

# A NOTE ON UNION BUDGET 2024-25



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While presenting the budget for the year 2024-25, the Honorable Finance Minister, although tried to please all sections of the society. In the budget of Rs 48 lakh crore, special emphasis has been given on employment generation and skill development. This was expected in view of the increasing unemployment in the country. Promotion of internship, incentives to companies for providing employment, incentives for depositing in provident fund, loan for higher education, hostels for working women in PPP mode, skill development of 20 lakh youth in the next five years, and converting 1000 ITI into hubs are some announcements which are expected to increase employment. However, we will have to wait to see what and how much impact these efforts will have.

While there was some relief in short term capital gain tax for the middle class in the budget, the long term capital gain tax increased. Also, in the new tax regime, while some benefits have been given to the lower income groups by changing the tax slab and increasing the deductions, there has been no change in the tax rate for those with income more than 15 lakhs.

### Announcements for agriculture

9 priorities have been identified in the budget. These include promotion of productivity and climate resilience in agriculture, employment and skill development, inclusive human development and social justice, manufacturing and services, urban development, energy security, innovation research and development etc. In agriculture, emphasis has been laid on promotion of agricultural research, natural farming, mission on pulses and oilseeds etc. The budget of agriculture and allied sectors has been kept at 1.52 lakh crores. However, the budget of the Department of Agriculture and Farmers Welfare is Rs. 1.22 lakh crores which is only 6 thousand crores rupees more than last year. The budget of Rashtriya Krishi Vikas Yojana and Krishonnati Yojana has increased by Rs. 400 crores each, while the budget of Pradhan Mantri Kisan Samman Nidhi is the same as last year. Agricultural research has also been emphasized in this budget, but the budget of the Department of Agricultural Research and Education is only Rs 100 crore more than the revised budget of last year.

### Budget for marginalised communities

**There is very little or no increase in the budget for ministries and departments catering to the needs of various marginalised sections of the society.** The budget of the Department of Social Justice and Empowerment has increased by only 1.2 percent from last year, while the budget of the Department of Empowerment of People with Disabilities is the same as last year. The budget of the Ministry of Tribal Affairs has increased by 4.3 percent, the budget of the Department of Minority Affairs has increased by 1.3 percent and the budget of the Ministry of Women and Child Development has increased by only 2.5 percent.

As the table below shows while all the ministries saw an increase in budget compared to the years 2021-22 and 2022-23 the Ministry of Minority Affairs budget saw a major decline in the year 2023-24 and has remained almost same in this year budget as well.

**Table1: Budget for Ministries/Departments for the marginalised sections (Rs. Crores)**

Ministry/Dept.	2021-22 (BE)	2021-22 (AE)	2022-23 (BE)	2022-23 (AE)	2023-24 (BE)	2023-24 (RE)	2024-25 (BE)	Increase in 2024- 25 BE over 2023-24 BE
Dept. of Soc. Justice and Empowerment (MSJE)	10517.62	7435.22	11922.51	7413.76	12847.02	9853.32	13000.2	1.19
Dept. of Empowerment of People with Disabilities (MSJE)	1171.77	1007.14	1212.42	985.58	1225.15	1225.01	1225.27	0.01
Ministry of Tribal Affairs	7524.87	6173.97	8451.92	7273.53	12461.88	7605	13000	4.32
Ministry of Minority Affairs	4810.77	4323.63	<b>5020.5</b>	<b>802.69</b>	3097.6	2608.93	3138.24	1.31
Ministry of Women and Child Development	24435	21654.57	25172.28	23994.05	25448.75	25448.68	26092.19	2.53

Source: Union Budget, various years

A major concern emerging from the above table is the under-utilisation of the allocated budget to these ministries/departments. Year after year the actual expenditure is lower than the budget estimates for all the ministries. This under-utilisation indicates not just the lack of effective implementation but also an indifference towards the marginalised communities. **The utilization of budget in the Ministry of Minority Affairs in the year 2022-23 was particularly low at just 16% of the allocated budget. No explanation for the same has been made anywhere. The Ministry has not even brought in its annual report after the year 2021-22.**

### Major schemes for the marginalised sections

Department of Social Justice and Empowerment focuses on the communities like schedules castes, OBCs, DTNs, and the transgender communities. Total budget for the central sector schemes of this department saw an increase of little more than Rs. 100 crores while the budget for centrally sponsored schemes of the Department of Social Justice and Empowerment remained same as previous years. Budget for Umbrella Scheme for Development of Schedule Castes and Umbrella Scheme for Development of Other Vulnerable groups well as for the Scheme for Economic Empowerment of DNT/NT/SNTs (SEED) remained almost same as previous year's. Budget for the Development and Welfare Board for Denotified, Nomadic and Semi-Nomadic Communities increased by Rs. 3 crores. Total budget for the Comprehensive Rehabilitation for Welfare of Transgender Persons, which was just Rs. 52 crores in 2023-24, has been increased to Rs. 68 crores.

Finance Minister in her budget speech announced Pradhan Mantri Janjatiya Unnat Gram Abhiyan for tribal 63,000 tribal majority villages and villages in aspirational districts. However, this scheme does not figure in the list of schemes of the Ministry's expenditure budget yet. Total budget for the central sector schemes of the Ministry of Tribal Affairs saw an increase of about Rs. 500 crores while the budget for centrally sponsored schemes of the ministry remained same as previous years. Schemes like Pradhan Mantri Jan Jatiya Vikas Mission and Pradhan Mantri Adi Adarsh Gram Yojna (earlier SCA to tribal sub scheme) faced budget cut compared to last year's budget while the budget for National Fellowship and Scholarship for Higher Education of ST students declined from last year's revised estimate.

Total budget for the central sector schemes of the Ministry of Minority Affairs declined while the budget for centrally sponsored schemes of the ministry remained almost same as previous years. Overall budget for the educational empowerment by the Ministry of Minority Affairs declined from Rs. 1689 crores to Rs. 1575 crores, while there is now negligible budget allocation (just Rs. 3 crores) for the Skill Development and Livelihoods schemes by the ministry. However, the budget of the Prime Minister Jan Vikas Karyakram, a scheme of the Ministry of Minority Affairs, has increased.

### Budget for Scheduled Caste and Scheduled Tribe Welfare

The total budget of **Scheduled Caste and Scheduled Tribe Welfare** has increased only by 4 percent and 4.5 percent respectively. The budget of Scheduled Caste and Scheduled Tribe Welfare is 8.18 percent and 4.85 percent respectively of the total expenditure on the all the schemes of the Central Government, which is much less than the share of these communities in the country's population.

**Table2: Budget for Welfare of SCs and STs (Rs. Crores)**

	2021-22 (BE)	2021-22 (AE)	2022-23 (BE)	2022-23 (AE)	2023-24 (BE)	2023-24 (RE)	2024-25 (BE)	Increase in 2024-25 over 2023-24 BE
Welfare of STs	79941.62	83921.01	89265.12	92176.11	119509.87	109242.12	124908.95	4.51
Percentage to total schemes budget	5.6	5.04	5.5	4.85	6.25	4.85	4.85	--
Welfare of SCs	126259.2	121613.79	142342.36	133007.9	159147.79	146861.08	165492.72	3.98
Percentage to total schemes budget	8.8	7.31	8.8	7.00	8.33	7.74	8.18	--

Source: Union Budget, various years

### Gender Budget

As far as gender budget is concerned, this year it is about 6.8 percent of the country's total budget, which is higher than the previous years. The reason for the increase in gender budget this year,

however, is the reporting in gender budget by new ministries and departments and inclusion of those schemes in gender budget by some ministries which were not reported earlier.

**Table 3: Allocations to Gender Budget (Rs. Crores)**

	2021-22 (BE)	2021-22 (AE)	2022-23 (BE)	2022-23 (AE)	2023-24 (BE)	2023-24 (RE)	2024-25 (BE)
<b>Part A</b>	25260.95	96108.28	26772.89	84811.04	88044.21	83259.52	112396.15
<b>Part B</b>	128065.33	113419.49	144233.58	132612.34	135175.54	176835.56	199762.29
<b>Part C</b>				13909.91	15000	15000	15000
<b>Grand total</b>	153326.3	209527.77	171006.5	231333.29	238219.75	275095.08	327158.44
<b>Percentage to total budget</b>	4.4	5.52	4.33	5.52	5.29	6.13	6.79

Source: Union Budget, various years

The increasing trend in size of gender budget therefore indicates better reporting in the gender budget statement (GBS). For example, major increase in the Part A of the Gender Budget came from National Rural Livelihood Mission-Aajeevika under Department of Rural Development and LPG connection to Poor Households under Ministry of Petroleum but neither of the two schemes are new. Instead allocation under the LPG connection to Poor Households was almost nil in the last year and the allocation for the Aajeevika was not reported in part A. Though there is also a new scheme called Drone Didi by the Department of Agriculture and Farmers Welfare in part A of GBS.

Similarly in PART B of GBS, Ministries of Culture, Home Affairs, Electronics and Information Technology, Micro, Small and Medium Enterprises and Power have improved their reporting in Part B of the GBS.

Additionally, this year the government has introduced Part C of the gender budget, in which the schemes having less than 30% allocation for women are listed. Part C this year has mentioned just one scheme: Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) in which, Rs. 15,000 crores (25% of the total allocation for the scheme) is reported to be going towards women. As we know the Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) is ownership linked scheme and only land-owning farmers can access its benefits. Since only 14% women farmers own land, the 25% allocations to gender budget under the scheme is a welcome development.

### Budget for Major Schemes

If we talk about the major central government schemes, then the budget of Samagra Shiksha, Swachh Bharat Mission - Urban and Rural, National Ayush Mission, Ayushman Bharat - Pradhan

Mantri Jan Arogya Yojana, National Social Assistance Program, Pradhan Mantri Gram Sadak Yojana, Pradhan Mantri Awas Yojana Gramin, Amrit Yojana, Mission Vatsalya (Child Protection Service and Child Welfare Service), Mission Shakti (Women Protection and Empowerment Mission), Jal Jeevan Mission - Rural, is almost the same as last year. **The budget of Mahatma Gandhi NREGA program, important for rural employment, is also equal to the revised estimate of last year.**

At the same time, there has been some increase in the budget of Pradhan Mantri Poshan Shakti Nirman (PM Poshan), Pradhan Mantri Uchchatar Shiksha Abhiyan, Pradhan Mantri Matsya Sampada Yojana, Flexible Pool for Urban Health Mission, Pradhan Mantri Awas Yojana - Urban, Pradhan Mantri Krishi Sinchai Yojana, Deendayal Antyodaya Yojana-National Rural Livelihood Mission, Saksham Anganwadi and Nutrition 2.0 etc. But the budget of Ayushman Bharat Health Infrastructure Mission, Smart City, etc. has decreased.

### **Nothing special for Rajasthan**

As far as Rajasthan is concerned, no special announcement has been made in this budget in the context of the state. All the announcements related to tourism, which has special importance in the state, are for Bihar and Odisha. But some general announcements can benefit the state. The announcement of custom exemption on textile products can provide some help to the textile industry of the state. The reduction in custom on gold-silver and platinum can benefit the jewelery sector of the state. The solar energy sector of the state can also benefit from the exemption on the items used in the manufacture of solar energy cells and panels.

### **Clean energy and climate change**

In the energy sector, emphasis has been laid on the Pradhan Mantri Solar Home Free Electricity Scheme and it was said that a policy for energy transition (use of more clean energy) will be announced. A promise was also made to develop a taxonomy for climate finance so that finance could be available for climate adaptation and mitigation.

Overall, the first budget of the current government does not seem to be very impressive. Though there are some announcements in the budget that may show impact in a long run.