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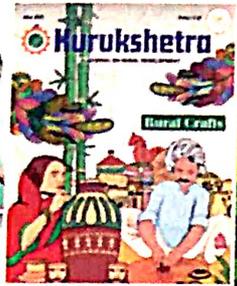
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2024-25**





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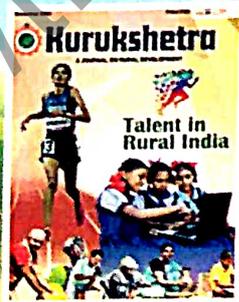
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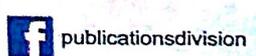


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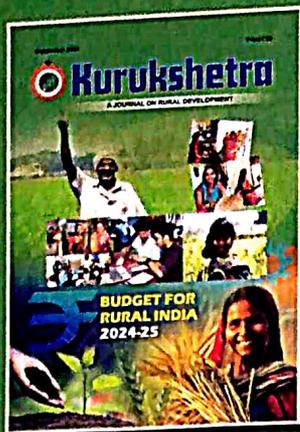
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Kurukshetra

A Journal on Rural Development

Vol. 72 | No. 11 | Pages 52 | September 2024



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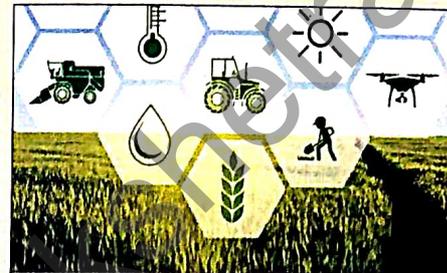
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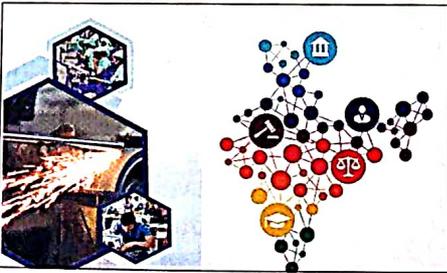
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Editorial

The Union Budget 2024-25 presents a comprehensive framework aimed at revitalizing agriculture, Industry, employment and fostering rural development in India. By prioritizing investment in technology, supporting small farmers & entrepreneurs, boosting employment and skilling and enhancing rural infrastructure the government has laid the foundation for a more resilient agricultural and manufacturing sector.

This Budget, with its clear focus on creating resilience in agriculture, trade and industry, job creation, manufacturing, energy, sustainable and inclusive HRD, innovation, infrastructure development and tax reforms, emphasizes the clear vision of the Government on supporting the economy by driving inclusive growth and encouraging consumption in the long term.

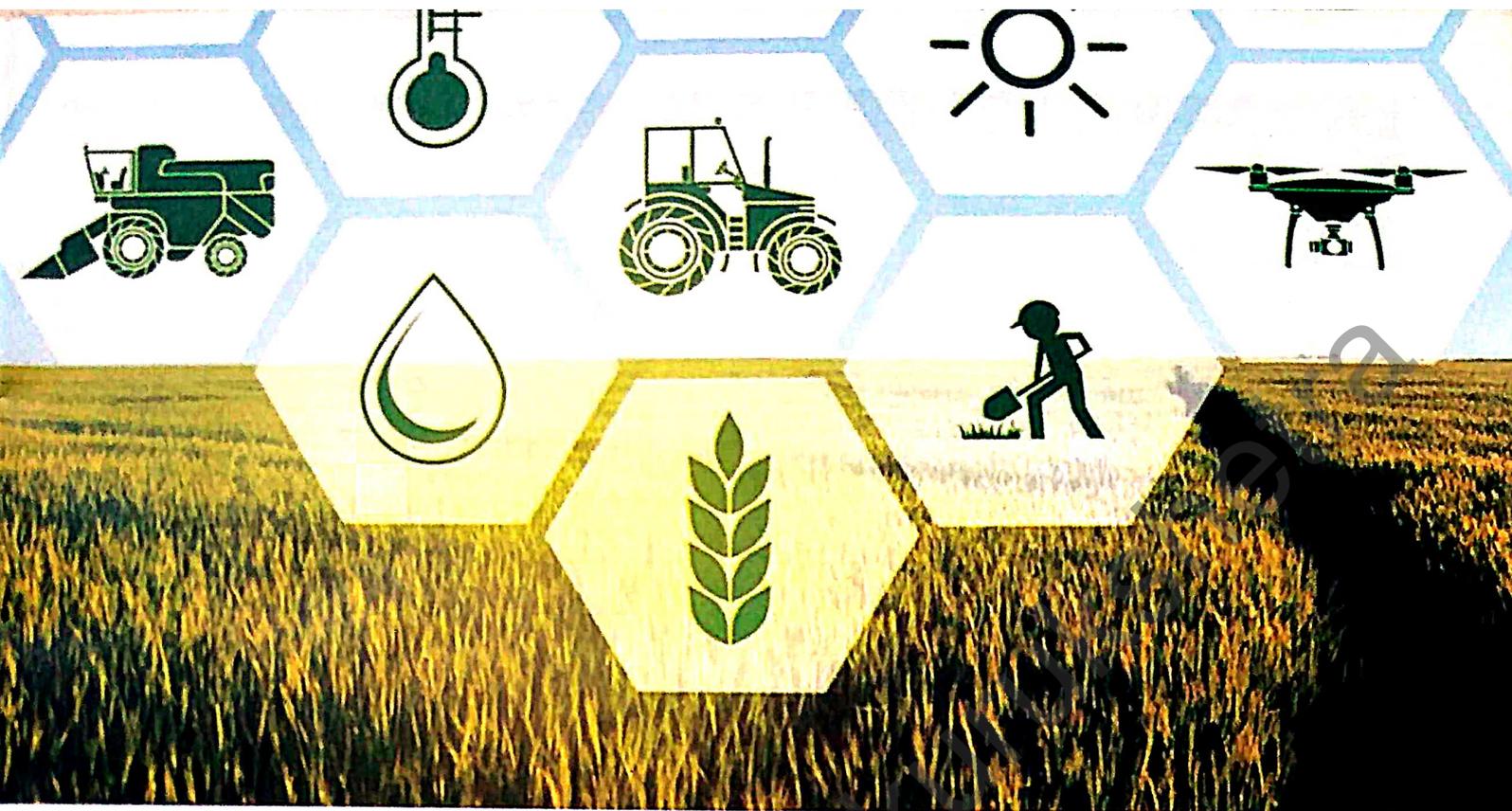
The Budget has been unveiled against a backdrop of economic recovery and persistent challenges in the agricultural sector. As the backbone of India's economy, agriculture not only contributes significantly to GDP but also sustains the livelihoods of more than half of the country's population. One of the notable features of the 2024 budget is the substantial increase in allocation for the Ministry of Agriculture and Farmers' Welfare. The government has earmarked Rs. 1.2 lakh crore, a rise of approximately 15 percent from the previous year.

It also addresses the critical aspects pertaining to rural development i.e. the trade, industry and the entrepreneurship to provide further impetus to the rural economy. With the announcement of the employment-linked schemes for new entrants into the rural workforce, along with the support loans of up to Rs. 10 lakh for higher education, this will ensure that the next generation of rural population is adequately skilled in the trade and industry related areas also.

The Government, while recognising the MSMEs as an important policy priority in this Budget, has emphasised the need to provide them with credit access, appropriate training and digital technologies for staying compliant and growth-oriented. The Rs. 2 lakh crore package for development and employability also raises hopes for the rural communities. The initiatives to optimise financing opportunities and the abolition of the Angel Tax will also boost the startup ecosystem, attract diverse investments, and strengthen the MSME sector.

In this Budget, the biggest challenge of addressing multiple areas such as rural demand, infrastructure development, manufacturing, technology upgradation, employment among others, has been done to leverage sustainable growth for Indian economy-with overall focus on boosting consumption and spending. It also takes up comprehensive reform on issues related to health, education, skill development, employment generation and Social Justice in a big way to realise the vision of 'Viksit Bharat.'

The major takeaways of this budget are Productivity and Resilience in Agriculture, Employment and Skilling, Inclusive Human Resource Development and Social Justice, Manufacturing and Services, Urban Development, Energy Security, Infrastructure & Innovation, Research and Development. With this, the Budget lays the strongest-possible foundation for an 'Atmanirbhar' and 'Viksit' Bharat. Every effort has been made to discuss and delve into the major aspects of the Budget through the articles published in this issue of Kurukshetra. Hope it will enlighten the reader about the intricacies involved and impacts of this Budget. Happy reading!! □



Budget 2024-25: Strengthening Rural Economy

Agriculture and rural development have tremendous potential to ensure an equitable and all-inclusive development via growth in income, employment and entrepreneurship. The Budget 2024-25, has appropriately, called for a productive and resilient agriculture. The increase in resource allocations within agriculture and rural development envisages stimulating rural economic growth with job creation, income and wealth generation and enhancement of overall consumption demand in rural India.

*Dr. K. K. Tripathy

The Economic Survey 2023-24, tabled in the parliament a day prior to the Union Budget 2024-25 announcements, highlighted the growing economic prowess of the country and analysed how the economy has bounced back and broadly caught up with pre-COVID growth trends. While indicating the enhanced economic

growth at more than 7 percent in coming years, the Survey underscored the importance of policy rejig to address regional disparity and create employment in the country. It emphasised on the need to create approximately 7.85 million jobs in non-farm sectors of the economy besides improving agri-entrepreneurial system to ensure value addition to primary produces and to boost farmers' income.

* The author is Economic Adviser, Ministry of Health and Family Welfare. E-mail: tripathy123@rediffmail.com

Table 1: Trend in Major Items of Expenditure in the Budget 2024-25

Items of Expenditure	Expenditure/Allocation (Rs. Cr.)					Increase in Allocation (percent) in 24-25 over			
	2016-17	2022-23	2023-24		2024-25 16-17	Actuals		RE	BE
			Actual	BE		RE	BE		
	1	2	3	4	5	6	7	8	9
Agriculture & Allied Activities	50,184	1,25,875	1,44,214	1,40,533	1,51,851	202.58	20.63	8.05	5.29
Education	72,016	98,567	1,16,417	1,08,878	1,25,638	74.45	27.46	15.39	7.92
Health	39,005	73,551	88,956	79,221	89,287	128.91	21.39	12.70	0.36
Rural Development	113,877	2,38,396	2,38,204	2,38,984	2,65,808	133.41	11.49	11.22	11.58
Social Welfare	31,812	40,470	55,080	46,741	56,501	77.60	39.61	20.88	2.57

Note: RE: Revised Estimates BE: Budget Estimates
Source: Compiled from figures indicated in the Expenditure Statements of Central Government, Union Budget 2018-19 & 2024-25, Ministry of Finance, GoI

The Survey also expressed its concern on the low productivity levels, the impact of climate change, fragmented land holdings and inadequate marketing infrastructure which may affect agriculture performance and enhance stress levels of the country's monsoon-dependent agro-economy. While the Survey advocated improved access to high-quality inputs and better extension services, focussed attention to enhance investment and productivity in the crop, livestock, animal husbandry and fisheries, rightful targeting of power and fertiliser subsidies and rising farm produce and productivity, the citizens' pre-budget expectations ranged from improvement in income, wealth, employment and infrastructure to ensuring an overall enabling business environment. In this backdrop, this article attempts to explain the in-built policy direction and socio-economic intent of the Government by discussing a few agriculture and rural development related focus areas as prioritized in the Budget 24-25.

Allocation Trend for Rural Livelihoods & Infrastructure

The Budget called for a productive and resilient agriculture. It outlined the need for a quick agriculture-led rural economic growth by allocating adequate resources to important livelihood and rural infrastructure programmes. The increase in resource allocations within agriculture and rural development aimed at stimulating economic growth with job creation, income and wealth generation and enhancement of overall consumption demand in rural India.

A review of trends in major items of expenditure (Table 1) indicates that 2024-25 budget allocation for agriculture & allied activities registered 202 percent and 20.63 percent increase over the actual expenditure registered in 2016-17 and 2023-24, respectively. Similarly, 24-25 Budget Estimates (BE) for Health, Rural Development have witnessed increments of 128.91 percent and 21.39 percent and 133.41 percent and 11.49 percent, respectively, over Actual Expenditure (AE) recorded in 2016-17 and 2022-23. The BE 24-25 for Social welfare activities have witnessed an increase of 20.88 percent over Revised Estimates (RE) of 2023-24, followed by education (15.39 percent), health (12.70 percent), Rural Development (11.22 percent) and Agriculture and Allied activities (8.05 percent).

A review of 2024-25 budget allocation to seven select important Ministries/Departments vis-a-vis 2023-24 RE (Table 2) indicates that priority has been



Table 2: Trend in Budget Allocation in Selected Union Ministries in 2016-17, 2023-24 and 2024-25

S. No.	Name of the Ministry/ Department	Allocation (Rs. Cr.)					Increase of Allocation (percent) in 24-25			
		Actuals		BE	RE	BE	Over			
		16-17	22-23	23-24		24-25 16-17	Actuals		RE	BE
							22-23	23-24		
1	2	3	4	5	6	7	8	9	10	11
1	Agriculture & Farmers Welfare	40,626	99,877	1,15,531	1,16,788	1,22,528	201.59	22.67	4.91	6.05
2	Agriculture Research & Education	5,995	8,399	9,504	9,876	9,941	65.82	18.35	0.65	4.59
3	Animal Husbandry, Dairying and Fisheries	2,376	3,610	6,576	5,615	7,137	200.37	97.70	27.10	8.53
4	Micro, Small and Medium Enterprises	3,650	23,541	22,138	22,138	22,138	506.52	-5.95	0.00	0.00
5	Rural Development	1,56,287	1,76,837	1,57,545	1,71,069	1,77,566	13.61	0.41	3.79	12.70
6	Skill Development and Entrepreneurship	1,553	1,371	3,517	3,260	4,520	191.40	229.68	38.65	28.51
7	Women and Child Development	17,097	23,994	25,448	25,448	26,092	52.61	8.74	2.53	2.53

Note: BE: Budget Estimate and RE: Revised Estimate

Source: Compiled from figures indicated in Demand for Grants of Central Government, Union Budget 2018-19 & 2024-25, Ministry of Finance, Gol

accorded to Skill Development and Entrepreneurship, Animal Husbandry, Dairying and Fisheries, followed by Agriculture and Farmers Welfare, Rural Development, Women and Child Development, Agriculture Research and Education and Micro, Small and Medium Enterprises (MSME), in that order.

While Skill Development and Entrepreneurship witnessed a quantum leap of 38.65 percent in its 2024-25 allocation over the RE of 2023-24, Animal Husbandry, Dairying and Fisheries, Agriculture and Farmers Welfare, Rural Development, Women and Child Development and Agriculture Research & Education Department recorded 27.10 percent, 4.91 percent, 3.79 percent, 2.53 percent, and 0.65 percent rise over previous year's allocation, respectively. The BE for Ministry of MSME is same as RE of 2023-24. Increased investment in rural areas, improved buyers demand, equitable job creation in rural areas have been the growth engines of rural economy. The real challenge before the nation is to meet

field level implementation flaws and enhance resource absorption capacity of all subject Departments/ Ministries. Allocation of more funds to various important rural sectors during the currency of the financial year caused a large positive difference between Budget Estimate (BE) and Revised Estimate (RE) of Budget 2023-24. Rural Development and Agriculture & Farmers Welfare witnessed Rs. 20,021 crore and Rs. 6,997 crore hikes, respectively, in the 24-25 resource allocation over respective BEs of 2023-24.

'Health' is one of the important dimensions of human development. The emphasis of the Government interventions is directed towards improving efficiency, equity, accessibility, affordability, quality in healthcare. Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY) focuses on financial protection to the citizens and has become the world's largest health insurance/ assurance Scheme completely financed by the Government. As in July 2024, more than 34.7 crore

UNION BUDGET 2024-25

विश्व मंत्रालय
MINISTRY OF FINANCE

Productivity and Resilience in Agriculture

1.52 lakh crore allotted for agriculture and allied sectors

- New 109 high-yielding & climate-resilient varieties of 32 field & horticulture crops to be released for cultivation by farmers
- A strong push to 1 crore farmers across the country towards natural farming, supported through certification & branding
- 10,000 need-based bio-input resource centres to be established, assisting the implementation



Ayushman cards have been created and a total of 7.37 crore hospital admissions worth more than Rs. 1 lakh crore has been authorized under the Scheme. This scheme of the Ministry of Health and Family Welfare has got a Budget allocation of Rs. 7,300 crore which is 7.35 percent higher than that of RE 2023-24 (Table 3).

Agriculture & Farmers' Welfare

Budget 24-25 has asserted Government's promise of farmer-led sustainable agrarian growth and envisaged sustained efforts to achieve productivity and resilience in agriculture. It has made a provision of Rs. 1.52 lakh crore for agriculture and allied sector and expressed desire to carry out transformative changes in the sector. While Pradhan Mantri Garib Kalyan Anna Yojana has been extended for five years, covering more than 80 crore people, the budget direction was to carry out a comprehensive review of agriculture research focusing on productivity enhancement and development of climate resilient varieties. Budget allocation in selected major schemes (Table 3) indicates that Rashtriya Krishi Vikas Yojana has got 21.85 percent more resources in BE 2024-25 over RE 2023-24. Similarly, Pradhan Mantri Matsya Sampada Yojana (PMMSY) for fishery farmers and Krishionnati Yojana for agri-farmers have witnessed 56.80 percent and 16.76 percent hikes, respectively, in resource allocation of BE 24-25 over RE 23-24.

The issues at hand requiring risk mitigation are ensuring agri-inputs available at affordable prices, easy access to market and other logistic services, stable market prices and increased acreage under agriculture by targeting mitigation of production risk and price risks

in agriculture. Keeping in view the uncertainties and risks in agriculture, effective Government interventions would be required towards reforming risk mitigation instruments like crop and livestock insurance schemes, modernisation and provision of better agro-logistics, marketing avenues with adequate warehousing facilities nearer to the agri-markets. While Minimum Support Price (MSP) at 50 percent plus cost has the potential of reducing the risk of farm losses but may not prove beneficial for the economy at large if the government does not take into account the demand considerations.

The Budget has enlisted various pro-active measures to boost horticulture produce, implement digital public infrastructure in selected 400 districts, release 109 high-yielding varieties of 32 crops and expanding scope and coverage of organic farming. Digital land record registry backed by digital crop survey would be helpful in agricultural and rural planning, infrastructure arrangement and careful and meticulous execution of farm activities. Earmarking and developing clusters for vegetables and other horticulture products and linking these to the demand centres would encourage agricultural diversification.

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) was launched during 2015-16 to ensure assured and quality irrigation. This is as an integrated irrigation initiative, covering various components viz. Accelerated Irrigation Benefits Programme (AIBP), Command Area Development and Water Management (CADWM), Har Khet Ko Pani (HKKP), Per Drop More Crop (PDMC)

MGFPI
MINISTRY OF FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA



PMKSY

Sub-schemes under the multidimensional Pradhan Mantri Kisan SAMPADA Yojna

Positive Impact on Farmers, processors & Youngsters

1. Agro Processing Cluster Scheme	4. Food Testing Laboratory Scheme
2. CEFPSC Scheme (Unit Scheme)	5. Operation Greens Scheme
3. Cold Chain Scheme	6. R&D Scheme

Table3: Budgetary Allocation in Selected Major Schemes

SN	Sectors/Schemes	Allocation (Rs. Cr.)				Increase of Allocation (percent) in 24-25 Over	
		22-23	23-24		24-25	RE	BE
		Actuals	BE	RE	BE	23-24	23-24
1	2	4	5	6	7	9	10
1	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	90,806	60,000	86,000	86,000	0.00	43.33
2	National Social Assistance Programme (NSAP)	9,651	9,636	9,652	9,652	0.00	0.16
3	Pradhan Mantri Krishi Sinchai Yojana (PMKSY)	5,637	8,587	7,031	9,339	32.82	8.75
4	Pradhan Mantri Gram Sadak Yojana (PMGSY)	18,783	19,000	17,000	19,000	11.76	0.00
5	Pradhan Mantri Awas Yojana (PMAY) - Rural	44,962	54,487	32,000	54,500	70.31	0.02
6	National Rural Livelihood Mission (NRLM) - Aajeevika	11,536	14,129	14,129	15,047	6.49	6.49
7	Rashtriya Krishi Vikas Yojana	5,247	7,150	6,150	7,553	21.85	5.63
8	Krishionnati Yojana	4,716	7,066	6,378	7,447	16.76	5.39
9	Pradhan Mantri Matsya Sampada Yojana (PMMSY)	1,168	2,000	1,500	2,352	56.80	17.60
10	Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY)	6,186	7,200	6,800	7,300	7.35	1.38

Source: Compiled from figures indicated in Demand For Grants of Central Government, Union Budget 2024-25, Ministry of Finance, GoI

and Watershed Development Component (WDC). The Budget 2024-25 has earmarked Rs. 9,339 crore to PMKSY which is 32.82 percent more than the RE of 2023-24 (Table 3). 54 percent of the agricultural land in India is unirrigated. The PMKSY initiative calls for a planned and integrated development of irrigation infrastructure in the rural areas. The activities so planned under PMKSY need to be implemented on a mission mode and in a time-bound manner.

Rural Development

The low work participation rates in the rural areas are due to the non-availability of adequate employment opportunities and the necessary investment needed for creation of job avenues in rural sectors. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has immense potential to create diverse green job opportunities at the grass-root level and to remove demand side rigidities from the rural scenario. The Budget 2024-25 continued to underscore the

importance of MGNREGA and National Rural Livelihood Mission (NRLM) – the existing two wage and self-employment programmes towards building quality and productive community assets and enterprises in a rural environment. These programmes are always perceived to be effective in a rural set up having potent to reduce high incidence of poverty. MGNREGA and NRLM witnessed 43.33 percent and 6.49 percent jump, respectively, in their allocation against the BE of 2023-24 (Table 3).

The resource allocation of Rs. 86,000 crore to MGNREGA aimed at generating rural wage employment, creating additional productive assets during 2024-25. Studies on MGNREGA works indicate that though the Scheme has large financial absorption capability, yet it has not been able to generate quality assets for the community due to less focus on quality asset creation, faulty work plan and design, improper selection of projects and work sites, lack of survey of works,

inaccurate work design estimates, inefficient work execution and inadequate technical supervision. In spite of these bottlenecks, the enhanced allocation for public works under MGNREGA reflects the government's commitment towards public investment for rural income and employment generating public works in rural India. The need of the hour is to raise a cadre of quality experts who could be a part of community level outcome-based public works planning and monitoring under MGNREGA.

National Rural Livelihood Mission has two important self-employment schematic interventions viz. Deendayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY) and Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY-NRLM). DAY-NRLM seeks to reach out to all rural poor women, estimated at 10.0 crores. The core financial support under the programme is the Revolving Fund (RF) and Community Investment Fund (CIF) provided to Self Help Group (SHGs) and their Federations to facilitate their livelihood activities. The village entrepreneurship development approach of DAY-NRLM is aimed at creating a catalytic local entrepreneurial ecosystem and encouraging the rural unemployed youth to take up local enterprises on their own. Further, the rural enterprises scheduled to be established under DAY-NRLM during 2024-25 will not only prove to be the real growth engines of over 5.5 lakh villages, but would also help in (a) ensuring financial inclusion of SHGs (b) increasing household income over the baseline and (c) assuring training, placements to the millions of rural youths. To make NRLM a successful and sustainable intervention in the rural areas, appropriate

diversification of economic activities and convergence with training, skill development and placement oriented programmes of other Departments may be required by constituting convergence committees at State, District and Block level.

Outlay towards rural and urban housing under Pradhan Mantri Awas Yojana (PMAY) indicates the government's resolve in enhancing job creation through construction related activities both at rural and urban areas. PMAY-Rural with a Budget allocation of Rs. 54,500 crore, has witnessed an increase of 70.31 percent in 24-25 BE over RE of 2023-24. Three crore additional houses under the PM Awas Yojana in rural and urban areas in the country have been announced. For effective implementation of this Scheme, the beneficiaries need to actively participate throughout the construction process i.e. selecting the home site, making own arrangements for procurement of construction material, engaging skilled workmen and also contributing family labour. The beneficiaries should also take their own decision about the manner of construction of the house and use of cost-effective local technology without compromising the durability of the assets so created.

Pradhan Mantri Gram Sadak Yojana (PMGSY) – One of the oft-quoted successful rural connectivity initiatives has a three-tier quality monitoring system at various levels that finds systemic deficiencies and takes appropriate corrective action in the execution of projects and in maintaining the quality of constructed roads. This initiative has been allocated a budget of Rs. 19,000 crore which is Rs. 2,000 crore higher than the Revised Estimate of 2023-24. Phase IV of PMGSY is proposed to be launched to provide all-weather connectivity to 25,000 eligible rural habitations. The need of the hour is to ensure systematic District Rural Roads Plans and to list out the complete network of all roads in the districts with a view to identify and prioritise construction of new roads under this Scheme. To ensure quality in construction and maintenance of rural roads, vigorous quality control measures need to be followed.

Conclusion

The continued emphasis on rural infrastructure and social sectors indicates the country's resolve towards ensuring inclusive and equitable growth in rural areas. The Budget 24-25 has appropriately underscored the importance of agriculture and rural growth and has,

UNION BUDGET 2024-25

Productivity and Resilience in Agriculture

- Digital Public Infrastructure: Digital crop survey for Kharif using DPI to be taken up in 400 districts.
- Issuance of Jan Samarth based Kisan Credit Cards to be enabled in 5 states
- Financial support for setting up a network of Nucleus Breeding Centres for Shrimp Broodstocks to be provided
- National Cooperation Policy to be framed with an objective to Fast-tracking growth of rural economy & generation of employment opportunities



accordingly suggested investments in various key areas viz. farm and non-farm employment activities. The vision to develop large-scale clusters for vegetable production closer to major consumption centres are noteworthy. Promotion of Farmer-Producer Organizations, cooperatives and start-ups for vegetable supply chains including for collection, storage, and marketing would ensure better remuneration to farmers. Implementation of the Digital Public Infrastructure (DPI) in agriculture for coverage of farmers and their lands and digital crop survey for Kharif using the DPI in 400 districts will further strengthen Agriculture-Technical interface. Further, enhanced budgetary allocation to PMMSY and a special provision for a network of Nucleus Breeding Centres for Shrimp Broodstocks along with National Bank for Agriculture and Rural Development (NABARD)'s assured support in shrimp financing, processing and exports would help in making fish farming a profitable and acceptable venture.

Effective implementation of large budgeted agriculture and rural development programmes need to guarantee adequate entrepreneurships, training and orientation towards skill-driven self-employment ventures. Agriculture and rural development have tremendous potential to ensure an equitable and all-inclusive growth via growth in income, employment and entrepreneurship. Keeping in view the huge share of investments in diverse fields, efforts need to be made

to re-orient and facilitate enabling atmosphere for rural manufacturing revolution, job creation, poverty reduction and skill up-gradation in rural areas. The real challenge is to make the announcements and policy directions of the Budget for agriculture and rural non-farm activities into practice in a coordinated and concerted manner so as to make it profitable and widely acceptable.

The Budget announcement regarding implementation of revised National Cooperation Policy would go a long way in ensuring systematic, orderly and all-round development, especially in rural areas considering the rural concentration of cooperatives in diverse fields viz. Agriculture, dairy, fisheries, logistic, housing, sugar, labour, consumer, marketing, processing etc. The policy, if put into practice, would facilitate creating model cooperative villages by fulfilling the basic tenets of economic self-reliance. While this is a novel and praiseworthy step of the Government, timely and appropriate coordination with multiple line Ministries/ Departments/Cooperative facilitating agencies and State Governments is a must to ensure the long-cherished goal of Viksit Bharat through hastening growth processes of rural employment, income and wealth. □

Reference

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Blueprint for Sustained Growth in Rural India

For sustainable development in rural India, while ensuring the availability of basic facilities like roads, electricity, health, education, drinking water and removing the gender and caste inequality, the direct provision of Rs. 1.52 lakh crore for agriculture & allied sectors and implementation of programmes like MGNREGA, Pradhan Mantri Awas Yojana, Samagra Shiksha, National Health Mission, Saksham Anganwadi and Nutrition 2.0, Crop Insurance Scheme, Swachh Bharat Mission, Ayushman Bharat Yojana, Pradhan Mantri Employment Generation Programme etc. will also help in big way in this direction.

* Satish Singh

According to the Economic Survey 2022-23, 65 percent of India's population lives in rural areas and agriculture is the main source of livelihood for 47 percent of the population. In rural India, illiteracy, caste issue, gender

discrimination, limited access of farmers to the market, shortage of grain storage, dominance of middlemen, lack of financial awareness, etc. are persisting, and non-availability of health infrastructure, drinking water, communication system, electricity, etc. are making this situation worse. Today, farmers are not

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able to earn enough income for their livelihood from farming.

The situation of pseudo employment also persists, i.e., the work which can be done by one person is done by many people together. The supply of raw materials for many industries like sugar, rice, jute, various consumer goods, etc. is not being done effortlessly, since there is a lack of basic infrastructures in villages and the number of industrial units are less.

Sans options, the rural population is dependent on agriculture for their livelihood and their income is low due to less profit in agriculture. In the financial year 2011-12, the agricultural sector contributed about 18.10 percent to the gross domestic product (GDP), which decreased to about 15 percent in the financial year 2022-23. It is expected to decrease further on account of increasing urbanisation and industrialisation. The contribution of agriculture to GDP can increase only when sustainable development is ensured in the rural India.

We have dreamed of making our country a developed nation by the 100th year of independence i.e. 2047. Therefore, such provisions have been made in the budget, with the help of them, the regional inequality and income inequality present in the country can be bridged to some extent. This direction can be taken forward by strengthening women's participation in the workforce, ease of doing business, rural and urban development, rural infrastructure, etc.

The Theme of Budget and Way Forward

The theme of this year's budget is poor, women, youth and farmers and accordingly, emphasis has been laid on making the agriculture sector production-oriented, accelerating employment generation, empowering women, etc. To accelerate the pace of development, it is proposed to work towards ensuring development in construction, manufacturing & service sector. There is also a need to ensure energy efficiency, reinforcement innovation and research in rural and urban areas.

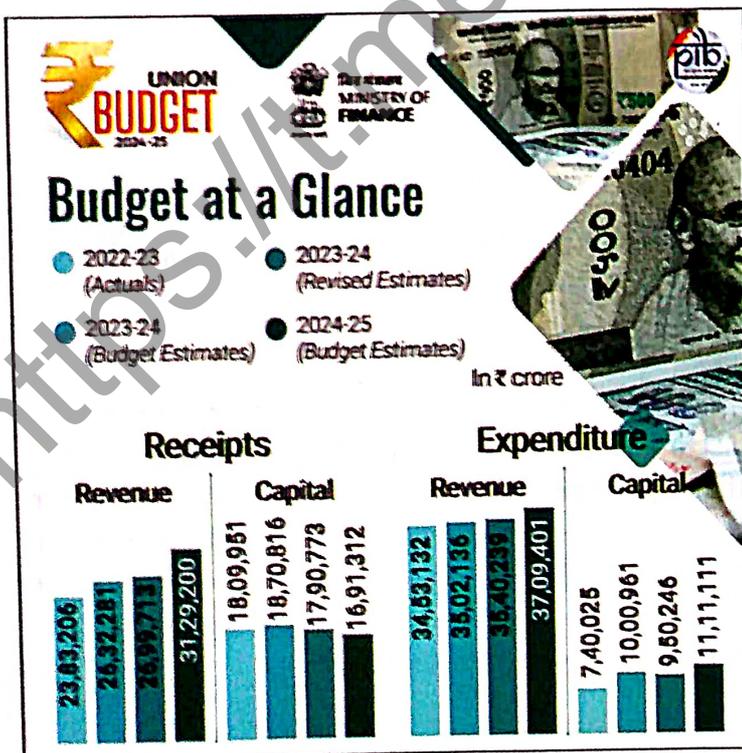
Budgetary Provisions to Ensure Sustainable Growth

There are many sectors, such as education, health, roads, electricity, etc., which can strengthen the rural sector by providing budgetary support. Therefore, a provision of Rs. 86,000/- crore has been made in the budget for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), under which adult members of each family willing to work will be provided employment for 100 days. During the Corona period, employment was provided to rural youth under MGNREGA, due to which they were successful in supporting themselves and their families.

Under the Pradhan Mantri Awas Yojana, the government will provide central assistance of Rs. 2.2 lakh crore in the next 5 years to build houses at affordable rates. The government will also invest Rs. 10 lakh crore for boosting this sector. With this initiative, the poor and lower middle class will be able to get their own house at an affordable rate. It is noteworthy that villagers can be brought into the mainstream only when they have a house, means of livelihood, education and health facilities.

There are still areas where the population in India has no access to pure drinking water. Therefore, the importance of Jal-Jeevan Mission is incomparable. Under this, a target has been set to provide water to every household. This scheme was started in 2019 with the aim of providing drinking water to every household, so that pure drinking water can be provided to all people. A provision of Rs. 70,000/-crore has been made in the budget for Jal-Jeevan Mission, for providing drinking water to maximum number of people.

In line with the recommendations of the new education policy, this enterprise was launched on 4 August 2021, under which the target was set to educate



LETTING BUSINESSES TRANSFORM LIVES IS THE CORE OF PMEGP



children from pre-nursery to 12th standard. Since, this target is still incomplete, therefore, a provision of Rs. 37,500/- crore has been made in the budget to ensure holistic education across the country.

The National Health Mission was launched in April 2005, which aims to ensure the availability of quality health facilities for children, women and underprivileged sections living in rural areas, since only a healthy person can improve productivity and upsurge economic activities. The Government has made a provision of Rs. 28,000/- crore for this initiative, which will improve the health of the villagers, enabling them to bring happiness & prosperity at home and society.

Saksham Anganwadi and Nutrition 2.0 is an integrated nutrition support programme aimed at protecting children, adolescents, pregnant women and lactating mothers from malnutrition and other serious diseases through strategic changes in nutrition content and distribution. This is an important initiative, with the help of which a healthy society can be built. Rs. 21,200/- crore has been allocated in the budget for improving this area.

In India, farming is still dependent on monsoon. Equal irrigation facilities are not available across the country. At the same time, the crops of farmers are sometimes ruined by floods and sometimes by drought. In such a situation, the importance of crop insurance is very crucial as it works as a lifesaver for farmers

in difficult times. The bank gets the farmer's crops insured, who have taken Kisan Credit Card (KCC) from the bank, but those who have not taken loan from the bank have to get their crops insured themselves. To ensure that farmers do not face financial problems in times of crisis, the Government has made a provision of Rs. 14,600/- crore in the crop insurance scheme.

Swachh Bharat Mission was launched on 2nd October 2014. This campaign motivates people to donate 100 hours of labour every year, so that every city and every village can be kept clean. Maintaining cleanliness across the country can reduce the expenditure on health, because dirt is the biggest reason for the spread of disease. To make this mission successful, the Government has made a provision of Rs. 12,000 crore.

Ayushman Bharat Yojana or Pradhan Mantri Jan Arogya Yojana (PMJAY) is a health scheme of the Government of India, which was implemented all over India on 23 September 2018. People belonging to Scheduled Caste, Scheduled Tribe category or a family in which there is no earning member above the age of 16 years or whose annual income is less than Rs. 2.5 lakh per annum or listed in the PMJAY beneficiary list can take advantage of this scheme. This scheme is dedicated to improving the health of the deprived or weaker sections of the society. Therefore, to ensure that maximum number of people can avail the benefits of this scheme, the Government has made a provision of Rs. 7,300/- crore in the budget.

The Pradhan Mantri Employment Generation Programme (PMEGP) scheme is being implemented through the Khadi and Village Industries Commission (KVIC), which acts as the nodal agency at the national level. PMEGP was started in 2008 by combining the Pradhan Mantri Rozgar Yojana and Rural Employment Generation Programme. It is a loan linked subsidy scheme, which is monitored by the Ministry of Micro, Small and Medium Enterprises (MSME). The objective of this scheme is to create new employment opportunities in rural and urban areas by promoting new self-employment related ventures, small enterprises and projects and to stop the migration of rural youth by making people economically self-reliant. A provision of Rs. 2,300/- crore has been made in the budget to support this scheme.

In the year 2000, Prime Minister Shri Atal Bihari Vajpayee had launched the Pradhan Mantri Gram Sadak Yojana, under which the unpaved roads of villages were connected to the paved roads of cities. Now under the Pradhan Mantri Gramin Sadak Yojana, there is a plan to connect small and big villages to the paved roads of cities and to give it a concrete shape, a provision of Rs. 19,000/- crore has been made in the budget.

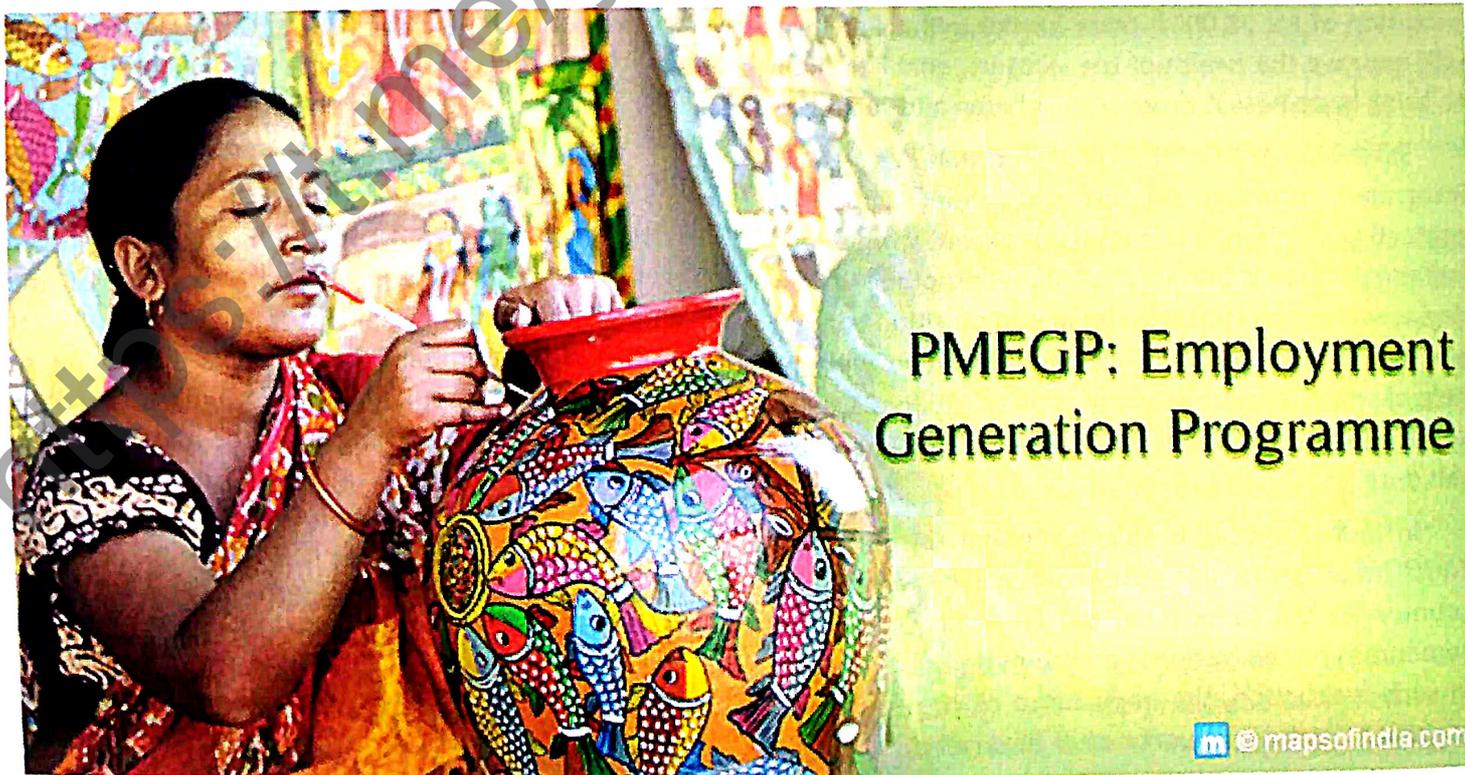
Under the Pradhan Mantri Vishwakarma Yojana, banks are financing the craftsmen and artisans of the unorganised sector to make them economically self-reliant, so that they can be brought into the mainstream.

The Government has made a provision of Rs. 4,800/- crore for consolidation of this scheme.

Farmers use fertilisers to increase the productivity of crops, in which a large part of the farmers' income is spent. Therefore, to provide financial relief to the farmers, the Government has proposed to give a subsidy of Rs. 1.19 lakh crore in the purchase of urea, a kind of fertilisers, which is being used by the farmers on large scale for increasing productivity of their crops.

To ensure that no person in the country remains hungry, a provision of Rs. 2.05 lakh crore has been made in the budget for the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Under this scheme, 81.35 crore beneficiaries will be provided 35 kilograms of foodgrains per AAY (Antyodaya Anna Yojana) households per month and 5 kilograms of food grains per person per month in case of Priority Households (PHH) for a period of next five years with effect from 01 January 2024.

There is a plan to spend Rs. 1.15 lakh crore in road construction and Rs. 1.68 lakh crore for the National Highway Authority of India, which will also benefit the rural areas, i.e., a few thousand kilometres of road will be constructed there. With the connectivity in the villages, vegetables or grains will be able to reach the market on time and farmers will be able to get a fair price for their crops.



Emphasis on Skill Upgradation

One of the main reasons for unemployment in India is the lack of skills of the youth. If they are skilled, they will not face employment problems. Therefore, special attention has been given to skill upgradation of youth in the budget and a target has been set to make 4.1 crore youth skilled in 5 years, which will cost Rs. 2 lakh crore. With this initiative of the Government, the youth will either get employment or they will be able to become self-reliant through self-employment.

A proposal has been made in the budget to upgrade 1000 industrial training institutes into hubs, so that adequate supply of trained workers can be ensured in the industrial establishment and along with skill upgradation, the productivity of the workers can also be augmented. This initiative is likely to increase the production and profits of industrial establishments.

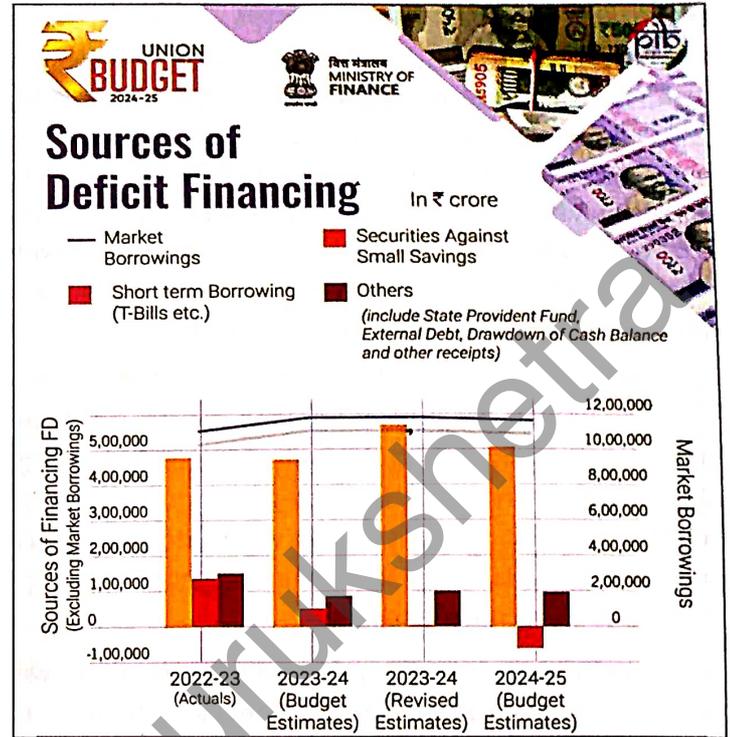
The Government has planned to provide internship to 1 crore youth in the top 500 companies of the country in the next 5 years. During this period, they will be given a stipend of Rs. 5,000/- every month. This initiative will provide an opportunity to the youth to understand and learn the working of companies occupied in various sectors, which will help them in finding employment or starting self-employment.

Broadening the Scope of the Organised Sector

The Government will give Rs. 15,000/- in three instalments to the youth who get a job for the first time in the organised sector. According to an estimate, 2.1 crore youth will benefit from this arrangement. The Employees' Provident Fund Organisation (EPFO) will give employee-linked incentives to both the youth who get a job for the first time and the companies for the first four years. Currently, the Government is giving incentives to companies for increasing production under the product-linked scheme in the manufacturing sector, which is benefiting both industrial establishments and their employees. This initiative of the government will surge the number of workers in the organised sector, which will make it easier for maximum number of youth to get the benefits of Government initiatives in the long run.

Total Receipts and Estimated Reduction in Fiscal Deficit

The Government can provide adequate funds for various sectors in the budget only when it has adequate receipts. For this, it collects revenue and



tries to reduce expenditure on non-essential items. The budget estimates revenue collection of Rs. 43.86 lakh crore including Rs. 11.87 lakh crore from income tax, Rs. 10.62 lakh crore from goods and services tax (GST) and Rs. 10.20 lakh crore from corporation tax and proposes to borrow Rs. 16.91 lakh crore to meet other expenses, will taking the total reserves with the government to Rs. 60.71 lakh crore.

India has borrowed 83 percent of its GDP, amounting to Rs. 161 lakh crore. However, this percentage is lower than many developed countries, such as the US has borrowed 121 percent of its GDP, while Japan has borrowed 261 percent of its GDP. At the same time, Japan has taken a loan of 111 percent of GDP and England has taken a loan of 101 percent of GDP. From this point of view, the government's economic condition is broadly upright, and it is capable of spending to ensure development.

The fiscal deficit has been estimated to be 4.9 percent of GDP in the financial year 2025, which will amount to Rs. 16.13 lakh crore, whereas in the interim budget, which was presented in February 2024, the fiscal deficit was estimated to be 5.1 percent of GDP and it was Rs. 16.85 lakh crore. Before that, the fiscal deficit was estimated to be 5.8 percent of GDP, which was Rs. 17.34 lakh crore. These figures show that the government has been successful in controlling the expenditure to some extent.

Provisions for the Agriculture Sector

To strengthen the agriculture sector, a provision of Rs. 1.52 lakh crore has been made in the budget for agriculture and allied sector, out of which Rs. 60,000 crore has been allocated for the Pradhan Mantri Kisan Samman Nidhi. In this way, agriculture-focused budgetary provision of Rs. 92,000/- crore has been made, but with this the Government has indirectly made many such provisions, which will brace the rural sector.

The announcement of bringing 6 crore farmers and their land under the purview of land registry has been made in the budget. With the help of this, GIS mapping, digitisation, ownership rights, registration of farmers and the identification of the land will be done. This will make the process easier for farmers to get the benefits of various Government schemes.

Bio-research has many benefits, such as, it will reduce the use of pesticides, reduce soil erosion, animal waste can be used in the fields as manure, etc. Therefore, it has been proposed to set up 10,000 bio-research centres in the budget.

In the next two years, 1 crore farmers will start doing natural farming, which will also be branded and certified. Giving concrete shape to this initiative will help people stay healthy, since people fall sick more often due to the use of harmful chemicals in fertilisers. Synthetic chemicals are not used in natural farming, due to which there is more nutrition in food, which helps in keeping the body healthy. To strengthen the supply chain, large clusters will be developed near the consumption centres, which will stop the wastage of vegetables in villages, and they can be used optimally.

Kisan Credit Card (KCC) was introduced in 1998 to provide credit to farmers based on their land holdings, so that farmers can easily buy seeds, fertilisers, pesticides, etc. Further, in loan requirements, investment and non-agricultural activities were linked to it in 2004. Due to the great success of this scheme; KCC will be issued in 5 more states on extensive basis, where it is still not distributed among eligible farmers, so that farmers deprived of this facility can take advantage of this.

Digital Public Infrastructure (DPI) will be implemented in the agriculture sector to make farmers and their land a part of the digital network within three years. DPI creates a physical network, which is necessary for people to connect with each other and access various types of

goods and services. The central Government is currently running this concept as a pilot project in collaboration with the State Government, but there is a proposal to implement this concept on the ground.

National Cooperation Policy will increase opportunities for banks to enter into loan agreements with co-operative societies. In this case, banks can increase the portfolio of Agri loans by entering into agreements with Farmer Producer Organisations (FPOs), cooperative societies and Agri startups. By entering into agreements or partnerships with them, banks will be able to understand the cash flow of farmers. This will encourage farmers to produce horticulture and other cash crops, because even now Indian farmers are doing farming in a traditional way.

Many initiatives have been taken in the budget for the betterment of workers, under which, there is a plan to connect the Shram portal with other important portals. In this sequence, radical changes will be brought in the Shram Suvidha and Samadhan portal, so that they can give effective results. With this initiative the workers will be able to get solutions to their employment related problems on a single portal.

Employment Generation through MSME

At present, there are about 6.3 crore Micro, Small & Medium Enterprises (MSME) units in the country, which are not only contributing significantly to the GDP, but this sector is also providing employment to a large population. According to an estimate, this sector has been successful in creating more than 11 crore jobs.

Understanding the importance of MSME, now entrepreneurs taking loan for plant and machinery will be given loan without collateral and third-party guarantee and to make loans easy for this sector, public sector banks have been asked in the budget to assess the loan needs of the MSME sector in-house and provide loans to them. Due to dependence on other mechanisms or other organisations the MSME sector was not able to get loans on time. This new provision will speed up loan disbursal. In this sequence, Small Industries Development Bank of India (SIDBI) will also expand its branches in the next 3 years so that the loan needs of the MSME sector can be met smoothly.

It has also been said in the budget that the loan given to MSME will be continued even in times of crisis, so that non-performing assets (NPAs) of the banks do

not increase and at the same time, economic activities do not stop. When such a situation arose during the Corona pandemic, the Government had given relief to the MSME sector in many cases. An e-commerce hub will be created for MSME on the lines of Public Private Partnership, so that MSME sector can produce various products and sell them in the international market, realizing the concept of "Made in India".

The Pradhan Mantri Mudra Yojana (PMMY) was launched in 2015, which has been divided into 3 categories namely Shishu, Kishor and Tarun. Under Shishu, a loan of Rs. 50,000/- is given; under Kishor, loans ranging from Rs. 50,001/- to Rs. 5.00 lakh is given; under Tarun, loans ranging from Rs. 5.00 lakh to Rs. 10.00 lakh is given. In the budget presented on 23 July 2024, the maximum amount of loan in the Tarun category has been increased from Rs. 10.00 lakh to Rs. 20.00 lakh. This facility will be given to those entrepreneurs who had previously taken a loan of up to Rs. 10.00 lakh and repaid it within the time limit.

In the last 8 years, loans have been given to 33.54 crore people in the Shishu category, while loans were given to 5.89 crore people in the Kishore category, while loans have been given to 81 lakh people in the

Kishore category. There is no data that how many people has been able to provide employment under Mudra loan, but it is estimated that more than 30 crore self-employments will be created with the help of this scheme in the unorganised sector.

Conclusion

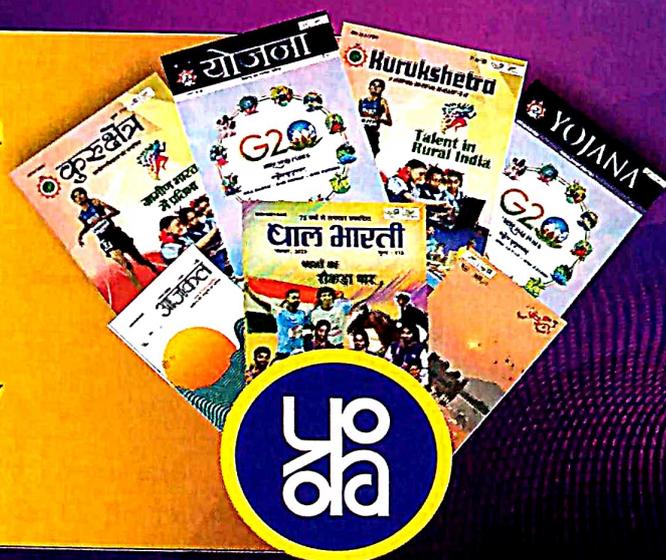
To continue the development in the rural areas, it is necessary to ensure the availability of basic facilities like roads, electricity, health, education, drinking water, etc. as well as to remove gender and caste inequality in the rural area. From this point of view, apart from a direct provision of Rs. 1.52 lakh crore for agriculture and allied sectors, many provisions such as MGNREGA, Pradhan Mantri Awas Yojana, Samagra Shiksha, National Health Mission, Saksham Anganwadi and Nutrition 2.0, Crop Insurance Scheme, Swachh Bharat Mission, Ayushman Bharat Yojana, Pradhan Mantri Employment Generation Programme, Pradhan Mantri Sadak Yojana, Pradhan Mantri Mudra Yojana, Pradhan Mantri Vishwakarma Yojana, provision of subsidy for Urea, Pradhan Mantri Anna Kalyan Yojana, etc., will help in ensuring sustainable development in rural India. □

Source: Budget Documents

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Budget 2024-25: A Step Towards Viksit Bharat

This article analyses Budget 2024 announcements, especially those related to the manufacturing and services sectors. This elucidates the 'Whole of Government' approach adopted in the Budget priorities and the action points contained therein. It also provides examples of linkage of on-going schemes and the new initiatives which underscore the Government's commitment to Viksit Bharat. The Budget announcements instill renewed vigour in recent initiatives taken by the Government of India.

* Dr. Ishita G. Tripathy

The Union Budget, presented by Hon'ble Finance Minister on 23 July 2024, is for a period of eight months, much shorter than a financial year. Yet, it is a continuum of initiatives which builds on the foundations laid by recent Budgets, including the Interim Budget presented in February,

2024. It also provides the foundation on which future plans and programmes can be built, which can lead to a *Viksit Bharat*.

Economic Survey 2023-24 was presented in the Parliament a day before the Budget. The *Survey* mentions that the Indian economy grew at 9.7 percent and 7.0 percent in 2021-22 and 2022-23, respectively,

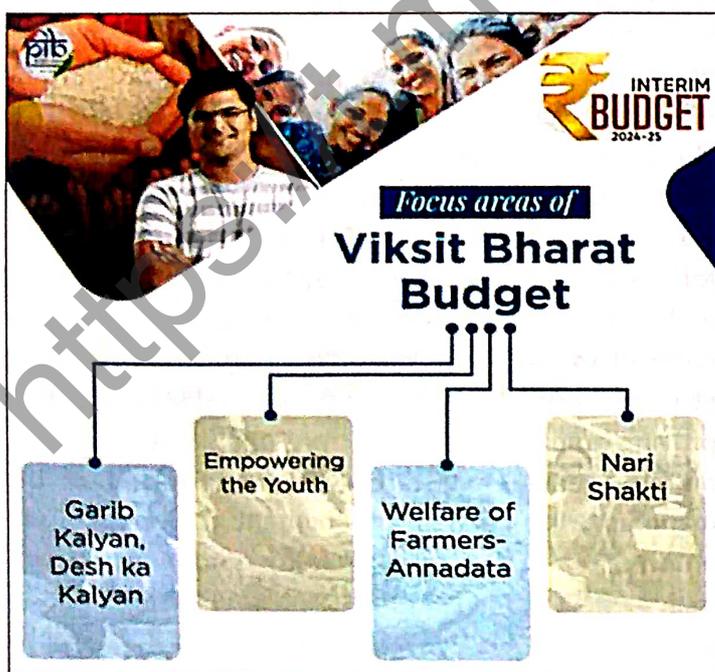
* The author is Additional Development Commissioner in Ministry of MSME, Government of India.
E-mail: igtripathy@gmail.com

and is estimated to grow at 8.2 percent in real terms in 2023-24. The figures compare well with those of other economies of the world. The high growth rates have been a result of prudent fiscal and monetary measures. The *Survey* mentions that the inflation rate is under control; the trade deficit in 2023-24 is lower than that of the preceding year; the foreign exchange reserves are sufficient and public sector investment has caught a momentum. In this backdrop, this paper analyses some Budget 2024 announcements, especially those related to the manufacturing and services sectors.

Budget Priorities

The focus of the Interim Budget 2024 was on the Poor, Women, Youth and Farmers. Taking this forward, the recent Budget emphasizes on employment, skilling, Micro, Small and Medium Enterprises (MSMEs) and the middle class. There is a common thread, underscoring all-round development, which runs through all the nine priorities of Union Budget 2024-25. The *nav ratna* priorities are as follows:

- i. Productivity and Resilience in Agriculture;
- ii. Employment and Skilling;
- iii. Inclusive Human Resource Development and Social Justice;
- iv. Manufacturing and Services;
- v. Urban Development;
- vi. Energy Security;
- vii. Infrastructure;
- viii. Innovation, Research and Development; and
- ix. Next Generation Reforms



As clear from the above list, the priorities are not mutually exclusive. For example, one of the actions envisaged for priority number two on 'Employment and Skilling' is 'Job Creation in Manufacturing', which is clearly linked to priority number four on 'Manufacturing and Services' priority. The proposal for job creation in manufacturing is envisaged to incentivize both employer and employee for ensuring additional employment in the manufacturing sector. It is expected that 30 lakh youth will benefit from it. Complementing this proposal, is another announcement which states that the Government will reimburse employers up to Rs. 3,000 per month for 2 years towards their Employees' Provident Fund Organisation contribution for each additional employee. This scheme is intended to benefit 50 lakh additional employees. Such a convergence highlights the significance of a 'Whole of Government' approach to growth.

Another example is the announcement of stepping up of programmes such as PM Vishwakarma under priority number three on 'Inclusive Human Resource Development and Social Justice'. With a Budgetary provision of Rs. 13,000 crore for five years aimed at benefitting 30 lakh artisans and craftspeople, who work with their hands, using tools, the PM Vishwakarma Scheme was launched on 17 September 2023. The Scheme envisages a holistic support to the beneficiaries through the three-fold objective of *Samman*, *Samarthya* and *Samridhhi* by providing them recognition; skill upgradation; loans up to Rs. 3 lakh; toolkits up to Rs. 15,000; incentives for digital transactions; and marketing support. Within 10 months since the launch, there have been more than 2.3 crore enrolments in the Scheme, with 15 lakh having successfully registered, after the three-stage verification process of the applicants. The overlap between priorities three and four is explained by the fact that artisans and craftpeople in 18 trades are eligible under PM Vishwakarma to avail of the benefits. These 18 trades which span across manufacturing and services are armourers, barbers, basket/mat/broom makers/coir weavers, blacksmiths, boat makers, carpenters, cobblers, doll and toy makers, fishing net makers, garland-makers, goldsmiths, hammer and toolkit makers, locksmiths, masons, potters, sculptors/stone breakers, washermen and tailors.

Manufacturing and Services

The contribution of industry and services sectors at 27.6 percent and 54.7 percent, respectively, to Gross Value Added (GVA) at current prices in 2023-24, justify the focus of the Budget on manufacturing and services. Manufacturing is a sub-sector within industry. *Economic Survey 2023-24* analyses that the high output share of manufacturing indicates its tremendous backward and forward linkages. The average annual growth rate of the manufacturing sector over the past decade has been 5.2 percent, despite the adverse impact of the pandemic. The services sector recorded a real growth rate of more than 6 percent in most years of the past decade, i.e. except 2020-21. In 2023-24, estimates indicate a growth of 7.6 percent for the services sector.

Entrepreneurship

Entrepreneurship development, bolstered by facilitating access to finance, technology and marketing, along with easing out doing business, have been at the forefront of Govt's policies and programmes. Entrepreneurs are known to grab opportunities, even in the worst adverse situations, the case in point being the challenges posed by the recent global COVID pandemic of 2020 to 2022, which debilitated a substantial part of the world. But the enterprising ones were quick to seize the chance and transformed challenges into opportunities viz. developing and distributing vaccines; reaching the unreached through contactless home deliveries, devising innovative ways of working from home, and encouraging online services at workplaces to help reducing overall consumers' and producers' costs.

Irrefutably, the factor of production in a business venture, which deals with the vagaries of risk and uncertainty, is entrepreneurship. Besides nurturing the other three factors of production, viz. land, labour and capital, for an enterprise to flourish, it is imperative to hone entrepreneurial skills. Schumpeter's competitive strategy advocated 'creative destruction', resting on the principle of continuous replacement through new innovation and invention, entailing new product performance, new processes, new markets, new technologies and new forms of organisations.

Two necessary conditions for entrepreneurship are ensuring flexibility in establishing business venture, creativity and innovation; and enabling economic conditions that give enterprises an opportunity to gain and grow. Recent surveys have observed that the level of entrepreneurial activity varies across all regions and income groups, with the highest levels of entrepreneurial activities being found in the Latin American and Caribbean region, as illustrated in 'Global Entrepreneurship Monitor, 2024'. Further, an environment encouraging entrepreneurship development may exist despite the level of income of the economy and the examples of India and China illuminate the point.

Economic Survey 2023-24 prescribed "greater formalisation of smaller manufacturers, alleviating their supply chain bottlenecks, facilitating market access and improving access to finance". Recent Government initiatives, through the Budget announcements or otherwise, have focussed on exactly this prescription. Since the adoption of twin criteria of investment in plant and machinery and turnover for categorizing enterprises as micro, small and medium in 2020, as many as 4.81 crore enterprises have registered on Government of India's Udyam Registration Portal and Udyam Assist Platform. This has been a result of special formalisation drives taken up by the Government along with other stakeholders. While 30 percent of these enterprises are into manufacturing, the remaining provide services. The registered MSMEs together provide employment to 21 crore people. As expected, on an average, registered MSMEs involved in the manufacturing provide employment to 7 people per enterprise and registered MSMEs rendering services, excluding traders, provide employment to 4 people per enterprise. In this backdrop, Budget 2024 rightly



UNION BUDGET 2024-25

**वित्त मंत्रालय
MINISTRY OF FINANCE**

Manufacturing & Services

MSMEs

- New mechanism announced for facilitating continuation of bank credit to MSMEs during their stress period
- Limit of Mudra loans increased from ₹ 10 lakh to ₹ 20 lakh
- Turnover threshold of buyers for mandatory onboarding on TReDS platform to be reduced from ₹ 500 Cr to ₹ 250 Cr
- Financial support for 50 multi-product food Irradiation units in MSME sector
- E-Commerce Export Hubs to be set up in PPP* mode to enable MSMEs & traditional artisans to sell their products in International markets


GOVERNMENT OF INDIA
 सूक्ष्म, लघु और मध्यम उद्यम संकलन
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES



2,33,72,101
 enrolments;

15,85,634
 successful registrations
(as on 20.08.2024)

under
PM Vishwakarma

PM Vishwakarma aims at improving the quality as well as the reach of the products and services of Vishwakarmas

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 or
 Scan QR Code



The guarantee coverage to each MSME applicant will be up to Rs. 100 crore, although the loan amount may be larger. For this purpose, there will be separately constituted self-financing guarantee fund.

Traditional assessments of credit eligibility do not always capture the potential of MSMEs. In this context, the Budget announcement regarding an alternate system of public sector banks to assess MSMEs for their credit eligibility based on their digital footprints is a welcome step. Further, to prevent MSMEs from slipping into a non-performing asset, a new mechanism has been proposed so that they can continue receiving bank credit even when they are under stress. This will ease their financial duress. The ceiling on small-sized loans, i.e. Mudra, has been enhanced from Rs. 10 lakh to Rs. 20 lakh to accommodate the growing demand,

provides special attention to MSMEs, especially the labour-intensive ones which are into manufacturing. The comprehensive package for MSMEs consists of financing, regulatory changes and technology support, with the objective of making them globally competitive.

Financing

The objective of loan guarantees is to protect the lender against default by the borrower, who typically has a low credit rating and may not have any collateral. Based on this principle, the Ministry of MSME implements the Credit Guarantee Scheme for Micro and Small Enterprises with the objective of providing guarantee coverage of 75-85 percent on loans up to Rs. 5 crore. Since the roll out of the Scheme in 2000, more than 93 lakh guarantees worth Rs. 7 lakh crore have been provided to Micro and Small Enterprises. Complementing this Scheme, is the announcement of Budget 2024 regarding the introduction of another Credit Guarantee Scheme, which would be for strengthening the manufacturing sector by facilitating term loans to MSMEs for the purchase of machinery and equipment, without collateral or third-part guarantee.

which is encouraging. To ensure timely payments to MSMEs, the Budget has reduced the turnover threshold of buyers on Trade Receivables Discounting System (TReDS) from Rs. 500 crore to Rs. 250 crore. Since the ceiling on turnover for the MSME sector is Rs. 250 crore, this announcement will bring all enterprises larger than MSMEs into the ambit of TReDS.

The concept of enabling enterprises to use common facilities at relatively lower cost rests on the economic principle of reaping benefits of economies of scale. The announcement regarding SIDBI opening new branches to serve all major MSME clusters within 3 years to provide direct credit to them will have a multiplier effect on a large number of MSMEs. Further, the Budget focusses on ensuring quality of MSME products, especially in the food sector, and promotion of e-commerce export hubs.

Holistic Approach

The budget announcements range from incentivizing additional employment to setting up working women's hostels; from designing content of courses as per skilling needs of the industry to Government guaranteed loans;

Table: Expenditure of Government of India (Rs. crore)

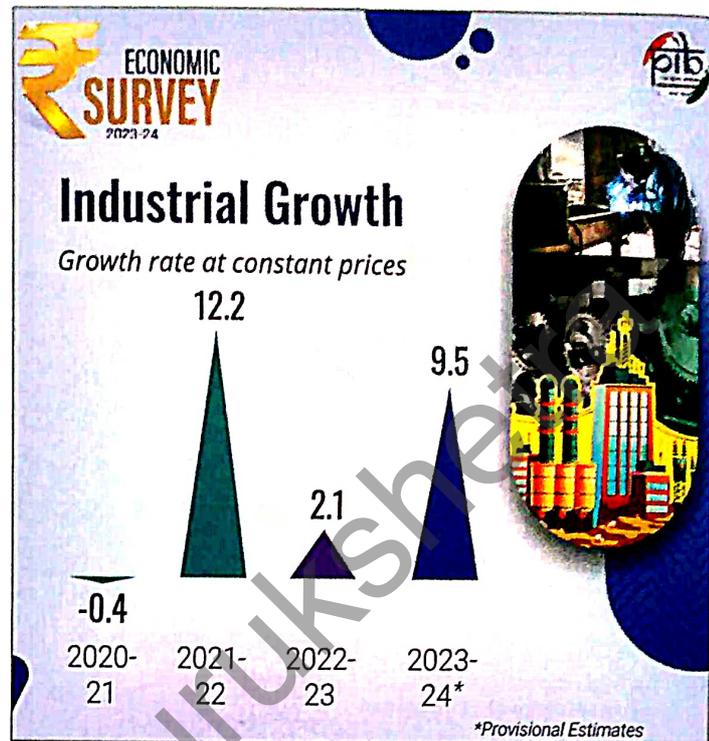
2022-23 Actuals	2023-24 Budget Estimates	2023-24 Revised Estimates	2024-25 Budget Estimates
41,93,157	45,03,097	44,90,486	48,20,512

from development of infrastructure to enhanced spread of banking network; from developing Digital Public Infrastructure applications to setting up an Integrated Technology Platform for improving outcomes under the Insolvency and Bankruptcy Code; from land reforms to labour reforms; from developing cities as growth hubs to redeveloping existing cities; from investing for housing needs of the urban poor to rental housing for industrial workers; and from internship of 1 crore youth in top 500 companies in 5 years to developing 'plug and play' industrial parks. Further, the announcements include improving the share of Indian shipping industry and generating more employment; promoting water supply, sewage treatment and solid waste management; setting up Critical Mineral Mission; development of weekly *haats*, etc. In line with the global demands, the Budget entails announcements for energy efficient growth.

Budget Provisions

The financial outlays have been commensurate with the targets set by the Budget announcements. Budget provisions of Government of India have grown consistently from 2022-23 to 2024-25 (Table). Compared to the Budget Estimates of 2023-24 and Revised Estimates of 2023-24, there has been a growth of 7.0 percent and 7.3 percent, respectively, of Budget Estimates of 2024-25.

Within the total outlay, some Central Ministries/ Departments which are directly involved in manufacturing and services have proportionately large outlays, e.g. Ministry of Road Transport and Highways



(Rs. 278,000 crore), Ministry of Railways (Rs. 255,393 crore), Ministry of Communications (Rs. 137,294 crore), Ministry of MSME (Rs. 22,138 crore), Ministry of Electronics and Information Technology (Rs. 21,937 crore), Ministry of Heavy Industries (Rs. 7,242 crore), Department of Promotion of Industry and Internal Trade (Rs. 6,455 crore), Ministry of Textiles (Rs. 4,417 crore), Ministry of Food Processing Industries (Rs. 3,290 crore), Ministry of Tourism (Rs. 2,480 crore), Ministry of Ports, Shipping and Waterways (Rs. 2,377 crore) and Ministry of Steel (Rs. 326 crore).

Conclusion

The above exposition elucidates the 'Whole of Government' approach adopted in the Budget priorities and the action points contained therein. It also provides examples of linkage of on-going schemes and the new initiatives which underscore the Government's commitment to *Viksit Bharat*. The Budget announcements instill renewed vigour in recent initiatives taken by the Government of India. The Budget has announced a holistic approach to ensure employment, skilling, welfare of MSMEs and the middle class. The approach spans across a myriad of methods which strengthen accessibility to affordable credit, state-of-the-art technology and strengthened market linkage. As evident from the Budget announcements, a concerted effort by various stakeholders is desirable to achieve the goal of *Viksit Bharat*. □



Inclusive Human Resource Development & Social Justice: Budget Perspective



Social justice in India faces several issues that need to be addressed to ensure the well-being of people and development of the country. These issues include poverty, lack of access to healthcare and education, gender inequality, and discrimination against marginalized communities. Despite significant progress in recent years, these issues continue to hinder the growth and development. The Union Budget 2024-25 plans to take up comprehensive reform on these issues in big way. This Budget 2024 shines with an approach of transformation in realizing the vision of 'Viksit Bharat'.

*** Jai Prakash Pandey**

India in its most valuable resources has its youth which requires nurturing for them to aid the economy in achieving its potential to the fullest. The process of increasing the knowledge, skills, and capacities of all people in the society can be termed as Human Resource Development, which has a direct bearing on social justice and economic prowess of the country. While India has multiplied its economy by many folds, it is still in the process of making significant progress on Human Resource Development.

The concept of Human Resource Development is more about expansion of freedom, enhancement of capabilities, providing equal opportunities to all and ensuring a long, healthy and prosperous life. It goes beyond the notion of economic growth with wealth maximization of the economy.

Concept of Inclusive Human Resource Development

Inclusive Human Resource Development is an encompassing concept which aims to remove the barriers and include all citizens of the country to

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UNION BUDGET 2024-25

विद्यया ऽ मृतमश्नुते
MINISTRY OF FINANCE

Inclusive Human Resource Development and Social Justice

- Rs 3 lakh crore for schemes benefitting women and girls
- More than 100 branches of India Post Payment Bank to be set up in the North Eastern Region
- Completion of Polavaram Irrigation Project to ensure food security of the nation
- Funds to be provided for essential infrastructure development in Koppurthy node on Vishakhapatnam-Chennai Industrial Corridor & Orvakal node on Hyderabad-Bengaluru Industrial Corridor

enhance their capacity and capabilities. Article 14-18 of the Indian constitution provides the right to equality as fundamental right to all the citizens of India. The scope of this right scales from political, social and economic measures. Inclusive Human Resource Development may be a logical extension and ultimate end to this right in order to unify the potential and productivity of all the people in the country. It may result into accelerated economic trajectory towards becoming the third largest economy of the world.

Important issues that are needed to be addressed to achieve the inclusive Human Resource Development are:-

- Poverty
- Unemployment
- Rural Infrastructure
- Financial Inclusion
- Balanced regional development
- Gender equality
- Basic Human Resources like sanitation, drinking water, housing etc.

Government has launched several programs and policies for Inclusive Human Resource Development. Few examples are as below :-

- MNREGA
- Jan Dhan Yojna
- Jan Man Yojna
- Atal Pension Yojna
- Skill India Mission
- PM Young Achievers Scholarship Award Scheme

for Vibrant India (PM YASASVI) for OBCs, EBCs and DNTs

- Deen Dayal Upadhyaya Gram Jyoti Yojana
- Pradhan Mantri Suraksha Bima Yojana
- Pradhan Mantri Jeevan Jyoti Bima Yojana
- Sukanya Samridhi Yojana
- Mission Shakti (Mission for Protection and Empowerment for Women)
- Pradhan Mantri Garib Kalyan Yojana
- Jan Aushadhi Yojana (JAY)
- Pradhan Mantri Anusuchit Jaati Abhyuday Yojana
- Nai Manzil Scheme for minority students etc.

Post Independence, Five year-plans were based on the downward infiltration theory, which did not yield desired equitable Human Resource Development to all sections of the society. Thereafter many changes have been made in the five-year plans to suits the changing aspiration of the country. "Inclusive and faster Human Resource Development" has been emphasised upon in the 11th five-year plan through bridging divides by including those in Human Resource Development process who were excluded.

Relationship of Human Resource Development with Social Justice

Social justice and Human Resource Development are the two facets of the ultimate goal of progress. Social justice is fundamental to Indian Democracy and can be traced in the preamble of Indian constitution. It can be envisaged that everyone deserves equal economic, political and social rights and opportunities. Human Resource Development which goes hand in hand with Social Justice is paramount important to increase and enhance the economic growth of any country, as human resources yield an array of economic benefits over their working life.

Opportunities related to education, health, Skill development, environmental facilities, etc, must be equally available for all the people, irrespective of sex, caste, creed, region, religion etc. for heading towards inclusive human resource development. On the basis of inclusive human resource development, Equity and Empowerment are necessary and essential for its successful and positive implementation. These components help to widen people's choices, with improvement in the levels of their well-being with respect to their productive capabilities, mental capability and healthy life. They enlarge citizen's choices

with equitable access to all opportunities as well as provide them full freedom to make suitable choices.

Budget Provisions

Article 112 of the Indian Constitution envisions regarding the provision of budget. A budget is an annual statement of the government's revenue and expenses. It outlines the initiatives and priorities of the Government and also indicates the way forward for the future.

As Human Resource Development and Social Justice is the prime focus of policy-makers, a multi-pronged approach is being adopted for this involving all stakeholders i.e, Government policies, educational institutions, the private sector and the civil society working for it. In the Union Budget 2024-25, the Government has aimed to enhance support for Continuous commitment and sustained efforts that are necessary to bridge the gap and ensure the development of a skilled and capable workforce. Government has increased the expenditure outlay in comparison to earlier Budgets, for the Social Sector with special focus on the Inclusive Human Resource Development and Social Justice.

Union Budget 2024-25 envisages sustained efforts on the following 9 priorities for generating ample opportunities for all.

1. Productivity and resilience in Agriculture
2. Employment & Skilling
3. Inclusive Human Resource Development and Social Justice
4. Manufacturing & Services
5. Urban Development
6. Energy Security
7. Infrastructure
8. Innovation, Research & Development
9. Next Generation Reforms

Budget Estimates (In Rs. Crores)

Sector	Budget Estimates (2023-2024)	Budget Estimates (2024-2025)
Education	112899.47	120627.87
Skill Development and Entrepreneurship	3517.31	4520
Health	89155	90958.63
Social Justice and Empowerment	12847.02	13000.2
Empowerment of Persons with Disabilities	1225.15	1225.27
Tribal Affairs	12461.88	13000
Women and Child Development	25448.75	26092.19

Source: Compiled from Expenditure Profile, Union Budget 2024-2025



Viksit Bharat
by
2047

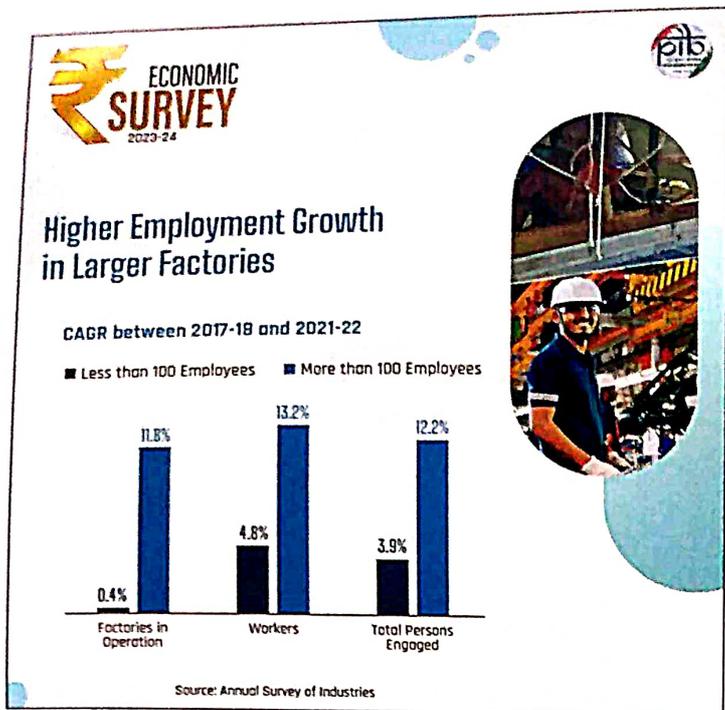
Momentum to Nari Shakti

- 30 crore Mudra Yojana loans disbursed to women entrepreneurs
- Female enrolment in higher education increased by 28 per cent in 10 years
- Female constitute 43 per cent of enrolment in STEM courses, one of the highest in the world
- 1 crore women assisted by 83 lakh SHGs to become Lakhpati Didis

The Priority no 2, 3 and 8 primarily aims at Inclusive Human Resource Development and Social Justice. Union Budget 2024-25 also emphasised focus on four major groups- 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth), and 'Annadata' (Farmers). This is clear indication of envisioning Human Resource Development and Social justice for putting India into rapid growth trajectory. Budget focuses on Education, Health, Employment Generation & Skilling as part of Human Resource Development and Support for farmers, support for MSMEs, regional balance and the middle class are steps towards Social Justice.

Scheme related to ensure Human Resource Development in Union Budget 2024-25

Under this Union Budget, with the Saturation approach, the government aims to be committed to all-round, all-pervasive and all-inclusive



development of people, particularly, farmers, youth, women and poor. In order to achieve social justice comprehensively, Government aims to use saturation approach of covering all eligible people through various programmes including those for education and health will be adopted to empower them by improving their capabilities. The government also projects to implement schemes meant for supporting economic activities by craftsmen, artisans, self-help groups (SHGs), scheduled caste, schedule tribe and women entrepreneurs, and street vendors, by stepping up schemes such as PM Vishwakarma, PM SVANIDHI, National Livelihood Missions, and Stand-Up India. The Government has also aimed to enhanced support for economic activities among marginalized groups, including tribal communities and women entrepreneurs. There has been a significant allocation of Rs. 1.48 lakh crore earmarked for education, employment, and skilling in fiscal year 2024-25.

1. Education

According to Nelson Mandela, "Education is the most powerful weapon which you can use to change the world". Several initiatives have been taken to ensure the reach of quality education to all. The allocation of funds to School Education & Literacy for the FY 2024-25 stands at Rs. 73,498 crore, which is approx. 19.56 percent, increase from previous year.

- **Education Loans-** For helping our youth who have not been eligible for any benefit under Government

schemes and policies, the Government has announced a financial support for loans up to Rs. 10 lakh for higher education in domestic institutions. E-vouchers for this purpose will be given directly to 1 lakh students every year for annual interest subvention of 3 percent of the loan amount.

- **Internship Opportunities-** This scheme provides internship opportunities in 500 top companies to 1 crore youth in 5 years. Allowance of Rs. 5,000 per month along with a one-time assistance of Rs. 6,000 through the CSR funds will also be provided.
- **Samagra Shiksha Abhiyan-** As per vision of National Education Policy 2020, The Ministry of Education, GoI, has revamped Samagra Shiksha Abhiyan Scheme towards creating new education structure, pedagogy, assessment pattern, regulation and governance that is aligned with the aspirational goals of 21st century education, including Sustainable Development Goal 4 (SDG4), while building upon India's traditions and value systems.
- **PM SHRI Scheme.** Scheme aims to implement the vision of NEP 2020 in reality. The scheme emphasises on the emergence of 14500 exemplar schools that will provide high-quality education in an equitable, inclusive and joyful environment that takes care of the diverse background, multilingual needs and different academic abilities of children and makes them active participants in their own learning process.
- **Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA)-**This scheme provides funds to States/UTs institutions, with the vision to attain higher levels of access, equity, and excellence in the State higher education system for developing Quality Teaching & Learning processes with greater efficiency, transparency, accountability, and responsiveness.

2. Skill Development

Skill development is one of the key components of Human Resource Development to realise the goal of Viksit Bharat. The vision of Government under its Skill India is to create skilled and productive workforce that can contribute to the growth and development of the Indian economy. As per estimates, a large number of working population between 15-59 years requires formal or informal skill training. India has a great potential to ensure effective skilling to its youth in order

to meet the demands of a rapidly evolving global as well as national job market. Union Budget 2024-25 has specifically highlighted this priority and thus allocating substantial funds for skilling initiatives. In order to address these issues, Skilling programme and skilling loans have been introduced.

- **Skilling programme-** A new centrally sponsored scheme has been announced for skilling in collaboration with State Governments and Industry as Skill generation is an important pillar for Inclusive Human Resource Development. Twenty lakh youth are planned to be skilled over a period of 5-years and one thousand Industrial Training Institutes are to be upgraded in hub & spoke arrangements with outcome based orientation. Course content and design planned to be aligned with the skill needs of industry, and new courses shall be introduced to fulfil the emerging needs.
- **Skilling Loans-** Government has announced that Model Skill Loan Scheme to be revised in order to facilitate loans up to Rs. 7.5 lakh with a guarantee via Government promoted Fund. This is a measure which is expected to help 25,000 students every year.
- Ministry of Skill Development and Entrepreneurship is taking up various Skill Development efforts across the country by skill up-gradation, building of new skills and innovative thinking not only for existing jobs but also jobs that are to be created in future, through its flagship schemes i.e.- PM Kaushal Vikas Yojna 4.0, Jan Shikshan Sansthan, Craftsmen

Training Scheme, Aspirational Skilling Abhiyan etc. An allocation of Rs. 4520 crore has been provided for Skill development in fiscal year 2024-25.

3. Employment Generation

Employment generation is crucial so that the skilled workforce can convert resources towards economic growth. This Union Budget has envisaged for implementing three schemes for 'Employment Linked Incentive', as part of the Prime Minister's package. These will be based on enrolment in the EPFO (Employee's Provident Fund Organisation) and focus on recognition of first-time employees, and support to employees and employers.

Scheme A: First Timers. This scheme aims to provide one-month wage to all the persons who are newly entering into the workforce under all formal sectors. The direct benefit transfer of one-month salary shall be in 3 instalments to first-time employees, as registered in the EPFO, and it will be up to Rs. 15,000. Government has also set the eligibility limit that will be a salary of Rs. 1 lakh per month. The scheme is expected to benefit 210 lakh youth.

Scheme B: Job Creation in manufacturing. This scheme aims to incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees. An incentive under this is to be provided at specified scale directly both to the employee and the employer with respect to their EPFO contribution in the first four years of employment. The scheme is expected to benefit thirty lakh youth entering employment, and their employers.

Scheme C: Support to employers. This employer-focused scheme will cover additional employment in all sectors. All additional employment within a salary of Rs. one lakh per month is to be counted. The government will reimburse to employers up to Rs. 3000 per month for two years towards their EPFO contribution for each additional employee. The scheme is expected to incentivize additional employment of 50 lakh persons.

4. Innovation & Research

The Union Budget 2024-25 has a great focus on innovation, research, and development as one of the key drivers for India's journey in becoming a developed nation. Budget outlines the initiatives such as setting up of the Anusandhan National Research Foundation and investments in private sector-driven research and other

UNION BUDGET 2024-25

वित्त मंत्रालय MINISTRY OF FINANCE

Employment & Skilling

Prime Minister's Package: Boost to Skilling

Skilling Programme and Upgradation of Industrial Training Institutes

- 1,000 ITIs to be upgraded in hub & spoke arrangements in 5 years
- Focus on outcome and quality in collaboration with states and industry

Internship in Top Companies

- One crore youth to be skilled by India's top companies in five years
- 12-month Prime Minister's Internship with monthly allowance of ₹ 5,000

investment in order to expand Space economy and for also to advance our agricultural and nuclear energy research. All of these measures project Government planning to create a healthy ecosystem of innovation, and to position India as a global leader in technology and sustainable development.

In the Budget, the Government plans to establish the Anusandhan National Research Fund in order to support basic research and prototype development, by allocating Rs. 1 lakh crore to spur private sector-driven research and innovation at a commercial scale and also to expand the Space economy fivefold in the next 10 years by establishing a venture capital fund of Rs. 1,000 crore.

5. Women-led development

In the Union Budget 2024, Government has reflected a dedicated and concrete effort for women-led development. There is substantial funds allocation and new initiatives such as 'Vatsalya' pension scheme has been introduced, which shall be a contributory pension scheme with contributions from parents & guardians.

Union Budget focuses to support effective schemes and infrastructure projected to empower women and promote gender equality. Dedicated financial support for women entrepreneurs and skill programmes shall significantly bear an impact on women's economic participation & development. In order to promote women-led development, this Union Budget carries an allocation of more than Rs. 3 lakh crore for schemes benefitting women and girls. This signals Government's commitment for enhancing women's role in economic development.

The Union Budget also facilitates higher participation of women in the workforce through setting up of working women's hostels in collaboration with industry, and establishing crèches. In addition, the partnership will seek to organize women-specific skilling programmes, and promotion of market access for women Self Help Group (SHG) enterprises.

Scheme related to ensure Social Justice

- a. **Pradhan Mantri Janjatiya Unnat Gram Abhiyan**
- For improving the socio-economic condition of tribal communities, the Government will launch the Pradhan Mantri Janjatiya Unnat Gram Abhiyan by adopting saturation coverage for tribal families in tribal-majority villages and aspirational districts.

This will cover 63,000 villages benefitting five crores tribal people.

- b. **Purvodaya Schemes** - Budget focuses on the all-round development of the eastern region of the country covering Bihar, Jharkhand, West Bengal, Odissa and Andhra Pradesh. This aims to cover Human Resource Development, infrastructure, and generation of economic opportunities to make the region an engine to attain Viksit Bharat.

Social justice in India faces several issues that need to be addressed to ensure the well-being of people and development of the country. These issues include poverty, lack of access to healthcare and education, gender inequality, and discrimination against marginalized communities. Despite significant progress in recent years, these issues continue to hinder the growth and development. All stakeholders' i.e. government and civil society organizations need to coordinate together and implement effective policies and programs that focus on reducing poverty, improving access to healthcare and education, promoting gender equality, and protecting the rights of marginalized communities. With the thrust from budget provisions and various other initiatives, we can hope to create a more inclusive and equitable society for all the people of India.

Conclusion

Inclusive Human Resource Development and Social Justice are an integral part of growth in all sectors of economy. Union Budget 2024-25 plans to take up comprehensive reform on issues related to health, education, skill development, employment generation and Social Justice in big way. Budget 2024 shines with an approach of transformation in realising the vision of 'Viksit Bharat'. It has put its thrust on inclusive growth by keeping all sections of the Society-women, poor, youth and farmers in order to be a developed, self-reliant and resilient nation. Inclusive Human Resource Development and Social justice will definitely spearhead the efforts towards achieving the goal of 'Viksit Bharat' by 2047. □

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Budget 2024-25: A Roadmap to Develop an Industry-ready Workforce

Productively engaging the rural workforce and equipping the youth with skills that can help them find employment is the need of the hour.

* BS Purkyastha

For several years now, there has been much debate about whether India will be able to capitalize on its demographic dividend. The country is home to more than 600 million people aged between 18 and 35, with 65 percent under the age of 35. Given the changing age composition, India's working-age population will continue to increase through 2041, rising by 96.5 million during 2021-31 and by 41.5 million during 2031-41. Looming above this huge young population are two questions: whether they have the requisite skills to find jobs, and whether those jobs exist. Answers to these questions will determine whether India's GDP can grow at the required 7-8 percent rate to become a \$30-trillion economy by 2047.

The Economic Survey 2023-24 notes that Indian economy needs to generate an average of nearly 78.5

lakh jobs annually until 2030 in the non-farm sector to cater to the rising workforce. India's workforce, as per estimates for 2022-23, was nearly 56.5 crore. The distribution of employment indicates that over 45 percent of the workforce is engaged in agriculture, 11.4 percent in manufacturing, 28.9 percent in services, and 13 percent in construction. The overwhelming presence of agriculture in the employment pie, especially for females, presents both challenges and opportunities.

While the annual unemployment rate has been on a downward trend since the COVID-19 pandemic, youth unemployment rate has dropped from 17.8 percent in 2017-18 to 10 percent in 2022-23, and employment recovery is evident in both urban and rural areas, yet many lack skills for a modern economy. Labour force participation has increased from 49.8 percent in 2017-18 to 57.9 percent in 2022-23. Women's labour force

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UNION BUDGET 2024-25

**वित्त मंत्रालय
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Employment & Skilling

Prime Minister's Package: 3 schemes announced under 'Employment Linked Incentive'

Scheme A: First Timers

- Direct benefit transfer of 1-month salary in 3 installments up to ₹ 15,000 to first-time employees registered in EPFO

Scheme B: Job Creation in Manufacturing

- Incentive to be provided directly to both employee and employer as per their EPFO contribution, in the first 4 years of employment

Scheme C: Support to Employers

- Reimbursement to employers up to ₹ 3,000 per month for 2 years towards their EPFO contribution for each additional employee

participation has risen to 37 percent in 2022-23 from 23.3 percent in 2017-18. Estimates show that 51.25 percent of the youth is deemed employable. However, it must be noted that the percentage has improved from around 34 percent to 51.3 percent in the last decade. As India's economy grows, the creation of productive jobs thus becomes crucial for both growth and inclusivity and turn the demographic dividend into a reality. Productively engaging the sizeable rural workforce, encouraging women to join the labour force in higher numbers and equipping the youth with skills that can help them find employment easily is the need of the hour.

The Union Budget 2024-25's announcements for skilling and job creation need to be seen in this context. Acknowledging the huge number of young people waiting in the wings, the Union Budget 2024-25 presented on July 23, 2024 has laid special emphasis on job creation, laying out a roadmap for developing an industry-ready workforce. It outlines significant efforts for boosting employment in the country with employment and skilling being one of its top priorities. "In this Budget, we particularly focus on employment, skilling, MSMEs, and the middle-class," Finance Minister Smt. Nirmala Sitharaman said, while tabling the Budget in Parliament. "This year, I have made a provision of Rs. 1.48 lakh crore for education, employment and skilling."

Prime Minister's Package: Boost to Skilling

As part of the Prime Minister's package, five key schemes and initiatives have been announced,

supported by a massive Central Government outlay of Rs. 2 lakh crore. The entire package will facilitate employment, skilling and other opportunities for 4.1 crore youth over a 5-year period and upgrade 1,000 Industrial Training Institutes (ITIs). These initiatives aim at Employment Linked Incentives besides enhancing skilling, women's workforce participation, support to MSMEs and strengthening capital infrastructure, collectively driving a significant positive impact on the nation's employment scenario. The focus is on outcome and quality of skilling, with course content and design aligned to the needs of the industry. The ITIs would be upgraded in a hub-and-spoke arrangement after redesigning and reviewing the existing courses.

With stagnating incomes in agriculture, there has been a shift in priorities of the rural youth, forcing many to leave agriculture for jobs in the cities. However, lack of skills forces them to pick up low-paid jobs in urban areas. As such, appropriate skilling is the need of the hour and the Budget's focus on ensuring that the youth are trained in skills that the industry requires and that will go a long way in making them employable. With a huge chunk of the students enrolling in ITI programmes coming from the rural belts, tier 2 and tier 3 cities, this will provide an opportunity for the youth from the hinterland to acquire necessary skills which will help them find jobs in associated industries.

The Budget has also announced internship opportunities to one crore youth in 500 top companies over the next five years, with an internship allowance of Rs. 5,000 per month and a one-time assistance of Rs. 6,000, thus providing exposure to real-life business and professional environments. The three employment-linked incentive schemes aim to encourage formal sector employment with incentives for employers to hire and employees to upskill. And, there is an emphasis on hiring fresh talent graduating from educational institutions. For instance, schemes A and B – First Timers and Job Creation in Manufacturing, respectively – are intended to ensure employment for those without previous work experience or who were not in formal employment. These measures will enable young people from villages and impoverished backgrounds to work in top companies, opening new doors of possibility for them.

For Financial Year 2024-25, the schemes have been allocated Rs. 12,000 crore, out of which Rs. 10,000

crore has been allocated to the Ministry of Labour for the three employment linked incentives (ELI) schemes and Rs. 2,000 crore has been given to the Corporate Affairs Ministry. In terms of total budget allocation, there is an increased provisioning of 55 percent for Skill India programme comprising of three schemes namely, Pradhan Mantri Kaushal Vikas Yojana 4.0 (PMKVY. 4.0), Pradhan Mantri- National Apprenticeship Promotion Scheme (PM-NAPS) and Jan Shikshan Sansthan (JSS).

Model Skill Loan Scheme

Additionally, the Model Skill Loan Scheme will be revised to facilitate loans up to Rs. 7.5 lakh with Government-backed guarantees, benefiting 25,000 students annually. For those ineligible for existing schemes, financial support for loans up to Rs. 10 lakh for higher education in domestic institutions will be provided, with e-vouchers offering annual interest subvention of 3 percent for 1 lakh students each year.

Focus on Informal Workforce

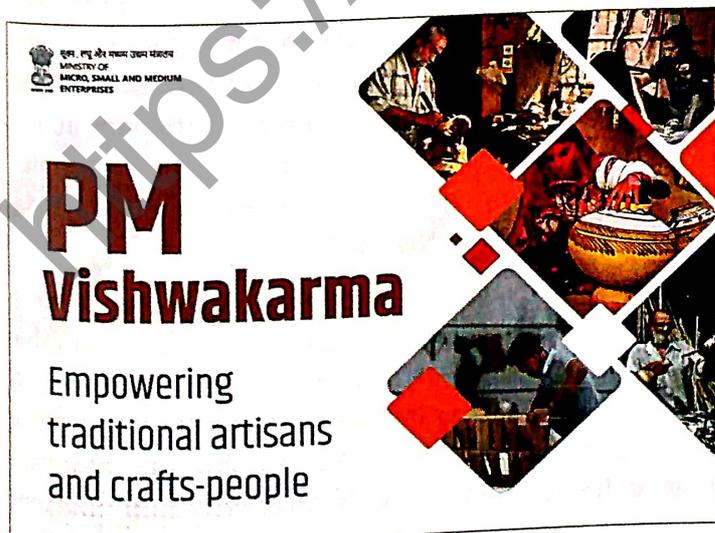
The Budget also amplifies initiatives like PM Vishwakarma, PMSVANidhi, National Livelihood Mission, and Stand-Up India, empowering craftsmen, artisans, self-help groups, SC/ST and women entrepreneurs, and street vendors, which will create jobs and boost local economies. It has envisioned a better business environment and facilities for the street vendors in urban areas wherein Indian Street Market will be set up under the PM SVANidhi Scheme. The Government has announced in this budget a new scheme to support the development of 100 weekly 'haats' or street food hubs in select cities for the next five years. This scheme, which draws from the success of the PM Svanidhi Scheme, aims at bringing in a transformative change in the lives of the street vendors by providing spaces

for businesses. Most of the street vendors in the bigger cities are actually migrants from smaller towns, and this will help ensure more stable incomes and higher remittances to their villages and towns.

PM Vishwakarma Scheme

The PM Vishwakarma Scheme plays an important role when it comes to rural employment. Focused on artisans and craftspeople who make up the bulk of the informal workforce, it has the potential to help raise incomes in the non-farm sector. The budgetary outlay for the PM Vishwakarma scheme has been raised to Rs. 4,824 crore for FY25 against Rs. 990 crore in FY24, a spike of 387.3 percent. The financial outlay for the scheme from FY 2023-2024 to FY 2027-28 is Rs. 13,000 crore. The increased allocation attempts to foster significantly higher employment of the informal workforce, especially in rural India, indirectly ensuring better remuneration for skilled people in the non-farm sector.

The PM Vishwakarma Scheme was announced by the Finance Minister in the Union Budget 2023-24 and launched by Prime Minister Narendra Modi in September, 2023. The Scheme aims to provide end-to-end support to artisans and craftspeople who work with their hands and tools. The Scheme components include recognition through PM Vishwakarma Certificate and ID Card, Skill Upgradation, Toolkit Incentive, Credit Support, Incentive for Digital Transactions and Marketing Support. The contours of the Scheme were finalized based on extensive consultations held with stakeholders, including artisans, craftspeople, Central Government Ministries and Departments, State/UT Governments, MSMEs, Industry Associations, NGOs, Banks, etc. The 18 trades eligible under the PM Vishwakarma scheme are Carpenter (Suthar/Badhai), Boat Maker, Armourer, Blacksmith (Lohar), Hammer and Tool Kit Maker, Locksmith, Goldsmith (Sonar), Potter (Kumhaar), Sculptor (Moortikar, stone carver), Stone breaker, Cobbler (Charmkar)/ Shoemsmith/Footwear artisan, Mason (Rajmistri), Basket/Mat/Broom Maker/Coir Weaver, Doll & Toy Maker (Traditional), Barber (Naai), Garland maker (Malakaar), Washerman (Dhobi), Tailor (Darzi) and Fishing Net Maker – all an acknowledgement of the traditional skills inherent in rural India. The Scheme will onboard the beneficiaries on Udyam Assist Platform as "entrepreneurs" in the formal MSME ecosystem. This scheme can be a



Industry: Small and Medium Matters

- ◆ Industrial growth rate of 9.5 % powers economic growth in FY 24
- ◆ Manufacturing and construction nearly reached double-digit growth in FY24
- ◆ 997.2 Mn tonnes of coal produced in FY24, reducing import dependence
- ◆ Steel sector achieved its highest levels of production in FY24
- ◆ 91.76 Lakh guarantees for MSME sector approved under CGTMSE* scheme
- ◆ DPIIT-recognised start-ups increased to more than 1.25 Lakh as on March 2024 from around 300 in 2016



* Credit Guarantee Fund Trust for Micro and Small Enterprises

game-changer for rural employment as it enables the informal workforce to upgrade their skills to meet the needs of a modern economy while remaining true to their traditional knowledge. Given that most informal workers are self-employed or run tiny enterprises, credit support such as collateral-free 'Enterprise Development Loans' can help them set up financially viable units and turn entrepreneurs in the formal MSME ecosystem. Also, many of these trades are traditionally taken up by disadvantaged sections of society, and the Government's support can aid them in breaking the old shackles and convert their traditional employment avenues into viable entrepreneurial activities.

Labour Welfare Initiatives

The Budget also introduces major reforms for labour welfare, including the comprehensive integration of E-shram portals with other platforms, facilitating a one-stop solution for skill requirements, job roles, and connecting job aspirants with potential employers and skill providers. This will strongly facilitate establishing e-Shram as a one-stop solution for labour welfare, employment, skilling, etc. The revamping of the Shram Suvidha and Samadhan portals will streamline industry compliance processes and enhance the grievance redressal mechanisms for workers respectively.

MGNREGA gets Rs. 86,000 crore

While the flagship scheme for rural employment, Mahatma Gandhi National Rural Employment Guarantee (MGNREGA), has been allocated Rs. 86,000

crore, same as that in the Interim Budget, there remains ample scope for shifting MGNREGA labour to more productive and less fiscally straining ventures, as the Economic Survey rightly pointed out. We also need to remember that there was a significant upward revision of the rural employment allocation budget in the Interim Budget, from the original Budget estimate of Rs. 60,000 crore. Low value-addition in agriculture and rising demand for diverse and local food products also provides a good opportunity for India to create more jobs in the farm sector. There are also more avenues for captive demand of agro-processed output and the sector can benefit from the synergies between the multiple existing programmes such as Mega Food Park, Skill India, Mudra, One District-One Product, etc., for labour, logistics, credit, and marketing.

However, this budget has a whopping Rs. 2.66 lakh crore provision for rural development including rural infrastructure, besides allocating Rs. 1.52 lakh crore for agriculture and allied sectors. She also announced launch of the phase 4 of the Pradhan Mantri Gram Sadak Yojana (PMGSY), to provide all-weather connectivity to 25,000 rural habitations. All of these will indirectly give a boost to job creation in the hinterland. "Our government will bring out a National Cooperation Policy for systematic, orderly and all-round development of the cooperative sector. Fast-tracking growth of rural economy and generation of employment opportunities on a large scale will be the policy goal," Sitharaman said in her Budget speech.

A significant increase in capital expenditure by 11 percent to Rs. 11.11 lakh crore is also expected to generate numerous job opportunities across sectors such as construction, transportation, and logistics. This move is expected to address unemployment and underemployment in both urban and rural areas. The decision to set up 12 industrial parks across 100 cities will also ensure new employment opportunities across the length and breadth of the country as companies set up manufacturing bases along designated industrial corridors and expand their activities.

The Care Economy holds great importance for a young country like India, which has both demographic and gender dividends to reap. Highlighting the need to prepare for future care requirements of an ageing population, the Economic Survey 2023-24 has said that defining Care work is the first step towards

acknowledging care as 'work'. Care work has special relevance for the female workforce, opening new employment opportunities for them. The Budget has announced that the government will set up working women's hostels in collaboration with industry and establish crèches such that more women are able to participate in the workforce. It has allocated more than Rs. 3 lakh crore for schemes benefiting women and girls in order to promote greater economic and social empowerment.

In alignment with these new measures, the Government continues to support established programmes. The National Policy on Skill Development & Entrepreneurship (NPSDE) continues to bridge gaps, improve industry engagement, and expand apprenticeship opportunities. Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has successfully trained over 1.42 crore individuals since 2015, integrating over 1,000 educational institutions as Skill India Centres. The Craftsmen Training Scheme (CTS), with 14,955 ITIs, focuses on long-term vocational training, showing significant female participation growth. Jan Shikshan Sansthan (JSS) targets non/neo-literates, having trained 26.36 lakh individuals from FY19 to FY24, with women constituting 82 percent of beneficiaries.

The National Apprenticeship Promotion Scheme (NAPS) has engaged 32.38 lakh apprentices and increased industry participation, highlighting substantial growth in female apprentices.

Meanwhile, the PM-Surya Ghar Yojana initiative launched in February 2024 with the objective to add 30 GW of solar capacity aims to create around 17 lakh jobs across the solar value chain.

Budget lays the roadmap to a Viksit Bharat

With five schemes facilitating skilling and employment for 41 lakh youth over a five-year period and Rs. 1.48 lakh crore allocated for education, employment and skilling, the Budget outlines the necessary steps to

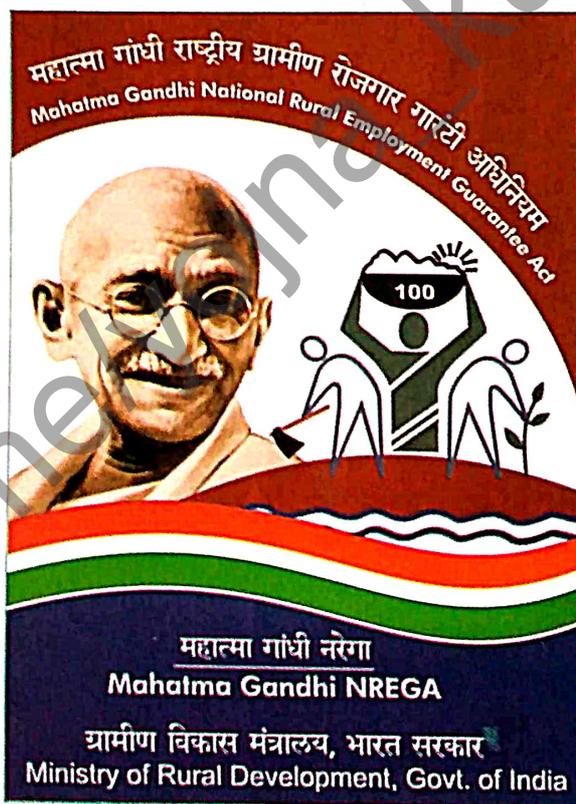
realize the vision of Viksit Bharat. As the Niti Aayog's approach paper for 'Viksit Bharat @2047' says, India will have to strive to be a \$30-trillion economy by 2047 with a per capita income of \$18,000 per annum, from the current \$3.36 trillion and \$2,392 per annum, respectively. But to become a high income economy, bridging the rural-urban income gap is imperative. Indian industry's competitiveness has to improve manifold to shift the workforce involved in agriculture to manufacturing. That requires the Indian workforce to be equipped with the right skills and professional qualifications to match the industry's demands. The Government is working on creation of an integrated-data set on the employment scenario of the country which will significantly aid job creation, as it will help in identifying gaps in policy implementation and will enhance coordination between several Ministries. The onus of creating jobs will, however, be on the private sector while the Government will be a facilitator.

This is perhaps the first time that the private sector is at the centre of the Government's job creation initiatives. The direct benefit transfer of one month's salary in three instalments to first-time employees, as registered in the EPFO, incentivises the formal sector to step up hiring. Just as production linked incentives have given a boost to sectors such as electronics, telecom or IT hardware, employment based incentives have the power to transform the broader manufacturing sector, making it not just an economic powerhouse but also a job creator. While the employability of India's youth has risen in the last decade – growing

from below 34 percent in 2014 to over 51 percent in 2024 -- there is still a lot of work to be done. The PM's package on employment and skilling has the potential to make this happen. It now depends on the private sector and the Government to come together to make this a reality. □

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Union Budget 2024-25: Next Generation Reforms



The elements of 'next generation reforms' span various factors of production such as land, labour, capital and entrepreneurship to spur economic growth aimed at achieving the status of Viksit Bharat by 2047. The Government of India has initiated big-ticket reforms focused on restoring the health of the economy, elevating the potential growth by relieving supply-side constraints and strengthening its capabilities, capable of fulfilling the growth aspirations of the people in the present and the Amrit Kaal.

* Sandip Das



The Economic Survey 2023-24 recently presented to parliament has stated that the Indian economic growth story over the last decade has been one of the resilience. During the last decade (2014-2024), the Government of India has initiated big-ticket reforms focused on restoring the health of the economy, elevating the potential growth by relieving supply-side constraints and strengthening its capabilities, capable of fulfilling the growth aspirations of the people

in the present and during the *Amrit Kaal*. The next stage is to ensure that these reforms are implemented correctly and this will require intense engagement with State Governments, the private sector, and civil society. "Going forward, the Government's focus must turn to bottom-up reform and the strengthening of the plumbing of governance so that the structural reforms of the last decade yield strong, sustainable, balanced, and inclusive growth," the Economic Survey Report presented to parliament has stated.

The structural reforms undertaken by the Government of India since 2014 have put the economy firmly on a growth path, and India is soon set to become the third-largest economy in the world. In the medium term, the Indian economy can grow at a rate of 7 percent plus on a sustained basis, if India can build on the structural reforms undertaken over the last decade. The Survey has pegged the FY25 growth rate at 6.5-7 percent, while the Reserve Bank of India has forecast it at 7 percent. Meanwhile, the International Monetary Fund (IMF) in its forecast has stated that India will remain the world's fastest-growing major economy in the current fiscal year and in 2025-26, with rates of expansion touching 7 percent and 6.5 percent, respectively, more than double the global average. In 1993, the Indian economy was valued at less than \$ 300 billion in dollar terms at current prices. In 2024, the economy is estimated to have reached a staggering \$ 3.6 trillion.

In January 2024, the economic survey stated that there was considerable scope for the economy to grow at or above 7 percent on a sustained basis if we could build on the structural reforms undertaken since 2014. The strengthening of the banking system, the creation of an Insolvency and bankruptcy framework, the institution of a nationwide Goods and Services Tax (GST), and the expansion of the country's physical and digital infrastructure are but a few of them

The Finance Minister Smt. Nirmala Sitharaman in her budget speech for 2024-25 said that India intends to introduce and incentivise next-generation reforms

UNION BUDGET 2024-25
वित्त मंत्रालय
MINISTRY OF FINANCE

Next-Gen Reforms

- Technology to speed up digitalization of economy
- Jan Vishwas Bill 2.0 to improve Ease of Doing Business
- States to be incentivized to implement Business Reforms Action Plans and digitalization
- Sectoral databases for improving data governance and management
- Committee to review New Pension Scheme to evolve solution which addresses relevant issues while maintaining fiscal prudence

UNION BUDGET 2024-25
वित्त मंत्रालय
MINISTRY OF FINANCE

Capital and Entrepreneurship Reforms

- Financial sector vision and strategy document to set agenda for next 5 years
- Taxonomy for climate finance to increase availability of capital for climate action
- Rules for FDI and Overseas Investments to be simplified to increase FDI inflows and promote use of Indian Rupee as currency for overseas investments

spanning various factors of production such as land, labour, capital and entrepreneurship to further support growth. The Government will soon firm up an economic policy framework to make it a reality. The government will focus on technology as an enabler of improving total factor productivity and bridging inequality. These reforms will be undertaken in close collaboration with states through cooperative federalism models.

Officials acknowledge that effective implementation of several of these reforms requires collaboration between the Centre and the States and building consensus, as according to the Finance Minister Smt. N. Sitharaman, "development of the country lies in development of the states,".

Proposing an Economic Policy Framework, Government had announced that it will initiate and incentivize reforms aimed at improving productivity of factors of production, and facilitating markets and sectors to become more efficient. These reforms will cover all factors of production – land, labour, capital and entrepreneurship, and technology. This would include also promoting competitive federalism and incentivizing states for faster implementation of reforms and has proposed to earmark a significant part of the 50-year interest-free loan. The Union Budget has proposed several reforms in the area of land, capital and entrepreneurship, climate finance, foreign direct investment and overseas Investment and Variable Capital Company structure.

UNION BUDGET 2024-25

MINISTRY OF FINANCE

Land-related Reforms and Actions

- Reforms in land administration, urban planning, usage and building bylaws in both rural and urban areas
- All lands in rural areas to be assigned Unique Land Parcel Identification Number
- Land registry to be established in rural areas

Land-related Reforms

Land-related reforms and actions, both in rural and urban areas, will cover – land administration, planning and management, urban planning, usage and building by laws. These will be incentivized for completion within the next three years through appropriate fiscal support. The proposed rural land related actions would include assignment of Unique Land Parcel Identification Number (ULPIN) or *Bhu-Aadhaar* for all lands, digitization of cadastral maps, survey of map sub-divisions as per current ownership, establishment of land registry, and linking to the farmers registry. These measures will also facilitate credit flow and other agricultural services.

Meanwhile, in a move to develop a database of farmers, the Agriculture Ministry has started work to build a digital registry in which more than 90 millions farmers will be provided with a unique ID which would be linked to the land records, Aadhar. The move to create farmers' digital registry is part of the Government's Digital Agriculture Mission, which would enable farmers to access benefits from a host of schemes. The unique IDs would contain the details of the farmers' land holding, crops grown in the field and other details, so that it would be easier for the Government to provide direct cash benefits, sanction credits, crop insurance and projecting crop yield in advance. The Agriculture Ministry's initiative to develop a digital database of farmers is based on Karnataka's Fruits Farmer Registration & Unified Beneficiary Information System (FRUITS) software which facilitates single registration using an Aadhar card and state's Bhoomi digitised land record system for authenticating ownership.

Part of the reform agenda, land records in urban areas will be digitized with Geographic Information System (GIS) mapping. An IT based system for property record administration, updating, and tax administration will be established. These will also facilitate improving the financial position of urban local bodies.

Labour reforms

The Government will facilitate the provision of a wide array of services to labour, including those for employment and skilling. A comprehensive integration of the *e-shram* portal with other portals will facilitate such a one-stop solution. Open architecture databases for the rapidly changing labour market, skill requirements and available job roles, and a mechanism to connect job-aspirants with potential employers and skill providers will be covered in these services. The Government announced that the *Shram Suvidha* and *Samadhan* portals will be revamped to enhance ease of compliance for the industry and trade.

Shram Suvidha Portal was launched in 2014 which caters to four key organisations under the Ministry of Labour & Employment – office of Chief Labour Commissioner (central), Directorate General of Mines Safety, Employees' Provident Fund Organization (EPFO) and Employees' State Insurance Corporation (ESIC). The main features of the portal include allotment of Unique Identity i.e. Labour Identification Number (LIN) for effective, efficient and real-time governance in Labour Administration, to bring transparency and accountability in enforcement of labour laws through online inspection system and filing of online inspection reports. The portal also deals with common online registration and filing of self-certified and simplified single online annual return for multiple labour laws to ease the complexity of compliance.

Samadhan Portal was launched for facilitating filing of industrial disputes by the workmen, employers and trade unions under the Industrial Disputes Act, 1947. It also has facilities for filing of claim cases by workers under the Payment of Gratuity Act, 1972, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Equal Remuneration Act, 1976 & the Maternity Benefit Act, 1961. The workmen, trade unions and management can file their disputes and claims by logging into the portal, *UMANG* app round the clock and also by visiting nearest Common Services Centres. IT also facilitates tracking and disposal of cases.

Reforms in financial sector and investment promotion

For meeting financing needs of the economy, the Government will bring out a financial sector vision and strategy document to prepare the sector in terms of size, capacity and skills. This will set the agenda for the next five years and guide the work of the Government, regulators, financial institutions and market participants. In addition, the Government will develop a taxonomy for climate finance for enhancing the availability of capital for climate adaptation and mitigation. This will support achievement of the country's climate commitments and green transition.

Under the next generation reform, the Government will seek the required legislative approval for providing an efficient and flexible mode for financing, leasing of aircrafts and ships, and pooled funds of private equity through a 'variable company structure'. The rules and regulations for Foreign Direct Investment and Overseas Investments will be simplified to facilitate Foreign Direct Investments, nudge prioritization, and promote opportunities for using Indian Rupee as a currency for overseas investments.

Pension reforms

The Government also announced that National Pension System (NPS)-Vatsalya, a plan for contribution by parents and guardians for minors will be launched while attaining the age of majority, the plan can be converted seamlessly into a normal NPS account. A committee to review the NPS has made considerable progress in its work. "A solution will be evolved which

addresses the relevant issues while maintaining fiscal prudence to protect the common citizens", the Finance Ministry said in a statement.

Adoption of technology and ease of doing business

The Government has successfully used the technology for improving productivity and bridging inequality in the Indian economy during the past decade. Public investment in digital infrastructure and innovations by the private sector have helped in improving access of all citizens, particularly the common people, to market resources, education, health and services. The Government has proposed to step up adoption of technology towards digitalization of the economy. For enhancing 'Ease of Doing Business', the Government is working on the Jan Vishwas Bill 2.0. Through The Jan Vishwas (Amendment of Provisions) Bill, 2023, passed in the parliament in July, 2023, a total of 183 provisions are being proposed to be decriminalized in 42 Central Acts administered by the 19 Ministries and departments. The legislation aims to contribute to rationalizing criminal provisions and ensuring that citizens, businesses and the Government departments operate without fear of imprisonment for minor, technical or procedural defaults. It stated that the nature of penal consequence of an offence committed should be commensurate with the seriousness of the offence. The States will be incentivized for implementation of their Business Reforms Action Plans and digitalization. For improving data governance, collection, processing and management of data and statistics, different sectoral data bases, including those established under the Digital India mission, will be utilized with active use of technology tools.

The Government intends to usher in next-generation structural reforms in factors of production including land, labour, capital and digital public infrastructure to spur inclusive growth, for achieving the goal of a "developed India (Viksit Bharat) by 2047". □

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UNION BUDGET 2024-25

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MINISTRY OF FINANCE

Labour Reforms

- E-Shram portal to be integrated with other portals to provide one-stop labour services solution; will include mechanism to connect job-seekers with potential employers and skill providers
- Shram Suvidha and Samadhan portals to be revamped to enhance ease of compliance for industry and trade

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Budget 2024-25: Future-proofing the Rural Indian Economy

Through a judicious mix of policy measures, resource allocation, and institutional reforms, the Union Budget 2024-25 endeavours to navigate the challenges and capitalise on the opportunities inherent in India's economic landscape. As the nation embarks on a transformative journey towards inclusive prosperity and resilience, the Budget serves as a guiding compass, steering India towards a future defined by progress, equity, and opportunity.

* Manjula Wadhwa

The Budget for 2024-25 is the action plan of the to outline a roadmap towards India's development in the next five years. It lays the strongest-possible foundation for an 'Atmanirbhar' (self-reliant) and 'Viksit' (developed) Bharat. The budget has been presented with the 'mantra' of 'Sabka Saath, Sabka Vikas, and Sabka Vishwas' and the whole of nation approach of 'Sabka Prayas'. It focuses on upliftment of four major castes,

that is, 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata'(Farmer).

In this budget, the momentous task of addressing multiple areas such as rural demand, infrastructure development, manufacturing, technology upgradation, among others, has been done to build levers for sustainable growth for the Indian economy- underpinned by an overall focus on boosting consumption and spending. With the nine priority areas identified by the Government, it sets to achieve the

* The author is DGM (Retd.), National Bank for Agriculture and Rural Development (NABARD)

UNION BUDGET 2024-25

वित्त मंत्रालय MINISTRY OF FINANCE

Infrastructure

- Capital expenditure to be ₹11,11,111 Cr @ 3.4% of our GDP
- ₹1.5 lakh crore provision for long-term interest-free loans to support Infrastructure investment by state governments
- Phase IV of PMGSY* to provide all-weather connectivity to 25,000 rural habitations
- Accelerated Irrigation Benefit Programme to provide support of ₹11,500 crore for projects such as Kosi-Mechi intra-state link
- Assistance to Assam & Himachal Pradesh for flood management and for Uttarakhand & Sikkim for losses due to cloud bursts, flash floods and landslides

Pradhan Mantri Gram Sadak Yojana*

vision by providing a balanced and strategic roadmap for a Viksit Bharat. This budget, with its clear focus on seeding resilience in agriculture, trade and industry, job creation, manufacturing, energy, sustainable and inclusive HRD, innovation, infrastructure development and tax reforms, emphasizes the clear vision this Government has on aiding the economy by driving inclusive growth and boosting consumption in the long term. The Union Budget shifts focus to Bharat-India's rural heartland powering 65 percent of its populace and pivotal GDP contributions, envisioning a USD 5 trillion economy, hinges on rural sector metamorphosis. The budget signifies a pivotal moment to recommit to rural upliftment. It is not just about sustaining growth but orchestrating transformation via a multifaceted strategy- prioritising policies, infrastructure, education, and tech advancements to unlock untapped potential, ensuring holistic and inclusive development.

With a view to give boost to trade and industry, particularly, in rural areas, three major economic railway corridor projects will be implemented - energy, mineral and cement corridors, port connectivity, corridors and high traffic density corridors.

- Expansion of existing airports and development of new airports will continue expeditiously.
- Metro and NaMo Bharat systems will be expanded in the spirit of transit-oriented development.

During the last few years, India's rural markets have been showing some promising signs of gradual demand recovery. Therefore, it becomes extremely vital that this budget addresses critical aspects pertaining to rural development- the trade, industry

and the entrepreneurship to provide further impetus to the rural economy. It is noteworthy here that the announcement of the employment-linked schemes for new entrants into the rural workforce, along with the support loans of up to Rs. 10 lakh for higher education will ensure that the next generation of Rural Indians are adequately skilled in the trade and industry related areas. In addition, the internship opportunities outlined with the top 500 corporates in India will benefit over 10 million Indian youth, an impressive initiative being undertaken by the Government, which will ensure sustainable incomes and reasonable development, especially in the rural areas.

The resilience of rural India, particularly evident during the turbulent times of the pandemic and geopolitical conflicts, has been remarkable. Agriculture, the mainstay of rural livelihoods, has displayed steady growth, averaging 4.4 percent over the past four years. The Rural Development Ministry's budget has been increased to Rs. 1.77 lakh crore for 2024-25 from last year's Rs. 1.57 lakh crore, an increase of around 12 percent. However, when compared to the revised estimates, a mid-year review of expenditure done by the Ministry that stood at Rs. 1.71 lakh crore, the increase is three percent. In FY2025, the Government is expected to spend 5.58 percent of its total Budget on rural development. The share has been augmented from 5.32 percent in FY2024 (revised estimates). Despite the increase from last fiscal year, the allocation did not cross the 6 percent mark as it did in FY22, FY21, and FY18. The allocation for the flagship Mahatma Gandhi National Rural Employment Guarantee Scheme for 2024-25 has been kept at Rs. 86,000 crore, around 43 percent more than Rs. 60,000 crore provided in the last budget. However, the revised estimate shows the expenditure on the scheme in the last financial year was Rs. 86,000 crore, same as the allocation made for the coming fiscal year.

In fact, it is not just about sustaining growth but transforming it. This transformation can be achieved through a multipronged strategy:-

Infrastructure-led Growth: While recognising the Budget's allocation of Rs. 11.11 lakh crore for capital expenditure, the traders, businessmen and the industrialists have expressed a unified sense of hope and optimism, which is expected to propel economic growth through substantial investments in infrastructure. The Budget's strategic balance between long-term and short-term goals seems quite

commendable. The significant push for job creation and skilling initiatives is anticipated to enhance the competitiveness of rural and urban workforce globally, while also addressing unemployment. Investing in rural infrastructure transcends mere construction; it ignites a chain reaction of economic activities and job creation. The Initiatives like Pradhan Mantri Gram Sadak Yojana (PMGSY) aim to enhance connectivity, which is fundamental for market access, mobility, and overall rural development. Similarly, the Pradhan Mantri Awas Yojana- Gramin (PMAY-G) addresses the critical need for housing, improving living standards and generating construction-related employment. The scheme aims to provide housing, with basic amenities, to poorer sections of society in rural areas.

The Jal Jeevan Mission (JJM) focuses on providing clean and accessible water, vital for health of the rural folks, while also creating jobs in water management and infrastructure. The proposed budget enhancement for these programmes in the current financial year, are a clear acknowledgement of the pivotal role infrastructure plays in rural upliftment. The expansion of rural capital expenditure into areas like trade-tech signifies a move towards modernizing trade and industry which are highly significant for increasing productivity and sustainability.

Furthermore, skill development programmes are essential in preparing the rural workforce for a broader range of opportunities, beyond traditional farming and unskilled trades. These programmes can focus on vocational training and digital literacy, enabling rural

population to adapt to the evolving job market and technological advancements. No employer wants to employ unskilled individuals. The Government wants to solve the employment problems but the issue in India is that most of the rural youth are unemployable. For resolving this issue, the Budget document suggests three significant steps: (i) 20 lakh youth to be skilled in the next five years; (ii) 1,000 ITIs to be made outcome-oriented; (iii) technical courses to be aligned to industry needs. Infrastructure projects in rural areas are not just about short-term employment; they lay the foundation for long-term economic stability. By increasing capital expenditure in areas like road construction, renewable energy projects and rural healthcare facilities, the budget can create a wide array of job opportunities. These projects also have the added advantage of improving the quality of life in rural areas, making them more attractive for sustained economic development and self-sufficiency among rural communities.

The five schemes for Employment and Skilling are intended to create opportunities for 4.1 crore youth over a 5-year period. These will be based on enrolment in the EPFO and focus on recognition of first-time employees and support to employees and employers.

1. Scheme A: First Timers

The scheme will provide one-month wage to all persons newly entering the workforce in all formal sectors. The direct benefit transfer of one-month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to Rs. 15,000. The eligibility limit will be a salary of Rs. 1 lakh per month. The scheme is expected to benefit 210 lakh youth.

2. Scheme B: Job Creation in Manufacturing

This scheme is intended to incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees. An incentive will be provided at specified scale directly both to the employee and the employer with respect to their EPFO contribution in the first 4 years of employment. The scheme is expected to benefit 30 lakh youth entering employment and their employers as well.

3. Scheme C: Support to Employers

This employer-focused scheme will cover additional employment in all sectors. The Government will reimburse to employers up to Rs. 3,000 per month for 2 years towards their EPFO contribution for each additional employee. The scheme is expected to incentivize additional employment of 50 lakh persons.

UNION BUDGET 2024-25

Budget Priorities
Path of strong development and all-round prosperity

Productivity and resilience in Agriculture	Employment & Skilling	Inclusive Human Resource Development and Social Justice
Manufacturing & Services	Urban Development	Energy Security
Infrastructure	Innovation, Research & Development	Next Generation Reforms

Infrastructure : Lifting Potential Growth

What is Necessary to Continue on the Path of Building Quality Infrastructure



- Need to have a higher level of private sector financing and resource mobilization from new sources
- Need policy and institutional support from central as well as state and local governments
- Construction of an Index that tracks utilization rates of infrastructure facilities would shed light on sub-sectors where there is oversupply or shortfall
- Need systematic collection of information on infrastructure-oriented financial flows
- Project-wise and sector-wise information on physical progress needs to be revised

4. Scheme: Centrally sponsored scheme in collaboration with State Governments and industry

Under this scheme, 20 lakh youth will be skilled over a 5-year period and 1,000 Industrial Training Institutes (ITIs) will be upgraded in hub and spoke model with outcome orientation. The course content and design will be aligned to the skill needs of industry and new courses will be introduced for emerging needs. The Model Skill Loan Scheme will be revised to facilitate loans up to 7.5 lakh with a guarantee from a government promoted Fund. This measure is expected to help 25,000 students every year.

5. Scheme: Internship opportunities in top companies

The Government will launch a comprehensive scheme for providing internship opportunities in 500 top companies to one crore youth in 5 years. They will gain exposure for 12 months to real-life business environment, varied professions and employment opportunities. An internship allowance of Rs. 5,000 per month along with a one-time assistance of Rs. 6,000 will be provided to the youth. Companies will be expected to bear the training cost and 10 percent of the internship cost from their CSR funds.

Schemes in Higher Education

A financial support will also be provided for loans upto Rs. 10 lakh for higher education in domestic institutions for helping youth who have not been eligible for any benefit under government schemes and policies. E-vouchers for this purpose will be given directly to 1 lakh students every year for annual interest subvention of 3 percent of the loan

amount. The Anusandhan National Research Fund will be operationalized for basic research and prototype development. Further, a mechanism will be set up for spurring private sector-driven research and innovation at commercial scale with a financing pool of Rs. 1 lakh crore in line with the announcement in the interim budget.

Moving further, in India, over 95 percent of industrial units belong to Micro, Small and Medium enterprises (MSMEs), which produce around 40 percent of all industrial output. Hence, logically this sector can create more jobs, particularly in rural areas. The current Budget provides: (i) credit guarantee schemes in manufacturing, which should result in more funding for small businesses; (ii) a new assessment model for granting credit (an innovative way to address MSME funding challenges); and (iii) additional legal windows for expeditiously solving insolvency issues. If MSME funding can be sorted, it should prove a big employment booster. In this budget, the Government while recognising the MSMEs as an important policy priority has emphasized the need to provide them with credit access, appropriate training and digital technologies for staying compliant and growth-oriented. The unveiling brought forth a series of pivotal tax reforms and compliance changes designed to provide tax relief to the MSME sector and expedite their growth. The move marks decisive steps to simplify the tax structure and MSME compliance mechanism and provide relief to the sector. The allocation for the sector is similar to what it received the previous year, i.e. Rs. 22,137.95 crore though rural industries, coir sector, cluster development show some increase in budget allocation. The Rs. 2 lakh crore package for development and employability also raises hopes for the rural communities. The initiatives to optimise financing opportunities and the abolition of the Angel Tax are expected to boost the startup ecosystem, attract diverse investments, and strengthen the MSME sector's contribution to economy, building a skilled workforce for the future.

If we cast a glance at the seemingly hidden Gems in the budget, there are quite a many:-

- Private sector-driven R&D allocated Rs. 1 lakh crore.
- Solar Power budget doubled from Rs. 5000 crore to 10000 crore.
- PLI on Pharma doubled from Rs. 1200 crore to Rs. 2100 crore, a move towards de-risking from importing Chinese ingredients (APIs)
- Semi-conductor development allocation doubled

from 3000 crore to 6900 crore, is for sure, a new age move.

- The Vibrant Village Program Rs. 1000 crore; the Urban Digital Mission Rs. 115 crore, e-buses in areas difficult to travel-1300 crore, defence equipment manufacturing industries-40000 crore, for naval fleets-4000 crore, etc.

The limit of Mudra Loan has also been enhanced from Rs. 10 lakh to 20 lakh for the entrepreneurs who have already availed the loan and repaid it. The target for creating 'Lakhpati Didis' has been increased from two crore to three crore. Under the 'Lakhpati Didi' initiative, which comes under DAY-NRLM, each self-help group (SHG) household is encouraged to take up multiple livelihood activities coupled with value chain interventions, resulting in a sustainable income of Rs. 1 lakh or more per year.

The allocation for the National Livelihood Mission-Aajeevika has been Rs. 15,047 crore, around six percent more than last year's Rs. 14,129.17 crore. The revised estimate for the scheme also stands at Rs. 14,129.17 crore. The scheme aims to organize rural poor women into Self Help Groups (SHGs) and support them till they attain an appreciable increase in incomes over a period of time.

Credit to SHGs in Food Processing

Though the specific details on credit access to MSMEs are not available, yet in the mix of incentives and tax benefits being offered to small businesses, the Government's efforts towards making credit easily accessible are evident. For instance, more than 2.4 lakh Self-Help Groups and 60,000 individuals have benefited

with credit linkages through the Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana. Policies such as these, naturally will enable them to build a strong foundation and grow in a planned manner.

Digital Transformation

The Budget 2024 lays a strong emphasis on harnessing digital technologies as a catalyst for inclusive growth, innovation, and governance reforms. Initiatives such as Digital India, BharatNet, and National Digital Health Mission are accorded priority, aimed at expanding digital infrastructure, promoting digital literacy, and fostering e-governance, which is the prerequisite of expansion of trade and industry in this age of ICT.

To sum up, by prioritising the needs of rural India, the Government could strengthen the backbone of the Indian economy. This focus is not just about enhancing the resilience of the rural economy but also about paving the way for a more sustainable and inclusive growth trajectory. As we navigate the complexities of the global economic landscape, the path to a prosperous India unequivocally goes through its villages and fields. Through a judicious mix of policy measures, resource allocation, and institutional reforms, the Budget endeavours to navigate the challenges and capitalise on the opportunities inherent in India's economic landscape. As the nation embarks on a transformative journey towards inclusive prosperity and resilience, the Budget serves as a guiding compass, steering India towards a future defined by progress, equity, and opportunity. □





Agriculture in Budget 2024-25: Creating Balance between Welfare and Growth

The Union Budget 2024-25 has tried to keep up the pace of efforts having been made by the Government in last 10 years to uplift the living standard of rural and agrarian communities by fulfilling their basic needs of roads, electricity, housing and jobs. Still, the backbone of the rural growth and prosperity, the agriculture is facing challenging times ahead.

* Bhuwan Bhaskar

Very often, the General Budget of a nation is understood in analogy with the budget of a household. It is said to be an accounting of income and expenditure. But this is too simplistic a way to explain budget making, especially when it is talked about in the context of national budget making. The reason being it misses one of the most important aspect of the budget that is development. Apart from accounting for the present expenses and income, a budget must also take into account the scope for development and wealth creation. This is how budgets should be analysed and evaluated. Taking a view on the General Budget 2024-25 from the perspective of its

impact on the county's agricultural growth and farmers' welfare need the same yardstick.

The allocation for the rural sector as a whole in this budget is Rs. 6.2 trillion, which is about 13 percent of the total national budget of Rs. 48.2 trillion. Of this, amount of Rs. 1.27 lakh crore has been allocated to the Ministry of Agriculture, which is 2.7 percent of the total financial expenditure of the Central Government. It is evident from the distribution statistics that the Government considers rural development as its ultimate pursuit and agriculture only forms a part of it. However, considering the focus of this government on agriculture, it seems intriguing that the allocation to agriculture is almost same as it was last year. The 5 percent increase does not

even cover for annual inflation. However, the important aspect of the allocation is that it has been done with a sole objective to pursue welfare and employment generation. The food and fertilizer subsidy programmes along with the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) comprise two-third of the allocations. One remarkable thing in the budget is that both food and fertiliser subsidies have got a drop down year on year, which shows the government's intention to put funds to better utilisation.

Rural development transcends agriculture and encompasses various schemes across Ministry of Rural Development, Ministry of Agriculture & Farmers Welfare, Ministry of Fisheries, Animal Husbandry, Dairying, Ministry of Environment, Forestry, Climate Change, Ministry of Chemicals and Fertilisers, Ministry of Consumer Affairs, Food & Public Distribution, Ministry of Jal Shakti, Ministry of New and Renewable Energy, and Ministry of Skill Development & Entrepreneurship. If full allocation of Rs. 6.2 trillion is accounted for, food subsidy eats up around one-third (30 percent) of it at Rs. 2, 05,250 crore followed by fertiliser subsidy (24 percent) of Rs. 1,64,000 crore. The fertilizer subsidy, though reduced by 13.2 percent from FY24 RE of Rs. 1.88 lakh crore, still comprises 97.3 percent of the Ministry of Chemicals and Fertilisers' budget. A little

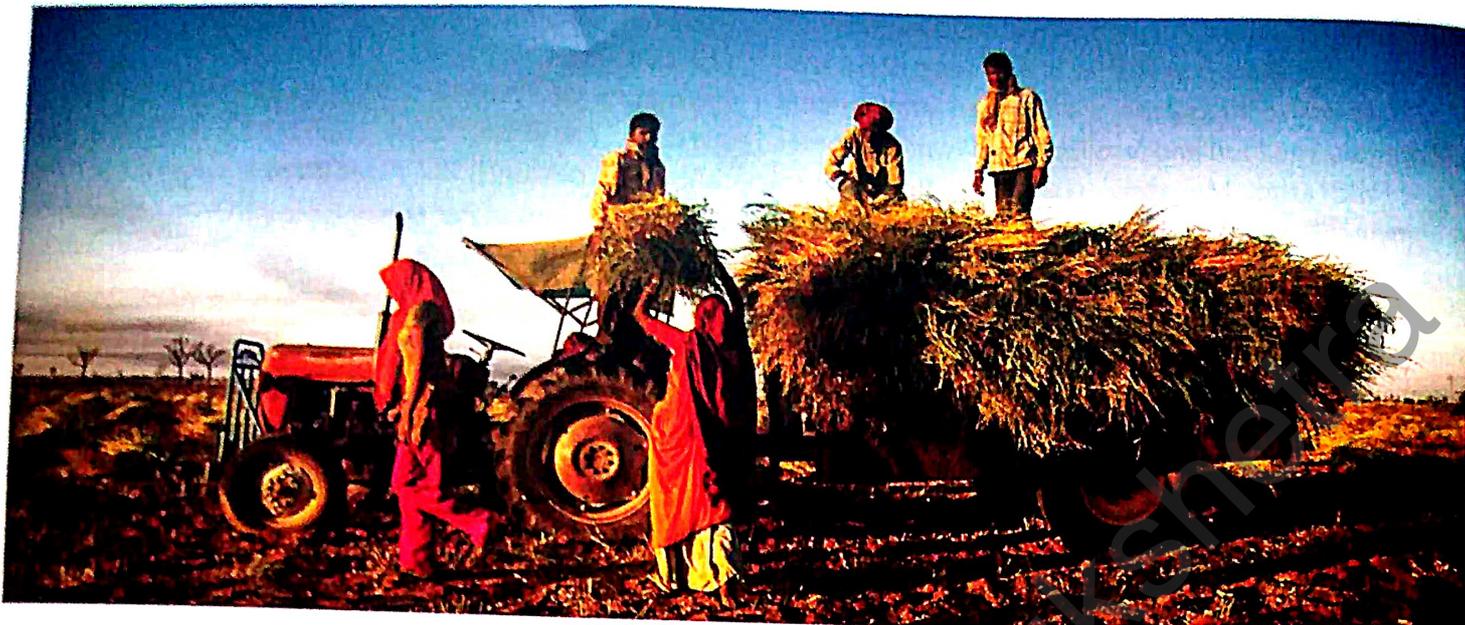
less than half of the rest is distributed among MGNREGA (12 percent) and PM Kisan Yojana (9 percent). Rests have gone to Pradhan Mantri Awaas Yojana Rural (8 percent), PM Gram Sadak Yojana (3 percent), Credit Subsidy (3 percent), PM Fasal Bima Yojana (2 percent) and Department of Agricultural Research and Education (1 percent). Others have got 8 percent.

In the list, it is easy to see that most of the budget, about two-third, goes to the welfare projects. Some schemes of MGNREGA, housing, road, etc. have been given impetus to increase employment opportunities in rural areas. However, agriculture being the backbone of the rural life and economy has been rightly recognised by the Finance Minister by placing it at the top of the priority list to achieve 'Viksit Bharat'. The Government will conduct a comprehensive review of the agricultural research package to focus on increasing yields. The significance of agri-research has increased multi-fold in the wake of increasing climatic distortions over the past few years. Climate change will alter the distribution of pests, plant diseases and weeds, which can reduce crop yields, including staple crops such as wheat, soybeans and corn (maize). Warmer temperatures mean more metabolism and more reproductive cycles for insect populations. Taking into account the challenges that climate change will bring in the coming days, 109 new high-yielding and climate-resistant species of 32 agricultural and horticulture crops would be provided for farmers*.

But with only one percent allocated to agricultural research, many experts have raised their concern about how the Government can effectively reign in the formidable impact of climate change. Even in the field of organic farming, which the Modi Government has been talking about in annual budgets for 4-5 years, there are some questions that are puzzling experts. For example, the Government spends 24 percent of the total rural budget on fertilizer subsidies. The fertilizer subsidy has played a major role in increasing yields, which has helped reduce food prices to the benefit of farmers and consumers. In 2022-23, fertilizer consumption reached 29.84 million tonnes (MMT), averaging 141.2 kg/ha. Now, in this budget, the Government plans to bring



*The government has already started working on the plan with the PM releasing the 109 varieties of 61 crops which included 34 field crops and 27 horticultural crops on August 11. "Among the field crops, seeds of various cereals including millets, forage crops, oilseeds, pulses, sugarcane, cotton, fibre and other potential crops were released. Among the horticultural crops, different varieties of fruits, vegetable crops, plantation crops, tuber crops, spices, flowers and medicinal crops were released," The Prime Minister's Office said in a statement.



1 crore farmers across the country into organic farming in the next two years, supported by certification. This will be implemented through scientific institutions and Gram Panchayats. The Government plans to set up 10,000 bio-input resource centres to facilitate this process. But the availability of bio inputs is only a small part of major challenges that lie ahead in the mass adoption of organic agriculture. It is like changing the tide of a flowing river. But Rs. 365.64 crore allocated under the National Mission on Natural Farming seems too less an amount to wage a war against the use of chemical fertilizers which are getting Rs. 1.64 lakh crore as subsidy. It seems from the budget announcements that even though the Government is convinced about the need of promoting natural farming over the chemical one, it is not ready to take any risk on the food security front.

The Government has been aspiring to make India self-sufficient in the production of pulses and oilseeds since long. Budget 2024–25 has raised the bar for this goal. In order to attain “Atmanirbharta” for oil seeds including mustard, peanut, sesame, soybean, and sunflower, the Government has pledged to improve production, storage, and marketing facilities. A plan is being developed to produce enough pulses and oilseeds to achieve self-sufficiency (‘Atmanirbharta’) since India is significantly dependent on imports for edible oil now. To control primary inflation, vegetable cultivation will be clustered around significant centers of consumption on a large scale. In order to create effective supply chains, this involves supporting cooperatives, startups, and farmer-producer organisations (FPOs).

The innovative Namu Drone Didi scheme, which has given rural women incredible opportunities to earn and grow has got more charge in budget 2024–25. The scheme, which went live in March 2024, intends to give 15,000 women’s Self-help Groups drones so they may rent them out to farmers. The time frame for execution of this scheme is 2023–26. This initiative has been allocated Rs. 500 crore in the Union Budget for 2024–25. By including them into agricultural technology breakthroughs, this scheme will empower women in rural communities and encourage entrepreneurship. Precision agriculture, made possible by drone technology, will increase farming productivity and improve crop management and yield optimisation.

India is one of the biggest exporters of shrimp worldwide with \$8.09 billion worth of seafood exported in 2022–2023; frozen shrimp made up the majority of these exports, at USD 5.6 billion. “I suggest lowering the basic customs duty, or BCD, to 5 percent on specific broodstock, polychaete worms, shrimp, and fish feed”, said Ms. Sitharaman in her budget speech. The Minister also suggested waiving customs duties on a number of components used in the production of shrimp and fish feed. Previously, there were 5–30 percent custom taxes on inputs used in the production of shrimp and feed fish, including krill meal, fish lipid oil, crude fish oil, and algal flour. Now, these will be zero. The Finance Minister declared that funding will be made available for the establishment of a network of nucleus breeding centres for shrimp broodstocks in an effort to increase shrimp production and export. Furthermore, the National Bank for Agriculture and Rural Development (NABARD) will

help with funding for shrimp farming, processing, and export.

The foundation of India's economy, the agriculture sector, has long struggled with problems including low productivity and unstable markets. The agriculture sector employs the largest share of the workforce in India but contributes the lowest to value addition in the economy. In 2022-23, agriculture employed about 46 percent of the workforce, and accounted for 18 percent of India's gross value added (GVA). This implies that the sector generated 18 percent of the country's income by 46 percent of its workforce. In contrast, the industry sector employed 25 percent of the workforce and contributed 28 percent of the GVA while the services sector employed 29 percent of the workforce, and contributed 54 percent of the GVA. It is significant, in this context that the Government is taking the initiative to create Digital Public Infrastructure (DPI) in order to get over the predominant obstacles and bring in a new era of agricultural prosperity. In the Union Budget 2024-25, the Finance Minister declared that the Government plans to roll out Agri Stack, a Digital Public Infrastructure (DPI) for agriculture, during the following three years. During this year, digital crop survey for Kharif using the DPI will be taken up in 400 districts. This exercise aims to register more than 6 crore farmers whose lands will be brought into the farmer and land registries. Further, the issuance of Jan Samarth based Kisan Credit Cards will be enabled in 5 states. Agri Stack, an open source digital infrastructure, aims to advance Indian agriculture and increase farmers' incomes by making data more accessible to stakeholders. DPI Agriculture aims to



provide a comprehensive set of services to farmers through a common digital platform. The platform claims to provide farmers with data-driven insights on everything from market prices and financing options to weather forecasting and soil health information. DPI has the power to completely change the way agriculture is done in India.

The Government also announced a National Cooperation Policy for systematic, orderly and all-round development of the co-operative sector. Rapid growth of the rural economy and creation of employment opportunities on a large scale is the main objective of the policy. Earlier this year, a 49-member Government committee had been established to develop a national cooperation policy aimed at promoting a collaborative economic development model that combines technology, skills and knowledge. To promote the rural economy, it was proposed to create a national innovation fund to promote entrepreneurship in agricultural credit organisations. The objective of the policy is to create employment opportunities on a large scale and accelerate the expansion of the rural economy.

The government has proposed to bring a radical change in the Kisan Credit Card system. Jan Samarth Kisan credit card will be launched in five states, increasing the use of technology in the sector. KCC was incorporated in 1998 to issue cards to farmers based on their assets for mutual acceptance by banks so that farmers can use them for easy purchase of agricultural products like seeds, fertilisers, pesticides, etc. and draw cash for their production needs. The scheme was further extended for the investment credit needs

Union Budget 2024-25

Agriculture Highlights

Major Allocation:

- ₹1.52 lakh crore for agriculture and allied sectors.

New Crop Varieties:

- 109 high-yielding, climate-resilient varieties of 32 crops to be introduced.

Natural Farming Initiative:

- 1 crore farmers to adopt natural farming with certification and branding within 2 years.
- 10,000 bio-input resource centers for natural farming.

Digital Public Infrastructure (DPI):

- DPI for Agriculture to cover farmers and their lands within 3 years.

Empowering Farmers, Enhancing Productivity!



of farmers in 2004 for social and non-agricultural activities.

In 2024-25, Rs. 14,600 crore is allocated to the Pradhan Mantri Fasal Bima Yojana (PMFBY), which is 3 percent less than the estimates for 2023-24. To understand the reduction of money for an ambitious and sensitive plan like this, one needs to understand the context. Under this plan, farmers pay 2 percent for Kharif crops, 1.5 percent for Rabi crops and 5 percent for agricultural crops. The government allocates the expenditure to the local authorities, except for the North-Eastern states. In 2020, the scheme was made voluntary for farmers. The Agriculture Committee asked the Government in 2023 how the plan could be implemented with increasing weather conditions and limited budget allocations. It is also pointed out that many technological efforts have been made to integrate information on weather and other environmental parameters. Depending on the plan's coverage, additional premiums may be applied in the revised estimate section. In the last four years, the sum insured has varied between Rs. 1.8 lakh and Rs. 2.8 lakh, of which 8-10 percent has been paid to settle crop

insurance claims. These programmes aim to provide adequate insurance to farmers against risks that may arise at any time from pre-planting to post-harvest.

In nutshell, the Union Budget 2024-25 has tried to keep up the pace of efforts having been made by the Government in last 10 years to uplift the living standard of rural and agrarian communities by fulfilling their basic needs of roads, electricity, housing and jobs. Still, the backbone of the rural growth and prosperity-agriculture sector is facing challenging times ahead. The Economic Survey Report 2023-24 tabled in the Parliament on July 22, 2024 says that the agricultural growth rate has fallen sharply, to 1.4 percent in 2023-24, compared to 4.7 percent growth rate of 2022-23, mainly because of a drop in the food grain production due to delayed and poor monsoons caused by El Nino. We need to prepare our farmers to face this situation. These preparatory measures must include increased focus and distribution to strengthen infrastructure and technology in agriculture. Focusing on welfare and finance may not prepare our farmers for the impending crisis in their agriculture if not balanced with building research and marketing infrastructure. □

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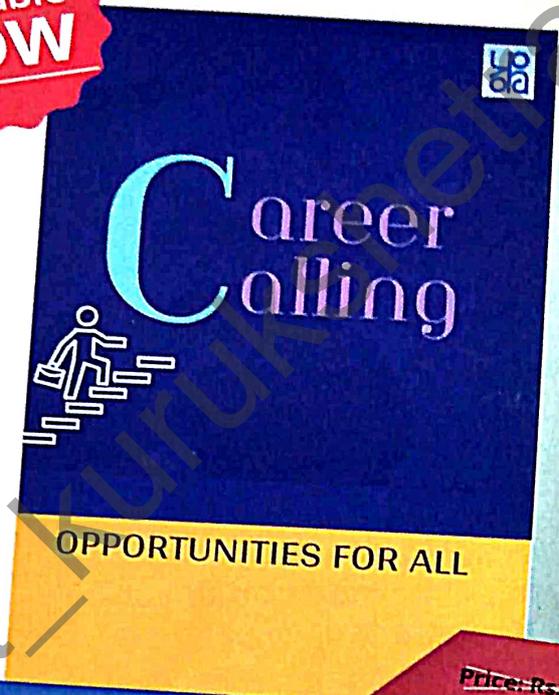
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No. of Pages: 52
ISSN: 0021-5660
Date of Publishing: 26th August 2024
Date of Dispatch: 29th-30th August 2024

RNI: 702/57
Postal Reg. No. DL (S)-05/3232/2024-26
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