HOW DOES INDIA’S UNION BUDGET FOR 2023-24 IMPACT CHILDREN?

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ABSTRACT

India’s Union Budget is an annual financial statement that details all of the country’s estimated expenses and receipts by the government for a certain year. These include provisions for infrastructure, sustainable development, subsidies and taxes as well as children’s education and healthcare, including various schemes and programs allocated towards them. However, the majority of current research lacks a specific focus towards children in its budget analyses. This study aims to understand the impact of the Union Budget on Children as the population. Budget allocation is done in two major areas for children: education and healthcare. The findings show an underallocation of funds towards child health and education according to the Union Budget based on the growing population, status of children and the country’s requirements. This paper showcases the need for a greater monetary focus on children in future allocations in order to secure the country’s future. This will allow governments and organisations to aid child growth and development and reduce rates of child mortality and wasting.

Keyword: health, education, union budget, children, allocation.

Introduction

Every year since 2017, India’s annual budget has been announced on the first of February\(^1\). The first official Union Budget was published on 26th November 1947\(^2\). It includes provisions and funds allocated towards all sectors, government schemes, projects and classes of society. Officially, “the Union Budget of a year, also referred to as the annual financial statement, is a statement of the estimated receipts and expenditures of the government for that particular year\(^3\)”

\(^1\) https://www.taxmann.com/budget/budget-archives

\(^2\) https://www.wionews.com/india-news/union-budget-2023-when-was-indias-first-union-budget-presented-post-independence-revenue-expense-details-557820

\(^3\) https://economictimes.indiatimes.com/definition/union-budget
Budgeting is essential for countries so that they can predict their expenditure for the year and plan their revenues and policies accordingly. It involves four stages\(^4\), estimates of expenses and revenues for the fiscal year, the first estimate of deficit, narrowing of deficit and presentation and approval of the budget from the Parliament. The budget has many sections, which includes individual amounts allocated towards different sectors of the economy, including education, healthcare, etc.

This also includes the concept of ‘Child Budgeting’, which is followed by many countries and focuses on taking inventory of the current resources provided for youth development as well as helping identify any gaps in investment that can be utilised\(^5\). The impact on children of this budget is shown through the various provisions for health and education but also indirectly through taxes on food or employment schemes. Some of the child-centric schemes include the PM Poshan Scheme, Mission VATSALYA, PM Schools for Rising India and Mission Shakti\(^6\). However, often children are not given enough focus in the budget, despite making up close to one-third of India’s population. In the 2023 budget specifically, the percentage share of the child budget out of the total GDP is only 0.34%, which is a fall from 0.36% the previous year. Child-centric programs and initiatives also require more focus\(^7\). It is very important to focus on investing in children and youth as they represent the country’s political and economic future and makeup about 31% of its population\(^8\). Thus, they must be well taken care of to ensure the country flourishes in the future.

This shows the importance of further research into the specific impact of the budget on children. While budgetary analyses are relatively common, it is not often focused on a specific age group, especially youth. A cumulative review of the overall impact of the 2023 Union Budget on children could serve to understand how children’s lives are affected daily by various factors and help adapt provisions accordingly in the future. The objective of this paper is to provide such a database for general usage.

\(^4\)https://www.indiainfoline.com/article/news-sector-others/understanding-the-budget-process-113111404476_1.html


\(^7\)https://economictimes.indiatimes.com/news/india/budget-2023-24-has-very-little-to-offer-for-marginalised-sa_y-rights-groups/articleshow/97550515.cms

\(^8\)https://data.unicef.org/how-many/how-many-children-under-18-are-there-in-india/
Methodology

Research Aim: The present research study focuses on understanding the impact of the Union Budget on Children as the population.

Research Design: The present paper is a secondary study wherein government reports and research articles are reviewed to understand how the budget impacts children. Two variables focused on are:-

1. Education
2. Health

Table 1: Major schemes under Education and Health

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<thead>
<tr>
<th>Education</th>
<th>PM Poshan Scheme</th>
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<td>Eklavya Model Residential Schools</td>
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<td>Sickle Cell Anaemia Elimination Mission</td>
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Results & Discussion

EDUCATION

A country is reliant on its successors for its future. Therefore, to secure the country’s future, it is essential to tend to the children of this generation who will be the next leaders. It is important to invest in health and education as they are services with positive external benefits of adding members to the workforce, increased well-being and increased life expectancy. Thus, it is important to invest in health and education schemes, particularly for children, as they can benefit society as a whole in the present and the future. Investing in children causes incomes to rise, societies to become more cohesive, economies to grow and healthcare to improve as shown by a UNICEF study.\(^9\)

In the Union Budget for 2023-24, the Ministry of Education has allocated 1,12,899 crores, which is a 13% increase from the revised budget estimates for 2022-23\(^10\). There is an increased focus

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\(^10\) [https://prsindia.org/files/budget/budget_parliament/2023/DFG_2023-24_Analysis_Education.pdf](https://prsindia.org/files/budget/budget_parliament/2023/DFG_2023-24_Analysis_Education.pdf)
towards education and building awareness, which is important as smaller, rural areas still have the family mindset. Increased access to education could lead to better jobs and could help uplift many families for future generations to come, reducing the rate of poverty in India. There is also an increase in budget allocation towards teacher training centres, improving the quality of education in India, allowing more children to succeed at state board or national exams, thus increasing their chances of getting into a good institute for further schooling and helping them get good jobs. The primary education schemes in India include the PM Poshan Scheme, Eklavya Model Residential Schools, the National Education Mission and the PM Shri Program.

Rs. 11,600 crores have been allocated towards the Pradhan Mantri Poshan Shakti Nirman program11, or the rebranded version of the midday meal scheme. While not directly linked to education, for those who may not have the time or money to feed their kids regularly, free, balanced meals are an incentive to send their kids to school12, so it improves the literacy rate and boosts the country’s development if governments allocate funds to meal schemes in education centres13. This is specifically true for parents of lower income or those in disadvantaged situations, such as those suffering from a drought, the population that most benefits from these schemes. A study conducted in Andhra Pradesh used a longitudinal data set of children in poverty in an area experiencing drought to showcase the positive effects of the midday meal scheme, which include cushioning the impact of the drought and decreasing health deterioration in the village by increasing nutritional intake14. Therefore, this scheme requires increased allocation.

The Eklavya Model Residential School (EMRS) is a Government of India scheme for model residential schools, particularly for Scheduled Tribes across India, to ensure tribal students get access to quality education in remote tribal areas15. It has received an allocation of Rs. 5,943 crores out of the total ₹12,461.88 crores for the Ministry of Tribal Affairs16. This heavy focus

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11 https://www.thehindu.com/business/budget/allocation-for-mgnrega-pm-kisan-welfare-schemes-budget-2023/article66458988.ece
12 https://doi.org/10.1111/sjoe.12116
14 https://www.journals.uchicago.edu/doi/10.1086/674097
16 https://www.thehindu.com/business/budget/centre-will-recruit-38800-teachers-support-staff-for-emrss-in-next-three-years-fm-nirmala-sitharaman/article66457992.ece
will help uplift marginalised tribal communities by helping the communities integrate better into the nation’s society and reduce exploitation of the groups as well.\footnote{https://www.indiatoday.in/education-today/featurephilia/story/how-eklavya-model-can-help-boost-education-and-skilling-1779918-2021-03-16}

The National Education Mission is an umbrella mission that integrates all education missions under the Government of India. Its goal is to allow education from pre-primary to grade 12 to be provided holistically to all students without segmentation. Rs. 38,965 crores have been allocated to this scheme, including the Right To Education programs Sarva Shiksha Abhiyan, secondary and high school education, teacher training and adult education\footnote{https://www.thehindu.com/business/budget/allocation-for-mgnrega-pm-kisan-welfare-schemes-budget-2023/article66458988.ece}.

Lastly, Rs. 4,000 crores have been allocated towards the PM Schools for Rising India\footnote{https://pib.gov.in/PressReleasePage.aspx?PRID=1895476}, a five-year program approved in 2022. It oversees the building of over 14,500 schools across India\footnote{https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1857409}. These schools will follow the National Education Policy of 2020 and function as model schools for other Indian schools, increasing the quality of government-funded education in India\footnote{https://dsel.education.gov.in/pm-shri-schools}.

Individual states have already begun taking measures towards the improvement of education. New Delhi’s Finance Minister Kailash Gahlot has allocated a budget of Rs. 16,575 crores towards education, around 21% of the budget presented\footnote{https://www.cnbctv18.com/education/delhi-budget-2023-aap-government-allocates-rs-16575-crore-to-the-education-sector-kailash-gehlot-arvind-kejriwal-16232661.htm}. 350 schools in the region will also be provided with computers and the students and teachers with tablets, to keep up with the increasing trend of using online resources for educational purposes. It also focuses on improving new government schools for specialised learning, allowing students to improve their skills geared towards specific career paths. Kerala has a literacy rate of 94%, the highest in India. Rs. 1,773.09 crores have been allocated towards the education sector\footnote{https://timesofindia.indiatimes.com/city/kochi/kerala-budget-outlay-in-education-sector-decreases-by-30/articleshow/97595289.cms?from=mdr}, focusing on the continuity of high literacy and the provision of good, accessible education for all. In addition, guest lecturers in universities or colleges are receiving salary hikes, incentivising more lecturers to visit and
allowing students to understand and prepare for their future careers. Lastly, Bihar has the lowest literacy rate in India, 61.8%. Education was one of the top priorities in budget allocation for 2023-24, with an allocation of Rs 22,200.35 crores (22.20% of its entire budget). This increased focus will be highly useful in increasing the education and literacy rate in Bihar, also uplifting citizens greatly as Bihar has 37 million out of 90 million citizens below the poverty line.

Therefore, it can be seen that India has been greatly impacted by the budget allocation towards education for children. Over the years, the improvement can be seen in the literacy rate. The budget allocation towards education was 4.1% of the total GDP in 2013 as compared to 4.5% in 2020. The literacy rate in 2015 was 72% while in 2020 it was 77.7%. An increase in literacy rate leads to an increase in general awareness towards the importance of education, specifically for women in smaller towns, as often education is a luxury solely provided to men. This leads to increased female empowerment, leading to more women taking up jobs, which provides another source of income for impoverished families. According to a UN speech, literate women are more likely to send their children to school, especially girls, and engage more in their region’s political and sociocultural life. The cycle then continues, and the country gains more female viewpoints, allowing for fairer and more balanced policies. Therefore, an increase in the union budget allocation towards education has been and will continue to be essential.

**HEALTH**

In the Union Budget for 2023-24, the Parliament has allocated Rs. 1,06,654 crores towards health, a slight decrease from the previous year’s allocation of Rs. 1,07,433 crores, due to the pandemic. 2.1% of the GDP has been allocated towards overall health. This allocation towards

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29 [International Literacy Day 2020: Kerala most literate state in ...Hindustan Timeshttps://www.hindustantimes.com › education › international…](https://www.hindustantimes.com)


health, specifically child health, is extremely important as it has been a serious problem for years. India’s rate of starvation is 29.1 according to the Global Hunger Index, which considers undernutrition, child wasting, stunting and mortality, which is one of the higher scores across the globe (India is ranked 107th out of 121) and is considered very serious\(^{32}\). According to the first National Family Health Survey (NFHS 1) in 1992-93, more than half of young children under four were underweight and stunted. One in every six children had an abnormally low body mass index\(^{33}\). By contrast, NFHS 5\(^{34}\) of 2019-2021 showed that in India, 36% of children under age five years are stunted (too short for their age) and 32% of children under age five years are underweight. This still shows the prevalence of chronic undernutrition but on a lesser scale. Therefore, it shows how the increase in allocation towards health over the years has greatly aided in providing adequate nutrition for children and improving their health conditions. The increase of the allocation towards health from Rs. 33,150 crores in 2015\(^{35}\) to Rs. 1,06,654 crores in 2023 has led to these improvements. This can be seen more immediately in the below graph from NFHS 5 that compares NFHS 4 (2015-16) with NFHS 5.

![Figure 1: Trends in Nutritional Status of Children](https://www.globalhungerindex.org/india.html)

\(^{32}\) [https://www.globalhungerindex.org/india.html](https://www.globalhungerindex.org/india.html)


\(^{34}\) [https://drive.google.com/file/d/1DdQ_nedaqOlb4tyiHayyl9PAVtIF9XP/view?usp=share_link](https://drive.google.com/file/d/1DdQ_nedaqOlb4tyiHayyl9PAVtIF9XP/view?usp=share_link)


\(^{36}\) Page 375, NFHS-5
There is an increased focus towards improvements in terms of hygiene and cleanliness in rural areas, including access to clean water and washrooms. Such improvements decrease rates of diseases such as cholera and typhoid, which are caused due to intake of unclean water. This allows children to have a better home life and sets standards to be followed for them which will help uplift living standards for entire communities. Schemes focusing on external goals also aid towards ameliorating issues such as malnutrition, such as the PM Poshan scheme, which ensures children will be well-fed as a full-balanced meal is provided, decreasing the high malnutrition rate in India. Various projects directly focus on improvements in health, including Mission VATSALYA, Mission Shakti and the Sickle Cell Anaemia Elimination Mission.

Mission VATSALYA is a modified version of the previous Child Protection Services Scheme which focuses on improving the health and living conditions of children with difficult household situations and improving the state of Juvenile Justice in India. There is an increased allocation towards homes for children and programs for homeless or troubled children. Rs. 1,472 crores were allocated for the program in the budget for 2023-24 by the Ministry of Women and Child Development, a 34% increase from the revised estimates for 2022-23. The increased focus on welfare and rehabilitation for children in difficult circumstances aids in improving living conditions in India, and this program has aided many children since its establishment in 2009.

Mission Shakti received an allocation of Rs. 3,144 crores, a 38% increase from the revised estimates for 2022-23. It focuses on women’s safety, security and empowerment, allowing them to gain autonomy for themselves and their children, allowing better care for children with troubled home lives. It indirectly aids children by empowering women with children in troubled situations such as domestic violence. This program also focuses on women's economic empowerment, focusing on increasing female participation in the labour force by promoting skill development, financial literacy, etc. This allows single mothers and women in families where they are the primary breadwinners to support their children’s health and well-being sufficiently.

Lastly, the Sickle Cell Anaemia Elimination Mission is scheduled to be launched in 2047 under the National Health Mission by the Government of India. Sickle Cell Disease is widespread among the tribal population in India, where about 1 in 86 births have SCD. This mission focuses

38 https://prsindia.org/budgets/parliament/demand-for-grants-2023-24-analysis-women-and-child-development
39 https://prsindia.org/budgets/parliament/demand-for-grants-2023-24-analysis-women-and-child-development
41 https://www.missionshaktibazaar.com/impact/
on creating awareness, universally screening close to seven crore people (everyone between the age range of 0-40 years) in affected tribal areas and counselling\textsuperscript{42}. As seen in the below graph from NFHS 5\textsuperscript{43}, there is a significant prevalence of anaemia among children in rural areas, and it has only increased from 2015 to 2019. Therefore, more steps must be taken towards eradicating this issue by allocating a larger part of the Union Budget towards fixing the issue of anaemia.

![Graph showing trends in childhood anaemia](image)

**Figure 2: Trends in Childhood Anaemia\textsuperscript{44}**

In addition to education, Kerala has also been ranked the best-performing large state in health, with the highest per capita expenditure towards health of Rs 9,871 in 2021-22\textsuperscript{45}. It has an extremely well-structured healthcare network with extremely valuable and affordable resources for various ailments. Puducherry was the best-performing small state in terms of best healthcare systems. Himachal Pradesh (Rs. 3,116 crores allocated in 2023 towards health and family welfare\textsuperscript{46}) and Mizoram (Rs. 60 crores allocated in 2023 towards the Mizoram Health Care

Scheme\(^{47}\) are two of the states whose healthcare sectors have seen the most improvement over the past five years among big and small states respectively, based on parameters such as the infant mortality rate, maternal mortality rate, registered doctors and government hospitals per lakh persons, average patients served and number of beds per government hospital, and life expectancy.

The provision of basic healthcare is essential as with the growing population, private healthcare expenses are only increasing. Specific allocation towards the development of government hospitals, including the provision of technology to aid in procedures such as open heart surgery and neurosurgery, is vital. According to WHO, the collective goal should be to provide universal health care, for which raising domestic public funds is essential\(^{48}\). Therefore, the importance of budget allocation towards health is evident.

**Conclusion**

To conclude, this research paper showcases the major benefits and areas of improvement in the education and healthcare budgets for the fiscal year 2023-24. The various schemes and state-wise allocations as mentioned showcase a clear upward trend focused on improving the general state of the country, specifically improvement in childcare. However, there could be more done. With only 2.5% of the total budget expenditure allocated towards educating the country’s growing population, many may not have access to quality schooling, which may lead to increased emigration for better educational facilities, adding to the massive brain drain problem in India. According to reports, close to 9 lakh Indians have given up their citizenship since 2015. In addition, 23000 millionaires have left India since 2014. India is also seeing a migration of talented students abroad\(^{49}\). Similarly for healthcare, 2.1% of the total GDP expenditure is allocated towards health. This is of even greater concern as this applies not only to a section of youth but to the entire country’s citizens as a whole. This is the minimum amount required to be allocated but a larger amount would be greatly beneficial, especially as the world learns from the failings of the COVID-19 pandemic. It could be used for the eradication of epidemics, to prevent them from reaching a national or even international scale. It could be used to ensure all children are appropriately vaccinated, which would reduce the number of potential illnesses even as they get older, decreasing the country’s number of sicknesses and deaths. Therefore, further

\(^{47}\) [https://mizoram.nic.in/budget/budget-speech-2023-24-english.pdf](https://mizoram.nic.in/budget/budget-speech-2023-24-english.pdf)

\(^{48}\) [https://www.who.int/health-topics/health-budget#tab=tab_1](https://www.who.int/health-topics/health-budget#tab=tab_1)

\(^{49}\) [https://www.smilefoundationindia.org/blog/indias-brain-drain-are-we-doing-enough-for-our-super-talented/#:~:text=According%20to%20reports%2C%20close%20to,migration%20of%20talented%20students%20abroad](https://www.smilefoundationindia.org/blog/indias-brain-drain-are-we-doing-enough-for-our-super-talented/#:~:text=According%20to%20reports%2C%20close%20to,migration%20of%20talented%20students%20abroad)
importance should be assigned to these two sectors, requiring a greater monetary focus from the government.

**Limitations**

This research paper was based on secondary data collection. Therefore, any data collected may contain bias from the writers of the sources, which may be incorporated into the paper. However, the majority of data taken from secondary sources were quantitative, which reduces room for error. In addition, as the fiscal budget was only recently released, there was a limited quantity of public resources and data to cite.

In addition, while focused towards children, the paper references budgetary allocations for health and education as applied to the overall population, not just youth. Therefore, there may be inconsistencies in terms of the real outcome and the predicted outcome as portions of the allocations do not refer to children.

Lastly, this research paper has a limited scope as it focuses solely on health and education. There are a variety of other factors that impact children as well, such as poverty rate, employment rates of parents and access to good housing.

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