



**BY INVITE**

**AMITABH KANT**  
CEO, NITI AAYOG

# Budget 2018: A Transformational Road Map for India's Progress

The next wave of jobs will be created not just by agriculture and manufacturing, but also by opening up education and health

A staunch commitment to reforms has been the hallmark of this government, and the 2018-19 Budget has reaffirmed this. During his fifth Budget speech, the FM focused on addressing some of the pressing challenges faced by India's economy: improving access to quality healthcare and education, enhancing agriculture and creating jobs.

## QUALITY HEALTH AND EDUCATION

This is the first budget of Independent India that brings social sector centre stage. A significant share of India's population is under the age of 25. Ensuring that this segment has access to quality health and education is critical to harnessing our demographic dividend. The social sectors are not only important as an end in themselves but also for ensuring a productive workforce. Further, the next wave of jobs will be created not just by agriculture and manufacturing, but also by opening up education and health.

Although India has made some advances in access to education

with rising enrolment and completion rates and physical infrastructure, education quality remains poor. The 2017 Annual Status of Education Report found that about one-fourth of those aged 14 to 18 cannot read basic text fluently in their own language. More than half cannot perform 3-by-1 division problems. At the tertiary level, access and quality are challenges. The Budget has allocated ₹1 lakh crore toward higher education infrastructure under the RISE scheme.

The Budget is a game changer for healthcare, especially alongside institutional changes such as the National Medical Commission Bill. With the launch of a National Health Protection Scheme, it provides up to ₹5 lakh in coverage

for secondary and tertiary healthcare to about 50 crore poor and vulnerable beneficiaries. This will make it the largest healthcare scheme in the world, signalling India's commitment to affordable, quality health services.

## AGRICULTURE

The Budget takes strides towards compensating farmers with remunerative prices, leveraging economies of scale to improve productivity, enhance infrastructure and connectivity for farmers and makes it easier for farmer producer organisations to operate. The Budget also announced the setting up of a ₹2,000 crore Agri-market Infrastructure Fund to develop and upgrade marketing infrastructure.

Niti Aayog has been taking the lead in developing institutional mechanisms to ensure agricultural welfare.

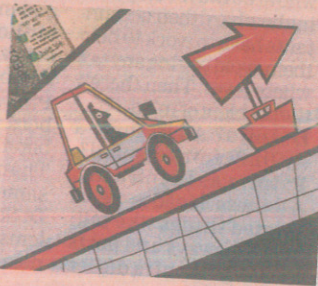
## JOB CREATION

Creating jobs and sustain-

able livelihoods for our young population is one of India's core challenges. Micro, small and medium enterprises are the engines of growth and employment in India. In 2010-11, 72% of India's manufacturing workforce was employed in firms with less than 20 workers each. However, they contributed less than 12% of manufacturing output. The Budget provides support to remove the constraints faced by MSMEs. For example, it sets a target of ₹3 lakh crore for lending under the MUDRA scheme for 2018-19, increasing access to credit for MSMEs.

Beyond MSMEs, the Budget addresses challenges faced by labour-intensive manufacturing firms to boost job creation.

Over time, the Budget exercise has shifted from serving primarily as the nation's financial plan to a road map for future progress. Accordingly, it needs to be viewed in the broader context of the government's efforts to enhance efficiency and competition through reforms such as disinvestment and exercises such as ranking states in key areas and focusing on ease of doing business.



ANIRBAN

**A significant share of India's population is under 25. Ensuring that this segment has access to quality health and education is critical to harnessing our demographic dividend**

K  
A  
W  
C

