

Social infrastructure and employment

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The last two years of global environment, both social and economic, are heavily affected by Covid-19 pandemic. India along with all other countries were thrown to the onslaught of Covid-19 pandemic. The period was highlighted with a series of lockdowns which affected the ordinary way of life of common people across the world. Fall in output, subsequent massive unemployment, health crisis and financial uncertainty etc. write down those times. All sectors of day to day life, from education to health to employment were affected by the pandemic.

India encountered with three waves of pandemic, first in September 2020, second in May 2021 and the third one in January 2022. The vaccination campaign by the government was successful to a large extent, even though faced with some initial uncertainties and confusions. It is expected that as India has administered most of its population with vaccines, the threat of Covid-19 and its variants is over. Like all other national governments, Government of India was also engaged in providing a safety net for the vulnerable, ensuring food supply and enough social security measures. Government also involved itself in providing a coherent strategy for health sector to contain the pandemic and the subsequent consequences. Restrictions, partial and full lockdowns, building of health infrastructure, testing-tracing-treatment etc. were the modes of actions followed by the government. Vaccination drive undertaken by the government with both homemade and foreign made vaccines, with government undertaking 75% of vaccines while 25% is given to private players.

The expenditure for social infrastructure and employment in such a circumstance in Union budget didn't meet the expectations. The government of India allocated an amount of Rs.35000 crores to the vaccination drive in the Union budget of 2021-2022 which increased to Rs.39000 crores in revised budget. In budget of 2022-23, an amount of Rs.5000 crores was allocated which is nominal, in the sense that majority of population at the time was not administered with second dose as well as the question of booster dose is also on rise. This indirectly suggests that the Central government would give only a fraction of doses this year, scaling down free vaccination drive.

Trends in social sector

In this light, it was expected as well as necessary to increase public expenditure in social sector in order to revive the economy as well as to provide people with social security. The union budget of 2022-23 gives greater impetus on digital education, opening a national digital university and vocationalisation of education. It is noteworthy that the budget gave importance to supply side, giving greater emphasis on digital education without addressing the demand side. The digital divide among Indian states and regions is noteworthy here. Also, the absence of data to track the trends of education post covid make things difficult to address the issue in educational sector. The expenditure on education as a percent of GDP is still creeping at around 3.1 percent which is the same as of previous revised estimate of union budget 2021-22. The moving back of parents from cities to villages during lockdown have made increased pressure on public education sector in rural areas (Economic survey 2022). This isn't addressed by the budget by increasing expenditure on public education and other national schemes.

The union budget gives more importance to skill development in the budget of 2022-23. The shift to virtual mode of education during lockdown has swamped skill development in India, especially in rural areas. This highlights the importance of ensuring skill development. To address this, government introduced DESH-STACK, an e-portal that aids in skill development, up-skilling and reskilling. Under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), 130.4 million were trained, nearly 80% received certification with one-sixth of the trained been placed.

Trends in employment

As mentioned earlier, the Covid-19 and subsequent lockdown have affected the livelihoods of the people adversely. It can be seen from the spike in unemployment rate. Unemployment rate for urban sector for the first quarter of 2020-21 was 20.8% (Periodic Labor Force Survey). Also, the net addition to EPFO subscriptions declined and turned negative in April-May 2020, which means there was a net exit from the scheme (Economic Survey). Contextually, the Trend in MGNREG scheme shows a peak in demand for job during pandemic, which stabilized after the second wave. Yet, the demand for jobs is still higher than the pre-pandemic level which sheds lights on the labor market (Economic Survey 2022). Unfortunately, there is no hike in allocation for MGNREG in the budget'22. The budget estimate for MGNREGS for 2022-23 is Rs.93000 crores. This is despite the fact that more people are enrolled as part of MGNREG during pandemic, and still continues to remain so. It is not expected to fall soon, given the destruction of supply chains and linkages during lockdown. Since the scheme is demand driven, it will necessarily lead to increased expenditure on the same.

Government hopes to address the issue of unemployment of the unskilled through the Pradhan Mantri Gathi Shakti Scheme, the massive infrastructural development scheme of Rs.100 lakh crores. This is of course evident during a depression, but yet cannot be solely believed as it depends upon the nature of development projects, whether capital intensive or labor intensive. Also it cannot replace the role of MGNREGS, which is demand driven and concentrated in rural areas. The budget kept silent on urban employment guarantee scheme, which is necessary given the rate of unemployment and labor market situation in urban areas.

Health

Health sector was one prime sector which was extensively tested during the pandemic. The spike in cases, the consecutive waves of infection, increase in number of cases which needs hospital support etc. have thrown our health sector, especially public health sector, to the furrow of crisis. Given the circumstances, it was expected that there will be an increase in allocation for health sector. Yet, the budget outlay for the Union Ministry of Health and Family Welfare stands at Rs.86200 crores. Even though there is a nominal increase of 16.5% from previous budget, it is still short in demand given the crisis pandemic has risen. Also, the allocated amount itself is mere 0.1% when compare to the revised estimate of Rs.82920 crores of budget 2021-22. There is a marginal increase in allocation for National Health

Mission, compared to last year. At a time when the health sector of the country is put into test, marginal increase in allocation to health sector should be enough to meet the need, which is not conceived here.

Allocations for the National Program of Mid-Day meal in schools, declined by 11 percent from Rs.11500 crores in 2021-22 to \$10233.75 crores in 2022-23. This has to be read along with the rise in enrollment of students in rural areas due to moving back of parents from cities and the need for ensuring nutritious food supply during pandemic.

Rural development

Rural development has been given some emphasis in this budget. Assistance were given for constructing 1.95 crores of houses between 2019-20 to 2021-22 under Pradhan Mantri Aawas Yojana (PMAY). An amount of Rs.48000 crores has been allocated to a total of 80 lakh houses under PMAY in rural and urban areas. But this amounts to just Rs.60000 per house, which questions the ability of project to meet the declared target. There is a good chance that the program will fall behind due to fall in resources. The amount for rural road construction scheme, Pradhan Mantri Gram Sadak Yojana (PMGSY), has been raised by 36 percent from Rs.14000 crores from revised estimate of budget 2021-22 to Rs.19000 crores. Fortunately, there is a spike in outlay for Jal Jeevan Mission (JJM), project for drinking water and sanitation, has increased from Rs.11500 crores in 2020-21 to Rs.50000 crores in 2022-23. Although this is a positive move in order to ensure better infrastructure facility in rural areas, the total allocation to all centrally sponsored schemes under the rural development ministry dipped around 11 percent in the budget. This adversely affects the aim of rural development in general, given more people are moving towards rural area looking for jobs and housing during lockdown. As per Economic survey, there is an increased movement of emigrant returnees to the home state, mainly village areas, during pandemic. Given the need for increased infrastructural spending on rural areas, a fall in government expenditure will adversely affect the aim of rural development.

The last two years of India, like all other countries, were under the sway of the pandemic. The revival of the economy from the crisis is not yet visible, given the stats. In such a time, it is expected that the government should increase public expenditure, especially in rural area with special reference to India. But, unfortunately, what we are witnessing is the moving away of the government from the basic Keynesian principle, even avoiding its own Economic survey. Possibly, there should be a need to increase the amount in most of the aforementioned

sectors in revised budget, which otherwise is against the interest of the people and the government. The increased expenditure in health and employment is the need of hour, without which the economy cannot be driven out of the shackles of current depression.

References

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