

Social Sector Expenditure in India: A Regional Analysis

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ABSTRACT

The ultimate objective of all development endeavors is human development, encompassing the quality of life, the level of well being and access to basic social services. The emphasis on the achievement of higher economic growth along with social justice is manifest in the renewed focus on development initiatives in the social sectors. Development and utilization of human resources and the improvement in the overall quality of life of the people is central to any development planning. There are, however, two way linkages between human development and all over economic progress. Sustained higher economic growth is a necessary condition and a significant driver of human development. On the other hand, if the people are healthy, educated and adequately skilled, they can participate fully and contribute more to the economic development progress. In India there exist inter- state variations in the development of social sector. States with more accountable Governments, greater access to finance, greater reduction in poverty and greater inclusion of women in economic growth emerged as those that also succeeded in reducing inequality of education and health opportunities.

1. Introduction

Economic development of a country is mainly determined by social and economic factors and it has been documented that where there is social development, economic development is good. Ever since 1960s, with the advent of human capital revolution, economists have come to realize that investment in human capital is as important as investment in physical capital. The impact of the development strategy of the last two decades on social sector—a sector of high priority – as measured in indicators such as poverty; demographics, education and health indicate significant improvements. Yet there is a need to accelerate improvements in the quality of life and human well-being through enhanced availability of public services, and development of economic and social opportunities. Regional disparity in income and human capital is often a source of political tensions and dissatisfaction in a federal system. In India the progress in social and economic development of the major states is not uniform. Against this background, an attempt has been made in this paper to analyze the trends in the development of social sector in India.

In a developing economy like India, human capital can play a significant role in lifting people out of poverty and enabling them to lead a healthy and productive life. Despite a significant improvement in HDI score over the years, India's rank in Human Development Index (HDI) at 131 out of 188 countries as per HDR, 2016, leaves much to be desired. On the Global Hunger Index (GHI) 2016, India ranks 97 out of 118 developing countries with prevalence of stunting among children aged below 5 years at around 39 per cent, a serious cause of concern. In this scenario, India requires effective investments in social infrastructure in order to achieve the Sustainable Development Goals (SDGs).

2. Objectives of the study

Specifically, the study would focus on the following objectives:

1. To study the importance of social-sector in India.
2. To examine the relationship between social sector development and economic development.
3. To analyze inter-state disparities in social sector development in India.
4. To examine the role of state in human development and to draw the policy implications.

3. Database and Research Methodology

The study has been conducted with the help of primary and secondary sources of information as provided in the books, journals and newspapers. The secondary data available from various government and institutional resources like Central Government Receipt Budget, Indian Public Finance Statistics, Economic Survey-Government of India, Reserve Bank of India Bulletins, State Finances-A study of budgets of various years were collected for the purpose of analysis, and the results were tabulated.

4. Trends in social sector expenditure

The public investment in social infrastructure like education and health is critical in the development of an economy. Following tables explain the trends in social sector expenditure by Centre and State Governments Combined. As clear from Table1, expenditure on social services has increased from 5, 80,868 crores from 2011-12 to 11, 18,094 crores in 2018-19. The expenditure on social services by the Centre and States as a proportion of GDP which remained stagnant in the range of 6 per cent during 2011-12 to 2014-15, recorded an increase of 1 percentage point during 2017-18(RE) and 2018-19(BE) (Table 2). As a percentage of GDP, the expenditure on education which remained stagnant around 3.1 per cent during the period 2009-10 to 2013-14, however, declined to 2.8 per cent in 2014-15 (Table 3). We can analyze

from Table 3 that there is marginal increase in the expenditure on social services as percentage of total expenditure over the years. Table4 shows the trends in the expenditure on

education, health and other services as percentage of total expenditure on social services.

Table1: Trends in Social Sector Expenditure by General Governments
(Centre and States) (Rs. Crores)

Year	Total expenditure	Expenditure on social services	Expenditure on Education	Expenditure on Health	Expenditure on Others
2011-12	24,21,768	5,80,868	2,77,053	1,10,228	1,93,587
2012-13	26,94,934	6,58,320	3,12,932	1,25,524	2,19,865
2013-14	30,00,299	7,46,391	3,48,267	1,39,280	2,58,242
2014-15	32,85,210	7,67,622	3,53,589	1,48,791	2,65,242
2017-18	39,74,103	10,02,591	4,23,171	1,91,141	3,88,279
2018-19	44,48,860	11,18,094	4,74,672	2,21,466	4,21,955

Source: Economic Survey (2018-19), Government of India, New Delhi

Table 2: Expenditure on Social Services as percentage of GDP

Year	Total Expenditure as percentage of GDP	Expenditure on social services as % of GDP	Expenditure on Education as %age of GDP	Expenditure on Health AS % of GDP	Expenditure on Others as % of GDP
2011-12	27.7	6.6	3.2	1.3	2.2
2012-13	27.1	6.6	3.1	1.3	2.2
2013-14	26.7	6.6	3.1	1.2	2.3
2014-15	26.4	6.2	2.8	1.2	2.1
2017-18	29.1	7.3	3.1	1.4	2.8
2018-19	29.5	7.4	3.2	1.5	2.8

Source: Economic Survey (2018-19), Government of India, New Delhi

Table 3: Expenditure on Social Services as percentage of Total Expenditure

Year	Expenditure on Social Services as percentage of total expenditure	Expenditure on Education as percentage of total expenditure	Expenditure on Health as percentage of total expenditure	Expenditure on Other social services as percentage of total expenditure
2011-12	24	11.4	4.6	8
2012-13	24.4	11.6	4.7	8.2
2013-14	24.9	11.6	4.6	8.6
2014-15	23.4	10.8	4.5	8.1
2017-18	25.2	10.6	4.8	9.8
2018-19	25.1	10.7	5	9.5

Source: Economic Survey (2018-19), Government of India, New Delhi

Table4: Expenditure on Education, Health and other services as percentage of total expenditure on social services

Year	Expenditure on Education as percentage of total expenditure on social services	Expenditure on Health as percentage of total expenditure on social services	Expenditure on other social services as percentage of total expenditure on social services
2011-12	24	11.4	4.6
2012-13	24.4	11.6	4.7
2013-14	24.9	11.6	4.6
2014-15	23.4	10.8	4.5
2017-18	25.2	10.6	4.8
2018-19	25.1	10.7	5

Source: Economic Survey (2018-19), Government of India, New Delhi

5. Inter-State Variations in the development of social sector in India

Social sector comprising of sub-sectors like Education, Health and Medical Care, Housing and Water Supply paves the way for economic development. Most of the social sector

subjects fall within the purview of the States, for which funding is provided through the Centrally Sponsored Schemes. The Government plays a very significant part in the development of the social sector. In India, there exist inter-state variations in the development of social sector. As far as overall performance

of the state is concerned, expenditure pattern of the states shows an improvement in the quality of expenditure in 2012-13(RE), with increase in development and social sector expenditures over the budget estimates for the year as well as over 2011-12. Within the development expenditure, increase was seen in expenditures on education, sports, art and culture, medical and public health, and rural development. Table 5 and 6, represent the data related state-wise expenditure on social

sector for the period 2000-01 to 2018-19(BE).As clear from the table 5 that social sector expenditure is budgeted to be maximum in the state of Uttar Pradesh followed by Maharashtra and Andhra Pradesh whereas it is least in case of states like Mizoram and Arunachal Pradesh. Social Sector expenditure to aggregate disbursements is highest in Chhattisgarh whereas it is lowest in Arunachal Pradesh according to 2018-19 budgeted estimates.

Table 5: Social Sector Expenditure (Rs. Billion)

State	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2017-18	2018-19
Non-Special Category													
Andhra Pradesh	109	111.8	134	138.2	149	186.5	244.7	314.4	302.8	391.3	454	494.4	537.4
Bihar	57.8	64.7	70.2	61.2	86.6	111.3	138.2	163.4	178.7	193.7	240.5	307.4	349.2
Chhattisgarh	24.3	28.2	32.4	36.3	43	57.1	69.5	88.7	116.8	118.2	148.1	169.7	210.5
Goa	5.4	6.3	6.9	8	8.8	10.1	11.2	14.6	17.9	20.9	23	25	29.2
Gujarat	90.3	81.8	89.9	101.3	109.9	131	148.9	181.8	231.7	285.9	303.5	380.6	418.8
Haryana	36.8	28.1	28.2	35	47.4	56	73.4	98.1	133.6	136.4	162.7	189.9	181.0
Jharkhand	37.3	49	43.2	51.3	61.6	73.9	79.8	98.7	100.4	123	107.2	120.3	117.1
Karnataka	76.4	75.7	83.2	97.6	116.8	144.1	176.4	204.4	251	286.9	323.7	378.3	415.9
Kerala	49.3	63.4	59.2	73.4	75.2	71.9	90.1	108.6	120.3	136.2	187.4	216.5	239.5
Madhya Pradesh	60.1	71.6	67.9	72.7	94.3	106.6	126	146.9	176.3	234.5	271.3	333.7	357.4
Maharashtra	155	157	189	204.3	242.7	282.8	297.2	365	473.6	538.3	611.3	700.3	782.0
Odisha	41.2	42.1	43.6	46	53.9	61.3	82	110.9	125.2	152.4	180.5	196.6	248.1
Punjab	37.3	29.9	35.3	37.5	40.5	47.1	49.9	68.6	71.1	83.5	99.7	125.6	130.8
Rajasthan	77.3	80.3	92.3	98.4	109.2	125.8	146.8	194.3	215.8	227.9	278.5	337.0	419.0
Tamil Nadu	91.9	96.6	116	136.2	143	169.2	199.9	268.9	293.5	364.9	419	467.5	551.2
Telangana													
Uttar Pradesh	123	131	130	169.3	201.4	240.3	300.1	395.1	472.5	506.7	597.2	674.4	765.6
West Bengal	95.8	84.6	90.1	97.3	114.4	131.4	161.9	194.7	277	305.6	356.1	401.0	455.8
Special Category													
Arunachal Pradesh	4.5	4.2	6.2	6.5	7.4	8.4	9.5	12.8	17.7	15.7	21.6	19.4	30.6
Assam	30.4	32.3	37.1	47.8	44.5	52.2	60.6	67.6	91.6	102.4	111.9	123	204.0
Himachal Pradesh	19.1	19.7	23.5	23.3	28	33.3	37.4	45.7	49.1	60.2	60	71	90.7
Jammu and Kashmir	23.2	25.2	24.9	31	40.3	43.5	51.1	56.1	69	74.3	87.4	91.2	115.6
Manipur	5.5	5.6	6	8.7	9.4	10.4	11.8	14.5	15.4	19.3	20.2	20.5	31.3
Meghalaya	5.6	5.7	6.4	7.4	7.7	8.7	10.4	12.2	14	17.5	23.4	23.1	33
Mizoram	5.4	5.6	6.5	6.5	7.2	8	9.4	11.5	14.7	16	16.4	21.1	29
Nagaland	5.4	5.7	6.4	6.3	8	9.1	10.5	11.2	11.7	15.8	16.1	19.7	25
Sikkim	3.1	3.5	4.1	4.8	5	5.5	6.6	8.2	10.1	10.6	14.5	13.9	17.7
Tripura	9.7	9.7	9.6	11.2	11.2	12.1	14	16.8	21.8	21.6	26.9	28.7	50.8
Uttarkhand	13.2	17.1	20.3	23.3	27.8	32.3	37.3	41.9	56.2	59.5	73.8	79.7	129.9
All States	1293	1337	1462	1641	1894	2230	2655	3315	3929	4519	5236	5235.7	6029.4

Source: State Finances: A Study of Budgets of 2018-19, Reserve Bank of India.

Table 6: Social sector expenditure – as ratio to aggregate disbursements

State	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2017-18	2018-19
Non-Special Category													
Andhra Pradesh	35	32.5	33.3	29.3	30.8	32.9	32.7	38.9	35.6	38.9	39.2	40.6	41.8
Bihar	38.9	36.4	36.7	30.5	38.4	41	43.8	43.9	41.8	38.2	40	44.6	45
Chhattisgarh	43.3	41.3	36.2	37.7	44.2	47.6	46.2	50.1	54.2	50.2	51.6	51	53.6
Goa	23.1	26.1	28.4	31.4	30.9	31.8	31.6	32.2	32.5	33.5	33.1	34.9	36.4
Gujarat	35.2	30.4	27.3	29	32.1	33.4	34.9	35	38.4	39.9	38.2	39	39.1
Haryana	34.3	26.6	18.6	24.2	32	28.5	33.3	37.2	41	39.6	40.9	40	42.1
Jharkhand	47	50	44.4	44.1	45.9	47	43.5	47.8	44.2	46.4	41.2	44.8	43.9
Karnataka	34.8	31.4	28.4	28.5	33.4	32.7	36.7	37.8	39.9	39.9	37.8	41.1	42.1
Kerala	37.6	37.4	30	36.2	35.6	31	31.4	33.4	33.6	33.4	34.8	34.7	35.7
Madhya Pradesh	35.4	37.7	28.4	24.7	32.5	35.3	35.7	36.7	35.2	39	33.6	41.8	41.6
Maharashtra	36.4	33.3	30.9	28.1	35.3	37.3	37	36.8	40.3	41.4	41.1	43	43.2
Odisha	34.2	31.7	28	28.9	34.2	31.7	35.9	41.6	41	42.3	42.9	41.5	39.9
Punjab	23.8	17.2	17.3	17.8	19.8	17.9	18.8	23.8	22.7	22.5	27.1	32.6	32.2
Rajasthan	40.7	37.3	35.7	34.1	40.1	39.5	38.9	45.2	44.3	42.4	42.6	42.2	43.3
Tamil Nadu	37	32	34.3	32.6	36.9	33.1	35.9	39.7	40.3	40.2	38.3	38.9	37.9
Uttar Pradesh	32.2	31.1	18.7	28.6	33.7	32.1	34.4	37.8	39	37.7	38.8	40.3	39.6
West Bengal	34.1	30.5	23.4	29.1	28.2	31.9	34.7	31.9	40.7	41.9	42.5	42.8	43
Special Category													
Arunachal Pradesh	32.5	30.9	28.3	31.2	30.4	30.2	31.1	29.9	33.7	28.1	32.4	26.9	20.8
Assam	35.5	36.2	35	32.4	36.8	38.7	40	38.7	36.7	39.5	37	38.4	37
Himachal Pradesh	33.7	29.8	29	29	32.7	33	35.2	36.6	35	37.3	34.6	35.5	35.9
Jammu and Kashmir	28.8	28.8	28.3	27.9	29.9	31.3	30	29.9	30.6	29.1	29.3	27	25.8
Manipur	26	26	26	33.6	34.2	28.7	31.7	32.9	32.5	31.6	29.4	30.9	27
Meghalaya	40.5	35.9	36.2	35.8	38.2	37.6	37.5	35.7	36.6	36.7	39.4	41.6	46.5
Mizoram	40.7	40	35.7	35.6	33.3	34.8	36.7	40.1	41.5	38.6	36.6	38	30.3
Nagaland	26.9	29.6	27	27.6	28.6	29.6	29.5	28.3	28.3	28.3	24.9	28.6	28.9
Sikkim	16.5	16.3	27.5	22.2	23.3	24.3	23.5	27.4	27.4	30.9	36.8	35.4	35.2
Tripura	39.3	38.4	34.8	37.6	34	36.5	36.5	37.2	37.2	38.4	41.7	44.2	38
Uttarkhand	40	35.2	32.7	36.6	36.3	37.9	37.4	38.4	38.4	42.5	45.5	41.2	41.7
All States	35.1	32.6	28.4	29.6	33.7	33.9	35.3	37.6	37.6	39	38.7	40.4	40.5

Source: State Finances: A Study of Budgets of 2018-19, Reserve Bank of India.

Average social sector expenditure on social sector to aggregate disbursements for all states for the period 2000-01 to 2017-18(BE) is 35.65. Among the non-special category states, states like Bihar, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu has average social sector expenditure to aggregate disbursements above the all states figure for the period 2000-01 to 2018-19. In case of special category states Assam, Meghalaya, Mizoram, Uttarkhand and Tripura has better performance in terms of social sector expenditure to aggregate disbursements as compare to states like Arunachal Pradesh, Himachal Pradesh, Jammu and Kashmir, Manipur, Nagaland and Sikkim.

Education:

As in the past, several measures have been announced by state governments to improve education facilities in their respective states. These include establishing/ upgrading

schools/colleges (Chhattisgarh, Haryana, Madhya Pradesh, Rajasthan, Tamil Nadu, Tripura, Uttarakhand and West Bengal); constructing kitchen sheds in all schools (Andhra Pradesh); a new fixed deposit scheme 'VIDYA' for girl students of class five for continuing school education (Arunachal Pradesh); setting up of a law university (Haryana); free travel facility for government school students (Himachal Pradesh); an integrated Educational Management System for creating a database relating to education (Karnataka); new schemes for comprehensive development of universities and government colleges (Odisha); providing free laptops (Sikkim, Tamil Nadu); constructing classrooms (Gujarat); placement cells in educational institutions (Kerala); non-salary grants for private school aided by the government; and setting up hostels for girls to arrest drop-outs in secondary schools (Maharashtra).

Table 7 represents the expenditure on education as ratio to aggregate disbursements of the states for the period 2000-

01 to 2018-19(BE). It is clear from the table that there exist wide disparities in expenditure on education as ratio to aggregate disbursements among the different states. Among the non-special category states it is highest in case of Maharashtra followed by Bihar and Chhattisgarh whereas least

in case of Punjab followed by Andhra Pradesh according to 2017-18 budgeted estimates. In case of special category states it is highest in Uttarkhand and lowest in Arunachal Pradesh.

Table 7: Expenditure on Education- as ratio to aggregate disbursements (per cent)

State	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2017-18	2018-19
Non-Special Category													
Andhra Pradesh	12.5	11.7	11.6	9.8	11.1	10.8	9	9	10	12.5	13	13.4	13.5
Bihar	20.7	18.4	18.9	15.8	19.6	19.7	17.6	18.5	18.1	16.3	17	20.1	20.3
Chhattisgarh	12.4	11	10.8	12.3	13.4	12.9	13.5	14.4	15.6	18.6	17.7	18.1	19.7
Goa	10.5	12	12.1	13.9	12.3	13.7	12.3	13.3	14.1	15.4	14.8	14.9	15.2
Gujarat	12.7	13.5	11.2	11.5	12.6	12.7	13.4	11.7	13.8	15.9	15.8	14.2	13.9
Haryana	13.8	13.7	10.2	11.6	13.4	11.9	12.9	15	16.3	17.3	16	16.3	17.2
Jharkhand	16.2	19	14.2	14.9	15.8	15.2	15.1	18.6	15.4	15.8	15.9	16.2	15.9
Karnataka	16	14.8	12.9	12.7	14	13.1	14.4	16.1	14	15.6	14.7	15.5	16
Kerala	19	17.6	15.7	16.2	16.6	17.1	15.9	16.7	16.8	17	17.7	16.4	16.6
Madhya Pradesh	12.5	12.2	9.9	8.8	10.2	12.4	11.1	12.8	13	14.2	12.4	14.8	14.6
Maharashtra	22.1	18.9	15.5	14	15.7	16.4	17.2	17	19.1	20.8	20.2	20.7	20.6
Odisha	14.6	14.3	12.2	12.6	14.7	12.8	14.3	16.9	18.2	18.3	16.4	15.7	14.9
Punjab	11.7	12.1	10.2	10.1	11.3	8.9	10.3	11.3	12.2	11.7	14.8	16.1	13.4
Rajasthan	18.2	15.5	14.1	13.8	17.2	15.6	14.6	17.9	19	19.1	17.8	16.3	17.3
Tamil Nadu	17.3	13.8	12.6	11.2	13.6	12.2	12.7	13.1	15.2	15.2	14.3	14.6	14.8
Telangana													
Uttar Pradesh	16	14.6	9.1	12.5	15.2	14.7	14.1	13.2	13.8	16.1	17.1	17.7	17.3
West Bengal	16.2	15.9	11.8	14.9	13.7	15.2	15.2	13.1	17.7	19.7	19.1	18.5	18.1
Special Category													
Arunachal Pradesh	13.3	12.1	9.1	10.7	9.9	10.7	10.8	11.4	12.2	10.8	11.4	10.1	8
Assam	21.9	22.4	22.3	17	20.8	20.4	20.1	18.8	16.4	22	20.3	20.5	19.6
Himachal Pradesh	16.2	14.5	12.4	13.5	14.1	14.1	15.4	16.2	16.3	17.9	17.8	17.9	18.1
Jammu and Kashmir	11.6	10.9	11.1	9.7	9.3	10	9.2	10	11.3	12.7	12.6	10.6	10.5
Manipur	13.7	13.3	13.1	15.3	15.4	11.9	14.2	12	11.9	10.7	10.6	11.8	9.6
Meghalaya	17.9	15.3	15.2	15	15.5	14.1	15.5	12.8	14.8	16.1	17.3	16.5	23.4
Mizoram	16	14.5	12	13.8	13.4	13.8	13.2	14.1	14.9	14.9	15.7	14.4	13.5
Nagaland	11	11	10.8	11	11.6	12.3	11.4	11.2	11.3	13.4	12.1	13.1	14.4
Sikkim	8	7.6	11.8	8.8	10.4	10.5	9.2	10.6	12.4	17.3	14	12.3	13.2
Tripura	18.6	19.2	18.3	20	15.3	15.9	15.1	14.4	16.2	17.2	17	15.9	14.2
Uttarkhand	21.1	20	17.6	18.4	17.2	18.1	17.6	18.2	22.6	23.5	22.1	20.2	20.4
All States	16.2	15.1	12.6	12.7	14.2	14	13.8	14.3	15.3	16.6	16.3	16.6	16.5
ALL STATES(PER CENT TO GDP)	2.6	2.5	2.3	2.3	2.2	2.2	2.2	2.3	2.4	2.5	2.5	2.8	2.7

Source: State Finances: A Study of Budgets of 2018-19, Reserve Bank of India.

Table 8: Selected education related indicators and inter-state comparison of some major states of India.

State	GER(6-13 years)	Pupil-Teacher Ratio(Primary/Jr. Basic School)	Pupil-Teacher Ratio (Middle/Sr. Basic School)
Andhra Pradesh	92	31	25
Assam	84	28	21
Bihar	102.9	76	51
Gujarat	107.2	NA	35

Haryana	90.5	51	38
Himachal Pradesh	111	15	14
Karnataka	99.3	17	27
Kerala	96.2	23	25
Madhya Pradesh	122.6	38	39
Maharashtra	100	29	32
Odisha	104.8	33	26
Punjab	103.1	26	15
Rajasthan	99.3	46	26
Tamil Nadu	112	27	32
Uttar Pradesh	109.5	79	69
West Bengal	90.1	45	49
All States	104.3	43	33

Source: Economic Survey-2018-19, Ministry of Finance, Government of India.

Madhya Pradesh has the highest Gross Enrollment Ratio (GER) 6-10 years in 2018-19 while Assam has the lowest. Pupil teacher ratio in primary and middle/basic schools is lowest in Himachal Pradesh and highest in states like Uttar Pradesh and Bihar (Table 8).

Health:

Kerala is the best performer in terms of life expectancy at birth for males (71.5 years) and females (76.9 years) whereas

Assam is the worst performer for both males (61 years) and females (63.2 years) during 2006-10. Infant mortality rate (IMR) in 2011 is the lowest in Kerala (12) and highest in Madhya Pradesh (59) against the national average of 44. Birth rate is lowest in Kerala (15.2) and highest in Uttar Pradesh (27.8) against the national average of 21.8. Death rate is lowest in West Bengal (6.2) and highest in Odisha (8.5) against the national average of 7.1.

Table9: Selected Health Indicators and Inter-state comparisons.

State	Male (Life Expectancy at birth 2006-10)	Female (Life Expectancy at birth 2006-10)	Infant Mortality Rates(per 1000 live births)2011	Birth Rate(per 1000) 2011	Death Rate (per 1000)2011
Andhra Pradesh	63.5	68.2	43	17.5	7.5
Assam	61	63.2	55	22.8	8
Bihar	65.5	66.2	44	27.7	21.3
Gujarat	64.9	69	41	21.3	6.7
Haryana	67	69.5	44	21.8	6.5
Himachal Pradesh	67.7	72.4	38	16.5	6.7
Karnataka	64.9	69.7	35	18.8	7.1
Kerala	71.5	76.9	12	15.2	7
Madhya Pradesh	61.1	63.8	59	26.9	8.2
Maharashtra	67.9	71.9	25	16.7	6.3
Odisha	62.2	63.9	57	20.1	8.5
Punjab	67.4	71.6	30	16.2	6.8
Rajasthan	64.7	68.3	52	25.2	6.7
Tamil Nadu	67.1	70.9	22	15.9	7.4
Uttar Pradesh	61.8	63.7	57	27.8	7.9
West Bengal	67.4	71	32	16.3	6.2
All States	64.6	67.7	44	21.8	7.1

Source: Economic Survey-2018-19, Ministry of Finance, Government of India.

Table 10: Expenditure on Medical, Public Health and Family Welfare- As ratio to aggregate disbursements

State	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2017-18(RE)	2018-19(BE)
Non-Special Category														
Andhra Pradesh	4.7	4.4	4	3.7	3.2	3.4	3.3	3.3	3.6	3.9	4.1	4.4	4.2	4.1

Bihar	5.9	4.9	4.2	3.8	3.1	4.5	4.2	4.4	3.5	3.5	3.3	3.5	3.6	3.6
Chhattisgarh	4.1	4.3	4	3.3	3.3	3.4	3.5	3.2	3.5	3.7	3.6	3.8	4.2	4.3
Goa	4.4	3.8	4	4.5	4.7	4.9	4.6	4.6	5.4	5.3	5.6	5.8	5.6	5.3
Gujarat	3.4	2.8	3.2	2.7	2.8	3.1	2.9	3.2	3.1	3.8	4.2	4.2	4.7	4.9
Haryana	3.3	3	3.3	2.4	2.7	3.1	2.5	2.6	2.9	3.4	3.2	3.1	3.8	3.7
Jharkhand	4.9	4.2	4.1	3.7	6.9	6.3	5	5.1	4.4	4.1	3.8	4	3.6
Karnataka	5.1	4.9	4.2	3.4	3	3.3	3.1	3.8	3.8	3.6	3.9	3.9	3.9	4.7
Kerala	5.3	5.8	4.8	4.3	4.5	4.7	4.9	4.5	4.8	4.8	5.1	5.4	5.3	5.2
Madhya Pradesh	5.1	4.1	4.1	3.3	3.1	3.4	3.8	3.5	3.4	3.3	3.6	3.2	4.4	4.3
Maharashtra	3.9	4.3	3.7	3.2	2.7	3.2	3.1	3.5	3.5	3.3	3.6	3.6	3.9	3.9
Odisha	4.2	3.7	3.8	3.2	4	3	3.1	3.3	3.5	3.8	3.5	3.2	3.7	3.6
Punjab	4.5	3.9	3.5	3	2.9	3.4	2.7	2.9	3	3.2	3.3	4.3	5.3	5.1
Rajasthan	5.2	5.2	4.2	4	3.7	4.4	4.1	4	4.8	4.8	4.8	5.1	4.8	5.3
Tamil Nadu	4.9	4.9	4.1	3.8	3.2	4.2	3.3	3.3	3.7	4.8	4.8	4	4.3
Uttar Pradesh	4	3.6	3.8	2.7	3.8	5.1	5.7	4.8	4.7	5	4.8	4.4	5.2	5.1
West Bengal	5.6	5	4.9	3.7	4.2	3.9	4.1	4	3.6	4.8	4.8	4.8	4.2	4.6
Special Category														
Arunachal Pradesh	5	4.9	4.5	3.5	4.5	3.1	4.4	3.8	4.3	4.2	4.3	4.4	3.8	3.4
Assam	4.7	4.2	3.7	3.5	2.9	3.4	4.2	4.3	5	5.7	5.2	4.9	4	4
Himachal Pradesh	5.6	4.9	4.5	4.3	4.6	4.6	4.4	4.4	4.5	4.8	5.1	4.8	5.2	5.4
Jammu and Kashmir	4.9	5.5	5.2	5.5	4.9	4.5	5.4	5.3	4.8	5.2	5.1	5.2	5.2	5.2
Manipur	4.8	3.4	2.9	3.2	2.6	3	2.7	4.1	3.5	4.4	5	5.7	4.4	4
Meghalaya	5.6	6.6	5.9	5.5	4.9	5.5	5.1	5.4	4.4	6	6.2	5.4	5.2	4.7
Mizoram	5.4	5.4	5	5	4.3	3.5	3.6	3.9	6.1	7.1	4.2	4.2	3.7	3.2
Nagaland	5.2	4.1	4.6	4	5.7	4.3	4.2	4.3	3.8	3.9	4.3	4.3	3.8	3.7
Sikkim	3.7	2.2	2	2.9	2.6	2.8	2.5	2.6	3	3.5	4.4	5.7	4.9	4.8
Tripura	4	3.7	3.8	3.4	3.5	4.7	5.1	5	4.8	4.8	4.4	5.3	6.4	5.2
Uttarkhand	3.1	4.4	3.8	3.4	3.9	4.6	4.8	4.6	4.5	3.9	4.9	4.9	5.9	5.4
All States	4.6	4.4	4	3.4	3.4	3.9	3.9	3.8	3.9	4.2	4.2	4.2	4.4	4.5
ALL STATES(PERCENT TO GDP)	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.7

Source: State Finances: A Study of Budgets of 2018-19, Reserve Bank of India.

Table 10 represents the expenditure on Medical, Public Health and Family Welfare as ratio to aggregate disbursements. As from the table it is clear that this expenditure is highest in case of Himachal Pradesh and Uttarkhand followed by Goa, Kerala, Punjab and Uttar Pradesh. The expenditure on Medical, Public Health and Family Welfare as ratio to aggregate disbursements is lowest in Mizoram.

Table 11: Average social sector expenditure and related indicators for the period 2000-01 to 2018-19(BE)

State	Average social sector expenditure for the period 2001-02 to 2018-19 (Rs. Billion)	Average social sector expenditure to aggregate disbursements for the period 2001-02 to 2018-19	Average expenditure on education as ratio to aggregate disbursements for the period 2001-02 to 2018-19
Non-Special Category			
Andhra Pradesh	276.06	35.5	11.51
Bihar	160.13	40.2	18.9
Chhattisgarh	86.76	46.97	14.53
Goa	14.69	30.87	13.31
Gujarat	191.82	34.82	13.32
Haryana	92.74	33.95	14.3
Jharkhand	89.68	45.4	16.01
Karnataka	203.07	35.91	14.82

Kerala	111.8	34.62	17.09
Madhya Pradesh	161.23	35.74	12.51
Maharashtra	373.81	37.19	18.6
Odisha	102.54	36.47	15.12
Punjab	70.6	22.93	11.95
Rajasthan	178.09	40.54	16.8
Tamil Nadu	248.15	36.87	14.18
Telangana*	397.03	40.7	9.9
Uttar Pradesh	355.34	34.07	14.87
West Bengal	207.95	35.05	16.15
Special Category			
Arunachal Pradesh	11.32	29.52	10.49
Assam	75.72	37.3	20.57
Himachal Pradesh	40.75	33.87	15.81
Jammu and Kashmir	52.39	28.77	10.75
Manipur	12.95	30.21	13.12
Meghalaya	14.24	38.48	16.14
Mizoram	10.79	37.22	14.31
Nagaland	11.28	28.42	12.02
Sikkim	8.27	26.71	11.45
Tripura	17.57	38.27	16.9
Uttarkhand	42.92	38.27	19.89

Source: Based on Table 5-10.

*Telangana has the average figures of three years-2015-16 to 2018-19

So from above discussion it is clear that there exist inter-state variations in the development of social sector in India.

6. Outlook and Challenges

The global recession of 2008 and the recent global slowdown have squeezed the fiscal space for most countries and consequently the purse for social sector spending. However, India's social sector spending has seen a continuous increase even during crisis-ridden years. India needs to balance the dual imperatives of growth and inclusion. This can

happen only if growth leads to higher and better jobs. A special effort is needed in two areas of human development in India-Health and Education. These will help translate our demographic advantage into real dividend.

There is also need to address delivery –related issues in a mission mode to ensure optimum utilization of funds and to convert outlays into outcomes. For this, good governance is critical.

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