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**VAJIRAM & RAVI**  
**BUDGET 2019-20: AGRICULTURAL AND RURAL PROSPERITY**

**Background against Which the Budget was Presented:**

- The annual average growth rate registered at 2.88 per cent during 2014-2018 in agriculture and allied sectors. It was **well below the prescribed target of 4 per cent per annum**
- The Gross Value Added (GVA) of agriculture and allied sector during 2018-19 was recorded at 2.9 per cent against 6.3 per cent in 2016-17.

**Key Highlights**

**I. Allocation to Centrally Sponsored Schemes:**

- As per the recommendations of the Sub-Group on Centrally Sponsored Schemes (CSS), the **number of CSSs was restricted to 30** for ensuring optimum utilisation of resources with better project outcomes through location-specific interventions.
- Such CSSs were categorised as '**Core Schemes**', '**Core of the Core Schemes**' and '**Others**'. While the focus under core schemes was to jointly implement schemes of national development by the Union Govt. and State, the **core of the core schemes are dedicated towards social protection and social inclusion**.
- Core Schemes witnessed an increase of 9.5 per cent in 2019-20 (BE) than that of 2018-19, core of the Core Schemes registered 5.37 per cent hike in their allocation.
- **2019-20 Budget allocation reduced** for *National Social Assistance Programme, Green Revolution and Pradhan Mantri Awas Yojana* and remained constant for *Pradhan Mantri Gram Sadak Yojana (PMGSY)*. Allocation for National Rural Drinking Water Mission, National Livelihood Mission – Aajivika and Jobs and Skill Development initiative witnessed enhancement in the BE 2019-20.

**II. Rural Wage Employment:**

- The Budget continued to underscore the importance of MGNREGA in building quality and productive community assets and as a tool for poverty alleviation.
- The challenge is to effectively utilize the funds under MGNREGA by integrating activities of other Ministries/Departments right at the worksite in consultation with the State Governments.

**III. Rural Roads:**

- PMGSY had managed to successfully deliver on-road connectivity to underdeveloped and unconnected habitations.
- The target of connecting all eligible and feasible habitations has been advanced from 2022 to 2019 under PMGSY.
- The next phase of PMGSY would focus on construction and up-gradation of 1,25,000 kms of road length over the next five years.

**IV. Zero Budget Farming:**

- The Union Budget 2019-20 emphasized on promotion of zero-budget farming. The intention is to promote this form of farming as **a low-cost, natural alternative** to the existing practices of heavy and unbalanced use of chemical fertilizer and pesticides.
- Though zero-budget farming is believed to enable arrest of further degradation of the soil, **a scientific study by the Government is the need of the hour** to understand its exact impact on soil health, food production, livelihoods and sustainable agriculture before the same is replicated throughout the country.
- It is expected that government would devise an effective and smooth road map to cover India's 14.1 crore farmer households on the issues of organic farming and zero-budget farming.

**V. Promotion of FPOs:**

- The Budget has a **5-year long-term target to form 10,000 Farmer Producer Organisations (FPOs)** to ensure economies of scale for farmers. FPOs are collectivization of producers especially small and marginal farmers, to collectively address challenge of agriculture.
- Around 3,100 FPOs are currently promoted in the country through schemes of Govt. of India, State Government and NABARD.
- The FPOs already in the country are **facing many challenges** which, inter alia, include access to finance by FPOs at the initial stage, provision of basic facilities like water and power, lack of sufficient storage place, lack of knowledge about use of modern technology and practices and capacity building for managing a company.

#### VI. **Investment in Irrigation:**

- Irrigation coverage of only **46% of net cultivated area** of 141 million hectares in the country. The significance of irrigation in enhancing agriculture production and ensuring food security is immense. Hence, the Budget continued its **stress on strengthening Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)** which targeted to irrigate the field of every farmer and to improve water use efficiency.

#### VII. **Rural Drinking Water Security:**

- The Budget has indicated Government's priority for ensuring country's water security and providing access to safe and adequate drinking water to all citizens.
- Not only a **new Ministry, i.e., Jal Shakti Mantralaya** has been carved out by integrating Ministries of Water Resources, River Development and Ganga Rejuvenation and Ministry of Drinking Water and Sanitation, the **Budget has also allocated Rs. 10,000 cr. to National Rural Drinking Water Mission** in 2019-20 which registered a massive 43 per cent increase.
- The mandate of the Mission is to achieve the objective of **Har Ghar Jal** [*piped water supply to each household*].

#### VIII. **e-NAM & Agri-marketing:**

- Though e-NAM was a great innovative move made by the Government, the intervention **could not produce desired results** in the selected *Mandis* of various states **due to implementation logjams.**
- Budget 2019-20 too has **reposed its faith in e-NAM** and vows to actively work with the State Governments to allow the farmers to actualise the real price discovery benefits from e-NAM in transparent manner.

#### IX. **Value Chain Finance:**

- To boost agri-business, the government has been attempting to ensure robust modern infrastructure in the food processing sector along the entire value/supply chain of food processing through its scheme **Pradhan Mantri Kisan Sampada Yojana (PMKSY).**
- Budget 2019-20 expressed its will to invest widely in agri-infrastructure by supporting private entrepreneurships in driving value-addition to farmer's produce from the field and for those in the allied activities as well.
- Dairying through cooperatives are proposed to be encouraged by creating infrastructure for cattle feed manufacturing, milk processing, procurement and marketing. The real challenge is to expand credit flow for meeting the agri-value chain credit demand-supply gap.

#### **Conclusion:**

- The 2019-20 Budget announcements have attempted to match the need of the occasion for restoring the rural growth engine.
- The Budget though has laid down the broad contours of rural and agricultural economic policies and prepared a road-map for a journey towards a positive and sustained farm and non-farm sector growth, a lot of coordination is required between the States and the Centre.
- The Budget intends to widely invest in agri-infrastructure including agri-value-chain. The real challenge in farm sector is, however, to conform to the notion of competitive advantage both within

and outside the value chain, power dynamics, value creation, value addition and asymmetries in value chain relations which have contributed to the sub-optimal performance of agri-business ventures in the country.

- Large allocation to rural and agriculture sector **does not guarantee outcome-based implementation** of all components meant for rural and agri-growth. Thus, it calls for timely and appropriate execution of development schemes/programmes by clearly delineating intended outcomes for the outlays prescribed for their utilization in the Financial Year 2019-20.

## **AGRICULTURE AND FARMERS' WELFARE: AN OVERVIEW**

### **Statistics:**

- Agriculture, which formed **3.5 per cent of the budget** in Financial Years 2018-19, comprised **5.4 per cent of budgeted expenditure** in Financial Years 2019-20, an increase of 1.9 percentage points.
- In terms of allocation, agriculture and allied activities **witnessed an increase of 80 per cent** over 2018-19. However, a *huge chunk of this allocation was towards the 'assured income support' scheme* i.e. **Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)** scheme (Rs. 75,000 crore) and also **Pradhan Mantri Kisan Pension Yojana** (Rs. 900 crore).
- Therefore, the Union Budget was presented taking into consideration the *gaon, garib aur kisan* (village, poor and farmer) for 2019-20 financial years.

### **Challenges in Agriculture:**

- Over the years, several new challenges have emerged before the sector, especially declining in factor productivity, increase in cost of cultivation and decrease in the net returns per unit area.
- With fragmented agricultural holdings and depletion of water resources, the adoption of a resource-efficient, ICT-based climate-smart agriculture can enhance agricultural productivity and sustainability.

### **Status of Indian Agriculture:**

#### **A. Gross Value Added in Agriculture:**

- Agriculture sector in India typically goes through cyclical movement in terms of its growth.
- Average annual growth rate in real terms in agricultural and allied sectors has remained at around 2.88 per cent during 2014-15 to 2018-19.
- However, the volatility of output growth as **measured by the coefficient of variation** has declined from 2.7 in the period of 1961-1988 to 0.8 during 2005 to 2018.

#### **B. Gross Capital Formation (GCF) in Agriculture and Allied Sector:**

- The GCF in agriculture and allied sectors in absolute terms **increased** to Rs. 2,73,755 crore in 2017-18 at 2011-12 prices.
- A comparison of the share of public and private investment in GCF in agriculture and allied sectors shows that while the share of public investment in agriculture and allied sectors registers an increase from 2014-15 and maintains an upward trend till 2016-17, the **share of private investment in GCF shows a decline** during this period.

#### **C. Increasing Irrigation Water Productivity (IWP) in Agriculture:**

- The incentive structures like MSP, heavily subsidized electricity, water and fertilizers have played a **significant role in the misalignment of crop patterns** in the country.
- The water guzzlers, paddy and sugarcane, consume more than 60 per cent of irrigation water available in the country, thereby reducing water availability for other crops.
- In the recent Union Budget, the provisions have been made through the Pradhan Mantri Krishi Sinchai Yojana which is 17.34 per cent higher than the previous year's budget provisions.

**Various initiations:**

**I. Increasing Sustainability in Agriculture – Turning to Organic and Natural Farming:**

- The Government has been promoting organic farming through the schemes such as **Paramparagat Krishi Vikas Yojana (PKVY)** and **Rashtriya Krishi Vikas Yojana (RKVY)**.
- In the revised guidelines of PKVY scheme during the year 2018, **various organic farming models** like *Natural Farming, Vedic Farming, Cow Farming, Home Farming, Zero Budget Natural Farming (ZBNF)* etc. have been included wherein flexibility lies with the states to adopt any model of Organic Farming depending on the farmer's choice.
- Organic farming is also being promoted through the scheme **Mission Organic Value Chain Development for North Eastern Region (MOVCDNER)** under **National Mission for Sustainable Agriculture (NMSA)**
- **Six states** – Karnataka, Himachal Pradesh, Kerala, Uttarakhand, Chhattisgarh and Andhra Pradesh, **have already adopted the ZBNF technique.**

**II. Adopting Appropriate Technologies for Smallholder Farm:**

- The **Custom Hiring Centres (CHCs)** can be set up to promote use of high-tech machinery for the mechanization of small and marginal farm holdings, especially in difficult terrains.
- From 2014-15 to 2017-18, a total of **8162 CHCs** were established under the **Sub Mission on Agricultural Mechanization (SMAM) scheme.**
- In the context of poor infrastructure, adoption of ICT in agriculture will promote market access, facilitate financial inclusion and contribute significantly to early warning signals that are critical for the development of smallholder community.

**D. Animal Husbandry and Dairying:**

- India ranks first in milk production, accounting for 20 per cent of world production. But there exist a wide inter-state variability in milk production.
- While the **All India per capita availability of milk is 375 grams** per day, it varies between 71 grams per day in Assam to 1120 grams per day in Punjab.

**E. Fisheries Sector:**

- India is the **second largest fish producer** in the world with a total production of 13.7 million metric tonnes in 2018-19 of **which 65 per cent was from inland sector.**
- The sector accounts for 5.23 per cent share of agriculture GDP. Fish and fish product exports emerged as the largest group in agricultural exports.
- A separate **Department of Fisheries** was created in February 2019.
- The Government has **merged all the schemes of fisheries** sector into an umbrella scheme of 'Blue Revolution: *Integrated Development and Management of Fisheries*' *focusing on increasing fish production and productivity from aquaculture and fisheries resources, both inland and marine.*

**Schemes to Improve Productivity of Livestock and Dairy Sector:**

- **Rashtriya Gokul Mission (RGM), E-Pashu Haat Portal, National Livestock Mission, Livestock Health and Disease Control Scheme and Dairy Development schemes** viz. National Programme for Dairy Development, Dairy Entrepreneurship Development Scheme, Dairy Processing and Infrastructure Development Fund (DIDF) etc.
- In the recent Union Budget 2019-20 the **Rashtriya Kamdhenu Aayog** has been proposed to set up to upscale sustainable genetic up-gradation of cow resources and to enhance production and productivity of cows.

**Pradhan Mantri Matsya Sampada Yojana (PMMSY):**

Through a focused Scheme – the Pradhan Mantri Matasya Sampada Yojana (PMMSY) – the Department of Fisheries will establish a robust fisheries management framework.

- Towards realization of these objectives, the creation of the **Fisheries and Aquaculture Infrastructure Development Fund (FIDF)** was approved.

#### **F. MSP and Food grains Procurement:**

- In 2018-19, the Government raised the MSP of both Kharif and rabi crops to ensure a return of at least 50 per cent above the cost of production to enhance farmer's income.

#### **G. Agriculture Credit:**

- The **small and marginal holdings constitute majority** (more than 85 per cent) of total operational holdings in the eastern region, north-eastern region and central region, which warrants greater distribution of agricultural credit disbursement to this region.
- In order to provide short-term crop loans up to Rs. 3 lakh to farmers at an interest rate 7 per cent per annum, during the year 2019-20 financial years, it has been decided to offer interest subvention of 2 per cent per annum to lending institutions.
- Also, there is provision to provide an additional interest subvention of 3 per cent per annum to such of those farmers repaying in time.
- This implies that the farmers paying promptly as above would get short-term crop loans @ 4 per cent per annum during the year 2019-20.

#### **Doubling the Income of Farmers by 2022**

- The Government has set a target of doubling of farmers' income by the year 2022. For the said purpose, the Government had constituted an inter-Ministerial Committee to examine issues relating to Doubling of Farmers' Income (DFI) and recommended strategies.
- The Committee has **identified seven sources of income growth** viz. *improvement in crop productivity; improvement in livestock productivity; resource use efficiency or savings in the cost of production, increase in the cropping intensity; diversification towards high value crops; improvement in real prices received by farmers and shift from farm to non-farm occupations.*

### **CORPORATE INVESTMENT IN AGRICULTURE**

#### **Need for Private Corporate investment**

- The current private corporate investment in agriculture as a percentage of the total annual investment in agriculture is about 2%.
- Agriculture is highly reliant on the Government. The State provides minimum support prices, irrigation facilities, subsidies, loan waivers, storage, and transport services.
- Greater investments from companies which buy farmers' produce in some states, can contribute significantly towards uplifting farmers' incomes at a steady pace.
- The private corporate sector is investing not only in infrastructure and facilities, but also in R&D in the food, feed, energy and health sectors.
- From supplying inputs such as seeds, fertilizers, pesticides, animal feed etc. to product marketing, development of value chain, and commercialization of technologies, the private sector's significance is gradually increasing in the agricultural sector, more specifically in agricultural R&D.

#### **Opportunity for corporates:**

- The agricultural sector comprises 18 per cent of India's GDP.
- Recently, **agri-biotechnology has been the fastest growing sector** attracting huge resources for R&D through small and medium enterprises. Moreover, the private sector is becoming increasingly active in commercial crops, such as hybrids of maize, pearl millet, sorghum etc.

#### **Case studies of a Few Corporates**

- In 2006, PepsiCo. provided direct seeding, machines to farmers for paddy sowing which helped reduce water consumption by 30 per cent 75 per cent, There was a reduction in labour costs that reduced the cost of cultivation.
- **Mahindra Agri Solutions Ltd.** (MASL), subsidiary of Mahindra & Mahindra Ltd., inaugurated Packhouse facility in Nashik in January 2019. It can pack 90 tonnes of grapes per day and has also been certified by international bodies.
- ITC Ltd. has also made its contributions. New varieties of seeds Farm inputs, and paddy transplanters have been provided by ITC, which have been successful in reducing the crop cycle and also decreased the cost of cultivation.

#### **International Experience: Australia and Japan**

- In 2016-17, Australia's economy had grown by 1.9 per cent. Agricultural production was the single biggest contributor to this growth. Corporates are involved in food production on a very large scale.
- Agricultural corporations are becoming more prevalent in Japanese agriculture. According to the 2010 census, there were 17,040 agricultural corporations in Japan, an increase of 22 per cent from t previous five years.

#### **Government Efforts to Encourage Corporate Investment**

1. There have been efforts since 2012 to encourage **Farmer Producer Companies (FPCs)** which are a hybrid between cooperative societies and private limited companies registered under the Company's Act.
2. In order to promote the **production of oil palm** in the country, the Government implemented the National Mission on Oilseeds and Oil Palm (NMOOP) from 2014-15. Government has recently **relaxed the land ceiling limit** for oil palm cultivation under NMOOP to attract corporate bodies to oil pm production and derive maximum benefit of **100 percent FDI**.
3. The **Model Agriculture Produce & Livestock Marketing (Promotion & Facilitation) Act, 2017** provides the opportunity for the private sector to set up private markets, alternate marketing channels, online market platforms, etc. in both agriculture and livestock marketing.
4. The Model Agriculture Produce & Livestock Contract Farming & Services Act (Promotion & Facilitation) Act, 2018 enables private sector investments by way of capital, technology, and extension all along the value system.
5. Exemption to FPC under Income Tax Act has offered an IT exemption to all FPCs with a turnover of up to Rs 100 crore per annum, by considering their incomes as agricultural income.
6. There is 100 per cent foreign direct investment (FDI) in food retail.
7. In 2017, the Ministry of Agriculture and farmers Welfare, in collaboration with Start-Up India, launched the **Agriculture Grand Challenge**. The Ministry selected start-ups which received mentorship and guidance from them and an opportunity to get incubated and gain market access.
8. There is a budget proposal (2019) by the Government to form 10,000 farmer producer organizations (FPOs) in the next five years.

#### **The Road Ahead:**

- Large investments in public goods are essential to attract the private investments.
- To double farmer's incomes, private investment in agriculture must increase by two times.
- One of the reasons for low productivity is how the farmland is fragmented into very small landholdings. The **consolidation of these landholdings** or following the method of cooperative farming would be able to contribute a great deal. The increased land productivity would make agriculture an attractive avenue for corporations to invest in.
- Capital investments corresponding to agricultural growth are of two categories: i) **Capital investments 'in' agriculture** — land development, irrigation, markets, etc. and; ii) **Capital investments 'for' agriculture** — road, power, transport, etc.
- According to the Ministry of Agriculture and Farmer's Welfare, in order to achieve the target of 10.4 per cent income growth rate in farming over the period of 2016-17 to 2022-23 (with 2015-2016 as

the base year), the annual growth rate in investment required 'in' agriculture is 12.5 per cent and 'for' agriculture it is 16.8 per cent.

- Taking up the example of the Silk industry, it can be observed that in countries like China and Japan, while silkworm rearing is a small farmer's job, the process ahead involving the **seed production, reeling and weaving are executed mostly by corporates**, which brings in technology, efficiency, quality and economies of scale in operations.

**Conclusion:**

- The corporate investment had become a huge cause of concern in the farming sector. The main reason for this has **been excessive controls and regulations** in the agriculture sector.
- Currently only private industrial venture drive India's farm mechanical sector, the seed sector and also invest heavily in horticulture and food processing sector.
- To address this Government needs to encourage the corporate sector by adopting policies that incentivize them to participate in agriculture.

### REVAMPING OF FARM AND NON-FARM RURAL SECTOR

- The Union Budget 2019-20 lays focus on revamping agriculture and rural non-farm sector.

**Key initiatives in Budget:**

- The Budget referred to **train 7500 entrepreneurs** those would be concerned with agricultural and rural industrialization.
- The idea to float **10,000-Farm Producers Company** would be very helpful to make the share of the farmers in the agricultural trade. The idea behind is to promote the maximum participation of these farmers in their own venture.
- The Budget has also proposed to **promote zero-budget cultivation**.
- **Diversification of agriculture** is required to make the optimal use of sources and to promote employment throughout the year. Now the Government of India has announced a **new procurement policy** in which some other farm products would be included in the state.
- The Finance Minister had stated that by 2022, every house would have electric connection and 1.25 lakh new roads would be constructed. It would have its favorable impact not only on agriculture, but also on the non-farm rural sector.
- **Women in the Self-Help Groups** are to be provided Rs 1 lakh as loan and the facility of over draft up to Rs 5000 from the bank.
- While advancing towards awareness, **20 million farmers would be provided digital education** that has become imperative in the modern agriculture and farm business.
- Keeping in view the policy to promote "**Jai Kisan, Jai Jawan, Jai Vigyan and Jai Anusudhan**" concept, the budget has its focus on the over prosperity.

**There are three options for assured marketing:**

**First** is to procure by the Government.

**Second**, the farmers would sell their products in the regulated markets and the Government would pay the balance in the market price and the minimum support price.

**Third**, the private traders are allowed to purchase but would have to pay the M.S.P.

**Conclusion:**

- Agriculture labour is still the second most important profession of rural sector. The new enterprises in villages shall help to generate new employment opportunities where the population of rural India along with released agriculture labour would be employed. The revamping of the rural sector shall also redeem them from that vortex of debt.

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**VAJIRAM & RAVI**  
**CHANGING LANDSCAPE OF RURAL ECONOMY**

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- Development of the rural economy is crucial for promoting ease of rural lives. In this direction, the Government of India has been undertaking many initiatives. Steps that are focused to improve 'ease of living' especially in the rural areas are:
- A. DBT for Easing the Lives of Poor**
- Government of India rolled out the DBT framework from January 2013. It started with 28 selected schemes in 2013, and as on July 2019, **it has broadened with 439 schemes under 55 Ministries.**
  - As on March 2019, the DBT Cell has estimated the-overall **net gain due to the DBT framework to be 1.42 lakh crore** for the GoI since its inception.
  - In order to implement the DBT at a large scale, a model popularly known as JAM Trinity (Jan Dhan Bank Accounts, Aadhaar Identification and Mobile communication).
  - The Pradhan Mantri Jan Dhan Yojana was launched in 2014 to bring the unprivileged section of the society under financial inclusion. As on 03 July 2019, about **36.06 crore Jan Dhan bank accounts** have been opened of which 59.26% are in rural/semi-urban areas, and the **total deposits stands at Rs. 1 lakh crore.**
  - **India Post Payment Bank (IPPB)** has appeared as an instrument to improve financial inclusion of unbanked/underbanked section of the society.
  - In terms of Aadhaar enrolment, 124 crore Aadhaar have been generated reaching a saturation level of 90% of the populations on 15th July 2019.
  - The recent **Kantar IMRB Report** (2019) reveals that the **growth of internet usage** in rural areas was 35% in 2018 reaching to about 25 crore population covering a penetration of 25% in the rural population and the same is expected to reach to 29 crore by the end of 2019.
- B. Rural Connectivity**
- The **Pradhan Mantri Gram Sadak Yojana (PMGSY)** has made a significant change in the rural connectivity. The scheme has two components: **construction of new roads** for the unconnected habitants and **upgradation of existing roads** where emphasise is given mainly in the areas with a higher volume of traffic.
  - Per day road construction had increased from 104 km in 2014-15 to 134 km in 2018-19.
  - The launch of **Meri Sadak App** appears as a useful tool in monitoring the construction and maintenance activities as well as mitigating the grievance redressal of the community. Another prominent governance change in the scheme is the **adoption of e-procurement for awarding contracts** of PMGSY roads.
  - A study estimated that **the return to one rupee spent in PMGSY to be Rs. 1.1 to the Agricultural GDP**, which is higher as compared to rupee spent in primary agri-subsidies.
  - Considering these positive externalities, the Government has approved Phase III of the scheme to upgrade 1.25 lakh km rural road using green technology.
- C. Affordable Housing to Rural Poor: PMAY-G**
- To accomplish the holistic target '**Housing for all by 2022**', MoRD targeted to construct 10 crore PMAY-G house by 2019 in its Phase I (2016-19) whereas it kept a target of 1.95 crore for the Phase II(2019-22).
  - Several changes were made in governance and implementation of the scheme including enhancement of financial assistance, mandatory use of DBT and Geo-tagging, and a real-time monitoring portal "AwaasSoft".
  - NIPFP (2018) estimated that the *average time required for constructing a PMAY-G house has substantially reduced from 313 days in 2015-16 to 114 days in 2017-18.*
  - The Scheme is **also converged with various other Central schemes** as well as state-sponsored schemes such as MGNREGS, Swachh Bharat Mission etc. to provide an affordable house with base amenities.

### **Rural Development in Budget 2019-20**

- The Budget 2019-20 has given a big boost towards the development of the rural economy keeping “**Antyodaya**” as its core principle, while concentrating on “**Gaon, Garib aur Kisan**”.
- The Budget 2019-20 allocates 1.92 lakh crore compared to previous year’s revised estimate of 1.85 lakh crore.
- The Budget Speech specifically mentions about approaches towards uplifting the **women through more SHGs participation** and increased economic activities under Deen Dayal Antyodaya Yojana (DAY- NRLM). It kept provision for Rs. **5000 overdraft for one woman per SHG** having a Jan Dhan Account, and a loan up to Rs. 1 Lakh.
- The Government attempts to give a push to rural economy through the PM Kisan scheme that **provides Rs 6000 per annum in three equal installments** directly to the marginal farmers (up to 2 hectares of land) effective from December 01, 2018.
- The income support will have a stimulating effect through increased private consumption in the rural areas, which will have multiplier effects on the economy as a whole.

### **Conclusion:**

- The Budget continues to focus on the rural economy with the broader aim to improve the ease of living.
- While there appears to be an increase in the efficiency of implementing most of the rural development schemes, there is still a need for further improvement in fund flow mechanism as well as monitoring and evaluation systems in order to improve the conditions of rural people and rural geographies.

## **RURAL INFRASTRUCTURE IN UNION BUDGET 2019-20**

### **Defining Infrastructure**

- The **Rangarajan Commission** (2001) defined infrastructure as having natural monopoly, high investments, non-tradable, non-rival, price exclusiveness and put in a specific place.
- The **Rakesh Mohan Committee Report** (1996) and the Central Statistical Organization (CSO) present *infrastructure as Electricity, gas, water supply, telecom, roads, industrial parks, railways, ports, air airports, urban infrastructure and storage as infrastructure*.
- The **World Bank** treats power, water supply, sewerage, communication, roads & bridges, ports, airports, railways, housing, urban services, oil/gas production and mining sectors as infrastructure.
- The **Government of India** has taken the infrastructure sector, mainly highways, renewable energy, housing, digital infrastructure and urban transport, as a priority sector, for which an allocation of Rs 5.97 lakh crore has been earmarked under the infrastructure sector in the Union Budget 2018-19.
- However, the 2019-20 Budget has kept long- term growth and attaining US\$ 5 trillion economy, for which a Budget provision of Rs. 100 lakh crores are earmarked for 5 years in infrastructure sector, including railways which would invest about Rs. 50 lakh crores.

### **Road Infrastructure**

- There is a target to construct 7,000 km roads **under PMGSY** during the current year 2019-20, out of which about 3,000 km roads are being built **under the green technology** with use of cold mix, cement stabilization, caste plastic panel etc.
- An ambitious road and highways development programme was launched under **Bharatmala Project**.
- **Setu Bharatam Pariyojana** aimed at elimination of the Railways crossing in India by constructing 1500 major bridges and 200 Railway over Bridges or railway under Bridges by 2019.

### **Communication Infrastructure**

- The growth in telecom sector has generated innovations, entrepreneurship through the Start-up India and Stand-up India, and has made mobile communication among more than 80 crores population and contributing significantly with about 1.75% of the Indian GOP for the year 2015.
- About 1.5 lakh Gram Panchayats are being connected with optical fibre for providing Internet and Wi-Fi hotspots and access to digital services at low tariffs, through Digital India and the **Bharatnet Project**.
- Further, the **Digi-Gaon** is being planned for providing the platform for the financial services, tele-medicine, education, e-governance, e-marketing and skill development.
- The **Digital India Programme** was launched by in July 2015 with a vision to transform India into a digitally empowered society and knowledge economy.
- The Government earns revenue in the form of mainly license fees and spectrum usage charges (SUC) from telecom operators.

#### **Renewable Energy Infrastructure**

- India is emerging as one of the largest production of energy from renewable sources. It is **catering to about 20% of the total installed power capacity** (69.02 GW) as of 31 March 2018 and with hydro power, it contributes about 33 per cent.
- The **wind power capacity** is about 34,046 MW as of 31 March 2018, making India the **fourth-largest wind power producer** in the world, and it is aimed to generate 100 GW of solar power by 2022.
- Biomass power from **biomass combustion, biomass gasification and bagasse co-generation** reached **8.3 GW installed capacity** and **family type biogas plants** reached 3.98 million as of 31 March 2018,
- Budget 2019-20 aims to **boost investment in renewable energy sector**, with investments in manufacturing of solar photo voltaic cells, solar electric charging infrastructure and batteries, to accelerate the generation of renewable energy.
- It is envisaged that the incentives provided would make India as a global hub for R&D and manufacturing of advanced energy storage and EVs by 2022, provide a policy direction to promote the manufacturing through 'Make In India' programme, in the renewable energy sector.
- India is **targeting a renewable energy target of 175 GW by 2022**.

#### **Housing:**

- Budget 2019-20 aims at 1.95 crore households under PM Awas Yojana to eligible beneficiaries to be provided in phase II now by 2022.

#### **National Rural Drinking Water Programme:**

- It is targeted at providing every person in rural India with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis.
- About 1.7 million rural habitations provided drinking water under this programme; 1.3 million (77%) habitations are fully covered under the guidelines of provision of 40 litres per capita per day (IPC), while about 330,086 (19.3%) habitations are partially covered with safe water availability below 40 LPCD and 64,094 (3.73%) are water-quality affected habitations, by March 15, 2017.
- The 2019-20 Budget tries to provide water security with provision of water supply in an integrated and holistic manner, to promote **achieve Har Ghar Jal (piped water supply) to all rural households by 2024**, and **Jal Shakti Abhiyan** for improving the ground water availability.

#### **Swachh Bharat Abhiyan**

- Under the Swachh Bharat Mission. about 9.6 crore toilets were constructed and it is planned to be expanded to sustainable solid waste management in every village and make India Open Defecation Free by October 2, 2019, with about 95% of cities becoming open defecation free, at a cost of Rs. 1.96 lakh crore.

#### **Storage and Warehouse**

- The budget 2019-20 promote invest widely in agriculture infrastructure and support private entrepreneurship for value addition in farm sector like storage and warehouses, agriculture infrastructure and support private entrepreneurship for value addition in the farm sector.

#### **Conclusion**

- Giving priority to infrastructure is a progressive measure, which can be treated as the social capital that accelerates the productive activities, livelihood and quality of lives.

### **ECONOMIC SURVEY 2018-19: INSIGHTS, IMPACTS AND INCLUSIVENESS**

- Economic Survey is an annual document published by Ministry of Finance which gives the sectoral and overall economic performance and overview of the country about the past years and shows the road map of the year ahead with possible policy initiatives and interventions. **The first Economic Survey was presented in 1950-51.**

- The Key Highlights of Economic Survey 2018-19 are as follows:

#### **A. Vision India**

- India aims to grow into a **USD 5 trillion economy by 2024-25**, which will make it the **third-largest economy** in the world. It requires real annual growth rate in GDP of 8 per cent over that period assuming 4 per cent inflation rate.
- It can be sustained by a "**virtuous cycle**" of savings, investment and exports, supported by a favorable demographic phase. **Investment especially private investment** is the "key driver" that drives demand & creates capacity.

#### **B. Focusing on Fiscal Discipline and Fiscal Management**

- India has kept the **targeted fiscal deficit at 3.3 per cent at GDP** in the current budget (2019-20). The fiscal deficit of the Central Government found declined from 3.5 per cent of GDP in 2017-18 to 3.4 per cent in 2018-19 as a symbol of fiscal discipline.
- It **envisages achieving fiscal deficit of 3 per cent** of GDP by FY 2020-21 and Central Government **debt to 40 per cent of GDP** by 2024-25.
- There was a **0.4 per cent reduction in revenue expenditure** but a 0.1 per cent increase in capital expenditure.

#### **C. External Sector**

- In 2018-19 the composition of India's export and import has almost remain unchanged over 2017-18. **Merchandise export grew faster than import** due to widening of the Current Account Deficit (CAD). This was **largely on account of a higher trade deficit caused by international crude oil price**.
- India's **CAD stood at US\$ 51.9 billion (2.6 per cent of GDP)** as compared to US\$ 35.7 billion (1.8 per cent of GDP) in the year 2017-18 due to sharp rise in crude oil price.
- The share of **net FDI inflows** in total liabilities has **seen a secular increase** since 2013 reflecting **an increase in dependence on more stable sources of financing the CAD**.
- **Net foreign investment declined** to US\$ 31.3 billion as compared to US\$ 52.4 billion in 2017-18 but Net Foreign Direct Investment (FDI) inflows grew by 14.2 per cent in 2018-19.
- The **real effective exchange rate** also **depreciated in 2018-19** by 5.8 per cent, making India's export potentially more competitive. During 2018-19, Indian rupee traded with a depreciating trend against US dollar and touched a historical low of 74.4 per cent US\$.
- **India's foreign exchange reserves** continue to be comfortably placed at **US \$ 422.2 billion**, as on 14th June 2019.

#### **D. Money, Banking and Financial Intermediation**

- The performance of the banking system has improved as **NPA ratio declined** as **GNPA ratio of SCBs and PSBs decreased** from 11.5 per cent to 10.1 per cent and 15.5 per cent to 13.9 per cent between March and December 2018, respectively.
- However, the **GNPA ratio of NBFC sector deteriorated to 6.5 per cent** in December 2018 from 6.1 per cent in March 2018.
- **Insolvency and Bankruptcy Code** led to recovery and resolution of significant amount of distressed assets
- **Credit growth rate of NBFC declined** from 30 per cent in March 2018 to 9 per cent in March 2019 as NBFC has experienced difficult time in 2018-19.

#### **E. Industry and infrastructure**

- The industrial growth rate in terms of **IIP was 3.6 per cent in 2018-19** as compared to 4.4 per cent in 2017-18. The share of overall investment as indicated by the real gross fixed capital formation in GDP at current prices is estimated to be only marginally higher at 29.3 per cent during 2018-19.
- As on March 1, 2019, **16,578 new start ups were** recognized across 499 districts, 47 per cent Start ups under the scheme "Start-Up India".
- Total **telephone connections in India** touched 118.34 crore in 2018-19, registering a growth of 26.84 per cent.
- **Total generation of energy** during 2018-19 was **1376 BU** (including imports and renewable sources of energy).
- **Road construction in kilometer** grew at 30 kilometer per day in 2018-19 as compared to 12 kilometer per day in 2014-15.

#### **F. Saving and investment**

- For better growth of economy and financial sector, savings play a vital role and promote investment led growth model. Philosophy of economic growth revolves around the '**Blue Sky Thinking**' where all the economic activities are intricately interwoven.
- Survey **proposed to reduce the 'Economic Policy uncertainty'** in order to foster a conducive investment climate by way of (i) Consistency of actual policy with forward guidance and (ii) Quality assurance certification of process in government department.

#### **G. Agriculture and Food Management**

- The GVA in agriculture *improved from a negative 0.2 per cent in 2014-15 to 6.3 per cent in 2016-17 only to decelerate to 2.9 per cent in 2018-19.*
- The **share agriculture, forestry and fishing sector** in GVA has seen a **steady decrease** over the years from 15.4 per cent in 2015-16 to 14.4 per cent in 2018-19.
- The **area operated by the marginal and smallholdings** increased from 38.9 per cent in 2000-01 to 47.4 per cent in 2015-16, while that of the **large holdings decreased** from 37.2 per cent to 20 per cent during this period.
- **Women's participation in agriculture has increased** and their **concentration is highest (28 per cent) among small and marginal farmers.**
- In India, according to the Asian Water Development Outlook, 2016, almost 89 per cent of groundwater extracted is for irrigation.
- It is estimated that by 2050, India will be in the global hot spot for '**water insecurity**'. Therefore, devising policies to incentivize farmers to improve water use should become a national priority.

#### **H. Behavioural Economic for Social Change**

- To bring radical social change, the recent policy **focuses on behavioural economics to 'nudge' people towards desirable behavioural.** The key principles of behavioural economics help us in *emphasizing on the beneficial social norm changing the default option and repeated reinforcement and strongly recommend behavioural economics audit for all the policies and programmes before implementation.*

- The behavioural transformation includes '**Beti Bachao & Beti Padhao**' to '**BADLAV (Beti Aapki Dhan Lakshmi Aur Vijay Lakshmi)**'; from 'Give it up' for the LPG subsidy to 'Thinking about subsidy'; from 'Tax evasion' to 'Tax compliance from 'Swachh Bharat' to 'Sunder Bharat'; similarly from 'economic growth' to 'sustainable development'; from 'implement' to 'impact'; and 'output' to 'outcome'

#### **I. Initiatives for Inclusiveness**

- There is no mechanism to achieve and automatic inclusive growth rather it can be attained through proactive intervention, effective policy implementation and people's participation in governance process.
- To achieve the sustained inclusive growth, the Survey has emphasized on the need to **combat the delays in** the contract enforcement and disposal resolution.
- **Data can be created as a public good** in the legal framework if data privacy benefits all, especially the poor and social sectors.
- The Survey forecasts **numerous opportunities in creating data as a public good "of the people, for the people, by the people"**.
- It is proposed to redesign the minimum wage system in India and to create "National Level Dashboard" to provide information and guidelines to the target demography.

#### **Conclusion:**

- The success of democracy can be established only when the benefits of the growth percolate to the bottom of the society and are able to uplift the socio-economic standards of the helpless and marginalized.
- The three 'f' funds, functions, and functionaries are needed to be optimally used to enhance the desired benefits that can percolate among the masses.
- Economic Survey recommends the **role of private investment** in well-functioning legal system, given its potential economic and social multiplier effect.
- If India is to accomplish the aspiration of equaling and overtaking China as the largest economy, we not only need extensive measures but also vigorous implementation.

### **UNION BUDGET 2019-20: TOWARDS A HEALTHY INDIA**

#### **National AIDS and STD Control Programme**

- Another initiative in the health sector that has seen a major hike in budgetary allocation is the **National AIDS and STD Control Programme**, an increase of nearly 30 per cent.
- The National AIDS and STD Control Programme has undoubtedly been one of the more successful public health initiatives implemented in India at scale.
- It is estimated that during 2007-2015, new HIV infections in the country reduced by 66 per cent and AIDS-related fatalities declined by 54 per cent.
- **NHP 2017** has reiterated the **global goal of achieving 90:90:90 for HIV/AIDS** by 2020.
- This implies that of all people living with HIV in India, 90 per cent should be aware of their status. Further, 90 per cent of those diagnosed with HIV should receive antiretroviral treatment and in 90 per cent of those receiving this treatment, a suppression of the virus should be achieved.
- The substantial increase in budgetary allocation for the programme is also significant *because a larger number of patients are now suffering from HIV along with other conditions such as TB*.
- As emphasized in NHP, 2017, the HIV TB co-infection, in particular needs tremendous attention given that India is grappling with a significant burden of TB.
- India has **expressed its commitment to eliminating TB by 2025**, five years ahead of the global target.

#### **Nutrition, Drinking Water and Social Welfare.**

- The **National Nutrition Mission (POSHAN Abhiyaan)**, has seen an increase over 11 per cent.

- To address the challenge of malnutrition, POSHAN Abhiyan **was launched in 2018** to provide an appropriate Governance structure reflecting the many overlapping factors that affect the nutritional status of an individual or household.
- The Abhiyan targets a reduction in stunting, under-nutrition, anaemia and low birth weight by at least 2 per cent, 2 percent, 3 percent and 2 percent per annum respectively.
- Furthermore, as part of its goal of providing piped water supply to all rural households by 2024, the Government has enhanced the allocation for the National Rural Drinking Water Mission by 82 %.

### **BANKING AND FINANCIAL INCLUSION**

- As banks have control over a large part of the supply of money in circulation, they can influence consumption, production, employment and distribution of resources and can play a role in maintaining equity and growth.

#### **Status & Progress**

##### **A. Self Help Group Bank Linkage Programme (SBLP)**

- As on March 31, 2018, 87.44 lakh Self Help Groups have been linked with banks with savings aggregating Rs. 19,592 crore.
- The programme has proved that lending to the poor is bankable and when small loan products are offered to the poor even without collateral, they repay the dues on time.

##### **B. Kisan Credit Cards (KCCs) and General Credit Cards (GCCs)**

- Under the scheme, both owner cultivators as well as landless cultivators avail credit to meet their needs at subsidized rates of interest.
- Similar is the case for General Credit Cards. These cards cater to the needs of the entrepreneurs in non-farm sector. The entrepreneurs in rural and semi-urban areas get hassle-free bank loan through GCC.
- As on 31 March 2018 the numbers of KCCs and GCCs issued by the scheduled commercial banks were 46 million and 12 million, respectively.

##### **C. Banking Outlets in Villages:**

- The number of banking outlets in villages, which was 67,694 in 2010, increased to 5,69,547 in 2018 at an annual rate of 26.7 per cent. However, due to the recent advancement of technology & communication network, the growth rate of branchless banking network has been increasing at a fast rate even in remote villages.

##### **D. Basic Savings Bank Deposit (BSBDA) account:**

- The Financial Inclusion programmes in India became more focused with the introduction of '**No-Frills Account (NFA) in 2005**. Under the schemes, the NFA offers minimum banking facilities to the account holders by having a zero balance.
- Later, in 2012, the **No Frill Accounts were replaced with Basic Savings Bank Deposit Account (BSBDA)**, with the objective of strengthening the efforts for furthering Financial Inclusion drive.
- **Trust factor may be one of the reasons** for the slow growth rate of deposit of the account holders in branchless.

##### **E. Prime Minister Jan Dhan Yojana (PMJDY)**

- For extending formal financial services such as Banking Savings & Deposit Accounts, Remittances, Credit, Insurance and Pension in an affordable manner to the excluded people, Prime Minister Jan Dhan Yojana (PMJDY) scheme was launched on 28 August 2014.

#### **Banking and Financial Inclusion in Union Budget 2019-20**

##### **Banking sector**

- The Government through this budget has announced to **infuse capital of Rs.70,000 crore** into the Public Sector Banks.

- Secondly, the budget pitched for **additional power with the RBI over the NBFCs and Housing Finance Companies** to provide uniform regulatory environment to the lending segment.
- Steps have also been taken to **bring deposit taking NBFCs and systematically important non-deposit taking NBFCs at par with banks** and other public financial institutions through tax measures.
- Measures to support financially sound NBFCs and higher regulatory RBI monitoring will lead to drive for consolidation of NBFCs.
- For easy accessibility of banking, the Government has urged the Public Sector Banks, (PSBs) to leverage technology, offer online personal loans and doorstep banking and enabling customers of one PSB to access services across all PSBs.

#### **Inclusive Farmers**

- Promoting 10,000 Farmer Producer Organisations (FPOs) is a welcome step.

#### **Women-led initiatives for inclusion:**

- Through the budget, the Government has re-affirmed to expand Interest Subvention Programme to the women SHGs in all districts.
- An overdraft facility of Rs.5,000 will be allowed every verified women SHG member having a Jan Dhan Bank account. Besides, one woman in every SHG will be made eligible for a loan up to Rs. 1 lakh under the MUDRA Scheme.
- The Finance Minister has also proposed to form **broad based committee to evaluate and suggest actions for gender budgeting.**

#### **Inclusive growth through MSMEs**

- It was announced that **loans up to Rs. 1 crore** will be granted to MSMEs **within 59 minutes** through a dedicated online portal.
- Further, Rs.350 crore has been allocated for **2per cent interest subvention** for all GST registered MSMEs on fresh or on incremental loans for the year 2019-20.
- The Government also launched the **Pradhan Mantri Karam Yogi Maandhan Scheme (PMKYM)** in which pension benefits would be extended to about 3 crore retail traders and small shopkeepers having an annual turnover less than Rs.1.5 crore.

#### **Digital inclusion**

- To empower rural people digitally, the Government has launched **Pradhan Mantri Granin Digital Saksharta Abhiyaan**. The scheme aims at imparting digital literacy to citizens in rural areas free of cost.
- The budget has also vowed for internet connection in local bodies in every Panchayat under **Bharat-Net to bridge rural-urban divide**. With the announcement of the scheme, the **Digital programme** in rural India will get a further boost.

#### **Way Forward**

- The benefits of financial inclusion are clearly established. It is a key enabler in reducing poverty and boosting prosperity.
- Technology can play a pivotal role to reach the unreached and bank the unbanked. It is also expected that agri-tech startups may provide the latest technology and link the farmers with market for better returns.

### **RURAL EDUCATION**

- The **Committee for Draft National Education Policy** submitted its report to Ministry of Human Resource Development on May 31, 2019. It aims to overhaul of the entire education system.

#### **Key Features of the Policy:**

- The report **seeks to address the challenges** of: (i) access, (ii) equity, (iii) quality, (iv) affordability, and (v) accountability.
- It specifically **targets to strengthen and upscale the skills** of both teachers and learners to meet global levels.
- The policy proposes major changes in both school and higher education, improved governance and focus on research and innovation.
- The new policy also emphasizes **transformation at all levels of education** with an increased **focus on early childhood care., teacher training, examination system and research.**
- The policy promotes **active pedagogy** that will facilitate development of core facilities and life skills, including the skills of 21st century. It also seeks to increase public investment in education and strengthen the use of technology.
- The policy **aims to equip students** with the necessary skills and knowledge and has a **special focus on science and technology.**
- A new **apex body Rashtriya Shiksha Ayog** is proposed to enable a holistic and integrated implementation of all educational initiatives

#### **National Sports Education Board under 'Khelo India' Scheme**

- The Union Budget emphasizes upon sports for holistic development of young learners. A **National Sports Education Board** will be set up **under the Khelo India** schemes a programme to increase awareness on sports in India.
- Khelo India programme is focused on nurturing talent and connecting rural India to global games.  
The vision of the Khelo India is to **infuse sports culture** and achieve sporting excellence in the country. The mission is to **encourage sports for all.**

#### **The other important items, related to education, covered in the budget include:**

- Development of a "**Gandhi-pedia**" to sensitize youth about Mahatma Gandhi's ideas;
- Establishing a **dedicated Television Channel for Start-ups**. This will have indirect impact on institutions offering higher education.

## **SKILL AND ENTREPRENEURSHIP DEVELOPMENT FOR RURAL INDIA**

- India is home to **world's youngest population** as half of its population is below 25.

#### **Statistics:**

- It is estimated that 30 per cent of India's population is below the age of 14 and around 8 per cent are in the 60-plus age group while working age group (15-59 years) accounts for 62.5 per cent of the population.
- It has also been estimated that the **demographic dividend** opportunity in India is available **for five decades from 2005-06 to 2055-56**, longer than any other country in the world.

#### **Labour Market Scenario:**

- Labour Force Participation Rate (LFPR) indicates the proportion of population entering the labour market while Worker Population Ratio (WPR) indicates the proportion of population employed and the unemployment rate (UR) is the proportion of labour force who are not employed but are available for work..
- The unemployment rate (UR) among youth (17.8 per cent) was more than double the unemployment rate (6 per cent) among the productive population (15 years and above).
- The unemployment rate among urban females remains higher as compared to males both among the youth (27.2 per cent) and the 15 years and above (10.8 per cent).

#### **Skilling in Rural Areas: Recent Government Initiatives in India**

**Need for Skill Development**

- As per **National Skill Development Corporation (NSDC's) Sector Specific reports** on Human Resource and Skill Requirements, there would be an incremental requirement of 103.4 million people in the 24 high growth sectors requiring fresh skilling by 2022. In addition, there is a need for constant upskilling realignment of existing workforce.

**Key Initiatives:**

- Realising the need, the **National Skill Development Mission (NSDM)** was launched in 2015.
- Under the **Skill India Mission**, more than 20 central Ministries/Departments are running schemes/programmes to impart skill training to the youth through long-term and short-term training courses.
- The **Ministry of Skill Development & Entrepreneurship (MSDE)** is implementing the **Pradhan Mantri Kaushal Vikas Yojana (PMKVY 2.0)** on pan-India basis with a target of skilling one crore people under Short-term Training (STT) and recognition of Prior Learning (RPL).
- A **customised entrepreneurship orientation module** has also been integrated under the Employability and Life Skill Course module in the PMKVY courses so that every candidate undergoing skill training is oriented towards entrepreneurship.
- **Long-term training** is provided through the **Industrial Training Institutes (ITIs)** run by the State Governments.
- To **encourage rural entrepreneurship** and start-up by rural youth including women, **Start-up Village Entrepreneurship Programme (SVEP)** is being implemented under Deendayal Antyodaya Yojana National Rural Livelihoods Mission (DAY-NRLM).
- Further, Ministry of Rural Development (MoRD) in partnership with 31 Banks and state governments is supporting **Rural Self-Employment Institutes (RSETIs)** for skilling of rural youth to take up gainful self-employment.
- The **Start-Up India Programme** was launched in January, 2016 to build a strong ecosystem for nurturing innovation and start-ups and thereby generating large-scale employment opportunities.
- To promote **entrepreneurship among women and SC/STs**, **Stand-Up India** scheme was launched.
- To encourage a culture of entrepreneurship in the country, the MSDE has initiated a **National Entrepreneurship Awards Scheme (NEAS)** in 2016-17 which recognizes the efforts of exceptional first generation entrepreneurs and ecosystem builders.

**Union Budget Announcements 2019-20 to Promote Skilling & Entrepreneurship**

- In the Budget, a massive push has been given to all forms of physical connectivity.
- Under the Make in India initiative, the development of Maintenance, Repair and Overhaul (MRO) in the aviation sector is to be promoted in India.
- **Ujjwala Yojana and Saubhagya Yojana** have transformed the lives of every rural family, dramatically improving their ease of living.
- **Mission to integrate traditional artisans** with global markets proposed, with necessary patents and geographical indicators.
- **17 iconic tourism sites** to be developed into model world class tourist destination.
- **Mega Investment in Sunrise and Advanced Technology Areas Scheme** to invite global companies to set up mega-manufacturing plants in areas such as Semi-conductor Fabrication (FAB), Solar Photo Voltaic cells, Lithium storage batteries, Computer Servers, Laptop etc.

**Conclusion:**

- The Union Budget 2019-20 in terms of allocation has given boost to agriculture, rural infrastructure, entrepreneurship and industrialization in rural areas thereby addressing the job needs of the potential labour force, a major proportion of which is based in the rural areas.

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## **VAJIRAM & RAVI**

### **HEALTH FOR NEW RURAL INDIA**

- The Union Budget 2019-20 lays down the decadal vision for the Health Sector as “Healthy India — Ayushman Bharat, well-nourished women & children, Safety of Citizens.”
- The Budget 2019-20 for the Health Ministry **shows an increase of 18.67 per cent** in total outlay reflecting the importance accorded to health sector in the country.

#### **Key Initiatives:**

##### **A. National Health Mission:**

- The **National Health Mission comprises of 4 components**, namely, the *National Rural Health Mission, the National Urban Health Mission, Tertiary Care Programmes and Human Resources for Health and Medical Education.*
- The National Health Mission (NHM) brought together at **National level the two Departments of Health and Family Welfare.**
- It NFM brought in **considerable innovations** into the implementation of Health Sector Programmes in India. The establishment of the **National Health Systems Resources Center (NHSRC)** helped design and formulate various initiatives.
- **Reproductive and Child Health services** were the primary focus of NHM. The successful implementation of **JSY and ASHA programmes** had a significant impact on behavioural changes and brought pregnant women in large numbers to public health institutions .
- The NHM created a **peoples’ movement for healthcare**. Accredited Social Health Activist (ASHA) workers were deployed as transformational change agents in every village.
- The NHM has also **empowered people through Village Health and Sanitation Committees** to formulate village health plans and exercise supervisory oversight of ASHA workers.
- At the Primary Health Centre (PHC) and Community Health Centre (CHC) level **Rogi Kalyan Samitis** have been activated to establish systems of oversight over the public health facilities for creating a patient friendly institution.

##### **B. Other Initiatives**

- **Mission Indradhanush**, sought to achieve full immunization coverage of 90 per cent children by 2020.
- A basket of new vaccines has been added to the Universal Immunization Programme to increase the **number of vaccines from 6 to 12**. The prominent among them are the Inactivated Polio Vaccine, the Rota Virus Vaccine, the Adult Japanese Encephalitis Vaccine and the Rubella Vaccine as Measles Rubella Vaccine.
- **India New Born Action Plan** with focus on reduction of neonatal mortality rate has successfully established **Special New Born Care Units** at District level and New Born Stabilization Units at Sub-District/CHC level.
- The **Mother’s Absolute Affection Programme** was launched in 2016 with focus on promotion of breast feeding practices.
- The **Rashtriya Bal Suraksha Karyakram** and the **Rashtriya Kishore Swasthya Karyakram** represent the major screening programmes of Government for early screening and interventions in children and adolescent.
- The Government has added the **Pradhan Mantri Surakshit Matritva Abhiyan** for assured antenatal care.

##### **The National Health Policy (NHP) 2017**

- The NHP seeks to raise the **health sector spending to 2.5 per cent of GDP**, create patient centric institutions, empower the patients and lay down standards for quality of treatment.
- It also seeks to **strengthen health infrastructure to 2 beds/ 1000 population** and provide free drugs, free diagnostics and essential health care in all public hospitals.

- The NHP's key goals are to **improve the life expectancy** at birth from 67.5 years to 70 years by 2025 and **reduce the infant mortality** to 28 by 2018.
- The NHP lists infrastructure and human resource development in Primary Secondary Care Hospitals as a key priority area.
- The Government has **sought to upgrade 1.5 lakh health sub-centres** to health wellness centres and introduce a **nationwide scheme for pregnant women** under which Rs. 6000/- for each case will be transferred.
- The NHP seeks to **reform medical education**. The Government has placed a lot of emphasis on creation of several AIIMS like Institutions across India.
- The NHP places a lot of **emphasis on human resources as a vital component** of India's health care.
- **5000 Post Graduate seats per annum** have been created to ensure adequate availability of specialist doctors to strengthen secondary and tertiary levels of healthcare.
- The **Medical Council of India Amendment Act 2016** introduced a **common merit-based entrance examination at National Level**.
- The NHP has placed a lot of **emphasis on Digital Initiatives**. **Online registration system** has been introduced as part of the Digital India initiative.
- **Digitisation** of public hospitals had freed clinician times. A patient centric feedback system called Mera Aspatal has been introduced.

### **A GIANT LEAP OF ASPIRATIONAL NEW INDIA: SUNDAR BHARAT**

- The first budget of the new government has a target of taking India to \$5 trillion economy by 2024-2025, a **quantitative goal for Sundar Bharat (Beautiful India) via Swastha Bharat (Healthy India), with sub-roots in Swachha Bharat (Clean India)**.

#### **Statistics:**

- In May 2019, **Economic and Social Council of United Nation** has specially **applauded the role of India in pursuing media campaign** to aware the mass for the cause of sanitation and hygiene.
- India along with countries of South Asia region accounted for three-fourth of its population Open Defection Free (ODF). During the period 2008-17, globally 2.1 billion people gained access to managed sanitation services out of which 486 million in India gained access.

#### **Sanitation:**

- SBA is the largest cleaning programme of the world, which has two branches: **Swachh Bharat mission (Gramin) and Swachh Bharat Mission (Urban)** for rural and urban area respectively. Together, they aim to make Swachh Bharat by 2019.

#### **Clean Air**

- Currently, air pollution reduces the life span of South Asian child by 30 months and globally by 20 months.
- **SDG 7** emphasizes on "access to affordable, reliable and sustainable energy for all". Through this, it recognizes the harmful impact of household air pollution.
- India launched its flagship scheme **Pradhan Mantri Ujjwala Yojana (PMUY)**, initiated in 2016, with the aim to safeguard the health and well-being of women and children, with special focus on the marginalized and the deprived section.
- Coverage of LPG connections has jumped from 55 per cent in 2004 to 90 per cent in 2019. Around 7 crore LPG connections have been provided till April 2019 under the Scheme.
- Direct Benefit Transfer for LPG consumer scheme namely, '**PAHAL**', has also been launched to **rationalise subsidies based** on approach to cut subsidy leakages.
- PAHAL has been recognized by the "**Guinness Book of World Record**" as the **World's Largest Direct Benefit Scheme**.

**Clean Water:**

- India is on the **120th rank amongst 122 countries in Water Quality Index**. The new Government has recognised the need of clean water and ensured piped water to every household by 2024 under **Jal Jivan Mission**. Government has **initiated Nal se Jal scheme**, aiming to provide piped drinking water to every rural household.
- The Department of Drinking Water and Sanitation, is setting up an **international Centre for Drinking Water Quality (ICDWQ)** at Joka, Diamond Harbour Road, and Kolkata.
- The basic aim of this institution is to work in the area of *identification, mitigation and management of drinking water quality-related problems* in India and abroad with a focus **on Arsenic and Fluoride** and to provide inputs for policy level decision making under the National Rural Drinking programme and in the rural drinking water sector in general.

**Health and Economy:**

- Health and well-being is third goal of SDG which India has to achieve by 2030.
- Government of India has recognized the issues and pledge to strengthen the health infrastructure to eradicate disease, access to treatment and healthcare and address new health issues.

**Conclusion:**

- The Government with its renewed strategic rigor has dovetailed its programmes with the vigor of the masses into mass movements of scale and depth, in awe, for the other countries to emulate.
- Sanitation and hygiene are the virtues and a way of life for us as a society and at the individual level, as goes the adage "**Cleanliness is next to Godliness**".