

Education as Social Infrastructure: Essentials from the budget 2024-25



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Abstract:

Article 112 of the constitution requires to present an "Annual financial statement" before both houses of parliament, which is a statement of estimated receipts and expenditures of the Government of India. This annual financial statement is commonly known as the budget and significantly influences the economic direction and governance of a country. It serves as a detailed outlay of the government's income and spending, impacting economic indicators such as GDP, consumption, Investment, and stability. Through aware allocation of resources in budget, they can prioritize key areas like healthcare, education, and infrastructure development leading to the upliftment of the quality of life of citizens and the development of a country as a whole. This year's budget allocation totals to Rs. 45,03,097, exceeding last year's allocation of Rs 39,44,908.67 crore. Education, being a foundational aspect of societies, shapes the future of individuals and communities. Governments should prioritize education in their budget allocation and by investing in the same they are investing in the development and progress of their nation.

Keywords:

Union Budget 2024-25, Education, Reforms, Social Infrastructure, Development.

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Introduction:

The recent Union budget of India (FY 2024 – 25), presented by Finance Minister, Nirmala Sitharaman, has initiated widespread discussions and debates throughout the nation. The budget includes provisions for healthcare, agriculture, infrastructure, and the education sector, all of which are crucial for the growth and development of the country. The allocation of funds in different areas reflects the government's priorities and goals for the upcoming financial year. The decisions made in the budget can have significant impacts on the economy and the lives of the citizens, making it highly significant from the country's perspective. Without a strong educational foundation, individuals may struggle to compete in the global economy and contribute to the advancement of society. Therefore, governments need to continue to invest in education and ensure that all citizens have access to quality learning opportunities. For example, in Finland, the government has prioritized education by providing free and equal access to high-quality schooling for all.

Key Features

The Union Budget 2024-25 has introduced significant initiatives and allocations aimed at enhancing India's education and employment landscape. Major highlights include:

1. In the recent budget, a significant amount of ₹1.48 lakh crore has been allocated for the development of education, employment, and skill enhancement programs. This substantial investment reflects the

government's commitment to enhancing accessibility and quality of education, fostering skill development, and employment opportunities.

2. A new initiative aims at providing financial assistance of up to ₹10 lakh for pursuing higher education from domestic institutions. Under this scheme, e-vouchers will be distributed to one lakh students annually, along with a 3% interest subsidy, making higher education more affordable and within reach for aspiring students.
3. A centrally sponsored scheme has been launched to skill 20 lakh youth over five years, focusing on aligning their skill sets with the dynamic needs of industries. The proposal includes the modernization of 1,000 Industrial Training Institutes (ITIs) using a hub-and-spoke model to enhance the quality and relevance of technical education.
4. Another program will provide internships to 1 crore youth in 500 leading companies over the next five years. Successful candidates will be offered a monthly stipend of ₹5,000 as well as a one-time allowance of ₹6,000. Aiming to narrow the divide between academic learning and practical work experience.
5. Additionally, the budget includes provisions aimed at encouraging first-time job seekers and easing the burden on employers who are hiring new personnel. A fresh initiative will offer direct salary support, reimbursing employers upto ₹3,000 per month for two years for each new employee hired. Financial incentives will be tied to contributions made to the Employees' Provident Fund Organization (EPFO) in the initial four years of employment.
6. Furthermore, there are plans to support working women, the budget proposes establishing hostels, ensuring safe and affordable accommodation.

With regards to skilling, the **Ministry of Skill Development and Entrepreneurship** executed a pilot project on entrepreneurship development under the PM-YUVA scheme in 10 states and 2 union territories. The primary objective was to create a supportive ecosystem for entrepreneurship development through education, training, advocacy, and easy access to entrepreneurial networks. This project targeted students, trainees, and alumni from the skilling ecosystem. The Union budget gave space for women's hostels and creches along with skilling programs to create employment opportunities for about 4.1 crore people over the next five years.

Case Study: Women empowerment through up-skilling

This article tries to link the education with the upskilling and women empowerment as mentioned by our Hon'ble Finance Minister Mrs. Nirmala Sitharaman in the interim budget of 2024-25 as well as the union budget of 2024-25. An allocation of about 3 lakh crore has been allocated to schemes related to women and their upskilling.

Shahi Exports is an indigenous apparel brand owned by Sarla Ahuja. She began her career as a sewing machine operator. The initiative by her firm focuses on training rural women in sewing skills, enabling them to join the formal workforce, thus contributing to the achievement of Sustainable Development Goals (SDGs) such as gender equality (SDG 5) and decent work and economic growth (SDG 8).

The apparel industry in India has a majority of female employers thereby, holding the power to break some of the societal barriers by providing access to skill-building and employment opportunities to rural women. Each batch of training at shahi apparel consists of 30 candidates with a running time of 45-60 days and the curriculum is designed by the Sector Skill Council (SSC) including modules such as -

- Technical training in industrial sewing
- Technical training in industrial sewing machine operations
- English training

This led to successfully providing training to over 25000 women, with around 22000 of them being placed. This program offers formal employment opportunities to women who have never experienced a professional work environment

before. It enables women to achieve financial independence, nurturing their confidence and enhancing their involvement in family decision-making.

Rudrani, a woman from Jharkhand, got married after finishing high school and later discovered that she was in an abusive marriage with her husband who had a drinking problem. post a 45-day training program in Bangalore, she joined Shahi's factory as a sewing machine operator. With the money she earned, she was able to support the education of her two younger sisters and became an inspiration for women facing domestic violence, showing them that it's possible to break free and become independent.

The transition from the 2023-24 budget to the 2024-25 budget represents a significant change in fiscal priorities, moving from recovery-focused measures to a forward-looking strategy targeting long-term growth and development. The 2024-25 budget placed a stronger emphasis on higher education infrastructure and skill development, whereas the 2023-24 budget mainly focused on recovering from the pandemic. The 2023-24 budget predominantly concentrated on digitalization and infrastructure improvements, while the 2024-25 budget placed greater emphasis on skill development initiatives and creating employment opportunities. In the 2024-25 budget, specific measures were included to increase female participation in higher education and enhance healthcare education, areas that were less emphasized in the previous year's budget.

Major Issues

The allocation of ₹1.48 lakh crore for education and skill development, along with various schemes, is ambitious and it will require efficient implementation. Also, it may pose a significant challenge to ensure that funds are used effectively and reach to target beneficiaries. Outreach programs and support mechanisms are needed to ensure that these opportunities are accessible to all, including those from underprivileged backgrounds. It also emphasizes upgrading ITIs and skills development programs. However, ensuring that these initiatives align with industry requirements and maintaining consistent educational quality across institutions poses a significant challenge. The budget's significant dependence on borrowing to fund expenses carries the potential of raising the fiscal deficit. If revenue forecasts are not met, unforeseen expenses will arise, and the projected fiscal deficit of 4.9% of GDP could pose risks. This could lead to inflation and negatively impact the overall economy. It is crucial for policymakers to attain a balance between investing in education and skills development while also maintaining financial stability to ensure long-term economic growth and prosperity. By addressing these challenges effectively, India can continue to make progress toward being a leader in the skill development and education sector.

Outcomes

The Indian budget aims to shift from pandemic recovery towards sustainable growth, focusing on employment creation and improving educational outcomes. However, the budget faces several challenges, such as the effective utilization of funds, reaching out to marginalized communities, and ensuring a high-quality education. There is also a concern regarding the heavy reliance on borrowing, which could impact fiscal stability. To address these challenges, India needs to implement rigorous monitoring systems, offer targeted support to marginalized communities, and uphold high educational benchmarks. It is essential to engage in planning and make strategic decisions to successfully overcome these obstacles and achieve its vision of a successful and balanced economy.

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