

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:280
ANSWERED ON:24.02.2010
EXPENDITURE ON SOCIAL SECTOR
Naranbhai Shri Kachhadia

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government is aware that the net expenditure, as percentage of the Gross Domestic Product (GDP), in social sector is still low;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government's expenditure on social services and rural development has been increased over the years but it hardly had any impact on the overall poverty reduction and improvement in the social security net;
- (d) if so, whether despite improvement in Central allocations, there are still leakages in the system which are preventing the benefits from reaching the intended target groups;
- (e) if so, the reasons therefor; and
- (f) the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI V. NARAYANASAMY)

(a) & (b): As per Human Development Report 2007-08 released by United Nations Development Programme (UNDP), the government expenditure on health and education which constitute the major components of social welfare for India are estimated at 0.9% and 3.8% of GDP respectively. However, if the private expenditure on health is taken into account, the share of total expenditure on health will work out to be 4.25% of GDP in 2004- 05. Similarly, inclusion of investment in education by private sector will increase the percentage share of education in GDP. The comparable numbers for some of the developed and developing countries are given at Annexure-I.

(c) to (f): The government expenditure, for Centre and States combined, on social and community services as a percentage of Gross Domestic Product (GDP) is estimated to have increased from 5.2% in 2002-03 to 6.5% in 2008-09. The government expenditure on rural development during this period has increased from 0.9% of GDP to 1 % of GDP. The budget allocation for social and community services and rural development for 2008-09 of Eleventh Five Year Plan was 6.5 % and 1% of GDP respectively. The details of expenditure on social and community services and rural development and their share in GDP are given at Annexure-II.

There has been a decline in the total number of persons living below poverty line during the period 1993-94 to 2004-05 and the poverty ratio which was 36 percent in 1993-94 has come down to 27.5 percent in 2004-05. The Eleventh Five Year Plan (2007-12) envisages reduction in the headcount ratio of consumption poverty by 10 percentage points. To achieve the objective of inclusive growth and to alleviate poverty in the country the Government has taken initiatives through direct interventions by implementing programmes such as: National Rural Employment Guarantee Scheme (NREGS), National Rural Health Mission (NRHM), Sarva Shiksha Abhiyan (SSA), Mid Day Meal Scheme (MDMS), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Integrated Child Development Services (ICDS) Scheme, Rajiv Gandhi Drinking Water Mission, Indira Awaas Yojana (IAY), Total Sanitation Campaign etc. The Government has taken various measures to ensure that the actual benefits of various programmes reach the intended target groups. These include intensive monitoring at various levels, participation of public, bringing transparency and use of modern technology.

Annexure-I

Public Expenditure on Health and Education in selected countries (As % of GDP)

Countries Expenditure on health (% of GDP) Expenditure on education (% of GDP)

2004 2002-05

US 6.9 5.9

UK 7.0 5.4

Germany 8.2 4.6

France 8.2 5.9

South Africa 3.5 5.4

India 0.9 3.8

Pakistan 0.4 2.3

China 1.8 1.9

Phillipines 1.4 2.7

Indonesia 1.0 0.9

Source: Human Development Report 2007-08, UNDP.

Annexure-II

**Actual values (Rs. Crores)
Share in GDP (%)**

Year	Social community services and welfare	Social security prices services	Rural development community and welfare	GDP at current prices	Social security and community welfare	Social security and community welfare	Rural development
2002-03	127531	6563.63	23111.6	2454561	5.2%	0.3%	0.9%
2003-04	141630	8561.95	26339.3	2754620	5.1%	0.3%	1.0%
2004-05	162064	10352.5	26522.8	3149407	5.1%	0.3%	0.8%
2005-06	189298	15108.7	36767.8	3586743	5.3%	0.4%	1.0%
2006-07	227952	18225.7	41990	4129174	5.5%	0.4%	1.0%
2007-08	287826	26612.5	46341.2	4723400	6.1%	0.6%	1.0%

2008-09 344184 33840.5 53437.3 5321753 6.5% 0.6% 1.0%
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Source: Indian Public Finance Statistics 2008-09