



दक्षिण बिहार केन्द्रीय विश्वविद्यालय  
Central University of South Bihar  
Department of Development Studies

THEME NO: 2

# UNION BUDGET 2022 - 23



## CUSB DEVELOPMENT FORUM

*A Bimonthly Publication from the Department of Development Studies*



# CENTRAL UNIVERSITY OF SOUTH BIHAR

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DEVELOPMENT FORUM

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### Introduction

Dissemination of information is key to transformation to a knowledge society. With this end in view, the Development Forum, the bi-monthly e-News Letter of the Department of Development Studies @ CUSB, Gaya, in its Second Issue, prepared by the Head of the Department of Development Studies, Prof. Krishnan Chalil, deals with the theme Union Budget 2022-23 and its impact in the economy of the country.

The Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman tabled the Union Budget 2022-23 in Parliament on 1<sup>st</sup> February 2022 with the prime focus on macro-economic growth. This is her fourth budget and Narendra Modi Government's tenth budget. As we all know that budget is not merely an annual financial statement, but it is a tool for overall economic development of a country. The priorities of a government and its efforts to achieve such goals are embedded in the budget documents. The theme of the current issue is the analysis of the Union Budget 2022-23. The budget estimates an overall economic growth of 9.2% during

2021-22, which is high by any standard during this pandemic. The government has estimated a nominal GDP growth rate of 11.1% in 2022-23 (i.e., real growth plus inflation). Also it is estimated that 60 lakh new jobs to be created under the productivity linked incentive scheme in 14 sectors. The Union Budget 2022 sets out to chart a development path for the next 25 years of the Indian economy, termed as India's 'AmritKaal'. In that sense, this budget is prepared keeping in view a perspective plan for the next 25 years. The government proposes to spend Rs 39,44,909 crore in 2022-23 and the receipts (other than borrowings) are expected to be to Rs 22,83,713 crore. Now let us discuss the major proposals contained in the budget.

### Priorities of the current budget

The budget 2022-23 is built of four pillars, viz., (i) PM GatiShakthi, (ii) Inclusive development, (iii) Financing of investments, and, (iv) Productivity Enhancement and Investment, Sunrise Opportunities, Energy Transition and Climate Action. Let us go through the details of these proposals in brief:

## ◆ **PM GatiShakti**

To boost economic growth and sustainable development, the budget laid much emphasis on the PM GatiShakti National Master Plan as a transformative approach. The seven engines of PM GatiShakti comprises Mass Transport, Roads, Airports, Railways, Waterways, Ports and Logistics infrastructure. The scope of PM GatiShakti National Master Plan will encompass the seven engines for economic transformation, seamless multimodal connectivity and logistics efficiency. Under the Roads, the National Highways Network to be expanded by 25000 Km in 2022-23 and Rs 20000 Crore to be mobilized for National Highways Network expansion. For the implementation of Multimodal Logistics Parks at four locations, contracts to be awarded through PPP mode. Under the head of Railway, One Station One Product concept is proposed to help local businesses & supply chains. About 2000 Km of railway network to be brought under Kavach, the indigenous world class technology and capacity augmentation. Around 400 new generation Vande Bharat Trains to be manufactured during the next three years. Approximately, 100 PM GatiShakti Cargo terminals for multimodal logistics to be developed during the next three years. Proposal has also been mentioned for National Ropeways Development Program, 'Parvatmala' to be taken up on PPP mode.

## ◆ **Inclusive Development**

Promoting inclusive and sustainable socio-economic development across the country is another plank of the current budget. The proposed high spending on rural and urban housing, the 'Aspirational Districts' initiative to the block level in

those specific districts, HarGhar, Nal Se Jal, PM-DevINE to fund infrastructure and social development based on felt needs of the North East, targeting development of villages on the Northern Border left out from the development gains, Digital Banking by Post Offices are some of the notable programmes to insure inclusive development. The Scheduled Commercial Banks to set up 75 Digital Banking Units in 75 districts to promote digital payments.

## ◆ **Productivity Enhancement**

On the productivity enhancement and investment front certain crucial steps were announced with a focus on ease of doing business 2.0 and ease of living. The proposals under these heads include: trust based governance, expansion of the scope of PARIVESH portal, Unique Land Parcel Identification Number for IT based management of land records, Establishing C-PACE to facilitate voluntary winding up of companies, integration of central and state level systems through IT bridges, end to-end online e-billing system and utilising surety bonds in government procurement, support to 5G under PLI scheme and opening defence R&D for industry, start-ups and academia were also announced. At the same time certain measures like Establishing Centres of Excellence in urban planning, issuance of chip embedded e-passports, Modernisation of building byelaws, implementing Town Planning Schemes and Transit Oriented Development and providing a battery swapping policy as an alternative to setting up charging stations in urban areas will make a positive impact on the way of living.

## ◆ **Financing Investments**



The budget envisages that the public investment to continue to pump-prime private investment and demand in 2022-23. In that way the Outlay for capital expenditure stepped up sharply by 35.4% to Rs. 7.50 lakh crore in 2022-23 from Rs. 5.54 lakh crore in the current year. This outlay in 2022-23 to be 2.9% of GDP. The 'Effective Capital Expenditure' of Central Government is estimated at Rs. 10.68 lakh crore in 2022-23, which is about 4.1% of GDP. Measures to provide greater fiscal space to States through enhanced outlay for 'Scheme for Financial Assistance to States for Capital Investment' is based on the idea of fiscal federalism. Under this head, allocation has been raised from Rs. 10,000 crore in Budget Estimates to Rs. 15,000 crore in Revised Estimates for current year. Allocation of Rs. 1 lakh crore in 2022-23 to assist the states in catalysing overall investments in the economy: fifty-year interest free loans, over and above normal borrowings are praiseworthy proposals.

### **Other key proposals**

Substantial increase of allocation to the National Education Mission has to be viewed in the context of the implementation of New Education Policy 2020. 'One class, One TV Channel', universalisation of quality education through the proposed Digital University, Virtual labs and skilling e-labs to promote critical thinking skills and stimulated learning environment and delivery of high quality e-content through digital teachers are worthy to mention. Rolling out of the National Digital Health Ecosystem, launching of National Tele Mental Health Programme, launching of Integrated architecture of Mission Shakti, Mission Vatsalya, Saksham Anganwadi,

and Poshan2.0 are crucial in the context of the pandemic. Agriculture sector has got higher allocation through several schemes. However, the allocation for subsidies have fallen drastically.

### **Expenditure details of the budget**

The government proposes to spend Rs 39,44,909 crore in 2022-23, which is an increase of 4.6% over the revised estimate of 2021-22. Out of this, (i) Rs 11,81,084 crore is proposed to be spent on central sector schemes, and (ii) Rs 4,42,781 crore is proposed to be spent on centrally sponsored schemes. The government has estimated to spend Rs 2,07,132 crore on pension in 2022-23, which is 4.1% higher than the revised estimate of 2021-22. In addition, expenditure on interest payment in 2022-23 is estimated to be Rs 9,40,651 crore, which is 23.8% of the government's expenditure. The Ministry wise expenditure proposals show that the Ministry of Defence has the highest allocation in 2022-23, at Rs. 5,25,166 crore. It accounts for 13.3% of the total budgeted expenditure of the central government. Other Ministries with high allocation include: (i) Consumer Affairs, Food and Public Distribution, (ii) Road Transport and Highways, and (iii) Home Affairs.

### **Expenditure on Major Schemes**

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has the highest allocation in 2022-23 at Rs. 73,000 crore. This is a decrease of 25.5% over the revised estimate of 2021-22. In 2021-22, allocation to the scheme has increased by 34.2% from Rs. 73,000 crore at the budget stage to Rs. 98,000 crore at the revised stage, to mitigate the impact of



second wave of COVID-19. The PM-KISAN scheme (income support to farmers) has the second highest allocation in 2022-23 at Rs 68,000 crore. Allocation to the scheme has seen a marginal increase of 0.7% over the revised estimate of 2021-22. Key schemes with the

comparatively higher increase in allocation in 2022-23 include: (i) Pradhan Mantri Gram Sadak Yojana (35.7%), (ii) Jal Jeevan Mission (33.3%), and (iii) National Education Mission (28.4%). More details are seen from the Table 1 given here:

Table 1. Scheme wise allocation in 2022-23 (Rs crore)

Scheme	Actuals 2020-21	Budgeted 2020-21	Revised 2020-21	Budgeted 2022-23	% change (RE 2021-22 to BE 2022-23)
MGNREGS	1,11,170	73,000	98,000	73,000	-25.5
PM-KISAN	60,990	65,000	67,500	68,000	0.7
Jal Jeevan Mission/National Rura Drinking Water Mission	10,998	50,011	45,011	60,000	33.3
Pradhan Mantri Awas Yojana	40,260	27,500	47,390	48,000	1.3
National Education Mission	28,088	34,300	30,796	39,553	28.4
National Health Mission	37,478	37,130	34,947	37,800	8.2
Saksham Anganwadi and POSHAN 2.0	—	20,105	20,000	20,263	1.3
Pradhan Mantri Gram Sadak Yojana	13,688	15,000	14,000	19,000	35.7
Pradhan Mantri Fasal Bima Yojana	14,161	16,000	15,989	15,500	-3.1
National Livelihood Mission-Ajeevika	10,025	14,473	12,505	14,236	13.8
AMRUT and Smart Cities Mission	9,754	13,750	13,900	14,100	1.4
Pradhan Mantri Krishi Sinchai Yojana	7,877	11,588	12,706	12,954	2.0

## Receipts of the Government

Government receipts (excluding borrowings) are estimated to be Rs. 22,83,713 crore, an increase of 4.8% over the revised estimates of 2021-22. The gap between these receipts and the expenditure will be plugged by borrowings, budgeted to be Rs 16,61,196 crore, an increase of 4.4% over the revised estimate of 2021-22. Under the capital receipts, Rs. 65,000 crores are expected from disinvestment.

## Fiscal Deficit

Fiscal deficit is an indicator of borrowings by the government for

financing its expenditure. On the fiscal front, there were concerns that the government would likely see a sharp slippage on its fiscal deficit target. But the Finance Minister has announced only a marginal slippage - as against a budget target of 6.8 per cent of GDP in 2021-22, the fiscal deficit is now estimated at 6.9 per cent. In line with the path of consolidation, the Finance Minister has pegged to bring down its fiscal deficit to 6.4 per cent of the GDP in 2022-23.

## Mobilisation of Resources

The diversified measures for the mobilisation of resources include: Green

Bonds to mobilise resources for green infrastructure, Infrastructure status for Data Centres and Energy Storage Systems, Measures to aid investment by Venture Capital and Private Equity Investment and Blended Finance for sunrise sectors.

## **Tax Proposals**

No major new taxes have been proposed in the budget. However, Income from the transfer of cryptocurrencies and non-fungible tokens will be taxed at the rate of 30%. some relief measures such as: allowing taxpayers to file Updated Return within 2 years for correcting errors, Tax relief to persons with disability, reducing Alternate Minimum Tax Rate and Surcharge for Cooperatives, increasing tax deduction limit on employer's contribution to NPS account of state government employees etc., are also proposed.

## **Concluding observations**

Rather than being a populist or election oriented budget, the present budget anchors on infrastructure development, inclusive growth and productivity enhancement. It is growth oriented and based on the principle of investment in the economy. This is clearly articulated in enhancing CAPEX enormously. Through the proposed mass digitisation agenda, this budget lays the foundation to turn national governance, integrating the Central and state government functions for common good, capturing the entire national physical, economic, financial, technological domains in one large national computer. It is a budget built on a perspective plan and oriented towards India @100. If properly implemented, the proposed projects

would bring jobs, human development and economic growth altogether. The success of the budget depends on the mobilisation of resources from disinvestment (65,000 crore) and containment of the fiscal deficit as mentioned in the FRBMA Act 2003.

The First Report outlined the State of World Happiness, causes of happiness and misery, and policy implications highlighted by case studies. In 2013, the Second World Happiness Report was issued, and in 2015 the third. Since 2016, it has been issued on an annual basis on the 20<sup>th</sup> of March, to coincide with the UN's International Day of Happiness. The Fourth World Happiness Report 2016 ranked 156 countries by their happiness levels. The Fifth Happiness Report was released in 2017. The Sixth World Happiness Report 2018, ranked 156 countries by their happiness levels, and 117 countries by the happiness of their immigrants. The Seventh World Happiness Report 2019 focusses on happiness and the community; as to how happiness has evolved over the past dozen years, with a focus on the technologies, social norms, conflicts and government policies that have driven those changes. The Eighth World Happiness Report 2020 for the first time ranked cities around the world by their subjective well-being and digs more deeply into how the social, urban and natural environments combine to affect our happiness. The World Happiness Report 2021, the Ninth in the series, focused on the effects of Covid-19 and how people all over the world have fared. It ranks the world's 149 countries on "how happy their citizens perceive themselves to be".

## **Conclusion**

The Happiness Report and its Index reminds Sovereign Governments that they can no longer assume that the lives of those in their respective countries can improve with a mere rise in GDP alone. In countries like India, the progress of the nation requires added policy emphasis on more inclusive metrics like GDP growth, social support, high life expectancy and perception on corruption.

## **ABOUT THE UNIVERSITY**

Established under the Central Universities Act, 2009 (Section 25 of 2009) as Central University of Bihar (CUB) and the name since changed by the Central Universities (Amendment) Act, 2014 to Central University of South Bihar (CUSB) is an institution of higher learning located in Gaya in the state of Bihar. With the motto, 'Collective Reasoning', the University has been conducting its academic and administrative activities in a campus which spans over 300 acres of land at Panchanpur in Gaya district. As stated in Section 5 of the Act, the objective of the university shall be: “... *to disseminate and advance knowledge by providing instructional and research facilities in such branches of learning as it may deem fit; to make special provision for integrated courses in humanities, social sciences, science and technology in its educational programmes; to take appropriate*

*measures for promoting innovations in teaching-learning process and inter-disciplinary studies and research; to educate and train manpower for the development of the country; to establish linkages with industries for the promotion of science and technology; and to pay special attention to the improvement of the social and economic conditions and welfare of the people, their intellectual, academic and cultural development...”*

## **DEPARTMENT OF DEVELOPMENT STUDIES**

The Department of Development Studies (DVS) as a multi-disciplinary centre, which aims to equip students with critical, analytical and applied skills that they use in future either as academicians or as development practitioners. It provides opportunities to students to critically examine a relevant body of knowledge (theoretical perspectives and approaches) and current debates and learn research methods (qualitative and quantitative). Practicum, field-work, and internship experiences facilitate learning the process of development, policy planning and practicum in the real life settings. It is the first Academic Center of the University established in 2009. The vision of the Department is to “... *Disseminate and advance knowledge to bring about social transformation by developing competent, committed and passionate development leaders...”*”.





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