapurna Scheme. A sum of Rs. 9975 crore has been allocated to NSAP this year to provide social security to vulnerable population of orphaned children, old, widows, divyang and deprived. In the previous budget, it was Rs 8745 crore. There is a substantial increase (around 14 per cent) in the budget, which depicts the true functioning of a welfare state.

Economic Survey of India has revealed presence of 21 million “unwanted” girls in India, because couples have “son preference” and would continue having children until they had a boy. Also there are 63 million women “missing” from India’s population because of sex selective abortion. **Beti Bachao, Beti Padhao (BBBP)** programme was introduced in October, 2014 to solve the problem of adverse Child Sex Ratio (CSR). For this programme, the allocation in 2018-19 budget has been increased to Rs 280 crores against revised estimates of Rs 186 crores. The aim is to generate awareness and improve the efficiency of welfare services intended for girls. It is a powerful and effective movement which can check the issue of female foeticide and infanticide. An improved budget shows government’s commitment to empower girl child. The Government has also set a target of

providing 2 crores toilets under the **Swachh Bharat Mission** in 2018-19 which would directly impact the safety of women and girls. Increase in the number of separate toilets for boys and girls in school would also reduce the number of girls dropping out of schools.

The **Pradhan Mantri Saubhagya Yojana** would provide free electricity to 4 crore household, which will have direct impact on the living conditions of women and children. Further, **Mission for Protection and Empowerment for Women** would get Rs1366 crores whereas the revised estimate in 2017-18 was Rs988 crores. The allocation for **Women Helpline** has been increased to Rs 28.8 crore as against Rs 10 crore in the revised estimate of 2017-18. The above mentioned schemes and measures with better budget allocation, are expected to benefit women in the country.

Overall, the Gender Budget allocation for Financial Year 2018-19 is Rs 121,961 crore. In absolute terms, this is an increase from Rs 113,311 crore (Rs 117,222 crore revised estimate in 2017-18). Increased allocation of budget for women will help in addressing the socio-economic and health needs of women. Expansion in the budget allocation of different schemes will empower women in all the dimensions i.e., health, employment, safety and social security. The budget shows the focus of our government which has been on health, education, need of adolescent, maternity benefits, enrolment in educational institutes, nutrition, skill development, training, women's safety and social security provisions. These allocations show that government believes that inclusive democracy can never be possible without the equal participation of women.

In India, almost 66 percent of women fall under the "unpaid work" category. In the proposed budget, there should have been enhanced provision for providing skill training to women so that more opportunities get created for women in non-manual jobs. This would have helped women attaining better employability. Further Women employees' contribution in provident fund has been reduced to 8 per cent for the first three years of their employment against the existing rate of 12 per cent or 10 per cent. This EPF contribution should have been optional for women as some women would like to save more. Further, tax on sanitary napkins should have been reduced to make it within easy reach to women from lower economic strata. Also social security scheme "MGNREGA", which was primarily for women, did not get any significant increase. It has been allocated Rs 55,000 crore, which is exactly the amount which was spent on the demand driven scheme in 2017-18.



Economic Survey has revealed that nearly 47 per cent of women do not use any contraception, and of those who do, less than a third use female controlled reversible contraception. This budget allocated a large amount for health sector, however family planning aspect did not get enough attention. Therefore, adequate funding to improve the quality of family planning programmes and ensuring affordability, accessibility and availability of modern methods of family planning should have been a part of the current budget.

In the light of prevailing gender inequality and unemployment, this budget as a whole appears promising for Indian women. The need of women from all sections of society, i.e., rural, single, widow, urban, poor or salaried, has found a place in the proposed budget. The need of the hour is to utilize the budget in an optimum way. Proper monitoring and implementation of programmes and policies would ensure to fulfil the socio economic needs of women and would improve their education, safety, security, health, job opportunities and all other aspects related to women. This budget is a testimony of government's commitment towards women empowerment and improving their quality of life.

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## INITIATIVES FOR FARMERS WELFARE

Dr Ashwini Bishnoi

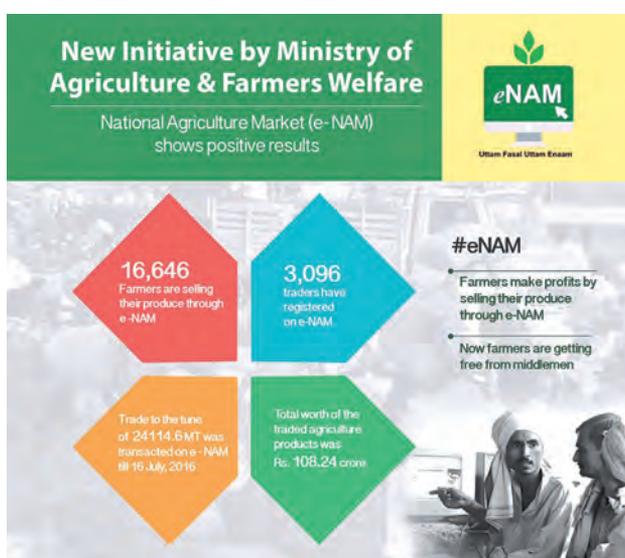
Government has reiterated its goal of doubling the farm income by allocating substantial funds for major components viz. agriculture infrastructure, food processing parks, access of markets for smaller farmers, and arresting price volatility in the country.<sup>1</sup> The setting up of rural markets, connecting the APMCs through National Agricultural Market, boost to food processing parks, promotion to farmer producers' organizations, among others, are the measures to transform the agrarian society into a relatively commercial society. The Budget-2018 has main advantage over the previous budgets in terms of strengthening the market driven system instead of much focus on supply side of agricultural production.

Agriculture sector has remained the major source of livelihood in the Indian economy and contributed about one fifth of national output during 2016-17. The sector is poised to grow at a rate of 2.1 per cent in the current fiscal. India has picked the agriculture sector on priority in the recent budget and Government has reiterated its goal of doubling the farm income by allocating substantial funds for major components viz. agriculture infrastructure, food processing parks, access of markets for smaller farmers, and arresting price volatility in the country.<sup>1</sup> The setting up of rural markets, connecting the APMCs through National Agricultural Market, boost to food processing parks, promotion to farmer producers' organizations, among others, are the measures to transform the agrarian society into a relatively commercial society. The Budget-2018 has main advantage over the previous budgets in terms of strengthening the market driven system instead of much focus on supply side of agricultural production.

### Agriculture Priority in Various Budgets:

In 2014-15, major thrust for agriculture sector had been in terms of facilitating Agri-tech Infrastructure, setting up of open Agriculture Universities in Andhra Pradesh and Rajasthan and Horticulture Universities in Telangana and Haryana. Also, the setting up of mobile soil testing laboratories along with soil health card to every farmer had remained the key focus. In year 2015-16, major focus has remained to support micro-irrigation and watershed development facilities. Alongside, NABARD had been considered the nodal agency to facilitate the rural infrastructure development with a budget of Rs 25,000 crore. In year 2016-17, major thrust was for development of irrigation facilities in agricultural development. In 2017-18, the rural, agriculture and allied sectors experienced 24 per cent increase in allocation as compared to the previous year reaching at Rs. 1872 billion. The priority areas were to provide the insurance against crop loss, efficient management of water resource for agriculture, expansion of National Agricultural Market (e-NAM).

The agriculture sector has been given an increase of 12.8 per cent in expenditure, the same as the last time. However, the rural sector allocation has seen a growth of 1.8 per cent, comparatively much less than the 19 per cent hike in the previous budget.<sup>2</sup> In agriculture sector, priority areas are to provide remunerative price for agricultural produce, developing and upgrading agricultural marketing infrastructure through setting up of 22,000 rural haats and upgraded into Gramin Agricultural Markets (GrAMs)<sup>3</sup>, 585 APMCs, food processing parks, etc. Minimum Support Price (MSP) for all unannounced kharif crops has been kept at least one and half times of their production cost. The **rural haats** initiative mainly aims to protect the interests of 86 per cent small and marginal farmers as it is very hard for small



farmers to produce the scale output and make it access to the super markets. Other initiatives include strengthening of lab testing facilities through all the forty two Mega Food Parks, boost to organized cultivation of highly specialized medicinal and aromatic plants and associated industry and launch of “Operation Greens” with an outlay of Rs 500 Crore to



address the challenge of price volatility of perishable commodities like tomato, onion and potato, and to promote Farmer Producers Organizations (FPOs). In order to give a momentum for direct selling by farmers to final consumers, GrAMs, are electronically linked to e-NAM and exempted from regulations of APMCs. So far, 470 APMCs have been connected to e-NAM network and rest will be connected by March, 2018. An allocation of Rs 200 crore has been made for organized cultivation of highly specialized medicinal and aromatic plants. Also, it is announced in the budget that the organic farming by Farmer Producer Organizations (FPOs) and Village Producers Organizations (VPOs) in large clusters, preferably of 1000 hectares each will be encouraged.

The development of rural Haats may create further space for improvement in ensuring quality food to the needy people and lesser intermediary rent burden on the Government. To ensure the food security, Government is doing procurement at large scale. In fact, the current mechanism of procurement results in hefty transaction costs to the Government. Pragmatically, the collection of wheat and rice into Godowns and then distribution incurs huge transportation cost and economic rents to different intermediaries. This has two way implications- additional subsidy burden on the Government and the food quality compromise amid poor infrastructural base limits the rice and wheat to be protected from rain and other natural calamities, and removal of moisturize components from the crops. The rural haat will be a platform to connect the marginalized farmers with standard commercial market especially where infrastructure bottlenecks, inadequate technology and information barriers hinders the market potential.

In fact, the sustainability of agriculture sector rests on technological development in the fields of seeds, fertilizers, soil testing, package of practices, institutional credit to finance the crop shown, irrigation facilities, risk coverage against natural calamities, and access of agriculture markets to the farm producers. The recent

budget has bridged the gap to equip agriculture sector with necessary facilities mainly strengthening the agricultural market. The past couple of budgets highlight that there is great coherence in resource allocation for one after another sequential components of agriculture to sustain the output.

### **Boost to Agriculture Industry in the Budget:**

The agricultural models differ across developed and developing countries. Developed countries have carried out the parallel reforms in agriculture as well as industrial sector. Those practices have brought out more market related activities, helped in resource allocation and put forth enormous scope for farmers to the incentivize for efficiency and productivity. However, same has been found missing in developing economies. Initially the lower level of urbanization and industrialization could not motivate the farmers for commercialization of the agriculture industry, but now a country like India has maintained high economic growth much driven by services, the developments give a motivation to develop healthy agriculture markets to ensure a remunerative price to agricultural produce.

As per the World Bank estimates, India is going to experience the urbanization with much faster rate as half of the population would be residing in urban areas by 2050 and the agricultural workforce ratio would also drop to 25.7 per cent by 2050 from 58.2 per cent in 2001.<sup>4</sup> This gives an indication that the off-farm activities are going to take significant place and in this regard, the move towards agro processing industries in the recent budget have much potential to absorb the manpower into agriculture industry.

In the recent literature, it is well argued that improvement in market access amidst the marginalization of farming helps in improvement

in income and food security. The quick access of market would help in increasing sale of farm products, consumption and returns to labor.<sup>5</sup> Some of the countries have practiced the collective action approach to strengthen the agriculture market to improve the rural incomes. This approach mainly focuses on various aspects such as training in production methods, negotiation skills, grading and sorting, and group dynamics. This approach hypothesizes that bulk marketing of products by respective groups helps in reduction of transaction costs and enhances economies of scale.<sup>6&7</sup>

Literature points out that the developing countries' agriculture markets are plagued with numerous marketing constraints such as poor market access, high marketing costs and risks of commercialization.<sup>8</sup> The underdeveloped market renders inefficiency in the system and this is what India has also experienced. Indian agriculture market has also noticed information asymmetry which is in contrast to the perfectly competitive markets. The difference in urban and rural price of agricultural produce witnesses this argument. Farmers mostly sell their output at farm-gate prices to local traders who on their part have access to price and market information prevailing in other markets. Even smaller farmers find it difficult to enter into the super markets of large scale and much standardized products. In practice, farmers sell their produce without bargaining because of less access of competitive markets. The large farmers have the ability to get remunerative price as they provide scale economies to buyers.<sup>9</sup>

On the ground of market access to agriculture produce, India has witnessed the setting up of Agricultural Produce Market Committees (APMCs), but in real, practices related to cartels of licensed traders eventually leading to oligopolistic market power are yet to make the farmers to reap the benefits amid growing income through services driven economy, rather cartels have shared the fruits by extracting large commissions. It is pointed out that farmers get one fourth price of what the final consumers are paying.

Now the manufacturing revival and service dominance are giving an indication of indirect support to agriculture sector. The growing demand in the economy can be fulfilled with sustained agriculture production. Recent budget has considered much scope for agricultural produce to make them more marketable. The allocation for food processing has



been doubled to Rs. 1400 crores in Budget-2018. Also, the landmark initiative of establishing **Specialized Agro Processing Financial Institutions** will remove the financial hurdles for establishing food processing industries. These institutions are going to help financially in terms of timely and affordable credit access to the food processing projects which require intense capital and having long gestation period. The possible implications will be towards improved share of food processing in national output as well as in total exports. In fact, the promotion of food processing industry will pave the way for product standardization, better access of external market, appropriate demand projections for agricultural produce, employment creation, waste reduction, etc.

The present approach of budget is also tuned to agro-enterprise approach. This approach is all about shifting from a production-based food-security strategy to a market-oriented approach that emphasizes income generation and profit based on market demand and sale of agricultural products. The setting up of rural haats will serve the purpose of connecting farmers with the traders who buy the enterprise's products and thereby better chance of remunerative price for farmers and scale economies to enterprises amid bulk purchase. Moreover, the comfortable access of markets pave the way for demand driven system instead of supply based system. Under demand driven system, farmers can produce the agriculture output as per the needs of market. These factors are somehow serving the cause similar to collective action approach as has been experienced in few countries and create much scope for doubling the farm income.

In the near future, it is apprehended that the agricultural product will undergo standardization as

well as competitive price mechanism even for the smaller farmers also. It would also incentivize the farmers to have more bargaining powers in the days to come and accumulation of required skills, better marketing practices and proper demand estimation domestically as well as nationally.

International experiences boast that improved agriculture is attributed to various factors such as input assistance, technology development and industrialization of agriculture. Only a few countries have turned their agriculture into a growth industry and a kind of movement from rural policy to commercial policy. India is also considering to make the agriculture products more market oriented through setting up of Farmers Producers Organisation (FPOs), agri-logistics, processing facilities and professional management under 'Operation Greens'. The FPOs have been incentivized to allow 100% tax deduction to the profits (FPO having annual turnover up to Rs 100 crore) for a period of five years from 2018-19 fiscal.<sup>10</sup>

The present initiative is just the beginning to create a healthy competitive agrarian market. The issues related to infrastructure development, true projection of demand for agriculture products within and outside the country, product standardization, developing bargaining skills, competitive agriculture market, etc. are the next promising areas to realize the goals of doubling the farm income. In some countries, various organizations advise farmers on global projections of demand and supply for specific crops and help in moderating acreages in line with projected demand. This budget has focused much on improvement in access of markets to the farmers. But it raises the big question that how these rural haats will be implemented and monitored to ensure a competitive market to the farmers. Generally farmers incur frequent losses due to lack of adequate storage and warehousing facilities for their produce. Also they have to sell their produce at the price given by cartel group in most of the markets. This often leads them to sell their produce at a distressed price. This is a pan-India problem that affects all agricultural products.<sup>11</sup> In order to take the full swing benefits of the budget allocation, a parallel regulatory framework having a check and balance of cartel behavior is of utmost importance to safeguard the farmers against lower price risk.

Overall, this is good Budget for the farm sector, rural economy and Micro and MSMEs. The proposal to increase agricultural credit by 10 lakh to Rs. 11 lakh crore and host of other policies along with allocation

for rural economy would revive demand and create opportunities for MSME sector, crucial for jobs and growth. Budget-2018 has taken a few big steps to for MSMEs like cutting corporate tax rate to 25 per cent with annual turnover up to Rs 250 crore, providing an additional Rs 3,794 crore for MSMEs for credit and comprehensive package with allocation of Rs 7,148 crore compared for MSMEs in textile sector. These would certainly help MSMEs. The Budget-2018 has certainly delivered when it comes to giving a boost to MSMEs and agriculture.

#### Footnotes:

- 1 Press Information Bureau, Government of India, Ministry of Food Processing Industries, 13-February-2018
- 2 **Prashansa Srivastava (February 06, 2018)**. Post-Budget analysis: Agriculture, dailyhunt
- 3 For developing and upgrading agricultural marketing infrastructure, Agri-Market Infrastructure Fund with a corpus of Rs. 2000 crore will be setup.
- 4 Economic Times (Jan 29, 2018). Agriculture sector to grow 2.1%: Can it double farm income by 2022?
- 5 Wiggins S, Keat S: Leaping and learning: linking smallholders to markets. Overseas Development Institute; 2013.
- 6 Barham J, Chitemi C: Collective action to improve marketing performance: lessons from farmer groups in Tanzania. Food Policy 2009, 34:53-59.
- 7 Facheux C, Gyau A, Russell D, Foundjem-Tita D, Mbosso C, Franzel S, Tchoundjeu Z: Comparison of three modes of increasing benefits to farmers within agroforestry tree products market chains in Cameroon. Afr J Agric Res 2012, 7:2336-2343.
- 8 Minot N, Hill R: Developing and connecting markets for poor farmers. 2020 Focus Brief on the World's Poor and Hungry People. 2007.
- 9 Amos Gyau, Steven Franzel, Maryben Chiatoh, Godwill Nimino and Kwadwo Owusu, Collective action for marketing agroforestry products, Current Opinion in Environmental Sustainability 2014, 6:68-72
- 10 Livemint (Feb 01 2018) Budget 2018: Allocation for food processing doubles to Rs1,400 crore
- 11 Preety Bhogal Policy imperatives for India's small farmers

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## RURAL LIVELIHOOD AND EMPLOYMENT

Dr K. K. Tripathy

While the Economic Survey 2017-18 advocated wide extension of irrigation through drip and sprinkler technologies, rightful targeting of power and fertiliser subsidies through direct income support, a big boost on improvement in agri-infrastructure and on rising farm produce and productivity, the citizens' pre-budget expectations ranged from improvement in income, wealth, employment and infrastructure to ensuring an overall enabling business environment.

The Economic Survey 2017-18, tabled in the parliament two days prior to the Union Budget 2018-19 announcements, highlighted the importance of creation of jobs in formal and informal sectors of the economy and boosting farmers' income in the next fiscal year. It also expressed its concern on the impending impact of climate change which may enhance stress levels of the country's monsoon-dependent agro-economy and prove to be a road block in achieving the government's goal of doubling farmers' income by 2022. While the Economic Survey 2017-18 advocated wide extension of irrigation through drip and sprinkler technologies, rightful targeting of power and fertiliser subsidies through direct income support, a big boost on improvement in agri-infrastructure and on rising farm produce and productivity, the citizens' pre-budget expectations ranged from improvement in income, wealth, employment and infrastructure to ensuring an overall enabling business environment. In this backdrop, this article attempts to explain the in-built policy direction and socio-economic intent of the Government by discussing a few agriculture and rural development related focus areas as prioritized in the Budget 2018-19.

### Allocation Trend for Rural Livelihoods & Infrastructure:

The Budget called for a quick agriculture-led rural economic growth by allocating resources to important livelihood and rural infrastructure programmes. The increase in resource allocations within agriculture and rural development aimed at stimulating economic growth with job creation, income and wealth generation and enhancement of overall consumption demand in rural India. A review of trends in major items of expenditure (Table 1) indicates that allocation for social welfare activities

have witnessed an increase of 14.5 per cent over the Revised Estimates (RE) of 2017-18, followed by Agriculture and Allied activities (12.8 per cent), education (3.8 per cent), health (2.8 per cent) and Rural Development (1.8 per cent).

A review of 2018-19 Budget allocation to seven select important Ministries/Departments vis-a-vis 2017-18 Budget Allocation (Table 2) indicates that priority has been accorded to Animal Husbandry, Dairying and Fisheries, followed by Agriculture Research and Education, Skill Development and Entrepreneurship, Women and Child Development, Rural Development and Micro, Small and Medium Enterprises (MSME), in that order.

While Animal Husbandry, Dairying and Fisheries witnessed a quantum jump of 22.6 per cent hike in its allocation over the Budget Estimates (BE) of 2017-18, Agriculture Research & Education Department and Skill Development and Entrepreneurship Ministry recorded a 14.7 per cent and 12.7 per cent rise over previous year's allocation, respectively. Increased investment in rural areas, improved buyers demand, equitable job creation in rural areas have been the growth engines of rural economy. The Department of Agriculture Cooperation and Farmers



**Table 1: Trend in Major Items of Expenditure in the Budget 2018-19**

Items of Expenditure	Expenditure/Allocation (Rs. Cr.)			Increase in Allocation in 18-19 over 17-18( per cent)
	2016-17	2017-18	2018-19	
	Actual	RE	BE	
1	2	3	4	5
Agriculture & Allied Activities	50,184	56,589	63,836	12.8
Education	72,016	81,869	85,010	3.8
Health	39,005	53,198	54,667	2.8
Rural Development	113,877	135,604	138,097	1.8
Social Welfare	31,812	38,624	44,220	14.5

Note: RE: Revised Estimates BE: Budget Estimates

(Source: Compiled from figures indicated in the Expenditure Statements of Central Government, Union Budget 2018-19, Ministry of Finance, Gol)

**Table 2: Budget Allocation in Selected Union Ministries in 2016-17, 2017-18 & 2018-19**

SN	Name of the Ministry/ Department	Allocation (Rs. Cr.)				Increase of Allocation ( per cent) in 18-19		
		16-17	17-18		18-19	Over		
		Actuals	BE	RE	BE	Actuals 16-17	RE 17-18	BE 17-18
1	2	3	4	5	6	7	8	9
1	Agriculture, Cooperation and Farmers Welfare	40,626	52,655	46,105	46,700	15.0	1.3	-11.3
2	Agriculture Research & Education	5,995	6,800	6,992	7,800	30.1	11.6	14.7
3	Animal Husbandry, Dairying and Fisheries	2,376	2,921	2,606	3,580	50.7	37.4	22.6
4	Micro, Small and Medium Enterprises	3650	6,482	6,482	6,552	79.5	1.1	1.1
5	Rural Development	15,6287	1,70,442	1,78,936	1,83,398	17.3	2.5	7.6
6	Skill Development and Entrepreneurship	1,553	3,016	2,356	3,400	118.9	44.3	12.7
7	Women and Child Development	17,097	22,594	21,737	25,200	47.4	15.9	11.5

Note: BE: Budget Estimate and RE: Revised Estimate

(Source: Compiled from figures indicated in Demand For Grants of Central Government, Union Budget 2018-19, Ministry of Finance, Gol.)

Welfare, however, witnessed a reduction of 11.3 per cent resource allocation in 18-19 over 17-18 (BE). This indicates a lack of resource absorption capacity of Department of Agriculture, Cooperation and Farmers Welfare. Allocation of more funds to various important rural sectors during the financial year 2017-18 caused a large positive difference between Budget Estimate (BE) and Revised Estimate (RE) of Budget 2017-18. In 2018-19, Rural Development witnessed Rs. 12,956 crore hike in the resource allocation over 2017-18.

### **Agriculture & Farmers' Welfare:**

Budget 2018-19 has asserted government's promise of doubling the income of the farmers by 2022, understood the farmers' distress and underscored the importance of reviving the price discovery mechanism for farm products so that the farmers can realise higher price for their produce. A number of measures have been suggested to increase production, productivity, farm profits and income of farmers. Prominent among these are directed towards (a) increasing Minimum Support Price

(MSP) of farm products by 1.5 times (b) connecting more mandis through National Agriculture Market Scheme (e-NAM) (c) developing rural haats into Gramin Agricultural Markets (GrAMs) (d) creation of Agri-Market Infrastructure Fund (e) linking rural markets through PMGSY roads (f) developing cluster based agri-products (g) promoting organic farming (h) launching an 'Operation Green' to promote Farmer Producer Organisations (FPOs), agri-logistics, processing facilities and professional management (i) extending Kisan Credit Card facility to fishery and animal husbandry farmers (j) setting up dedicated funds for fisheries and aquaculture and animal husbandry (k) enhancing credit target to Rs. 11 lakh crore.

The Budget has also assumed to ward off the adverse impact of demonetisation on input availability, market arrivals, market price fluctuations

and demands of farm produce and increase in acreage under agriculture by targeting mitigation of production risk and price risks in agriculture. Keeping in view the uncertainties and risks in agriculture, the Budget promises require effective government interventions towards reforming risk mitigation instruments like crop and livestock insurance schemes, modernisation and provision of better agro-logistics, marketing avenues with adequate warehousing facilities nearer to the agri-markets. MSP at 50 per cent plus cost has the potential of reducing the risk of farm losses but may not prove beneficial for the economy at large if the government does not take into account the demand considerations.

To ensure assured and quality irrigation, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) was launched during 2015-16 as an integrated

**Table3: Budgetary Allocation in Core of the Core & Core Schemes during 2017-18& 2018-19**

SN	Sectors/Schemes	Allocation (Rs. Cr.)				Increase of Allocation ( per cent)in 18-19 Over	
		16-17	17-18		18-19		
		Actuals	BE	RE	BE	RE 17-18	BE 17-18
1	2	3	4	5	6	7	8
A	Core of the Core Schemes	69,548.9	71,756.5	78,076.5	77,690.7	-0.5	8.3
1	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	48,214.9	48,000	55,000	55,000	0.0	14.6
2	National Social Assistance Programme (NSAP)	8,854	9,500	8,744.5	9,975	14.0	5.0
3	Schemes for Development of SC/ST/Minorities	10,972.5	12,676.4	12,701.6	10,428.8	17.9	17.7
4	Others	1,507.5	1,580.1	1,630.4	2,286.9	40.26	44.7
B	Core Schemes	2,41,295.5	2,78,433.2	2,85,581.4	3,05,517	6.9	9.7
5	Green Revolution	10,105.0	13,741	11,184.6	13,908.9	24.3	1.2
6	Pradhan Mantri Krishi Sinchai Yojana (PMKSY)	5133.9	7,377.4	7392.1	9,429	27.5	27.8
7	Pradhan Mantri Gram Sadak Yojana (PMGSY)	17,922.8	19,000	16,900	19,000	12.4	0.0
8	Pradhan Mantri Awas Yojana (PMAY)	20,951.7	29,042.8	29,042.8	27,505	-5.3	-5.3
9	National Rural Livelihood Mission	3,486.4	4,849	4,699	6,060	29.0	29.1
10	Others	1,83,695.7	2,04,423	2,16,362.9	2,29,614.1	6.1	12.3

Note: BE: Budget Estimate and RE: Revised Estimate

(Source: Compiled from Statement 4 A, Expenditure Profile of Centrally Sponsored Schemes, Budget Documents, Ministry of Finance, GoI)



irrigation initiative, covering various components viz. Accelerated Irrigation Benefits Programme (AIBP), Command Area Development and Water Management (CADWM), Har Khet Ko Pani (HKKP), Per Drop More Crop (PDMC) and Watershed Development Component (WDC). The Budget 2018-19 has earmarked Rs. 9,429 crore to PMKSY which is 27.8 per cent more than the BE of 2017-18 (Table 3). Though the initiative is innovative and calls for a planned and integrated development of irrigation infrastructure in the rural areas, the activities so planned under PMKSY needs to be implemented on a mission mode and in a time-bound manner.

### **Rural Employment:**

The Budget 2018-19 continued to underscore the importance of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and National Rural Livelihood Mission (NRLM) –the existing two wage and self-employment programmes towards building quality and productive community assets and enterprises. The wage and self employment generation programmes are always perceived to be effective in a rural set up which is otherwise riddled with high incidence of poverty, low work participation, increased casualization of labour. MGNREGA and NRLM witnessed 14.6 per cent and 29.1 per cent jump, respectively, in their allocation against the BE of 2017-18 (Table 3).

The resource allocation of Rs. 55,000 crore to MGNREGA aimed at generating 230 crore person-days, creating 10 lakh assets and registering 60 lakh new works during 2018-19. A review of MGNREGA

works indicates that though the scheme has large financial absorption capability, yet it has not been able to generate quality assets for the community due to less focus on quality asset creation, faulty work plan and design, improper selection of projects and work sites, lack of survey of works, inaccurate work design estimates, inefficient work execution and inadequate technical supervision. In spite of these bottlenecks, the enhanced allocation for public works under MGNREGA reflects the government's commitment towards public investment for rural income and employment generating public works in rural India. The need of the hour is to raise a cadre of quality experts who could be a part of community level outcome-based public works planning and monitoring under MGNREGA so as to ensure the Union Budget objectives of (a) ensuring livelihood security through creation of permanent and durable community assets and (b) expansion of irrigation potential through MGNREGA works.

National Rural Livelihood Mission has two important self-employment schematic interventions viz. Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY) and Deen Dayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM). The BE for DAY-NRLM has been kept at Rs. 5,750 crore for mobilising 70 lakh households into Self-Help Groups (SHGs), providing community investment fund to 1.75 lakh SHGs. The village entrepreneurship development approach of DAY-NRLM is aimed at creating a catalytic local entrepreneurial ecosystem and encouraging the rural unemployed youth to take up local enterprises on their own. Further, the



rural enterprises scheduled to be established under DAY-NRLM during 2017-18 will not only prove to be the real growth engines of our 5.5 lakh villages, but would also help in (a) ensuring financial inclusion of SHGs (b) increasing household income over the baseline and (c) assuring training, placements to the millions of rural youths. To make NRLM a successful and sustainable intervention in the rural areas, appropriate diversification of economic activities and convergence with training, skill development and placement oriented programmes of other Departments may be required by constituting convergence committees at State, District and Block level.

### **Conclusion:**

The Budget 18-19 has appropriately recognised the importance of agriculture and rural growth and has, accordingly suggested investments in various key areas viz. farm and non-farm employment, rural and agri-market reforms and revival, price realisation of farm products, rural connectivity, income, crop insurance, job creation, irrigation etc. The major focus of the Budget has been to re-orient agriculture and rural sectors by announcing new investment opportunities, creating rural and agricultural infrastructure, integrating and converging schemes and activities of Ministry of Rural Development and Agriculture and Farmers Welfare, stepping up resource allocation to wage and self-employment programmes.

Extension of the facility of Kisan Credit Cards to fisheries and animal husbandry farmers would help them meet their financial needs and setting up of a Fisheries and Aquaculture Development Fund (FAIDF) for fisheries sector and an Animal Husbandry

Infrastructure Development Fund (AHIDF) for Animal Husbandry sector would go a long way in enhancing income, wealth and employment in the rural areas.

The Budget has intended to re-orient MSP policy intervention with a view to assure incremental income to the farmers. While the budget announcement of MSP at cost plus 50 per cent is laudable, it is required to look into the demand side of the economy to ward off the consequent side effects like food inflation, higher subsidy outgo from the Government's kitty and adverse impact on cropping pattern in the country.

Effective implementation of large budgeted employment generation programmes like MGNREGA and DAY-NRLM is the need of the hour. Government needs to ensure timely and appropriate reorientation of MGNREGA activities with sustainable agri-works and to take adequate steps in ensuring planning of assets, execution of works, monitoring and evaluation of schematic activities. Similarly, DAY-NRLM has the required potential to create millions of rural entrepreneurs and enterprises. To achieve this goal, the programme implementation at the district/block level needs a quick relook to make it bottom-up, easily-adaptable, widely diversified and more profitable at the village level by bringing in adequate entrepreneurs hips, training and orientation towards self-employment ventures amongst the beneficiaries.

Agriculture and rural development have tremendous potential to achieve the Government's objective of doubling farmers' income by 2022. The stepped up allocation and projected all-time high credit flow to agriculture and rural sector in the Budget 2018-19 have been designed to re-establish the faith of millions of farmers and rural inhabitants living on agriculture and rural activities. Efforts have also been made to re-orient and facilitate enabling atmosphere for manufacturing revolution, job creation, poverty reduction and skill up-gradation in rural areas. However, the real challenge is to make the announcements and policy directions of the Budget for agriculture and rural non-farm activities into practice so as to make these profitable and widely acceptable.

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## RURAL INFRASTRUCTURE

Shikha Juyal, Jaya Priyadarshini

Budget has rightly recognized the need for developing rural areas and massive investments in the sectors like housing, roads, drinking water, electricity, cleanliness, farming, health, education, telecom/broadband etc. are taken up in a big way. It has clearly spelled out the physical target and financials for creating livelihoods and infrastructure for rural areas and farmers. This shows the commitment of Government for developing rural areas of the country, without which inclusive and sustainable development is a day dream. The budget surely leaves a hope for positive change in the rural landscape in coming years.

India still lives in rural areas. As per Census 2011, rural areas of the country accommodate 68 per cent of the population. There are 6.4 lakh villages in India and rural areas account for a larger part of the geographical area in India. Even though urbanization is on fast mode, it is projected that half of the population still live in rural areas by 2050. Agriculture is the principal livelihood of rural areas. Agricultural sector and rural areas forms the backbone of Indian economy. Agricultural sector is not only important for meeting food supply needs of India, but also promotes development of agro based industries and other industrial sector etc. Rural economy constitutes 46 per cent of national income and 70 per cent of workforce are residing in India. Hence, development of these rural areas is necessary for achieving overall and inclusive development of the country.

The potential of the rural & agricultural sectors can not be harnessed without proper access to rural infrastructure like rural roads, markets, electricity, water and irrigation facilities etc. Rural infrastructure

plays a key role in overall development of these areas by reaching the large section of rural poor. If rural infrastructure is deteriorated or is non-existent, the cost of marketing farm produce can be exorbitant for poor farmers. Poor rural infrastructure also limits the ability of the traders to travel to and communicate with remote farming areas, limiting market access from these areas and eliminating competition for their produce. Good rural road network inevitably leads to increase in agricultural production and productivity by bringing in new land into cultivation or by intensifying existing land use to take advantage of expanded market opportunities. Infrastructure facilities such as rural roads, tracks, bridges, irrigation network, water supplies, schools, health centers, markets and electricity are required in rural areas for the local population to fulfill their basic needs and live a social and economically productive life. The difference between the rural areas and urban areas of the country is mainly due to the accessibility of infrastructure facilities. The challenges of unplanned urbanization or urban agglomeration and migration of rural population to urban areas is in want of accessing of these infrastructure facilities and for better standards of living. Provisioning of infrastructure facilities will not only promote development of these areas, but also contribute to the overall development of the country. However, provision of these facilities requires massive investments. This article makes an attempt to look at the provisions announced in Union Budget 2018-19 for these key sectors, which are the pillars of overall development of the country.

**Impetus to Rural Economy:**

The focus of this year's Budget is mainly on strengthening of agriculture and rural economy. The Budget also envisages for provision of good



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for New  
Infrastructure**

- Almost Rs 6 Lakh crore allocated for Infrastructure
- More than 1 crore houses to be constructed in rural areas
- Completion of PM Gram Sadak Yojana advanced to 2019
- Railways' Capex increased to Rs 1,48,528 crore, eliminate capacity constraints & transform almost entire network into Broad Gauge
- Airport capacity to be expanded by more than five times to handle a billion trips a year
- 5 lakh wi-fi hotspots to be set up to provide broadband access to five crore rural citizens

health care to economically less privileged, taking care of senior citizens, infrastructure creation and working with the States to provide more resources for improving the quality of education in the country which further benefits the rural poor.

The Finance Minister in his Budget speech has promised for maximum livelihood opportunities in the rural areas by spending more on livelihood, agriculture and allied activities and construction of rural infrastructure. The Budget 2018-19 has proposed to spend Rs. 14.34 lakh crore including extra-budgetary and non-budgetary resources for creation of livelihood and infrastructure in rural India, aiming to create employment of 321 crore man-days, build more than 3 lakh km of rural roads, 51 lakh new rural houses, 1.88 crore toilets and provide 1.75 crore new household and provide 1.75 crore new household electric connections besides boosting agricultural growth.

### Provisions towards Rural Livelihoods & Infrastructure:

The overall budget allocation to Ministry of Rural development has shown a 7 per cent increase over last year's Budget 2017-18 (GBS). The budget allocation for the major schemes of Ministry of Rural Development which intends for provision of rural infrastructure and livelihoods are given in Table 1.

The schemes like **National livelihood Mission and Mahatma Gandhi National Rural Employment**

**Guarantee Program** have reported 28% and 15% increase over last year's budget respectively. This emphasizes strong intention of Budget for generating productive and gainful on farm and non-farm employment of landless families. The Budget further provides for an increase in loans to Self Help Groups of women of about 37% over last year. These Self groups are playing a key role in empowering women financially through their active participation in non-farm enterprises and agriculture allied sectors. Empowerment of these women results in development of rural areas and helps in alleviating poverty.

### Rural Housing :

Shelter is a basic need of a citizen which is critical for determining the quality of human life. A roof over the head endows a homeless person with an essential asset and improves his physical and mental well-being. Hence, fulfilling the need for rural housing and tackling housing shortage particularly for the poorest is an important task of the Government. By assessing the **rural housing** needs of the rural areas the budget provides for construction of 49 lakhs houses in year 2018-19 amounting to more than one crore houses (51 lakh houses in 2017-18) under **Pradhan Mantri Awas Yojana scheme exclusively for rural areas**. This move is further supposed to boost construction sector and economic activities in rural areas due to increase in purchase of required raw material and providing employment to skilled and manual workers. Rs. 33000 crore including Rs. 12000

**Table1: Budget allocations of major schemes of Ministry of Rural Development**

(Rs. In crores)

Name of Scheme	2015-16 (Actuals)	2016-17 (Actuals)	BE 2017-18	BE 2018-19	%Increase over last year (BE)
Mahatma Gandhi National Rural Employment Guarantee Program	37340.71	38500.00	48000.00	55000.00	15%
Pradhan Mantri Awas Yojana (PMAY)	10116.20	15000.0	23000.00	21000.00	(-) 9%
Pradhan Mantri Gram Sadak Yojana	18289.87	19000.0	19000.00	19000.00	0%
National Social Assistance Programme	8616.40	9500.00	9500.00	9975.00	5%
National Livelihood Mission- Ajeevika	2514.35	3000.0	4500.00	5750.00	28%
Shyama Prasad Mukherjee Rurban Mission	32.05	300.0	1000.00	1200.00	20%
<b>Total of CSS schemes</b>	<b>76909.58</b>	<b>85300.00</b>	<b>105000.00</b>	<b>111925.00</b>	<b>7%</b>
<b>Total Budget allocated to Ministry of Rural Development</b>	<b>77369.17</b>	<b>96055.80</b>	<b>105447.88</b>	<b>112403.92</b>	<b>7%</b>

(Source: Expenditure Budget 2018-19 & 2017-18)

Note: These figures represent only Gross Budgetary Support

crore of extra budgetary resources are kept in the Budget 2018-19 under PMAY. A dedicated Affordable Housing Fund (AHF) in National Housing Bank is also proposed in the budget.

### Rural Roads:

Roads are providing better access to services, ease of transportation and freedom of movement to people. Recognizing the significance of a reliable and swift road network in the country and the role it plays in influencing its economic development, India has developed a wide road network in last few decades through Pradhan Mantri Gram Sadak Yojana. This year PMGSY is to provide 57,000 km roads & 28.35 crore man days. The Ambitious **Bharatmala Pariyojana** is proposed to provide seamless connectivity of interior and backward areas and border areas of the country with an estimated cost of Rs. 5, 35,000 crores and 35,000 km in Phase I. This step by Government would improve the economic activity in remote and border areas and further help in accessing other infrastructure facilities.

### Rural Electricity:

Rs.18800 crore including extra budgetary resources has been proposed under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) to provide (i) Intensive electrification of villages -1 lakh nos. (ii) Feeder segregation including new 11 KV Lines - 1 lakh Circuit Km (iii) Commissioning of Substations (New & Augmentation) - 600. The distribution of free LPG

connections to 8 crore poor women under Ujjwala Scheme and Saubhagya Yojana covering 4 crore poor households with the electricity connection etc. are supposed to change rural landscape. Connection of Electricity facilities will encourage small enterprises and improve agricultural productivity due to continuous water supply and further provide rural people with improved communication facilities.

### Rural Drinking Water & Cleanliness:

The popular cleanliness drive through **Swachh Bharat Mission** has definitely benefited the poor sections of rural areas and school children became the face of the scheme by promoting awareness in their own families and peer groups. More than 6 crore toilets were constructed and budget proposes for construction of around 1 .88 crore Household toilets. It is expected to create employment of 16.92 crore Person days. Rs. 30343 crore including extra budgetary resources of Rs. 15000 crore are proposed for this purpose in the present budget. This **initiative is supposed to improve the health conditions of rural population and protect the beauty and ethnicity of these rural areas.** Budget provides for Infrastructure creation through Piped Water Supply Schemes and Community Water Purification Plants - 84000 habitats under National Rural Drinking Water Scheme.

### Rural Broadband:

Broadband Connectivity is also one of the important indicators of development. Under **Bharat**

**Table 2: Budget allocations of major schemes of Ministry of Agriculture Cooperation & Farmers Welfare**

Rs. In crores

Name of the Scheme	BE 2017-18	BE 2018-19	% Increase over last year
Pradhan Mantri Krishi Sinchai Yojana (PMKSY)- Per Drop More Crop	3400.00	4000.00	18%
Green Revolution comprising Rashtriya Krishi Vikas Yojana, National Food Security Mission, organic farming, Paramparagat Krishi Vikas Yojana, National Mission on Horticulture and Agriculture Marketing etc.)	13741.00	13908.82	1.2%
<b>Total of CSS Schemes</b>	<b>17141.00</b>	<b>17908.82</b>	<b>5 %</b>
<b>Central Sector Schemes/Projects</b>			
Crop Insurance Scheme	9000	13000	45%
Interest Subsidy for Short Term Credit to Farmers	15000	15000	0%
Market Intervention Scheme and Price Support Scheme	199.30	200.00	0.4%
<b>Total CS Schemes</b>	<b>24199.30</b>	<b>28200.00</b>	<b>17%</b>

(Source: Expenditure Budget 2018-19 & 2017-18)

Note: These figures represent only Gross Budgetary Support

**Net project**, connecting one lakh gram panchayats through high speed optical fiber network has been completed due to which broadband access to 20 crore rural Indians has been made benefiting about two lakh fifty thousand villages. Rs. 10,000 provision has been made for creation and augmentation of Telecom Infrastructure.

### **Provisions for Infrastructure for Farmers :**

According to Arthur Lewis “If a nation wants to industrialize, it should enrich its farmers”. The need for commercializing agriculture sector is recognised recently. Budget recognizes Agriculture as an enterprise and promises support to produce more with the same parcel of land with lesser cost and gain more profit. The present Budget has provided for expansion of the network of rural roads and agricultural markets on a large scale along with concrete steps to help farmers get better prices with the help of a focused strategy on imports and exports as well as participation in the futures market. Further, it proposed to improve farmer’s income and bring greater transparency and competitiveness in price discovery of farm produce to their advantage, besides building rural infrastructure. The budget envisages to develop and upgrade existing 22,000 rural haats into Gramin Agricultural Markets (GrAMs) to take care of the interests of more than 86% small and marginal farmers. These GrAMs, electronically linked to e-NAM and exempted from regulations of APMCs, will provide facility to farmers to make direct sale to consumers and bulk purchasers. Moreover, an Agri-Market Infrastructure Fund with a corpus of Rs.2000 crore will be setup for developing and upgrading agricultural marketing infrastructure in the 22000 Gramin Agricultural Markets (GrAMs) and 585 APMCs. Rs.200 crore have been provisioned for organized cultivation of highly specialized medicinal and aromatic plants. Organic farming by Farmer Producer Organizations (FPOs) and Village Producer’s Organizations (VPOs) in large clusters, preferably of 1000 hectares, will be encouraged.

From the table on pre page, it is clear that there is 45% increase in budget of Crop Insurance scheme of farmers. The Budget proposed setting up a Fisheries and Aqua culture Infrastructure Development Fund (FAIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector with a total corpus of Rs.10,000 crore for the two new funds. On the lines of “Operation Flood” a new Scheme “Operation

Greens” was announced with an outlay of Rs. 500 crore to address the challenge of price volatility of perishable commodities like tomato, onion and potato with the satisfaction of both the farmers and consumers.

Allocation of **Ministry of Food Processing has been doubled from Rs.715 crore in 2017-18 to Rs.1400 crore in 2018-19**. For promoting bamboo (Green Gold), Re-structured National Bamboo Mission with an outlay of Rs.1290 crore has taken up to promote bamboo sector in a holistic manner. The Centre has to work with the State Governments to facilitate farmers for installing solar water pumps to irrigate their fields. The facility of Kisan Credit Cards has been extended to fisheries and animal husbandry farmers to help them meet their working capital needs. It has also been proposed to liberalize the export of agri products.

### **Rural Care through Education, Health and Social Protection:**

Healthy and educated human resources are necessary for the productive economy. Budget has rightly recognized this fact. The estimated budgetary expenditure on health, education and social protection for 2018-19 is Rs.1.38 lakh crore against estimated expenditure of Rs.1.22 lakh crore in 2017-18 is in this direction. **Ekalavya Model Residential School** atpar with Navodaya Vidyalayas is proposed to provide the best quality education to the **tribal children** in their own environment by 2022 in every block with more than 50% ST population and at least 20,000 tribal persons with special facilities for preserving local art and culture besides providing training in sports and skill development. To step up investments in research and related infrastructure in premier educational institutions, including health institutions, a major initiative named “Revitalising Infrastructure and Systems in Education (RISE) by 2022” with a total investment of Rs.1,00,000 crore in next four years was announced.

The Finance Minister announced the world’s largest government funded health care programme titled **National Health Protection Scheme** to cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage up to 5 lakh rupees per family per year for secondary and tertiary care hospitalization. He also committed Rs. 1200 crore for the National Health Policy, 2017, which with 1.5 lakh Health and Wellness Centres will bring health care system closer to the homes of people. The Government also decided to

allocate additional Rs.600 crore to provide nutritional support to all TB patients at the rate of Rs.500 per month for the duration of their treatment. Setting up of 24 new Government Medical Colleges and Hospitals by upgrading existing district hospitals in the country is a major step which would provide sophisticated health facilities.

### Conclusion:

Budget has rightly recognized the need for developing rural areas and massive investments in the sectors like housing, roads, drinking water, electricity, cleanliness, farming, health, education, telecom/broadband etc. are taken up in a big way. It has clearly spelled out the physical target and financials for creating livelihoods and infrastructure for rural areas and farmers. This shows the commitment of Government for developing rural areas of the country, without which inclusive and sustainable development is a day dream. The budget surely leaves a hope for positive change in the rural landscape in coming years.

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### Government on course to achieve targets under Rural Housing Programme – Pradhan Mantri Awaas Yojana- Gramin (PMAY-G)

To meet the challenge of assisting 51 lakh Pradhan Mantri Awaas Yojana (Gramin) beneficiaries in construction of their homes by March, 2018, the Ministry of Rural Development, in partnership with the State Governments, has taken many steps, including setting month-wise target for completion of houses. The target for completion of 10 lakh houses by November, 2017 has been achieved on 29th November, 2017, i.e. before the appointed date for completion of 10 lakh houses. It is expected that 15 lakh houses will be completed by 31st December 2017; 25 lakh houses by 31st January, 2018; 35 lakh houses by 28th February, 2018 and 51 lakh houses by 31st March, 2018.

Towards meeting the target of construction of 51 lakh houses by March, 2018, while 56.90 lakh beneficiaries have been sanctioned houses, 51.39 lakh beneficiaries have received 1st instalment, 31.03 lakh beneficiaries have nearly reached roof-cast levels and for 16.05 lakh beneficiaries the house construction is nearing completion. States like Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Uttar Pradesh and West Bengal, who have highest number of PMAY-G beneficiaries, are on course for completion of PMAY-G houses within the prescribed time-frame.

The faster completion of quality houses has been assisted by payment of assistance directly into the beneficiary account through IT-DBT platform. To ensure good quality of house construction, Rural Mason Trainings have been organized to facilitate availability of trained masons in the rural areas. Space technology and IT platforms are being used to monitor complete cycle of house construction, right from identification of beneficiary to construction stages of houses to completion and each stage is being geo-tagged. States have taken adequate steps to ensure continuous availability of construction material at reasonable prices so that the pace and quality of construction is not adversely affected.

PMAY-G houses with facilities like toilet, LPG connection, electricity connection, drinking water etc., are changing the countryside at a faster pace. While in some states houses under PMAY-G are coming up in clusters / colonies (generally for landless beneficiaries), at other places they are being constructed on the beneficiary's land.

## RURAL ELECTRIFICATION

Siddhartha P Saikia

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides. The announcements by the Finance Minister are poised to have an overall positive impact on the power sector with the thrust towards expanding electricity access through flagship schemes.

**P**ower is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. India has moved up 73 spots to rank 26th in the World Bank's list of electricity accessibility in 2017, according to Piyush Goyal, Former Minister of State (Independent Charge) for Power, Coal, Renewable Energy and Mines.

The Finance Minister presented the Union Budget for the year 2018 amidst the fanfare to a populace looking at more reform, and the world at large watching when India will once again become the fastest growing large economy. Budget allocation has been increasing over the years for the power sector. Union Finance Minister has announced several measures to boost the power sector and make electricity accessible to more households:



The budget proposal for power sector encapsulates the ground realities of the sector. With oversupply in the conventional generation and falling prices of renewables, the Budget has tried to revive the demand by allocating higher amount for Saubhagya scheme.

The budget allocates Rs 3,800 crore for Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Rs 4,900 crores for Integrated Power Development Scheme (IPDS). The government has also allocated Rs 16,000 crore for the Sahaj Bijli Har Ghar Yojana (Saubhagya) to enable last mile connectivity for rural households. DDUGJY is targeted to be completed by May 2018 and Saubhagya scheme by March 2019. Besides, the Government has also tried to encourage manufacturing of solar modules and wind equipment by reducing raw material cost for the manufacturers.

“Our Government has launched Prime Minister Saubhagya Yojana for providing electricity to all households of the country. Under this scheme, four crores poor households are being provided with electricity connection free of charge. We are spending Rs 16000 crore under this scheme. You can very well imagine our anxiety and restlessness even with one hour power cut. Think about those women and children whose houses will not get electricity. Their life is going to change because of Pradhan Mantri Saubhagya Yojana,” Finance Minister had said in his Budget speech on February 1.

The Government has taken up a huge task of providing universal access of energy to the poorest of poor. Saubhagya target of 4 crore electricity connections and 8 crore gas LPG connection under Ujjwala are going to transform the socio-economic landscape of India. “Cut in excise duty sends a clear signal that Government wants the consumers not to pay beyond these levels of retail prices and also

the retail price oil de-regulation is here to stay. This sends a strong signal to investors that this government's reform measures are long term and here to stay.

Under Saubhagya Yojana, 4 crore household are being provided with electricity connections. The government is also betting on the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) to provide the architecture through which it will seek to reduce import of fossil fuels, boost underutilized power plants and meet its climate change commitments.

By providing new connections, efforts would be stepped up to provide better infrastructure, create a service line and other requirements. There is surplus electricity and this scheme would be a win-win for all including banks as it will help reduce NPAs due to better utilisation of installed capacity, higher household income of connected households and be a social good.

The electricity connection to households includes release of electricity connections by drawing a service cable from the nearest pole to the household premises, installation of energy meter, wiring for a single light point with LED bulb and a mobile charging point. In case the electricity pole is not available for drawing service cable, the erection of an additional pole along with the conductor and associated accessories will also be covered under the scheme.

To give focused attention and to achieve the vision of an inclusive society, the Government has also identified 115 aspirational districts taking various indices of development in consideration.

The Government aims at improving the quality of life in these districts by investing in social services like health, education, nutrition, skill upgradation, financial inclusion and infrastructure like irrigation, rural electrification, potable drinking water and access to toilets at an accelerated pace and in a time bound manner. Government expects these 115 districts to become model of development.

With no surprise, the thrust of the Budget was on the agricultural sector, rural economy, healthcare, MSMEs and infrastructure. With this budget aimed at inclusive economic development, the message is loud and clear - it is time for a forward march with consistency.

Many farmers are installing solar water pumps to irrigate their fields. Generation of solar electricity is harvesting of Sun by the farmers using their lands. Finance Minister announced in his Union Budget that Government will take necessary measures and encourage State Governments to put in place a mechanism that their surplus solar power is purchased by the distribution companies or licencees at reasonably remunerative rates. This is an important move to cut down dependence on diesel pumps to irrigate crops and will help farmers to shift to solar power pumps. If the surplus electricity generated by the farmers is bought by discoms, it will help boost the country's green economy.

The Government is working on a plan targeted at farmers to generate 20 gigawatts (GW) of solar power. This involves setting up small solar projects of 1-2 megawatt (MW) size on fallow land and solarizing water pumps. Moreover, India has also set an ambitious target of putting in place 175GW of

- Allocation of Rs 3,800 crores and Rs 4,900 crores for Deendayal Upadhyaya Gram Jyoti Yojana (DUGJY) and Integrated Power Development Scheme (IPDS) respectively
- Allocation of Rs 16,000 crore (of which Rs 2,750 crore allocated in FY 2019) under "Saubhagya" Scheme to enable last mile connectivity for rural households
- Mechanism proposed to buy surplus solar energy from solar pumps by the discoms at reasonable price
- Increased capex by Railways particularly for electrification & augmentation of line network
- Allocation of Rs 4,200 crores for capacity addition in wind power, solar power and green energy corridor
- Measures proposed to facilitate the access to bond market for meeting the 25% of debt needs by large corporates, including those rated in "A" category
- Reduction in corporate tax rate to 25% for entities with turnover of upto Rs 250 crore

(Source: ICRA)

clean energy capacity by 2022. Of this, 100GW is to come from solar projects.

The announcements in the Union Budget are in sync with Prime Minister's scheme worth Rs16,320 crore launched last year to provide electricity connections to more than 40 million families in rural and urban areas by December 2018 will help India achieve universal electricity access. The integrated Power Development Scheme (IPDS) was approved on 20th November 2014. IPDS envisages strengthening of sub-transmission and distribution network including metering at all levels in urban areas. The earlier scheme of Restructured Accelerated Power Development and Reforms Programme (R-APDRP) has been subsumed in the new scheme of IPDS.

The Union Budget has indicated that focus of the Government next year will be on providing maximum livelihood opportunities in the rural areas by spending more on livelihood, agriculture and allied activities and construction of rural infrastructure. In the year 2018-19, for creation of livelihood and infrastructure in rural areas, total amount to be spent by the Ministries will be Rs 14.34 lakh crore, including extra-budgetary and non-budgetary resources of Rs 11.98 lakh crore.

Apart from employment due to farming activities and self-employment, this expenditure will create employment of 321 crore person days, 3.17 lakh kilometers of rural roads, 51 lakh new rural houses, 1.88 crore toilets, and provide 1.75 crore new household electric connections besides boosting agricultural growth.

The thrust towards ensuring electricity access to all rural households under Saubhagya & DUGJY schemes is likely to provide a boost in energy demand to some extent, apart from improving the quality of life for rural households. Further, the mechanism proposed to buy surplus solar energy from solar pumps by distribution utilities as well as push for deployment of solar energy under smart city programme would facilitate solar capacity addition, given the improved tariff competitiveness of solar energy. The Union Budget also increased the capital expenditure by Indian Railways particularly for electrification and augmentation of the line network - a move that is likely to create additional power demand.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides. The announcements by the Finance Minister are poised to have an overall positive impact on the power sector with the thrust towards expanding electricity access through flagship schemes.

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### **Ministry of Power with Department of Posts surveys electrification in five states**

Out of the total 18.10 crore rural households in the country, around 14.16 crore households (78.24%) have been electrified. The status of the electrified rural houses in the States is updated by the respective State DISCOMs on the Saubhagya web-portal. Further, Ministry of Power has taken the help of Department of Posts for survey of un-electrified households in five States viz. Assam, Chhattisgarh, Jharkhand, Madhya Pradesh and Odisha.

So far, Government of Madhya Pradesh and Chhattisgarh have submitted 151 DPRs (77 rural grid + 27 rural off-grid+ 47 urban) on the online portal. Sanctions under Saubhagya are made against techno-economic appraisals and approvals of DPRs received, and disbursals made in a phased manner against completion of various activities & achievement of milestones as per scheme guidelines.

Government of India had launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana – "Saubhagya" in September 2017 with an outlay of Rs. 16,320 crores including a Gross Budgetary Support (GBS) of Rs. 12,320 crores. The objective of the scheme is to provide last mile connectivity and electricity connections to all households in rural and urban areas across the country.

## MAKING DIGITAL RURAL INDIA

Ankush Kumar

As part of Digital India initiative, the government will be focusing on the development of stable and secure infrastructure, digital literacy and delivering government services through digital mediums. Proliferation of low cost smart phones, with internet connectivity in rural India would be a game changer for the economy. Not only education, healthcare and agriculture, there would be many other sectors that will get numerous benefits from broadband connection and WiFi hotspots.

One of the major initiatives planned under Digital India includes connecting the rural areas with high-speed internet network. The task of connecting one lakh gram panchayat through high-speed optical fiber network has been completed under phase I of the BharatNet project which has enabled broadband access to over 20 crore rural Indians in about two lakh fifty thousand villages with 100 Mbps connection. High-speed internet network can solve many problems for rural India. It can definitely improve the quality of education as through internet people would be able to get access to the best quality study material. Another area where broadband connectivity would bring a transformational change is the rural healthcare. With lack of infrastructure and shortage of doctors, access to the internet would be a blessing for rural people. Through eHealth, they would be able to consult best possible doctors through video conferencing. With internet access, the farmers would be able to know the weather forecast and would be able to sow the crops accordingly. They would also be able to get their crops sold on the actual rate prevailing in the market. As part of Digital India initiative, the government will be focusing on the development of stable and secure infrastructure, digital literacy and delivering government services through digital mediums. Proliferation of low cost smartphones with internet connectivity in rural India would prove to be a game changer for the economy.

### Transforming Rural with Digital India

Besides several major initiatives for the urban masses, Digital India program has closely touched the lives of rural people. The government is taking series of steps to ensure that its services reach out to the last mile. And one of the major initiatives planned under Digital India includes connecting the rural areas with high-speed internet network. In his speech, the Finance Minister informed that the task of connecting one lakh gram panchayats through high-speed optical fiber network has been completed under Phase I of the BharatNet project. This has enabled broadband access to over 20 crore rural Indians in about two lakh fifty thousand villages with 100 Mbps connection. The Government has also proposed to set up five lakh WiFi hotspots which will provide broadband access to five crore rural citizens. For this, the FM announced the allocation of Rs 10,000 crore under telecom infrastructure.

To make India a digitally empowered nation, the government has decided to connect even the far flung areas through the internet. While the overall Internet penetration in India is 33 per cent, it is only 16 per cent in the rural areas, says a report released at the 'India Mobile Congress 2017. BharatNet will enable the country to generate more employment opportunities, improve service delivery of key initiatives like (online e-gram panchayat services, e-governance, e-education, e-health, e-medicine, e-grievances, e-agriculture, e-citizen, etc).

High-speed internet network can solve many problems for rural India. It can definitely improve the quality of education as through internet people would be able to get access to the best quality study material. Students in villages can interact with the best possible teacher, based in metro cities. They can gain knowledge from several online learning applications that are already flourishing in the market - making learning easy and interesting. Rural education in India is at a very grim state where students are not able to retain skills learnt in earlier classes. One in every 10 and every four rural Indians aged 14-18 years could not read a Class I and Class II

**BUDGET 2018-19**  
Digital Initiatives

◆ Mission on Cyber Physical Systems to be launched to support establishment of centres of excellence.

**5,00,000** Wi-Fi hotspots to provide broadband access to five crore rural citizens.

◆ An indigenous 5G Test Bed to be established at IIT, Chennai



text (books meant for children aged 5-7 years) in their own language, says the (Annual Survey of Education Report) ASER report, released on 16 January, 2018.

Another area where broadband connectivity would bring a transformational change is the rural healthcare. With lack of infrastructure and shortage of doctors, access to the internet would be a blessing for rural people. Through eHealth, they would be able to consult best possible doctors through video conferencing. Villages in many parts of the country had high infant mortality rate due to lack of hygiene-related information. Many digital projects through the use of smartphones have been highly effective and health workers were able to guide the villagers to guard against such menace.

Every year we hear incidents of farmer suicides due to unexpected drought, state of abject poverty, heavy rainfall, etc. Drastic climate change effecting from global warming has shattered the lives of farmers in various parts of the country. Many a times, they don't even get the true valuation for their harvests. With internet access, they would be able to know the weather forecast and would be able to sow the crops accordingly. They would also be able to get their crops sold on the actual rate prevailing in the market. Farmers can even talk to the irrigation experts to exactly know which crop would be suitable for a particular season. With almost 47 per cent of the workforce in India engaged in agriculture, the country needs to quickly address the issues related to farmers and internet could become catalyst for change in this sector.

### **Taking Blockchain to the next level**

The government has also shown its intent to explore the use of Blockchain technologies for establishing digital economy. Blockchain is a file system that creates blocks of transactions, called

the distributed ledger in a multi-party system, where all parties have access to the ledger and know the nature of transactions in their chain. The use of this transformational technology is already been considered in the banking and insurance industries. And even the rural sector has a huge scope of transformation through Blockchain.

With continuous increase in population and infrastructure development, land has become the most valuable asset for mankind. As land records in most Indian states are unstructured with uncertain ownership, cases of disputes are ever increasing which often end up in courts. With high level of illiteracy and poverty in rural areas of India, land disputes are even more common. Blockchain technology can create permanent public ledgers for all kinds of property/ land related transactions, making the database transparent and avoiding chances of duplicate records. When the land related transactions are on blockchain, all the parties involved - buyer, seller, broker, banks and the government can track the deal on real time basis.

Many industry experts believe that this year's budget truly puts Prime Minister Modi's vision into a right perspective. As part of Digital India initiative, the government will be focusing on the development of stable and secure infrastructure, digital literacy and delivering government services through digital mediums. Proliferation of low cost smart phones, with internet connectivity in rural India would be a game changer for the economy. Not only education, healthcare and agriculture, there would be many other sectors that will get numerous benefits from broadband connection and WiFi hotspots.

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## GOBAR-DHAN SCHEME ANNOUNCED TO IMPROVE LIVES OF VILLAGERS

In an effort to make the villages open defecation free and improving the lives of villagers, the Finance Minister in his budget speech announced the launch of Galvanizing Organic Bio-Agro Resources Dhan (GOBAR-DHAN). The Minister added that this will manage and convert cattle dung and solid waste in farms to compost, bio-gas and bio-CNG. 187 projects have been sanctioned under Namami Gange Programme for infrastructure development, reverse surface cleaning, rural sanitation and other interventions at a cost of Rs.16, 713 crore. 47 projects have been completed and remaining projects are at various stages of execution . All 4465 Ganga Grams villages on the bank of river have been declared open defecation free. To achieve the vision of an inclusive society, the Government has identified 115 aspirational districts taking various indices of development in consideration, aiming at improving the quality of life in these districts by investing in social services like health, education, nutrition, skill up gradation, financial inclusion and infrastructure like irrigation, rural electrification, potable drinking water and access to toilets at an accelerated pace and in a time bound manner. These 115 districts are expected to become model of development



### Swachh Bharat

GOBAR DHAN - Galvanizing Organic Bio-Agro Resources Dhan, for management and conversion of cattle dung and solid waste in farms to compost, fertilizer, bio-gas and bio-CNG.

### FORM IV

Statement About Ownership and other Particulars About Kurukshetra (English) to be published in the first issue every year after the last day of February.

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Signature of Publisher

## PARIKSHA PAR CHARCHA PM TO STUDENTS: SOME HIGHLIGHTS

- Results & marks are by-products of exams, one must concentrate on giving their best, I follow a similar approach in politics, I only look at giving everything I have to my fellow Indians, elections come & go, they are like by-products.
- Do not bother about how many hours your friends study. Think- you studied for a certain number of hours on one day, better that the next day.
- Self confidence comes by challenging ourselves and working hard.
- When you enter a competition, you feel the stress. You should first compete with yourself. Make your own parameters.
- Compete with yourself.
- Yoga is a wonderful way to improve concentration; Yoga binds body, mind and soul.
- Every child is blessed with unique talents, nurture them.
- I wish you all the best for your board exams.



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## Rural Development Minister Narendra Singh Tomar hails the budget as one for 'New India'



*Union Minister for Rural Development Narendra Singh Tomar addresses a post budget press conference at National Media Center in New Delhi.*

Rural Development Minister Narendra Singh Tomar said that right from the beginning, the focus of the government led by Prime Minister Narendra Modi has been on rural India. PM is making consistent efforts through various initiatives to improve the quality of life of the people, particularly of disadvantaged section, women and youth. The present budget is guided by this concern of the Prime Minister, he said.

Shri Tomar has expressed happiness over the focus of budget on Rural and Agriculture sector. He mentioned several measures announced in the budget for transformation of rural India. He said that the investment of 14 lakh crore in the rural areas in 2018-19 will be spent on construction of 3.17 lakh km of roads, 51 lakh new houses, electricity connections to 1.75 crore new households. He further said that Rs. 2000 crore will be spent on upgrading agricultural markets and Rs. 200 crore on organised cultivation and allied industry. Besides, e- mandis are being set up to facilitate farmers to sell their produce and Gramin Haats are on the road to big market transformation. The Minister added that the target of building one crore houses in rural areas will be completed by March 2019.

The Minister lauded the decision to provide for one and a half times remunerative price for the cost incurred by the farmers for their produce and 'Operation Greens' scheme for farmers engaged in producing fruits and vegetables. He also said that the third phase of Pradhan Mantri Gram Sadak Yojana has been announced in the budget which will provide connectivity to rural people for easy access to mandis, schools and hospitals. The Minister added that for developing infrastructure and creating livelihood opportunities in rural areas the Budget outlay has been increased this year which will further strengthen the rural sector.

*(Courtesy : Rajya Sabha TV & PTI)*

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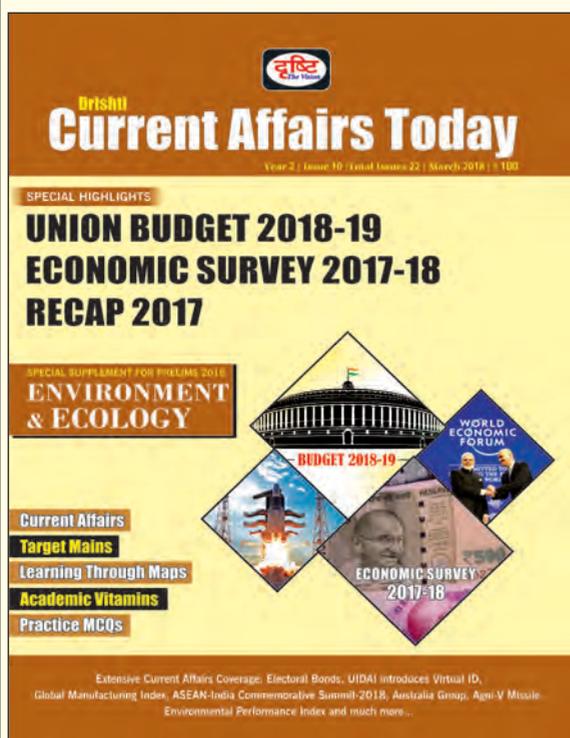


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