Indian Economy · GS - III

Examine the pattern and trend of public expenditure on social services in the post-reforms period in India. To what extent this has been in consonance with achieving the objective of inclusive growth?

EXAM YEAR	PAPER	SUBJECT
2024	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Social-sector expenditure, post-1991 reforms, education, health, rural development, welfare schemes, inclusive growth, regional disparities

Model Answer

Introduction

The post-1991 reform period witnessed a gradual shift from a state-dominated development model towards market-oriented growth. However, public expenditure on social services remained an important instrument for ensuring that the benefits of economic growth reached vulnerable sections.

1. Pattern and Trends

- Public expenditure on education, health, rural development, social security and welfare expanded significantly in absolute terms.
- Greater emphasis was placed on targeted programmes such as MGNREGA, NRHM, PMAY and food-security interventions.

- The approach increasingly shifted from universal provisioning towards targeted and outcome-oriented welfare.
- States continued to account for a substantial share of social-sector expenditure, particularly in health and education.

2. Contribution to Inclusive Growth

- Employment programmes enhanced rural purchasing power and livelihood security.
- Expansion of schooling, healthcare and social protection improved human capabilities.
- Welfare transfers and food-security measures reduced vulnerability and helped address multidimensional poverty.
- Infrastructure and connectivity spending increasingly complemented social expenditure.

3. Continuing Concerns

- Public spending remains uneven across sectors and states.
- Health and education outcomes continue to show inter-state and rural-urban disparities.
- Quality of expenditure, implementation capacity and targeting leakages remain concerns.

Conclusion

Thus, post-reform social expenditure has broadly supported inclusive growth by expanding opportunities and social protection. However, stronger investment in health, education, nutrition and human capital, along with improved delivery efficiency, is necessary to make growth more equitable and sustainable.

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