



KURUKSHETRA MARCH 2023

BUDGET FOR RURAL INDIA

2023-2024



OUR
BRANCHES

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Budget for Rural India 2023-2024

Kurukshetra (March 2023)

1. Visionary Project for Making India a Developed Nation

Introduction

- The budget for the financial year 2023-24 is **historical, visionary**, and a budget to **strengthen the country's foundation**. The budget aims for the overall development of farmers and all sections of society, from the poor and middle class to women and youth.
- Despite the adverse circumstances borne out of the pandemic, Finance Minister Smt. Nirmala Sitharaman has presented a **budget of Rs. 45 lakh crore**, which is a testimony of the real progress of our country.

Multisectoral in nature

- All sectors, including Defence, Home, Railways, Road, Healthcare, Education, Agriculture, Industry, and Cooperatives have received adequate attention in this budget.

Agriculture and Allied sector

- Small farmers will benefit substantially from the budget. At the same time, emphasis has been laid on **promoting the agriculture sector by linking agriculture with modern practices** following Prime Minister Modi's vision so that farmers get extensive benefits in the long run.
- The credit target for animal husbandry, dairy, and fisheries has been **increased to 20 lakh crores**.



- The total budgetary allocation of the **Ministry of Agriculture and Farmers Welfare is Rs. 1.25 lakh crore** this time, which will undoubtedly prove to be a milestone with infrastructure growth in rural India.

- The government is using technology to take development initiatives in every sector. A **Digital Agriculture Mission** has thereby been initiated.
- Natural farming is being transformed as a mass movement in the country by the Prime Minister, and to **promote it, Rs. 459 crores** have been allocated in this budget.
- In agriculture-allied sectors, the new sub-scheme of **Prime Minister Matsya Sampada Yojana** will be initiated with a targeted investment of Rs. 6 thousand crores, so that fish farmers, fish sellers, and **related micro and small-scale industries** become more efficient.
- The government has set a target of providing all facilities related to agriculture to small and medium farmers by aggregating them through **Farmer Producer Organisations (FPOs)**. For this, 10,000 new FPOs are being formed across the country.
- Food and nutritional security are one of the priorities of the government for which the budget provision has been increased to Rs. 1623 crore, while under the government's ambitious scheme, **Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)** budget provision of Rs. 60 thousand crores have been made.
- Under the **GOBARdhan (Galvanising Organic Bio-Agro Resources Dhan) scheme**, 500 new 'waste to wealth' plants will be established to promote a circular economy at a total investment of Rs. 10,000 crores.
- The budget provision of Rs. 5,300 crores has been made for **Bhadra Project** to provide sustainable micro irrigation and fill up surface drinking water tanks.
- With the motto of '**Sahakar Se Samridhhi**,' the government wants to **promote a cooperative-based economic development model** which will significantly increase the farmers' income.

Conclusion

- Overall, with the all-round measures being taken to make Indian agriculture more advanced and farmers prosperous and the mantra of **Jai Jawan-Jai Kisan-Jai Vigyan-Jai Anusandhan**, golden chapters will certainly be written from the Amrit Mahotsav to Amrit Kaal of the country's independence.

2. Development Directions in Budget

Introduction

- The **Budget 2023-24** outlines seven priority areas and underscores the Union Government's policy intentions to achieve goals linked to these prioritised domains.
- The higher allocation of resources for rural **employment initiatives, crop husbandry, including farming and the raising of livestock, poultry** and other activities, food storage and warehousing and rural housing indicate India's resolve to transform rural areas into growth engines.

Re-focusing Priority Areas

- The Budget speech emphasised **seven priority areas** and underscored the Union Government's intentions to achieve goals linked to these prioritised domains.



A Review of Budget Allocations

- A review of the **Revised Estimates (RE) and Budget Expenditure (BE) of 2022-23** indicates (Table 1) that rural employment initiatives, crop husbandry, including farming and the raising of livestock, poultry and other activities, food storage and warehousing and housing got higher allocations.

Table 1: Variation of Expenditure between BE 2022-23 and RE 2022-23 (Rs. Cr.)

S N	Subject	BE	RE	Variation - RE over BE (in %)
1	2	3	4	5
1	Rural Employment	73,000	89,400	22.46
2	Crop Husbandry	1,22,137	1,40,651	15.15
3	Food Storage and Warehousing	2,15,643	2,89,329	34.17
4	Housing	12,072	20,990	73.87

Source: Compiled from Expenditure Profile (Statement No. 3), Union Budget 23-24, Ministry of Finance, GoI

- A review of **RE and BE for the years 22-23 and 23-24** indicates that in terms of increase in allocation (columns 9 and 11 of **Table 2**), **priority has been accorded to Skill Development and Entrepreneurship (SDE)**, followed by Rural Development (RD); Agriculture Research and Education (ARE); Animal Husbandry and Dairying (AHD); Micro, Small and Medium Enterprises (MSME); Women and Child Development (WCD) and Agriculture and Farmers Welfare (AFW), in that order (Table 2).

Table 2: Actual Expenditure & Allocation in Selected Union Ministries/Departments during 2016-17 & 2023-24

S. No.	Name of the Ministry/ Department	Actual Expenditure/Allocation (Rs. Cr.)										Increase of Allocation (%) in 2023-24		
		16-17	17-18	18-19	19-20	20-21	21-22	22-23		23-24	Over			
		Actuals						BE	RE	BE	Actuals	RE	BE	
											21-22	22-23	22-23	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1	AFW	40,626	37,396	46,076	94,252	1,08,273	1,14,468	1,24,000	1,10,255	1,15,532	0.93	4.79	-6.83	
2	ARE	5,995	6,942	7,544	7,523	7,554	8,368	8,514	8,659	9,504	13.58	9.76	11.63	
3	AHD	2,376	2,022	3,171	2,712	2,464	2,584	3,919	3,105	4,328	67.46	39.38	10.44	
4	MSME	3650	6,202	6,509	6,698	5,455	14,980	21,422	15,629	22,138	47.78	41.65	3.34	
5	RD	1,56,287	1,08,559	1,11,842	1,22,098	1,96,417	1,60,433	1,35,944	1,81,122	1,57,545	-1.80	-13.02	15.89	
6	SDE	1,553	2,198	2,619	2,405	2,625	2,121	2,999	1,902	3,517	65.82	84.96	17.28	
7	WCD	17,097	20,396	23,026	23,165	19,231	21,655	25,172	23,913	25,449	17.52	6.42	1.10	

Source: Compiled from Expenditure Profile (Statement No. 3), Union Budgets 2018-19 to 23-24, Ministry of Finance, GoI

- While the allocation for **AFW recorded a 6.83 percent drop** from BE of 22-23, this was actually 0.93 percent and 4.79 percent higher than AE of 21-22 and RE of 22-23. The RD schemes, however, witnessed a reduction of 13.02 percent resource allocation in 23-24 over 22-23 (RE).
- An analysis of the expenditure and budget allocation pattern of **select development schemes (Table 3)** indicates that provision of rural housing (PMAY) to the economically downtrodden, fishery activities (Blue Revolution), Water and Sanitation (Jal Jeevan Mission) have caught the attention of the policy makers and planners and have got incremental budgetary allocations in 23-24 against that of 22-23.

Table 3: Expenditure and Budget Allocation for Select Schemes

Schemes		Actual Expenditure	BE	RE	BE	BE 23-24 over BE of 22-23
		21-22	22-23	22-23	23-24	(in %)
1		2	3	4	5	6
1.	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	98,468	73,000	89,400	60,000	-17.8
2.	National Social Assistance Programme	8,152	9,652	9,652	9,636	-0.2
3.	Blue revolution	1,179	1,891	1,422	2,025	7.1
4.	Jal Jeevan Mission	63,126	60,000	55,000	70,000	16.7
5.	National Health Mission	32,958	37,160	33,708	36,785	-1.0
6.	National Livelihood Mission (NLM) – Aajeevika	10,177	14,236	13,886	14,129	-0.8
7.	Pradhan Mantri Awas Yojana (PMAY)	90,020	48,000	77,130	79,590	65.8
8.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	13,992	19,000	19,000	19,000	0.0
9.	Pradhan Mantri Krishi Sinchai Yojana (PMKSY)	11,278	12,954	8,085	10,787	0.0
10.	Swachh Bharat Mission (Grameen)	3,099	7,192	5,000	7,192	117.4
11.	Computerisation of Primary Agricultural Credit Societies	-	350	350	968	176.6
12.	National Mission on Natural Farming	-	-	-	459	-

Source: Compiled from Expenditure Profile (Statement No. 4 A), Union Budget 23-24, Ministry of Finance, GoI

Rural Employment Programmes

- The Budget, considered the absorption capacity of implementing States/UTs and allocated **Rs. 60,000 crores to MGNREGA** and **Rs. 14,129 crores to National Rural Livelihood Mission**, the two existing wage and self-employment programmes towards building quality and productive community assets and enterprises.
 - NLM has two important self-employment schematic interventions viz. **Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)** and **Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY-NRLM)**.

Livelihoods and Employment through Agri-development

- In order to achieve the **expected goals of the government** (regarding farmer's income and profits), we need to ensure **active participatory actions towards**:
 - reducing water stress by comprehensive water planning;
 - promoting natural and organic farming practices
 - ensuring balanced use of fertilizers;
 - strengthening operation green initiatives through promotion and nurturing of Farmer Producer Organisations (FPOs), cooperatives and other rural collectives in agriculture, dairy and fisheries;
 - establishing and enhancing agri-logistic facilities like agri-warehousing, cold storage, refer vans;
 - mapping and geo-tagging existing agri-logistics and ensuring viability funding for setting up such infrastructure at taluka level through public-private partnerships;
 - enhancing holding capacity and reducing logistic costs of farmers through construction and operation of community-led village storages;

Encouraging Nutri-Cereals

- **Budget 2023-24** has appropriately emphasised encouragement of growth of millets **production and consumption**. The Budget acknowledges the potential of millets -jawaar, ragi, bajra, kuttu, ramdana, kangni, cheena, etc. having health and nutritional benefits and vows to make India a global hub for millets.

Reposing Faith in Cooperatives

- The Budget vowed to ensure creation of grain storage capacity in each panchayat through **Primary Agricultural Credit Societies (PACS)**.
- The recent initiatives of the **Ministry of Cooperation** for growth of cooperative businesses include computerisation of 63,000 with an investment of Rs. 2,516 cr.; creating national cooperative database; popularising the **model bye-laws of PACS** amongst States to transform them into multi-purpose Cooperatives with multi-dimensional business activities, etc.

Conclusion

- The **7-point priority agenda of the Budget** was the need of the hour to ensure a self-reliant, prosperous and **US \$5 trillion economy**. The Budget, through its **multi-disciplinarian and multi-dimensional approaches**, is expected to strengthen the village entrepreneurship development approach aimed at creating a catalytic local entrepreneurial ecosystem and encouraging the rural unemployed youth to take up local enterprises on their own.
- The real challenge, however, is how the **development efforts are converged** and the creation of an **enabling ecosystem for rural/farm enterprises** and start-ups to ensure sustainable livelihoods and gainful employment avenues in rural areas.

3. Efficient and Inclusive Healthcare Ecosystem

Introduction

- The Union Budget for 2023-24 reflects the **government's vision and a renewed commitment** for strengthening and improving the country's healthcare system which has been its priority for the last few years.
- The government's desire for a major overhaul of the healthcare system is obvious from the significant **increase of 3.4 per cent compared** to the previous year's allocation.



- The 2023 budget documents the focus on key aspects of improving healthcare in the country: investing in research and development, **modernising the healthcare infrastructure, efficient use of digital technology** for better healthcare services and increasing the number of trained medical professionals in the country.

Highlights of the Budget Related to Health Sector

- **157 new nursing colleges** will be established in key locations.
- A mission to **eradicate sickle cell anaemia by 2047** will be initiated with a focus on raising awareness and conducting universal screening of 7 million people between the ages of 0 to 40.
- Select labs under the ICMR will be open for research by public and private medical schools.
- The government will **support the implementation of specialized multidisciplinary courses** in medical devices in educational institutions to ensure a skilled workforce for advanced medical technology and high-end manufacturing and research.
- Three centres of excellence for artificial intelligence will be established to promote the "**Make AI for India**" and "**Make AI work for India**" initiatives, digital capabilities. This will have a direct connection with healthcare services and medical research.
- A **National Data Governance Policy** will be introduced to facilitate access to anonymous data.

- The budget allocation for the **AYUSH Ministry** has seen a **28 per cent increase**, resulting in an allocation of Rs. 3,647 crores compared to the previous year's Rs. 2,845 crores.

Conclusion

- The **year-over-year growth** in the budgetary allocation for the **Ministry of Health and Family Welfare** shows that the government is committed to building an efficient, affordable, accessible, inclusive, and modern healthcare ecosystem in the country

4. Boosting Agriculture and Rural Development

Introduction

- Rural development has always been the top priority of policymakers in a country like India where nearly two-third of total population and **more than 70 percent of the workforce reside in rural areas.**
- The **Ministry of Rural Development** has been assigned the responsibility to promote welfare activities in rural India. It takes steps to increase livelihood opportunities, providing social safety nets and improving infrastructure in rural areas for their rapid growth.

Allocation to Ministry of Rural Development in Union Budget 2023-24

- The Ministry of Rural Development has been provided the **seventh highest allocation across all Ministries** in the Union Budget for the financial year 2023-24.

Major Schemes under the Department of Rural Development

- The budget allocation to all centrally sponsored schemes for rural development went up **from Rs. 1,08,175 crores to Rs. 1,57,545 crores** witnessing a growth rate of **7.84 percent per annum during the last seven years** (Fig. 2). But it came down by 13.02 per cent in 2023-24 as compared to the previous year.

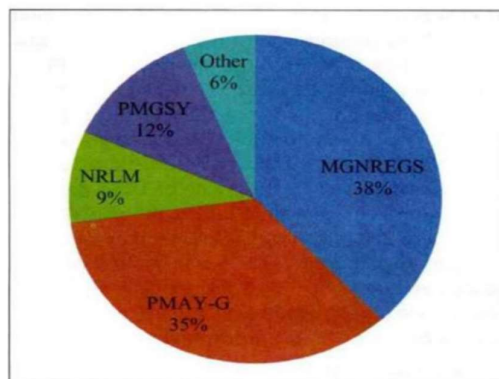
Table 2: Budget Allocation to Centrally Sponsored Schemes for Rural Development

(Rs. Crore)

Scheme	2017-18 (A)	2018-19 (A)	2019-20 (A)	2020-21 (A)	2021-22 (A)	2022-23 (RE)	2023-24 (BE)	LGR
MGNREGS	55166	61815	71687	111170	98468	89400	60000	4.40
PMAY-G	22572	19308	18116	19269	30057	48422	54487	19.54
PMGSY	16862	15414	14017	13688	13992	19000	19000	3.03
NRLM	4327	5783	9022	9208	9383	13336	14129	17.21
NSAP	8694	8418	8692	42443	8152	9652	-	7.52
SPMRM	553	433	304	369	150	989	-	8.55
All Centrally Sponsored Schemes	108175	111842	121839	196147	160433	181122	157545	7.84

Source: Ministry of Rural Development, Demands for Grants, 2019-20 to 2023-24.

Total Allocation to Centrally Sponsored Schemes (2023-24 BE)



Source: Ministry of Rural Development, Demands for Grants, 2023-24

Mahatma Gandhi National Rural Employment Guarantee Scheme

- It seeks to strengthen the livelihood resource base of the poor by **providing 100 days of guaranteed wage employment per year** to every rural household whose adult members volunteer to do unskilled manual work. Presently, it **covers all the rural districts (716)** of the country.
- Under this scheme during the year 2022-23, **assets worth Rs. 7.10 crore** were created through the generation **of 253.11 crore person days** benefiting 5.82 crore households up to February 10, 2023.

Pradhan Mantri Awas Yojana- Gramin

- This scheme, aims at providing financial assistance to the rural poor for the **construction of pucca houses of 25 sq. mt. with all basic amenities** (piped drinking water, electricity connection, LPG gas connection, etc.).
- A **total of 2.83 crore houses** have been sanctioned and **2.14 crore** have been completed by February 10, 2023, under the Scheme.

Pradhan Mantri Gram Sadak Yojana

- The primary objective of the scheme is to **promote economic activities in rural India** by providing all-weather road connectivity to the **eligible un-connected rural habitations**.
- Since, the inception of the scheme, a **total of 1,74,029 works with a road length of 7,25,774 kilometres** were constructed till 10 February 2023.

National Rural Livelihoods Mission

- It aims at **creating diversified and gainful self-employment** to the rural poor through sustainable livelihood enhancements and improved access to financial services. Presently, the scheme covers 737 districts spread over 2,68,675 Gram Panchayats and 7,40,845 village of the country.

National Social Assistance Programme

- The majors chemes under this programme include **Indira Gandhi National Old Age Pension Scheme, Indira Gandhi National Widow Pension Scheme, Indira Gandhi National Disability Pension Scheme, National Family Benefit Scheme and Annapurna Scheme**.

Shyama Prasad Mukherji Rurban Mission

- It aims at **developing cluster of villages** that preserve and nurture the essence of rural community life with focus on equity and inclusiveness without compromising the facilities perceived to be essentially urban in nature.
- The **main objective is to bridge the rural-urban divide** viz; **economic, technological and those related to modern facilities** for stimulating local economic development with emphasis on employment generation in rural areas. The mission has a target to **create 300 Rurban Clusters**.

Initiatives and Way Forward

- To attract unemployed educated youth to agriculture, **agribusiness and agri-preneurship, impetus** on creating scientific temper and fostering innovative spirit is the need of the hour.
- Public expenditure on social infrastructure is also needed to be **prioritized to promote sustainable and inclusive growth**.
- In order to reap the advantages of the demographic dividend, it is **imperative to improve educational standards, skilling the rural youth, empowering women, providing affordable health care to all** and enhance job opportunities in a big way.
- Above all, **uplifting of socially and economically backward sections** of the society is of paramount significance for bridging the widening gap between the haves and have-nots.

Conclusion

- To conclude, **balanced regional development** with a focus on rural areas has always been at the top of the development agenda in India. The **Government's initiatives towards more inclusive growth**, social protection, and gender-responsive development will certainly pave the way for journey of the country to become the third largest economy in the world by 2027.

5. MSME Sector on Growth Trajectory

Introduction

- **India's manufacturing sector** is largely dominated by micro and small enterprises which play a critical role in achieving the objectives of faster and more inclusive growth in India due to its vast employment potential and its contribution to total industrial output and exports.
- The contribution of the **MSME sector to overall Gross Value Added (GVA) increased from 29.3 per cent in 2018-19 to 30.5 per cent in 2019-20**. But, due to the economic impact of the pandemic caused the sector's share to **fall to 26.8 per cent in 2020-21**.

MSME during Pandemic Era and Beyond

- During Covid induced Lockdown, these units witnessed **varying degrees of disruptions in the supply chain, decrease in product demand, decrease in labour supply**, loss of revenue, inadequate access to credit and in worst case scenario, closure of unit.
- **Laying off the workers** on a temporary or permanent basis, delayed or irregular wage payments and **lack of access to any social safety nets** are another set of challenges faced by MSME sector.
- Through the Aatma Nirbhar Bharat package, the government has taken multiple steps to moderate the economic impacts of the pandemic on MSMEs. Some of the measures undertaken include the **modification of the definition of MSMEs; the provision of 20,000 crore subordinate debt for stressed MSMEs, 50,000 crore equity infusion through Self Reliant India fund**; the waiving of the global tender requirement for procurement of up to 200 crores; launching of the **lidyam portal** for MSME registration, a paperless, zero-cost registration portal that is based on self-declaration and only requires Aadhaar.
- The creation of digital identities such as Aadhaar, registration of unorganised workers on the **e-shram portal, street vendors on SVANidhi, taxpaying firms on GSTN, and MSMEs on the Udayam portal**, has played a significant role in the inclusion of these groups under the formal economic net.

- In order to digitally empower MSME sector, many IT-enabled portals and dashboards were created. To list a few, such as **MSME 'Sampark', MSME 'Sambandh', MSME 'Samadhaan', MSME Ideal Port, Udyamimitra** etc.
- The **National Logistic Policy (NLP)** aiming to bring down the logistic costs from 13-14 percent to 8 percent of GDP will encourage more MSMEs to use tech-powered logistics services.
- A special package for traditional artisans and craftsmen under the PM Vishwa Karma Kaushal Samman was announced to integrate them with the MSME value chain and enable them to improve quality, scale and reach of their products.
- The **DigiLocker storage** and sharing services for MSMEs and other business entities, including startups, will leverage more innovation in fintech services.
- This budget duly **recognized** and **endorsed the heterogeneity of the MSME sector**. It has not only focussed on the typical MSME units but also made several budgetary provisions towards SHGs and cooperative institutions.
- In addition, to promote the **growth of new cooperative manufacturing societies**, the budget has announced a **concessional income tax rate of 15 per cent for cooperatives** that begin manufacturing before March 31, 2024.

Way Forward

- The larger question is what do MSMEs need and whether the hopes, aspirations and concerns of the huge and heterogeneous MSME sector get reflected in various budgets. Attempts should be made that the budgetary provisions are duly executed.
- A **robust mechanism should be designed to aggressively sensitise these entrepreneurs** across size class, **about budgetary provisions** which are meant for them and how they can access these provisions.

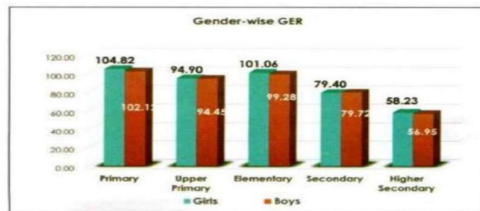
6. Inclusive Development in Education

Introduction

- The new reality of the twenty-first century has altered the objectives and standards of education everywhere. Information technologies, including digital skills and literacy, have become fundamental to daily life.
- **NEP 2020**, was formulated with the intention of addressing the nation's numerous and pressing developmental needs. This budget has provided significant **allocation for education and aims to promote an equitable and inclusive education** system across India.

School Educational Scenario

- In 2021-22 the Gross Access ratio (GAR) of schooling facilities at the primary level is **97.49 percent habitations, 97.01 percent at the upper primary level, and 95.48 percent at the secondary level.**
- **Increase in Enrolment and Basic Facilities:** As per Unified District Information System for Education (UDISE +) and economic survey, a **total of 26.5 crore children were enrolled in schools.**



Source:- UDISE+2021-22

- Total enrolment of Children with Special Needs (CWSN) in the year 2021-22, stands at 22.67 lakh as compared to 21.9 lakh in FY21, which is an increase of 3.3 per cent.
- A significant part of increasing student enrolment and retention in schools is played by programmes like **Samagra Shiksha, the RTE Act, improvements to school infrastructure and facilities, residential hostel buildings, teacher availability, regular teacher training, free textbooks, uniforms for children, Kasturba Gandhi Balika Vidyalaya, and the PM POSHAN Scheme.**

Initiatives Taken in the Previous Year

- **PM Schools for Rising India (PM SHRI):** A Centrally Sponsored Scheme, PM SHRI schools will have **state-of-the-art facilities**, demonstrate how the NEP is being implemented, and eventually become **models for other institutions** of learning in the area.
- **The National Curriculum Framework (NCF) for Foundational Stage:** This is in accordance of the **new 5+3+3+4 curricular structure** propagated by **NEP 2020** that incorporates early childhood care and education for all kids between the ages of 3 and 8.
- **PRASHAST: A mobile app for disability** screening called PRASHAST has been released; it **covers 21 impairments**, including the benchmark impairments listed in the 2016 Rights of Persons with Disabilities Act.
- **The National Credit Framework (NCrF):** It incorporates the **National Higher Education Qualification Framework (NHEQF), National Skills Qualification Framework (NSQF), and National School Education Qualification Framework**, is an umbrella framework for skilling, re-skilling, up-skilling, accreditation, and evaluation.

Budget 2023-24: An Analysis

- For the first time, the allocation for education had crossed Rs. 1 lakh crore in last year's Budget. The Centre has allocated Rs. 112899.47 crore foreducationsector in the Union Budget 2023-24.
- After nearly three years of massive disruption caused by the pandemic, the country's education sector is now focusing on learning recovery and Budget has provided priority areas to be emphasised upon.
 - **Re-envisioning Teachers' Training:** According to **National Education Policy 2020**, training teachers is essential to producing a pool of educators who will influence the next generation.
 - **National Digital Library for children and Adolescents:** A national digital library for schools will **be developed** with works by **reputable Indian and international authors** to enable all school students to read and learn with books even when they do not have physical access to libraries and to have a wider range and larger selection of books in regional languages.

Higher Education

- This budget clearly reflects the Hon'ble Prime Minister's vision of "**Jai Jawan, Jai Kisan, Jai Vigyan, and Jai Anusandhan**." The government has laid emphasis on new age technologies.
 - **Centres of Excellence for Artificial Intelligence:** Three Artificial Intelligence Centres of Excellence (CoE) will be built in prestigious educational institutions to make the vision of "**Make AI in India**" and "**Make AI work for India**" a reality.
 - **Lab Grown Diamonds (LGDs):** A **research and development grant for indigenous production** is given in recognition of the NTs' pioneering role in the nation's research excellence.
 - **5G Services:** To actualize a new variety of options, business models, and employment potential, 100 laboratories for **developing apps using 5G services** will be set up in **Higher Education Institutes (HEIs)**.
 - **National Data Governance Policy:** To **unleash innovation and research by start-ups** and academia, a National Data Governance Policy will be brought out.

Conclusion

- India has made **significant strides in achieving universal access to elementary education** and is working diligently to meet the SDG target of achieving equitable, inclusive and quality **secondary education for all by 2030**.
- Union Budget 2023-24 is a step to augment and further the efforts to achieve the objectives of NEP 2020 and SDG 4 and the announcements would also enable and strengthen the ongoing educational advancement.

7. Budget for Youth of Amrit Kaal

Introduction

- As the largest democracy with the **highest working-age population**, India has a unique opportunity to strengthen its contribution to the global economy as countries adapt to a post-pandemic setting riddled with challenges.
- The latest budget places a significant emphasis on **empowering India's demographic dividend**, the youth, on leading the country towards its vision for the Amrit Kaal.

Opportunity

- The average age of the Indian population is less than 29 years. In 2020, about **67 percent of India's population was in the working age range of 15-64** - this part is known as the 'demographic dividend'.
- The **growing working-age population** presents a massive opportunity for the country as it strives to **grow into a \$5 trillion economy**.

Empowering the Youth through Education and Skilling

- The Union Budget 2023 has significantly boosted youth empowerment in the country. Finance Minister Nirmala Sitharaman announced Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0 aimed at skilling lakhs of youth within the next three years.
- The **30 Skill India international centres** focused on emerging technologies, with a strong focus on on-the-job training, will contribute to the country's expanding knowledge capital, positioning India as a strong digital contender.
- The finance minister added that the **digital ecosystem for skilling** would be further expanded with the launch of a **unified Skill India Digital platform** for enabling demand-based **formal skilling, linking with employers**, and facilitating access to entrepreneurship schemes.
- The Finance Minister also announced **Direct Benefit Transfer under** a pan-India **National Apprenticeship Promotion Scheme** would be rolled out to provide stipend **support to 47 lakh youth in three years**.

Enabling the Backbone of the Economy

- MSMEs and startups have excellent growth potential and have the potential to drive the country's economic growth and development. The Government of India has implemented several policies and initiatives to help the growth of MSMEs and startups, including tax benefits, financing support and market access.
 - **Credit Guarantee for MSMEs:** The Finance Minister said that last year, the **budget proposed revamping the credit**

guarantee scheme for MSMEs and announced happily that the revamped scheme will take effect from 1st April 2023 through the infusion of Rs 9,000 crore in the corpus.

- **Tax Benefits** - The presumptive tax scheme was earlier available for **small businesses with a turnover of Rs 2 crore** and professionals with a turnover of Rs. 50,000. The Union Budget 2023 **raised the limits for taxpayers of less than 5 per cent cash receipts to Rs. 3 crore and Rs. 75 lakh**, respectively.
- **Digital Infrastructure:** The new concept Pradhan Mantri Vishwakarma Kaushal Samman (**PM-Vikas**) scheme will enable artisans to **improve the quality and accessibility of their products** while integrating them into the value chain of micro, small and medium enterprises. Entity **DigiLocker** will be installed for MSMEs apart from major commercial and philanthropic organisations.

Implementation Strategy

- For India to emerge as the world's talent hub for digital skills, the following strategies are to be adopted.
 - **Identifying Areas of National importance:**
 - Artificial Intelligence and Machine Learning
 - Technologies for Internet of Things and Everything (IoT & IOE), Sensors, Activators and Control
 - Databanks & Data Services, Data Analytics
 - Advanced Communication Systems
 - Robotics & Autonomous Systems
 - Cyber Security and Cyber Security for Physical Infrastructure
 - **Implementing the National Education Policy on priority**
 - **Building Alternate Talent Pools**
 - **Incentivising Skilling**
 - **Exploring Innovative Learning Models**
 - **Democratising Training**

Conclusion

- Over the past five years, India has taken a holistic approach to support startups on multiple fronts, enabling policies, **building institutional mechanisms at the central and state levels**, and sandboxing implementation sandboxes.
- In addition to policy-level reforms, the main goal is to spread a sense of unity among the **G20 countries** to promote startups and make a concerted effort **to create impactful technology solutions and grow sustainably**.
- With the theme of '**Vasudhaiva Kutumbakam**', the G20 presidency presents India with an opportunity to reinforce its contribution to the world economic order.

8. Trade and Industry

Introduction

- Before discussing the impact of Budget 2023-24 on the country's trade and industry, it is important to understand the manner in which the Government decisions in the Annual Budget impact the various sectors:
 - **Government spending:** The total size of Government spending in 2023-24 is proposed to be around Rs. 45 lakh Cr. Despite such high Government spending, the **fiscal deficit for 2023-24** has been targeted at just **5.9 percent of the GDP**, which is **lower than the projected 6.4 per cent in 2022-23**. This means that not only are Government revenues projected to be higher in 2023-24 in comparison to 2022-23, but the Government would also be **borrowing less in the next Financial Year**, hence more money in the market available for the industry and business at a lower rate of interest, thereby keeping inflation under check.
 - **Direct Taxation: Corporate tax rate** along with exemptions/tax breaks etc are used to make the domestic industry more competitive. In Budget 2023-24, the Government has chosen to not only give tax incentives to MSMEs and Cooperative societies but has also lowered the personal tax rate. Both these measures would go a long way in fueling the domestic growth rate.
 - **Indirect Taxation: Reducing or increasing Customs duty** is an effective tool to promote domestic manufacturing. By lowering Import duty on raw materials/components, the Government attempts to **reduce the cost of manufacturing for specific sector**.

Now let us discuss the impact of important Budget announcements on the specific segments of trade and industry in India:

- One of the major highlights of Budget 2023-24 is the **thrust on Green Growth**. The recently launched **National Green Hydrogen Mission**, with an outlay of Rs. 19,700 crores, will facilitate transition of the economy to **low carbon intensity, reduce dependence on fossil fuel imports**, and make the country assume technology and market leadership in this sunrise sector.
 - Additionally, the **Budget provides Rs. 35,000 crore for priority capital investments towards energy transition and net zero objectives**, and energy security by Ministry of Petroleum and Natural Gas.

- Also, **Battery Energy Storage Systems** with capacity of 4,000 MWH have been proposed to be supported with **18 Viability Gap Funding**.
- The agriculture credit target is sought to be enhanced to Rs. 20 lakh crore with focus on animal husbandry, dairy and fisheries.
- The outlay for PM Awas Yojana is being **enhanced by 66 percent to over 79,000 crores**.
- A **capital outlay of 2.40 lakh crore** has been provided for the Railways. Similarly, Jal Shakti Ministry which is spearheading the "**Har Ghar Jal**" mega-project is being allotted more than Rs 97000 Cr. The **capital outlay for Ministry of Road Transport and Highways** has been **increased over 24.5 percent**.
- **One hundred critical transport infrastructure projects**, for last and first mile connectivity for ports, coal, steel, fertiliser, and food grains sectors have been identified.
- Like the Rural Infrastructure Development Fund (RIDF), an **Urban Infrastructure Development Fund (UIDF)** is proposed to be established through use of priority sector lending shortfall. This will be **managed by the National Housing Bank**, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- For **enhancing ease of doing business**, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalised. For furthering the trust-based governance, the **Jan Vishwas Bill to amend 42 Central Acts** has been introduced.
- **PM Vishwakarma Kaushal Samman (PM VIKAS)** is aimed at providing the artisans a package of assistance for enabling them to improve the quality, scale and reach of their products and integrating them with the MSME value chain.
- The **Inter-state transmission system** for evacuation and **grid integration of 13 GW renewable energy from Ladakh** has been proposed to be constructed with investment of 20,700 cr.
- As a result of various initiatives of the Government, including the **Phased Manufacturing programme**, mobile phone production in India has increased from 5.8 crore units valued at about 18,900 crores in 2014-15 to 31 crore units valued at over 2,75,000 crore in the last financial year.
- To facilitate availability of raw materials for the steel sector, **exemption from Basic Customs Duty on raw materials for manufacture of CRGO Steel**, ferrous scrap and nickel cathode is being continued.
- Similarly, the **concessional basic Customs Duty (BCD) of 2.5 percent** on copper scrap is also being continued to ensure the

availability of raw materials for secondary copper producers who are mainly in the MSME sector.

Conclusion

- To sum up, **Budget 2023-24** is an important step towards **not only boosting the domestic manufacturing and services sector through elevated public spending**, especially capital spending, but also to incentivize domestic manufacturing and steering the country on the path of green growth, thereby emphasising the country's commitment to net zero emission by 2070.

9. Development of the Tourism Sector

Introduction

- According to **United Nations World Tourism Organisation**, tourists are persons travelling for leisure and other purposes, from their usual home environment to a destination, for at least one night and not more than a year, and return back to the place of origin. Tourist Generating Region (TGR) is the region where the tourist journey starts and ends (Leiper 1979).
- The table mentioned below, sourced from India **Tourism Statistics 2022, Ministry of Tourism (MoT), Government of India (GoI)**, mentions top 10 source countries (TGRs) for foreign tourist arrivals in India in the year 2021

Top 10 source Countries for Foreign tourist Arrivals (FTAs) in India in 2021

S. No.	Source Country	FTAs	Percentage (%) Share
1	United States	429860	28.15
2	Bangladesh	240554	15.75
3.	United Kingdom	164143	10.75
4	CaNADA	80437	5.27
5	NEPAL	52544	3.44
6	AFGHANISTAN	36451	2.39
7	AUSTRALIA	33864	2.22
8	Germany	33772	2.21
9	Portugal	32064	2.10
10	France	30374	1.99
	Total Top 10 Countreis	1134063	74.26
	Others	393051	25.74
	Grand Total	1527114	100.0

Source:- Bureau of Immigration, Govt. of India

Promoting Domestic Tourism

- In line with the theme of **Aatma Nirbhar Bharat**, capitalising on the key theme of latest IMF projection i.e. 'resilient domestic demand', it is absolutely pragmatic to promote Domestic Tourism, as it may help in **countering this consistently growing trend in Indians** (fuelled by

social media platforms) to **aspire for foreign destinations** (despite increase in air fares and visa delays) when they think about tourism.

- **Outbound tourism** does not benefit the TGR. The foreign country visited by the tourists reaps the majority of economic benefits of tourism. **Inbound Tourism** makes a country earn foreign exchange which positively impacts the balance of payments but over dependence of tourism industry on Inbound Tourism may lead to very severe shock, if Inbound Tourism halts due to un-controlled variables.

Sectoral Allocation-Union Budget 2023

- The key budgetary take aways regarding tourism sector in **Union Budget 2023** should be seen in the light of the above perspective. The **budget allocation for tourism sector** was 2,400 crores. **1412 crore** have been allocated for **Swadesh Darshan Scheme**.
- The budget speech **mentioned 'Tourism' as one of the four opportunities** (other three include, Economic Empowerment of Women, PM Vishwakarma Kaushal Samman i.e. PM VIKAS and Green Growth), that can create credible transformations in India in the coming decades.
 - Budget underlined the **potential of tourism to boost jobs** and create opportunities for entrepreneurship for youth.
- National Mission on **Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive** (PRASHAD), is a Central Sector Scheme, focussed on integrated development of identified pilgrimage and heritage destinations.

Hosting G-20 Meet 2023- Showcasing India as a destination

- The **Union Budget 2023** emphasised on the opportunity India has to present itself as a preferred tourist destination, in being the host to the **Group of Twenty (G20) presidency**.
- This may lead to higher inbound tourist arrivals from the participating countries in future.

Accessibility and Supportive Infrastructure

- 'Infrastructure and Investment' is one of the seven priorities (Saptarishi') adopted by the Union Budget 2023. Union Budget 2023 mentioned that under Regional Connectivity Scheme (RCS), 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- **Ude Desh Ka Aam Naagrik (UDAN)** was launched as a RCS under the **Ministry of Civil Aviation in 2016**, to develop the regional aviation market and to provide affordable, economically viable and profitable air travel on regional routes to the **common man even** in small towns.

Amrit Dharohar: Facilitating Eco- Tourism

- Wetlands are vital ecosystem which sustain biological diversity. Many wetlands are areas of natural beauty and are offered as **ecotourism attractions** (E.g. Sur Sarovar in Agra, U.P.).
 - The **Union Budget 2023** says that government will promote **Wetland's unique conservation values through Amrit Dharohar**, a scheme that will be implemented over the next three years to encourage optimal use of wetlands, and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.
 - **Sunderbans Mangrove forest** is a world famous eco-tourism spot; it lies on the delta of the Ganges, Brahmaputra and Meghna rivers on the Bay of Bengal. It is adjacent to the **border of India's Sundarbans UNESCO World Heritage site** (Natural).

Unity Mall (Souvenirs in Tourism)

- In a move facilitating the availability of **indigenously made souvenirs to the tourists**, Union **Budget 2023** mentions that, states will be encouraged to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (**one district, one product**), **GI products and other handicraft products**, and for providing space for such products of all other states.
- In Union Budget 2023, **PM Vishwakarma Kaushal Samman (PMVIKAS)** has been conceptualised for **encouraging traditional arts and handicrafts**.

Rural (Border) Tourism: Vibrant Villages Programme

- Diversifying the basket of rural tourism offerings, in **Union Budget 2023**, under the scheme of **Vibrant Villages Programme**, tourism infrastructure and amenities will be facilitated in border villages.

Conclusion

- It is irrefutable to question the **growing influence of the tourism sector** as an economic powerhouse and its potential as a tool for development.
- Ultimately all the **government initiatives**, including the budget, should make travel more experiential which is exactly what travel enthusiasts are looking for. **Government projects, executed properly** can make the tourist experience **more wholesome and seamless**.