

AN EVALUATION OF THE FINANCIAL ALLOCATION AND ACTUAL EXPENDITURE INCURRED IN THE UNION BUDGET FOR RURAL DEVELOPMENT SCHEMES DURING THE LAST FIVE YEARS

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ABSTRACT

Rural development is the basic condition for the development of the country. 68.9% of the total population lives in villages. As a large part of the country's population lives in rural areas, many schemes have been implemented by the government for rural development. In the present study the study of MNREGA Rural Development Scheme, National Social Assistance Programme, Pradhan Mantri Krishi Sinchai Yojana, National Rural Livelihood Mission, Pradhan Mantri Gram Sadak Yojana, Digital India Land Records Modernization Program and Swachh Bharat Mission-Rural Yojana is based on secondary data sources. The main objective of this study is to study the amount allocated in the budget for rural development schemes by the central government of India and its actual expenditure. At the end of the study it is concluded that the actual expenditure is less than the income in every scheme except MNREGA scheme. The MNREGA scheme and the National Social Assistance Program have witnessed higher actual expenditure than revenue in the past five years despite higher revenue allocations due to the Covid-19 period.

Keywords: Rural Development, Amount Allocation of the Scheme, Actual Expenditure of the Scheme.

Introduction

India is known to be a land of rural areas and is likely to remain so in the present and in the future as well. Gram has been the basic unit of administration since Vedic times. The history of India is the history of villages. The rural sector of India occupies a large proportion of the country in terms of area and population. Rural sector is the basic foundation of Indian economy. The Indian economy is fundamentally rural - this fact can be gleaned from the fact that 68.9% of the total population in India lives in villages. Rural development itself has its own significance as one lives in the countryside. The main source of livelihood in rural areas is agriculture which contributes 19.9% to the Gross National Product in 2020-21. The rural economy contributes 46% to the national income and 25-30% to the country's gross domestic product, hence rapid development of the rural sector becomes an imperative and imperative.

Rural Development

Rural development includes the strategy for overall development of the country's rural areas and its implementation so that the income and production of the rural people increases, they get a balanced diet, they become well-educated and healthy, they can adequately meet the needs of life and at the same time there is a qualitative improvement in their lives. Secondly, during the process of rural development it is of utmost importance that the allocated income reaches the poor and their living standards are also improved quantitatively and qualitatively. A major goal of rural development is to sensitize and encourage

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the rural population to become partners in the development process and to free the poor from poverty, reduce unemployment, improve health and educational status. Strategies, policies and projects to improve the income and standard of living of the villagers and especially the poor by making better use of physical and human resources and effectively involve the poor in development work can be called rural development.

Rural Development Schemes

Rural development has been thought about since ancient times. Rural development targets a sector of the economy that faces severe poverty and lacks basic infrastructure services. Hence rural development emphasizes the need to solve the various problems of the rural economy which are hampering the development. Even in post-independence India, efforts have been made by the government through various schemes for rural development and at present rural development is an important factor for the development of the Indian economy. Rural development in India has assumed a new dimension and perspective as a result of its approaches, strategies and development programs so that rural development can be more prosperous. People's participation and planned efforts of the government and allocation of adequate financial resources and adequate expenditure are central to rural development. The Ministry of Rural Development in India is the apex body responsible for development and welfare activities in rural areas. The main objective of this ministry is to increase livelihood opportunities, provide social security and increase infrastructure by undertaking several programs and schemes related to rural development. The Government of India has implemented several rural development schemes with the aim of enabling rapid development of rural development. The Union Budget of the Government of India allocates funds to rural development schemes and attempts to develop the rural areas by spending quality real money.

Literature Review

As a result of rural development programmes, the focus is on reducing unemployment and improving the economic status of marginal farmers by organizing training programs for rural unemployed youth and poverty alleviation. Community participation is the main basis for the success of various rural development schemes so the set goal of the scheme can be achieved by effectively involving the people in the rural development mechanism for social mobility. Hence, the government should implement attractive schemes to maintain the good socio-economic condition of the rural region (Mohapatra and Prishti, 2021). The Government has allocated an amount of Rs.2,87,000 crores to Gram Panchayat Yojana of Rural Development for the purpose of speeding up rural development, which is more than any other scheme. Agriculture scheme which is the basic of rural development is not getting sufficient funds in terms of need so it becomes necessary for the government to support the agriculture scheme. Apart from this, it is difficult to get the expected results if the implemented schemes are not properly implemented in a planned manner. As a solution, it is necessary to allocate sufficient income to the scheme in the budget (Mohapatra, 2016). It becomes necessary to assess the credibility of the central government budget based on the differences between the amount allocated in the budget and the actual expenditure incurred overall. The difference between the amount allocated in the budget and the expenditure incurred for rural development is more than 15% in 2007-08 and 2010-11, 5% in 2013-14 and 15% in 2016-17 respectively. The difference between the amount allocated in the budget and the actual expenditure calls into question the credibility of the budget. Efforts should therefore be made to strengthen the overall public financial system by implementing budget reform programs (Jena and Sikdar, 2019).

Objective of the Study

The main objective of the present study is to study the financial allocation and actual expenditure allocated in the budget for rural development schemes by the central government of India.

Research Methodology

Secondary sources of data collection have been used for the research study. In which statistical analysis has been done on the basis of percentage method by collecting data based on research papers, annual reports related to government budget.

Analysis of Data

Many rural development schemes have been implemented by the central government for the development of rural areas. In order to deliver rural development, financial allocation is made by the Government of India in the budget for the effective functioning of the rural scheme. Table No-1 shows the

financial amount allocated during the five year period from 2017-18 to 2021-22. Table No-2 shows the figures of the actual expenditure incurred on the scheme compared to the amount allocated in the budget in the five-year period of the scheme implemented in the sense of continuous, rapid and sustainable development of the rural area.

Table 1: Financial Amount Allocated in Budget to Rural Development Scheme (Rs. Crores)

Sr. No.	Name of Scheme	2017-18	2018-19	2019-20	2020-21	2021-22
1	MGNREGA Scheme	48,000	55,000	60,000	61,500	73,000
2	National Social Assistance Program	9,500	9,975	9,200	9,197	9,200
3	Pradhan Mantri Krishi Sinchai Yojana	2,150	2,251	2,066	2,000	2,000
4	Pradhan Mantri Gram Sadak Yojana	19,000	19,000	19,000	19,500	15,000
5	National Rural Livelihood Mission	4,500	5,750	9,024	9,210	13,678
6	Swachh Bharat Mission-Rural	13,948	15,343	9,994	9,994	9,994

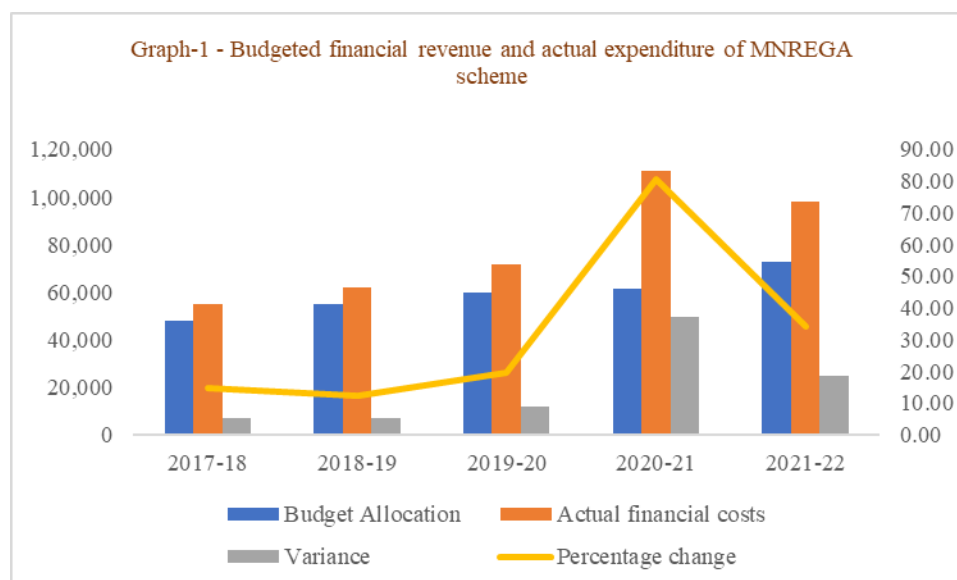
Source- Ministry of Rural Development, 2022

Table 2: Actual Expenditure on Rural Development Scheme (Rs. Crores)

Sr. No.	Name of Scheme	2017-18	2018-19	2019-20	2020-21	2021-22
1	MGNREGA Scheme	55,166	61,815	71,687	1,11,170	98,000
2	National Social Assistance Program	8,694	8,418	8,692	42,443	8,730
3	Pradhan Mantri Krishi Sinchai Yojana	1,671	1,786	1,467	938	1,216
4	Pradhan Mantri Gram Sadak Yojana	16,862	15,414	14,017	13,688	14,000
5	National Rural Livelihood Mission	4,327	5,783	9,022	9,208	11,710
6	Swachh Bharat Mission-Rural	16,888	12,913	8,213	6,000	7,192

Source- Ministry of Rural Development, 2022

MGNREGA Scheme



Checking the budget allocation to MNREGA scheme by the central government of the country, it is found that Rs.48,000 crore was allocated in the year 2017-18. In which there is a significant increase in the amount of budget allocation every year. In the year 2021-22, an amount of Rs.73,000 crore has been allocated to MNREGA scheme. Compared to the year 2017-18, 52.08% more amount was allocated to MNREGA scheme implemented to increase employment opportunities in rural areas. Checking the figures in Table No.2 of Actual Expenditure shows that during the five-year period from 2017-18 to 2021-22, the MNREGA scheme has seen a continuous increase in the amount allocated in the budget, and the actual financial expenditure has also been the highest. Actual expenditure of 1,11,170 crores was recorded in 2020-21 with the highest amount during the five year period with an allocation of Rs.61,500 crores in 2020-21. An important reason for the increase of 77.65% in the actual expenditure incurred

under MNREGA scheme in the year 2021-22 as compared to the year 2017-18 is the migration of workers from urban areas to rural areas during the period of Covid-19 which created a higher demand for employment in rural areas. As a result, to meet the demand for more employment, the government has allocated more money in the budget and increased the proportion of actual expenditure. A study on the financial amount allocated to the MNREGA scheme in five years and the actual expenditure incurred shows that the MNREGA scheme has received the highest budget allocation of Rs.59,500 crore compared to other schemes in an average period of five years, under which the average five-year expenditure is Rs.71,667. crores which is the highest planned actual expenditure over a period of five years compared to other schemes.

National Social Assistance Programme

A perusal of the financial figures allocated to the National Social Assistance Program shows that it increased from Rs.9500 crore in 2017-18 to Rs.9975 crore in 2018-19 and Rs.9,200 crore in 2019-20, 2020-21 respectively. Rs.9,197 crores in the year 2021-22, a financial amount of Rs.9,200 crores has been allocated which is a decrease of -3.16% compared to the year 2017-18. The National Social Assistance Program appears to have spent less than the allocated amount in the five-year budget, but in 2020-21 the scheme incurred a huge actual expenditure of Rs 42,443 crore against an allocated amount of Rs 9,197 crore. In the event of the Covid-19 epidemic, the poor welfare package and Rs. 500 in the bank account of the women holders by the government as a financial assistance, costing Rs. 30,945 crore. After that in the year 2021-22 i.e. in a short period of one year Rs.8730 crore was spent which is less than the previous year. In summary it can be said that the actual expenditure of Rs.15,395 crore has been incurred under the scheme against the revenue of Rs.9,200 crore for the National Social Assistance Program over an average period of five years.

Pradhan Mantri Krishi Sinchai Yojana and Digital India Land Records Modernization Programme

A financial sum of Rs.2,150 crore has been allocated to the Pradhan Mantri Krishi Sinchai Yojana and Digital India Land Records Modernization Program in the budget for the year 2017-18 with respect to the performance of the scheme with a general increase or decrease in the budget of the respective years as compared to the year 2017-18 -6 An amount of Rs.2000 crore has been allocated by reducing by 98%. Compared to the last five years, the minimum amount has been paid to both the above rural development schemes. The Pradhan Mantri Krishi Sinchai Yojana and the Digital India Land Records Modernization Program have seen a reduction in the ratio of actual expenditure over the allocated amount over five years. In the year 2017-18, the expenditure was Rs.1,671 crore compared to Rs.2,150 crore, and in 2020-21, the actual expenditure was Rs.938 crore compared to Rs.2,000 crore. Compared to the actual expenditure of the year 2017-18, there has been a decrease of -27.22% in the five-year period of 2021-22. Due to lack of focus by the state governments in some states and delay in disbursement of central government funds to the state governments, the allocated amount has been underutilized in the last five years of the budget revenue. Pradhan Mantri Krishi Sinchai Yojana and Digital India Land Records Modernization Program have incurred an expenditure of Rs.1,416 crore against an average revenue of Rs.2,093 crore.

Pradhan Mantri Gram Sadak Yojana

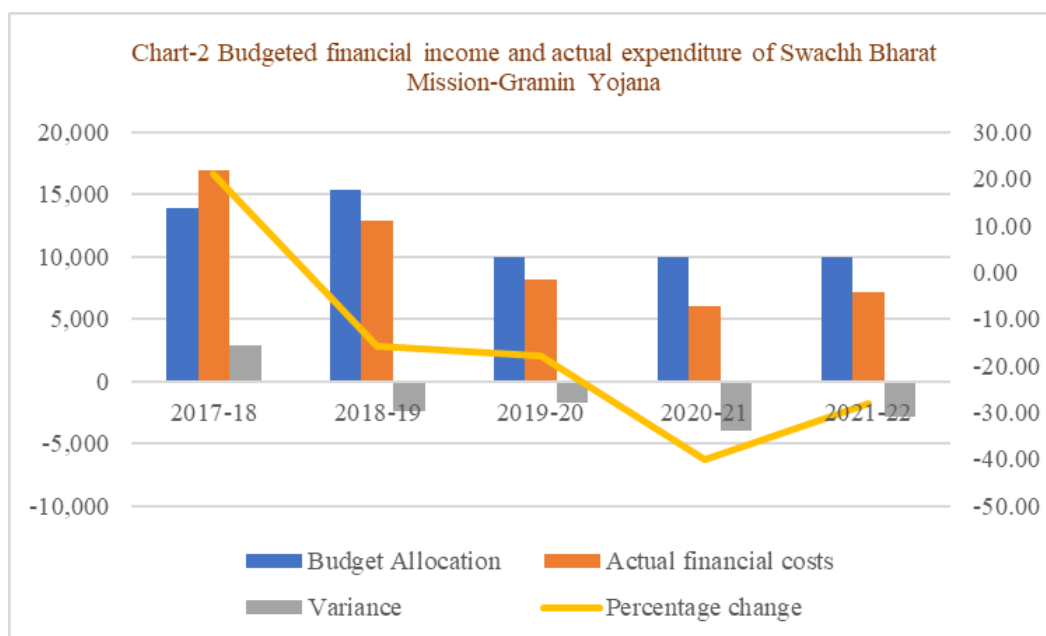
Analyzing the amount allocated in the budget for the Pradhan Mantri Gram Sadak Yojana, it appears that Rs.19,000 crores in 2017-18, 2018-19, 2020-21 and Rs.19,500 crores in 2020-21, Rs. 15,000 crore allocated which from the five year budget figures shows that the amount has been reduced by -21.05% as compared to the year 2017-18. The Pradhan Mantri Gram Sadak Yojana has seen a reduction in actual expenditure over five years as compared to the amount allocated in the Budget by the Central Government. In 2017-18, Rs.16,862 crore was spent against an allocation of Rs.19,000 crore and in 2021-22, despite an allocation of Rs.15,000,000 crore, Rs.14,000 crore was spent, which in the actual five-year expenditure was -16. A decrease of 97% has been reported. Slow progress of road construction in rural areas of the country is responsible for the fall in expenditure compared to income in the last 5 years. The expenditure on Pradhan Mantri Gram Sadak Yojana is Rs.14,764 crore as compared to Rs.18,300 crore in an average period of five years.

National Rural Livelihood Mission

National Rural Livelihood Mission in 2017-18 Rs. 4,500 crore was allocated and the scheme has seen a steady increase in the budgeted amount in subsequent years. Compared to the year 2017-18, the amount of Rs.13,678 crore in 2021-22 has been increased by 203.96% in terms of percentage. The National Rural Livelihood Mission has seen an increase in actual expenditure of Rs.4,327 crore in 2017-

18 and Rs.11,710 crore in 2021-22 with an increase in allocation in the budget from 2017-18 to 2021-22. Compared to the year 2017-18, the increase in actual expenditure is 170.63% more. As the primary objective of the scheme is to develop diversified and gainful self-employment opportunities by providing good wages to skilled workers, it undertakes greater public financial expenditure to promote entrepreneurship in rural areas. Besides, the government also provides financial assistance to self-help groups in rural areas, which is also a reason for the increase in actual expenditure over budgeted income. The National Rural Livelihood Mission has an actual expenditure of Rs.8010 crore against an average income of Rs.8,432 crore.

Swachh Bharat Mission-Rural



Swachh Bharat Mission-Rural Yojana, implemented to improve the level of sanitation in the rural areas of the country, has been allocated an amount of Rs.13,948 crore, Rs.15,343 crore, and Rs.9,974 crore in the last three years respectively. Which shows a huge decrease of -28.05% in the year 2021-22 with a continuous decrease in the amount of budget allocation from the year 2017-18. Swachh Bharat Yojana-The main reason for the reduction in government budget distribution to rural areas is that the present scheme has achieved 100% achievement in rural areas according to government statistics. And another reason is that the Swachh Bharat Yojana Part-II was implemented from the year 2020-21 with the main objective of providing a financial allocation of Rs. As a result of the allocation being made for the next five years, the financial allocation to Swachh Bharat Yojana-Rural has been reduced. Swachh Bharat Mission-Gramin Yojana recorded an actual expenditure of Rs.16,888 crore as compared to an allocation of Rs.13,948 crore in 2017-18, which shows a continuous decline in the actual expenditure of the scheme from 2018-19 to 2020-21. As compared to the amount of Rs.9,994 crore in the year 2021-22, the expenditure incurred by the government was Rs.7,194 crore, which is a decrease of 57.41% in the actual expenditure of the scheme compared to the year 2017-18. As a proportion of the actual expenditure of the scheme, the scheme has recorded a significant reduction in expenditure as the government has achieved the target of sanitation related work done in the rural areas in the initial years of the scheme. The Swachh Bharat Mission-Gramin Yojana recorded an actual expenditure of Rs.10,241 crore as against an average allocation of Rs.11,855 crore over the five years from 2017-18 to 2021-22.

Finding and Conclusions

Continuous efforts are being made by the Government of India to further boost the rural economy. Various schemes have been implemented by the government to get favorable results in rural development. Out of which the MNREGA scheme of rural development implemented in rural areas, National Social Assistance Programme, Pradhan Mantri Krishi Sinchai Yojana, National Rural Livelihood Mission, Pradhan Mantri Gram Sadak Yojana, Digital India Land Records Modernization Program and

Swachh Bharat Mission-Rural Yojana budgeted revenue allocation and actual expenditure incurred. is analyzed. Examining the received figures of the schemes, it seems that the ratio of actual expenditure to income is low in every scheme except MNREGA scheme and National Social Assistance Programme.

A study of the amount allocated in the budget and the actual expenditure of rural schemes of the last five years shows that MNREGA has received the highest budget allocation of Rs.59,500 crore compared to other schemes in an average period of five years, under which the average five-year expenditure is Rs.71,667. crores which is the highest planned actual expenditure over a period of five years compared to other schemes. The actual expenditure of the National Social Assistance Program is Rs.15,395 crore against an income of Rs.9,200 crore over an average five-year period under the scheme. The period of Covid-19 is responsible for the increase in the actual cost of both these schemes. The National Rural Livelihood Scheme has recorded a steady increase in the budgeted amount. Compared to the year 2017-18, there has been a percentage increase of 203.96% in 2021-22. The National Rural Livelihood Mission has seen an increase in actual expenditure of Rs 4,327 crore in 2017-18 and Rs 11,710 crore in 2021-22 with an increase in allocation in the budget from 2017-18 to 2021-22. Compared to the year 2018, the increase in actual expenditure is 170.63% higher. Hence it is concluded that as a result of the government's efforts to eradicate poverty in rural areas, there has been an increase in real expenditure in this year. Pradhan Mantri Krishi Sinchai Yojana and Digital India Land Records Modernization Program have incurred an expenditure of Rs.1,416 crore against an average revenue of Rs.2,093 crore. Swachh Bharat Mission-Gramin Yojana recorded an actual expenditure of Rs.10,241 crore against an average allocated revenue of Rs.11,855 crore in the five years from 2017-18 to 2021-22. Actual expenditure less than budget allocation indicates poor performance of the plan.

The average difference between the budgeted financial figures and the actual expenditure of the schemes implemented in rural development sense presents a true picture of how transparent the scheme's performance is. Significant progress in rural development can definitely be achieved if the funds actually allocated in the budget are effectively invested in the schemes.

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