Decoding the Three Pandemic Budgets

Education, Health, and Nutrition

Despite substantial socio-economic disparities in health, education, and nutrition outcomes, the government is pitching human development expenditure against capital expenditure. In a welfare state, social sector should be the centre of policy prescriptions. Instead of an imperfect assumption of trickle-down, the the government needs to realise that growth and development must go hand in hand.

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Due to the three major events in 2020, a thematic analysis of budgets from 2019–20 to 2022–23 is important. First is the outbreak of the ongoing (COVID-19) health crisis, which leaves none of the sectors of the economy unaffected. The second is the launch of the National Education Policy (NEP), 2020 (the first major revision since 1986), and the third is the release of the Comprehensive National Nutrition Survey (CNNS 2016–18) of adolescents (0–19 years) data. All these sectors (health, education, and nutrition) have a great bearing on an economy's human development and human capital. Unfortunately, the pandemic affected the education and nutrition sector disproportionately, and the damages to these sectors are irreversible and have intergenerational implications. Early age nutrition is strongly associated with health and cognitive outcomes in the future. Further, in terms of education and nutrition disruptions, the most vulnerable people are from the disadvantaged socio-economic spectrum of the society.

In today's credentialism-based meritocratic society, affirmative action-enabled education is the only way for social mobility. The EPW (2022) editorial, rightly pointed out that a narrowed focus on a few infrastructure projects is hardly going to kick-start a virtual investment and growth cycle. This triggered us to ponder the questions on human development and the budgetary provisions to health, education, and nutrition in four union budgets of the ruling National Democratic Alliance (NDA) government. Even if a mere focus on infrastructure projects works in the best-case scenario, we

must be concerned about how these benefits will trickle down to the poorest of the poor. Is infrastructure financed at the cost of education, health, or nutrition? What is being done to avoid the COVID-19-led school dropouts and learning and nutritional losses to children? All these matter from the perspective of a welfare state, a moral-humanitarian logic, and economic progress. Modern economic growth is driven by human capital, which is broadly defined as an educated and healthy workforce.

We look at these budgets in the light of the intent of achieving an inclusive and aspiring, nourished, healthy, well-educated, and skilled human capital in India.

Prospective Human Capital in India

The World Bank's (2020) latest available Human Capital Index (HCI) report ranked India 116 out of 174 countries. This pre-pandemic estimate shows that a child born in India today will be 49% (world average 56%) as productive after growing up compared to what they would be, if they received complete education as well as have good health by the 18 years of age (World Bank 2020). The recent report of the National Family Health Survey (NFHS) shows that the prevalence of stunting and wasting among children aged under five years has either increased or remained unchanged in 17 and 15 states and union territories, respectively, during 2015–20 (IIPS 2021). Life expectancy is one of the key indicators of measuring health. In India, it is lower than the average of the South Asian region, and the COVID-19 pandemic will reduce it further by approximately two years (Yadav et al 2021). Table 1 (p 28) presents alarming facts about the social and economic disparities in nutrition, health, and digital ability, which gives reasons to emphasise and prioritise human development in budget and policymaking. In India, 34.7% and 27.2% of children and adolescents, respectively, are stunted. Half of the children in the poorest strata are stunted compared to 19.4% of their richest counterparts. A similar kind of socio-economic disadvantage persists in survival, digital ability, and insurance coverage. Further, in terms of life expectancy, females have an advantage over males, but there exists a substantial within-group[1] disparity for both the genders (Table 1). Insurance coverage is also very low, and only 15.6% of the people are covered under any insurance scheme as per the National Sample Survey (NSS) 2017–18 data. Though the NFHS-5 (2019–20) report shows an improvement in insurance coverage but due to unavailability of final data much cannot be inferred about the disaggregated level.

The poorest have eight times low digital ability compared to the wealthiest (Table 1). The latest August 2021 School Children's Online and Offline Learning (SCHOOL) survey in relatively disadvantaged areas of 15 states and union territories found that

only 51% of households in rural areas have a smartphone and just 8% of children were studying regularly in online mode (Bakhla et al 2021). The budget speech talks mainly about television education and that was the least effective learning method according to the SCHOOL survey. More shockingly, the allocation for e-Vidya has been reduced. Then, who will access classes of the digital university and digital teachers as proposed in the budget? Would this not intensify the existing educational inequality among the haves and the have-nots?

In Budget Speeches

Instead of presenting the budget as a visionary document, it is better to make it a policy document that reflects the annual financial statement of the government's expenditure and receipts. After reading and watching the budget speeches, we find a sudden rise in the use of the word "health" as the pandemic peaked in India. Similarly, on the eve of the launch of NEP, 2020, there seems to be a rise in the use of the word "education" in the 2019 and 2020 budget speeches. Unfortunately, "nutrition"—a long-term challenge— never finds due space in budget speeches. Further, a more aspiring word, "digital," has seen great momentum, but the real problem, "digital divide," is less accepted (Table 2). We have mentioned this because the budget is a road map for the coming year and shows the ruling government's priorities. Though the devil lies in the details, a glimpse of the budget speeches and budgetary allocations reveals a "digital fiction" on education, unlearning from a health crisis, and systematic ignorance of child nutrition—a child's early age nutrition status is a strong predictor of the future human capital.

Education

India had made great progress in primary school enrolment and an increase in mean years of schooling. But the challenge for the world and particularly India is that these achievements are not translating into learning outcomes. According to the Pratham survey (quoted by Muralidharan and Singh 2021), less than 50% of grade five children in rural areas were able to read at the grade two level, whereas only 33% could do simple calculations. Education is one of the worst affected sectors due to the pandemic, and in India, schools remained closed for almost two academic years. In 2019–20, well before the COVID-19 crisis, the finance minister mentioned the launch of NEP, 2020. The Ministry of Human Resource Development's (MHRD) (now the Ministry of Education [MoEd]) allocation was `94,653 crore but the actual utilisation was `89,436 crore (Table 3), a whopping `5,000 lower than the budgetary estimates (BE) and revised estimates (RE) for 2019–20.

In 2020–21, when the NEP was announced, MHRD got `99,311 crore (BE), and the budget of the Department of School Education and Literacy (DoSEL) and the Department of Higher Education (DoHE) was `59,845 crore and `39,466 crore, respectively. It seems insufficient compared to the goal envisioned in the NEP, 2020, but due to the unusual school closure in that year, the actual utilisation was much lower: `51,841 crore (DoSEL) and `32,377 crore (DoHE) (Table 3).

With high expectations from NEP, 2020, but in a myopic view—unrecognising that lower utilisation was due to school closure—`93,223 crore was allocated to MoED in the Budget 2021–22. This was a massive cut (`6,000 crore) relative to 2020–21 and even less than what was allocated in 2019–20. If seen in real terms, it goes down further (GoI 2022).

The Budget 2022–23 shows a 10% increase in allocation to MoED (Table 3). However, now the challenge is beyond the financial constraints; it is how to bring back millions of children to school, how to repair learning loss, and how to avoid the risks of school dropouts?

From an educational point of view, much focus was given to digital education, digital teacher and teaching, and digital university in the 2022–23 Budget speech, but compared to the 2021–22 BE of `645 crore, there is a massive cut (`224 crore) in allocations for "Digital India-e-learning." Digital ability (the skill to use digital infrastructure) is still a major challenge for India; there is a vivid digital divide (Table 1). Surprisingly, the allocation for PM e-VIDYA, intended to expand 12 to 200 educational television channels, reduced to `1 lakh in 2022–23 from `50 crore in 2021–22. In the time when we need more standard and transparent educational statistics, the allocation for Higher Education Statistics and Public Information System is reduced by 50% (`10 crore).

Nutrition

Nutrition is fundamental to health and well-being, and failure to attain it would imply a lack of freedom to live a minimally healthy life. The COVID-19 pandemic disrupted the maternal–child nutrition services delivery mechanisms (the Integrated Child Development Services [ICDS] and midday meal [MDM]). In view of the major setback by COVID-19 to the progress on child undernutrition—almost stagnant during 2015–20—the budget was the only hope to see some progressive and constructive steps. In India, 34.7%, 17.3%, and 33.4% of children aged under five years are stunted, wasted, and underweight, respectively. Similarly, the recent CNNS 2016–18 provides an opportunity to see what is happening to school-age children and adolescents (5–19

years). Approximately, 27.2% of adolescents (10–19 years of age) are stunted and 28.5% are anaemic. It is important to mention that we discussed school age and adolescents because the Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN) (MDM) scheme provides nutrition for school-age children, and due to school closure, these children have a dual risk of malnutrition and education deprivation. These deprivations reinforce each other.

If we look at the budget figures even before the COVID-19 crisis, nutrition always remains on the lower end of the priorities of the government. It is estimated that COVID-19 has hampered malnutrition progress and resulted in higher incidence of malnutrition and malnutrition-related deaths (Osendarp et al 2021).

The 2019–20 allocation for ICDS[2] was `19,834 crore (BE) but the actual utilisation was `16,893 crore, which is even lower than the revised estimate. The report of CNNS 2016–18 was released well before the COVID-19 outbreak and the Budget 2020–21. The findings on children and adolescent malnutrition, micronutrient deficiency, anaemia, and dietary intake present a worrisome picture (Table 1). Despite such startling revelations, nutrition did not get the due share in the Budget 2020–21. Out of the total allocation of `20,532 crore (BE) for ICDS, due to the unplanned lockdown and delivery mechanism's failure, only `15,784 crore were utilised, a whopping `5,000 crore remained underutilised. After the first wave of COVID-19 in 2020, various surveys indicated an increase in hunger and food insecurity (Drèze and Somanchi 2021). In the Budget 2021–22, ICDS was renamed as POSHAN 2.0 and allocated `20,105 crore—this is not allotted to the erstwhile ICDS core, instead it is inclusive of the five other services provided under the ICDS umbrella. The core ICDS got just `17,208 crore in 2021–22, which is little more than the actual utilisation (`15,784 crore) of 2020–21.[3] When the third wave was looming over, the 2022–23 Budget was presented, and there seems to be a paradigm shift towards digitalisation borne out of a humanitarian crisis. Where will we have digital teachers, digital education, and digital health services? Within 92 minutes of the budget speech, the word "digital" was repeated 34 times and "nutrition," "education," and "health" became rare (Table 2).

The PM-POSHAN (MDM) is another fundamental supplementary nutrition programme (SNP) to improve health, education, and nutritional outcomes of school-age children. In the 2022–23 Budget, the allocation for PM-POSHAN is just `10,234 crore, which is 11% less than the previous BE (`11,500 crore) in nominal terms. Similarly, the allocation for the POSHAN 2.0 is `20,263 crore, just `158 crore more

than the 2021–22 BE. None of these estimates is adjusted for inflation, and the SNP per person cost is not revised since 2017. In real terms, the allocation is reduced. Assuming a modest 5% inflation per annum, the SNP cost should be increased by 28% (compound) compared to 2017 (Figure 1).

Health

India's health system is one of the most privatised, unregulated, inequitable, and inefficient in the world (Drèze and Sen 2015). The National Health Policy (NHP), 2017 envisioned to spend 2.5% of the gross domestic product (GDP) on public health expenditure. Five years have passed, but public expenditure as a percentage of the GDP still hovers around one percent. After years of hollow promises of "universal health care" and "right to health," act, the Pradhan Mantri Jan Arogya Yojana (PMJAY) was introduced in 2018. But the PMJAY is a "hospitalisation insurance" scheme, and the inadequacy of funds and insurance coverage is still a major challenge. Due to poor health insurance coverage and hospitalisation restrictions, only 50% of the funds are utilised. An allocation of `6,400 crore has remained stagnant since 2019–20. This amounts to only `581 per annum for 11 crore targeted families (GoI 2022).

Although the rhetoric of a 137% increase in health expenditure in a mid-pandemic (2021–22) budget was publicised, actually, that was just 10% larger than the 2020–21 Budget figures for health (Kumar and Mohanty 2021). The budget of the Ministry of Health and Family Welfare is `86,200.62 crore (`83,000 crore for the Department of Health and Family Welfare and `3,200.62 crore for the Department of Health Research), which is merely `200 crore more in the 2021–22 RE and decreased in real terms (Table 3). Similarly, no significant increase in the allocation for health research has been made in recent budgets.

Instead of creating a robust public health infrastructure, a mere focus on insurance is an artful way to privatise healthcare. The real challenge is the reliance on private profit-maximising corporate hospitals, with the aim to provide healthcare to people irrespective of their ability to pay. Due to market imperfections, there are enormous challenges of equity, efficiency, targeting, and distortions in health insurance (Drèze and Sen 2015).

Conclusions

The article finds that despite a major health crisis, human development could not gain attention in the three budgets presented during COVID-19 pandemic. In an imaginary and abstract concept of "Amrit Kaal" (we would say "Digital Amrit Kaal"), the fundamental issues of inclusive human development, employment, and agriculture

are sliding towards the margin. Health and education get some attention in the budget speech of 2020–21 because of the COVID-19 outbreak and the launch of NEP, 2020. But unfortunately that allocation remains stagnant over time. There are two fundamental shifts in the context of education and health. First, instead of strengthening public health infrastructure, the unnecessary reliance on the insurance sector is a way towards privatising the healthcare system. Due to asymmetric information and market imperfections, it will further complicate adverse selection and moral hazard problems. There is enough evidence that due to the lack of sound public health infrastructure, the public-funded health insurance strategy failed utterly and resulted in the corporatisation of the health system (Bajpai 2018).

The question remains: even if insurance schemes give some relief to targeted groups (poorest of the poor), what about the other half of the population? They have to buy private insurance and the companies will reimburse the cost after services. This seems sound but has serious implications (Sen 2012).

Second, the pandemic drastically affected the education sector and the learning loss is irreversible. In the presence of a sharp digital divide, the 2022–23 Budget further emphasised the digitalisation of education. This will undoubtedly intensify the existing learning gaps among the haves and the have-nots. Instead of this, some practical steps could have been taken to reopen schools and reduce the damages caused by COVID-19. This may include, first, reducing teachers' absenteeism. This can be done through incentivising them and allowing flexible timing to come to school if there is an emergency. Second, freeing the teachers from administrative responsibility and extra paperwork, so they can focus on the students and their development may help cover the learning gaps. Incentivising teachers to take extra classes, including holidays, can be another option to promote teacher engagement with students and avoid dropouts. Instead of a meritocratic "sorting system," the role of education should be in imparting knowledge and skills (a "human development" role). To gauge the loss of learning, a comprehensive education survey should be implemented.

A long-pending challenge, nutrition, did not get attention in the 2022–23 Budget too. Intervention in the nutrition sector could play a significant role in bringing back children to schools. Expanding MDM to higher classes, providing a more diverse diet, and revising SNP cost per pupil, are some of the potential areas which can help in improving nutritional outcomes and schooling simultaneously.

Notes

1 This is based on Aashish Gupta's (2021) ventile classifications. Ventiles are averaged to transform them into quintiles.

2 For consistency in comparisons over time, we took allocation for core ICDS.

3 After introducing POSHAN 2.0, no separate allocation for core ICDS is shown in the budget. If we assume that the allocation for "other" schemes remained unchanged then core ICDS will get `17,208.

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