

Report on Consultation of Maharashtra health and social sector budgets for FY 2022-23

An analysis of
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social
sectors
implications.



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Presenters and panellists in the consultation- Mr.Ravi Duggal, Mr. Amit Narkar, Dr.Abhay Shukla, Trupti, Malti, Shailesh Dikhale, Swapnil Vyavahare, Ritu Diwan, Vishwas Utgi, Hemangi Joshi, Chandrika Singh, Shankar Pujari

Report prepared by Sneha Makkad
Edited by Abhay Shukla and Trupti Malti

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SATHI (Support for Advocacy and Training to Health Initiatives)
Plot no. 140, Flat No. 3 & 4, Aman (E) Terrace Society,
Dahanukar Colony, Kothrud, Pune- 411 038,
Tel- 020-25472325, 020-25473565;
Email- sathicehat@gmail.com,
Website- www.sathicehat.org

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Sandeep Deshpande

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Venue:
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15th March 2022



Introduction :

Analysis of Maharashtra government's health and social sector budgets for 2022-2023 becomes crucial because the people of Maharashtra have been the worst hit during all three waves of the COVID-19 pandemic during 2020 to 2022. Maharashtra has witnessed nearly 1.5 lakh deaths due to COVID-19, the highest among Indian states. There was the impression that the State government must have learned critical lessons from the catastrophic experiences in times of COVID-19. In response to critical weaknesses of public systems highlighted during the epidemic, it is now necessary to improve health and social services across the state by majorly increasing related budget allocations in the social sector.

In view of the above context, SATHI organised a state level consultation on 'Maharashtra health and social sector budgets for financial year 2022-2023: analysis and field level implications'. Around 25 budget experts, health and social sector activists, researchers, trade unionists and representatives of networks, joined the consultation physically and online. The consultation objectives were 1) To present an overall analysis of Maharashtra state budget (2022-23) allocations. 2) To discuss current budgetary allocations and recent trends with focus on health and social sector budgets for Maharashtra. 3) To review social implications of these budgetary allocations, and propose possible ways forward and recommendations.

Overall presentations on Maharashtra health and social sector budgets

The initial presentation by senior budget expert Ravi Duggal was cross-cutting, and provided essential information to analyse the limitations and gaps related to Maharashtra 2022-23 social sector budgets, including allocations and spending trends. He highlighted the need to read the budgets with a GSDP lens. The trend of the Union budget 2022-2023 as well as Maharashtra's budget favours capital expenditure and the private sector. He further commented that Maharashtra social services budget allocations remain stagnant at 38% of the total budget, but in terms of percentage of GSDP, this has dropped from 5.4% in 2021-22 to 5.2% in 2022-23. This budget showed a declining trend in all social sectors, including health, food, nutrition, and agriculture. Maharashtra's food grain production is per capita of 104kg, with Maharashtra ranking 23rd among the states. In the post-covid situation, the government should strengthen the public services, but no progress was evident in that direction.

“The revenue generation in Maharashtra is deficient. State needs to collect outstanding taxes pending over last 5-10 years, which total more than Rs. one lakh crore . The state needs to focus on recovering uncollected revenues. These efforts can significantly help to raise public financing”.

Ravi Duggal

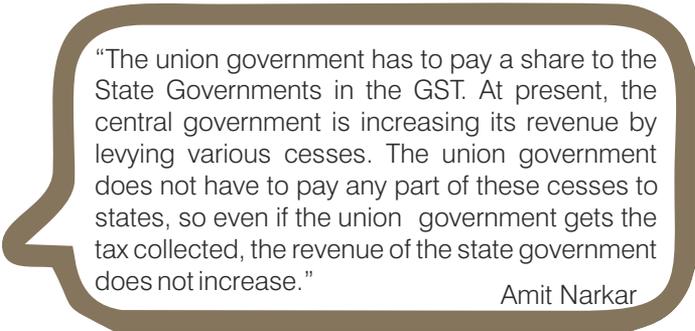
"There is an increase in the budget for tribal development as it will provide opportunities to the corporate sector to develop their business. An increase in the capital expenditure of medical education budget indicates the involvement of private sector for further development."

Ravi Duggal

Economist and social activist Amit Narkar highlighted the serious agrarian crisis and persistent malnutrition in Maharashtra, and noted that despite this context there is considerable decrease in the budget allocation for the mid-day meals. In his presentation, Amit highlighted the critical points of the union budget as being hunger and unemployment. To address these issues, the union government provides subsidies for fertilizers and food production. However, in the union budget, it these have declined from Cr.487000 (RE21-22) to Cr.3555000 (BE 2022-23). Similarly, the MNREGA budget was stagnant at Cr.73000 (BE-21-22 to BE 22.23). He also pointed out some policies about GST and increasing cess tax on the people (this is a direct tax collected by the union government and no share of this tax is given to the states). In the discussion, he referred to the economic survey report, particularly the Covid impact study.

"Governments are reducing spending on public services (including union and state), on the other hand, the capital expenditure of the central and state governments is increasing and this does not solve the problem of hunger."

Amit Narkar



“The union government has to pay a share to the State Governments in the GST. At present, the central government is increasing its revenue by levying various cesses. The union government does not have to pay any part of these cesses to states, so even if the union government gets the tax collected, the revenue of the state government does not increase.”

Amit Narkar

Trupti Malti from SATHI presented an analysis of Maharashtra health budget 2022-23, showing that the government was expected to make major efforts to address the inadequacy of the public health system keeping in view the COVID experience. Maharashtra government allocated Rs. 19,060 crore for health sector (public health and medical education) according to the 2021-22 Budget estimate. In view of the additional needs generated by COVID, an additional supplementary budget provision of Rs. 26,017 crore was made for the health sector in 2021-22 according to revised estimates. However, the state health budget for 2022-23 has been reduced to Rs. 22,536 crore (2022-23 BE), indicating a 13% reduction in the coming year's health budget as compared to this year's revised budget. The Maharashtra economic survey projected that Maharashtra's Gross state domestic product (GSDP) will increase by 12% in 2022-2023. However, the State government plans to spend less than 0.5% of GSDP on the health sector, and only 4.55% of the state's total expenditure in 2022-23 will be spent on health. Analysis of budget 2022-23 further displays neglect of National Health Mission (both rural and urban components) and decrease in the budget on medicines.

Details of public health budget

Schemes	Year wise amount (All amounts in Cr.)		
	2021-2022 BE	2021-2022RE	2022-2023 BE
Specific component/scheme			
National Rural Health Mission	2427	4919	3607
National Urban Health Mission	167	208	192
Medicines	623	2077	615
MPJAY	498	1100	500

Further in the context of the upcoming health budget, Trupti mentioned, "Large additional provision has been made for the construction of medical colleges; private institutions will likely use it". Similarly, in contrast to major underspending on public health services, one of the few areas where the government plans to spend almost double its allocated budget, is Mahatma Phule Jan Arogya Yojana (MPJAY), which involves payment to a commercial insurance company and private hospitals. Overall though, in this year the State government provided some additional temporary funding to the health sector, to handle the COVID-19 crisis, the coming year's (2022-23) health budget does not show expected increases which are essential to upgrade public health services in light of the COVID experience.

Making her comments as a discussant, senior economist Prof. Ritu Dewan indicated the need to scrutinize the revenue aspects of the budget, and expressed concern over the non-availability of the Maharashtra gender budget till now. Trade union leader Com. Vishwas Utagi stressed the need to think realistically about the possibilities of public-private partnerships in the current context .

Dr. Abhay Shukla summarised the entire discussion in the first panel, maintaining that state governments have a choice; they can bring the white paper and collect uncollected taxes, citing the example of the Tamil Nadu government, which has done so. Also, the state government can increase research efforts to identify way to increase revenue generation. The state government can focus on effectively utilising available funds to improve quality of life for its people.

"There is politics behind economics, and social work is behind politics. These three are closely interconnected in nature. We need to approach an understanding of the budget with the perspective of this interconnections"

- Dr Abhay Shukla

Panel discussion on specific social sector budgets and social implications

During the subsequent panel discussion, presenters critically discussed the social sector budget spending trends while analysing ground level concerns related to the health sector and issues concerning education, food security, and health workers. Panelists shared insights on how the current budget will impact the situation at ground level on various fronts.

Trupti shared findings of a study conducted by SATHI and its partner organisations, carried out in times of COVID, concerning the scenario of access to health services in rural areas of Maharashtra. She highlighted the concern about non-availability of maternal health services in several districts during COVID-19 (59% of Rural and Sub-district hospitals which were sampled were not conducting caesarean operations during the second wave).

Discussing issues related to ASHA workers, Trade unionist Com. Shankar Pujari stated that there is a need for around Rs. 150 crores to provide additional honorarium of Rs. 2,000/- per month to ASHAs. However, even this relatively small amount has not been distributed adequately to ASHAs, who have been carrying out extensive COVID-19 duties, including vaccine related surveys and vaccination programs.

Hemangi Joshi from Right To Education forum Maharashtra, highlighted the issue of lack of human resources in educational institutions (60% vacant posts at different levels), non-availability of safe drinking water, poor quality of infrastructure in schools, lack of funds for electricity for schools, the heavy burden of work on teachers.

During discussion on budgets for the Nutrition sector, Chandrika Singh focused on the increased Covid lockdown impact on social sector, especially increasing malnutrition among the children, the shutting down of the midday meal scheme due to lock down, and Anganwadi THR, which used to be distributed to the families. All such experiences have collectively, worsened the nutritional status of children. She also focused on the PDS budget which is very minimally increased Rs.8951Cr.(20-21AC) to Rs.11789 Cr.(21-22RE) and Rs.11582Cr in (22-23 BE). In her presentation she mentioned that orphaned children and migrant children resultant from Covid are in big

trouble, and access to these children is much more difficult.

Swapnil Vyavhare from SATHI noted that the Women and Child Development department was able to spend only 74.65% of the allocated budget during 2020-2021; 25.35% of budget remained unspent. Therefore, the decrease in budgetary allocations, and deliberate underspending of the available budget, are both serious concerns.

Commenting on the presentations, Amit observed that it is our job to share such important information with the activists and workers who are engaged with the issues, and make them aware about it. Shailesh thanked everyone and opened the floor for suggestions and recommendations for the way forward.

In the discussion, he referred to the economic survey report, particularly the Covid impact study.

Critical Issues and Questions Raised during discussion

- ◎ Various remarks and comments during discussions highlighted critical issues, perspectives and approaches in terms of budget. The insights underscored the need to see the budget under a political, economic lens and macro-fiscal positions. The collection of taxes and fees is a critical developmental priority. It is crucial for investing in the public infrastructure and providing services for the people.
- ◎ There are some specific areas where an increase in the budget is required, such as – healthcare

services, health HR, medical education and infrastructural development of hospitals, water and sanitation and tribal development. But one needs to understand the politics behind it and where the funds are flowing.

- ⦿ The dialogue on the budget and related issues is difficult to execute in the same language of consultation on the ground. One needs to think of different ways to see what is happening about finances at the ground level, for which one needs to change budget terminologies according to the realities on the ground.
- ⦿ States have choices available to take a stand, and increase budget allocations in social sectors, and to fulfil the needs of the masses.
- ⦿ The entire approach of the state government during COVID-19 was “firefighting” and responding to the crisis. However, it has not developed a strategy from the perspective of “recovery”.

Recommendations :

- ⦿ There is need to create spaces/ forums for dialogue on budget allocation, with different departments and networks, forums, groups, and NGOs, working on various issues such as economics, health, education, food security, agriculture, labour etc.
- ⦿ There is a need to demand more transparency on budget allocations and distribution, and data transparency about funds for different schemes and their usage at the district and block levels.
- ⦿ There should be a process of decentralised planning on specific community needs, which should then translate into the budget and overview process of the situation. (E.g. in the covid period many girls who dropped out of education, became subjected to early marriage). Such kind of emerging needs have to be addressed.

- ⦿ The state should spend a minimum of 60% of the total budget on the social sector.
- ⦿ State should create an institution mandated to help the government with advice on how to generate revenues, and alternative models of effective utilisation of funds. Such examples were setup by Kerala, Bihar, and Odisha. (Ex. GIFT in Kerala.)
- ⦿ Maharashtra government should conduct a special session of the state assembly to review the significant lessons emerging from the last two years of Covid. Accordingly, the state should adopt changes in its interventions and policies.
- ⦿ While Capital investments in budgets are essential, their focus should be on strengthening public service infrastructure rather than on private sector growth. The State should conduct a study on how privatization or PPP models are effectively working for providing services to the poor, and their cost effectiveness.

Health sector specific recommendations

- ⦿ ASHA workers' quality of work conditions need to improve by giving them proper wages every month.
- ⦿ Vacant positions of health workers need to be filled on an urgent basis, and contractual health workers working in the National Health Mission should receive permanent employment. This will need budget allocation for human resources.
- ⦿ Maharashtra government should spend at least Rs. 3800/- per capita on health. Currently, it is minimal, at only Rs. 1350/- per capita on health.

Concluding Remarks

Overall discussion on social sector budgets analysis shows there is an urgent need for dialogue with different groups and stakeholders to understand budget allocation more deeply. It also suggests the need to learn from alternative models of other states in the current socio-political scenario.





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Plot no. 140, Flat No. 3 & 4, Aman (E)

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Kothrud, Pune- 411 038,

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