Business Standard - Budget Impact
National - Feb 03, 2025
Page No: 10
Page Name: n.a.
Size: 1120 sq. cm
AVE: INR 1,752,323
Type: Supplement
Language: English
Circulation: 98,809
Frequency: Annual

News monitored for: PricewaterhouseCoopers

INCLUSION AND EQUITY

SOCIAL FOCUS FOR VIKSIT BHARAT

Budget focuses on equitable prosperity by increasing accessibility to quality education, health care and social welfare programmes. By **PwC India**

Union Budget FY26 emphasises the government's strong commitment towards inclusion and equitable prosperity. The budget focuses on transformation of "garib, youth, anna daata and nari" by enhancing accessibility to quality education, health care, skilling opportunities, and social welfare programmes. Increased allocation for school education particularly for Samagra Shiksha and PM SHRI School along with enhancements in higher education and skilling infrastructure would help in generating a strong pool of future-ready skilled workforce. An enhanced budget allocation on improving health care investments, with significant allocations for Ayushman Bharat Yojana (AB-PMJAY) and National Digital Health Mission (NDHM) is a welcome move. This budget also provides much needed support to boost entrepreneurship among women, marginalised and rural communities through the upcoming 'Scheme for First-time Entrepreneurs' and 'Rural Prosperity and Resilience' programme.

Education

The continued thrust on the implementation of the National Education Policy, 2020 is evident in the budget. The allocations to both the departments have seen a marked increase, the Department of School Education (16 per cent) has seen a more notable boost, as compared to the Department of Higher Education (8 per cent).

The flagship scheme – Samagra Shiksha – has got an increase of 11 per cent since last year. The 67 per cent hike in PM SHRI schools scheme would provide a momentum towards quality education. The decision to set up 50,000 Atal Tinkering Labs in the next five years and the provision of broadband connectivity across government secondary schools, would improve accessibility to quality learning resources and generate innovative mindsets. The allocation for setting centre of excellence in AI in education is a welcome step that will improve technology adoption at scale.

In the higher education domain, the focus is clearly on employability and innovation. Outlay for the National Apprenticeship training scheme (NATS) has been increased by 57 per cent to ₹1,178 crore, allowing students better employable skills. The financing for 20,000 research fellowships at IIT and IISc would help the Indian R&D ecosystem in a big way. Access to education in the professional education domain was reinforced with the decision to add 10,000 additional seats in medical colleges and hospitals and expansion of capacity in IITs for roughly 6,500 students.

Public health, nutrition

The Union Budget has made several significant allocations and reforms for health care in India, reflecting on the commitments from previous budgets. Initiatives likes establishment of cancer care centres and exemption on essential lifesaving drugs from basic and concessional custom duty are expected to ease the burden on terminally and chronically ill patients and ensure quality and affordable health care for all.

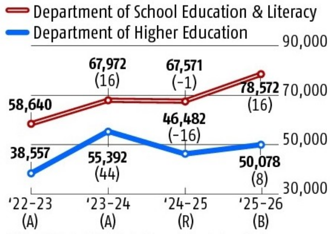
The government's resolve to address the health inequities is well reflected with the inclusion of 10 million online gig workers under the AB-PMJAY umbrella. A 24 per cent increase in budgetary allocation for AB-PMJAY would enable this expansion. The government's move on adding 10,000 seats in medical colleges and hospitals would improve availability of health care services by ensuring a recommended doctor-patient ratio and quality faculty, and by making education accessible to underserved areas.

A 51 per cent increase in budgetary allocation for NDHM will consolidate the gains and strengthen the government's commitment to ensure the last mile delivery of quality health services. In addition to this, 184 per cent increase in grant for Covid-19 and 78 per cent increase in budgetary allocation for preparation and control of zoonotic diseases and other neglected tropical diseases align well with India's commitment to leave-no-one-behind and Health-for-All agenda.

Further, improving mental health would require a whole-of-the-society approach as highlighted in the latest Economic Survey. The budget has well captured the essence to prioritise mental health by increasing the budgetary allocation by 77 per cent. The notable increase in budgetary allocation of the Department of Health and Family Welfare (DoHFW) reflects the government's

EDUCATION ALLOCATION

(₹ crore)



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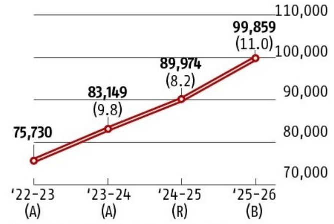
HEALTH SECTOR ALLOCATION

Total allocation (DoHFW + DHR) (₹ crore)



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commitments to improving quality and access to health care, thereby enhancing overall public health outcomes. In the next year's budget, we look forward to increased emphasis on the Integrated Child Development Services Scheme (ICDS).

With impetus on Medical Tourism and Heal-in-India initiatives, the budget is set to take a positive step towards achieving the goal of Viksit Bharat with improved access to high-quality, affordable and comprehensive health care for its people.

Livelihood and entrepreneurship

The Budget maps out an inclusive approach through "Scheme for First-time Entrepreneurs" towards overhauling entrepreneurship, and livelihood security, especially for women, marginalised communities and rural population. The introduction of a multi-sectoral 'Rural Prosperity and Resilience' programme in partnership with states will play a key role in promoting non-farm employment. Further, the transformation of India Post into a national public logistics would facilitate in providing vast infrastructure support to MSMEs, artisans, and self-help groups.

The budget emphasises interventions for improving urban livelihoods. The agenda for ensuring social security for online platform workers is a remarkable step to integrate the new age services economy. The thrust to extend the coverage of PM SVANidhi scheme will promote financial inclusion among street vendors and small businesses.

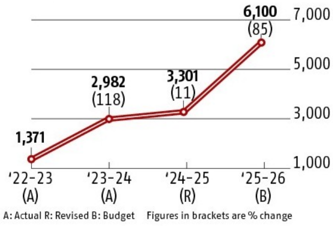
Skill development

The government continues to emphasise skill development as a crucial factor of employment generation and economic growth. One of the key pillars of this year's budget is "100 per cent skilled labour with meaningful employment".

The government plans to boost India's global advantage and strengthen its position as "Skills Capital of the World" by setting up five National Centres of Excellence for Skilling with global partnerships. This move is expected to further the creation of future-ready skilled workforce and enhance cross-border competitiveness.

In terms of total budget allocation, the Skill India programme received ₹46 per cent of the total budget, a 16 per cent increase from last year, covering Pradhan Mantri Kaushal Vikas Yojana 4.0 (PMKVY 4.0), Pradhan Mantri-National Apprenticeship Promotion Scheme (PM-NAPS) and Jan Shikshan Sansthan (JSS). In FY25 budget, the government announced an agenda for upgradation of 1,000 ITIs over five years with a ₹30,000 crore budget. Keeping in line with this objective, the ITI scheme this year received the stipulated allocation of ₹3,000 crore. This is estimated to benefit two million youth overtime.

MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP'S ALLOCATION
(₹ crore)



Digital transformation

The government's commitment to digital transformation is also evident in the proposal to provide broadband connectivity to all government secondary schools and primary health centers in rural areas under the Bharatnet Project.

Integration of the Indian knowledge systems is made prominent through the introduction of the Bharatiya Bhasha Pustak Scheme to provide digital-form Indian language books.

By Anjan Chakraborty, Partner, Social Sector, PwC India