

BUDGET

- 2017 -

THE SOCIAL DEVELOPMENT SECTOR

CEO'S NOTE



Despite several socio-economic challenges, the Indian economy has shown stable growth over the past few years. However, statistics reveal a huge disparity among the privileged and marginalized sections of the Indian society. Every year, there have been attempts through the budget to address the challenges such as poverty, illiteracy, sanitation, water scarcity and environmental degradation among others. Ironically, failure in implementation, under utilization of resources and corrupt practices has ensured that the poorer half of the country has only 4 per cent share of the national capital.

This year's budget might not have met the expectations, but it is intended to promote social welfare, especially in the hinterland. It will be interesting to see if the increase in budgetary allocation in schemes such as MGNREGA, Pradhan Mantri Mudra Yojna, etc. and provisions such as agricultural credit, bank recapitalization, irrigation, etc. will enable an environment conducive for sustainable development and inclusive growth. Although, the state is responsible for certain civic virtues, yet for the larger social good, engagement of the private sector is essential to achieve the national targets. The states & businesses need to work in coherence for the common objective of inclusive progress.

OVERVIEW



The most awaited event of the year, the Union Budget presentation, is the centre of news/discussions for every individual, businesses and state governments of the country. A lot of hopes and expectations rise up for this unique presentation in the Parliament which forms the basis of livelihood opportunities, profiteering, respite, strategies, etc. in many ways. The Budget 2017 seems to be unique in a special way, as it was first time in history when the date of presentation was advanced to 1st February while the Railway Budget was incorporated within the Union Budget. As anticipated the Budget this year lacked big announcements.

In view of the social development sector, the budget was intended to ease the adverse impacts of demonetization while focusing on the social welfare schemes and budgetary provisions. Although budgetary allocation for certain sectors such as education, health have not increased, yet overall budget expenditure has increased to Rs 21.47 lakh crore up from last year's Rs 19.78 lakh crore.

In order to overcome the current challenges such as drought-proofing, skill development, irrigation, rural infrastructure development, sanitation, digitalisation, agriculture credit, housing, etc. were the primary focus agenda of the budget. Entrepreneurship is being promoted massively across the country with lending targets being increased with special provisions for SC, ST and women. The government's focus is also on initiatives that promote environmental sustainability, agriculture production and women empowerment. Implementation is likely to play a huge role in the next financial year as the government moves from the discretionary administration to a policy-based administration. Whether these schemes for the social development will bring the positive impact or not, it can only be known after their implementation.

RETROSPECTION

FISCAL DEFICIT

TARGET 2017-18

3.2%

Rs 10,000 crore

FOR RECAPITALISATION OF BANKS

Rs 2.44 lakh crore

Pradhan Mantri Mudra Yojana

By 2019

All coaches of Indian Railways will be fitted with Bio-Toilets



3.5 crore

YOUTH

will be trained under Sankalp programme



Total allocation for rural, agricultural and allied sectors for 2017-18 at record Rs 1.87 crore

Mission Antyodaya to bring 1 crore households out of poverty and to make 50,000 Gram Panchayats poverty-free



1 crore Houses

for poor by 2019

MGNREGA

Allocation Raised

Rs 48,000 crore



Construction of 5 Lakhs ponds across India



FOOD FOR THOUGHT

- As per the Finance Minister, the effects of demonetisation will not spillover to the next fiscal.
- In the next fiscal, over Rs 3 lakh crore will be spent for the development of rural India.
- India is likely to use Space technology in a big way to ensure effective implementation of MGNREGA.

THE BALANCED BUDGET – CHALLENGING THE STATUS QUO

In a historic event at the Parliament, this year (2017-18) Budget was presented by the Finance Minister Arun Jaitley on 1st February. The budget intended to provide respite post-demonetisation to the people of the nation, especially the ones belonging to bottom of the pyramid. However, absence of big announcements highlighted the main issue which is execution or implementation of the budgetary allocation. The results expected from the welfare schemes and policies are often not up to the mark. Ironically, more often than not, the allocated budgets are not even utilised, be it employment generation, women empowerment or any other social welfare programme.

The central government aims to change this complex issue of under utilisation of funds thereby directing focus towards good governance and effective implementation of initiatives. Currently, India needs innovative solutions to persistent social problems such as poverty, sanitation, agricultural productivity and healthcare, along with severe threat from climate change as has been observed in the form of successive droughts which nearly crippled the rural economy.

Understanding the present needs while focusing on the future of the country, the budgetary allocations have been rightly channelised in most of the cases apart from public health and education. The increase in budgetary allocation of MGNREGA is directly linked with the adverse effects of demonetisation which resulted in widespread unemployment in the unorganised sector. With migrants returning to their villages, offering them employment under MGNREGA is essential for their survival. Connecting MGNREGA activities with the construction of 5 lakh ponds will reduce the water scarcity problem and also provide employment to the local communities apart from improving the ecosystem. It also provides opportunity for the private sector to contribute their CSR funds towards the same through a participatory approach.

Similarly, focus has been directed towards skill development and entrepreneurship to ensure that the ever increasing workforce population can be absorbed. There is a plan to train more than 3 crore youth under the Sankalp programme while the budgetary allocation for the Pradhan Mantri Mudra Yojana has been increased to Rs 2.44 lakh crore. Moving forward in a mission mode the central government plans to uplift 1 crore households out of poverty, along with making 50000 Gram Panchayats poverty free. This is also interlinked with the development of the farming community and necessary steps such as increase in agricultural credit (which is at all time high), model law for contract farming, Fasal Bima Yojana, Long Term Irrigation Fund, Soil Health Card scheme, etc. will be implemented in the next fiscal.

Taking things forward, the government has made necessary allocations for construction of roads, improvement and modification of the Indian Railways, safe drinking water, supply of piped water to open defecation free villages, housing for poor, digitisation, etc. It is expected that the sectors which have not seen increase in budgetary allocation, will be hoping for support from the corporate donors. In the FY2017-18, areas such as education, health-care, rural infrastructure, environment sustainability, etc. needs to be prioritised along with fiscal consolidation. Several new avenues will have to be created to increase participation/engagement of the businesses in the social development sector.

Understandably, to assure the critiques of previous budgets, there needs to be a paradigm shift in the government implementation mechanism focusing on effectiveness, results, outcomes and impact. There shouldn't be under utilisation of budgetary allocation and the pending infrastructure development projects needs to be completed on time. India has wasted a lot of resources (money, time, natural and human) which has cost the nation dearly. It's time to move ahead with precise vision and intention of upliftment of the marginalised sections of the society aligning with the sustainable development goals. Government and the corporations will need to join their efforts for the inclusive development of the nation.

TWEETS OF THE MONTH

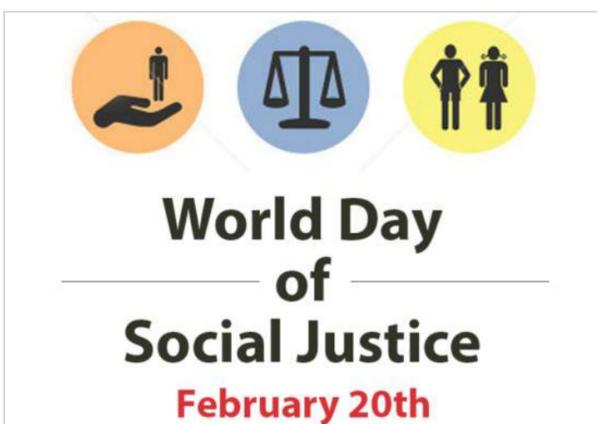


FIINOBSERVATION OF INTERNATIONAL DAYS

World Cancer Day
February 4th, 2017



World Day of Social Justice
February 20th, 2017



ABOUT FIINOVIATION

Innovative Financial Advisors Pvt. Ltd. (Fiinnovation) is a global CSR consulting firm operating in multiple disciplines of the social development sector with emphasis on Corporate Social Responsibility (CSR) and Sustainability programmes.

Fiinnovation started its journey in the year 2009 under the guidance of Mr. Soumitro Chakraborty and has grown phenomenally in every aspect of operations in the social sector. It has also been successful in bridging the gap between businesses and communities through value based CSR Projects by engaging with various corporations and credible NGOs in the field of health, environment, education and livelihood. Fiinnovation offers CSR consulting services which have helped organizations pave their path and explore mediums through which corporate funding can be channelized for the upliftment of community on societal, economical and ecological aspects considering multiple stakeholders and sustainable programme management.

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