

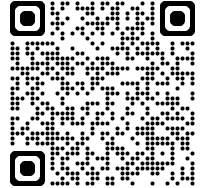


# REALISING RIGHTS

*A Handbook of Welfare in India*

PREVIEW

CENTRE FOR THE STUDY OF THE INDIAN ECONOMY



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# Realising Rights: A Handbook of Welfare in India

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In conceptualising the Indian welfare state, Dr B.R. Ambedkar envisioned socio-economic rights to be on the same footing as civil and political rights. These were codified in the Directive Principles of State Policy (DPSP) of the Indian Constitution. Although not legally enforceable, the DPSPs were meant to be guidelines for elected governments to formulate laws and policies to realise a rights-based welfare regime. With this anchoring principle, India has made significant progress since Independence. Life expectancy has more than doubled, primary school enrolment has approached universality, and infant, child and maternal mortality have fallen substantially. Social movements and public action have also played a foundational role in asserting and shaping State accountability in achieving these outcomes. Despite these progressive strides, child malnutrition is far worse than India's per capita income would predict; most workers continue to be in the informal sector with little to no protection, out-of-pocket expenditure on healthcare remains high, and inequalities along religion, caste and gender lines run deep. **Adequate fiscal commitment, conducive institutional architecture and a human-centred mode of governance are critical for effective realisation of a rights-based welfare state.**

Questions surrounding mechanisms to improve people's lives in India have been a central preoccupation for successive governments and policymakers. Much of this discussion centres on growth strategies with a focus on capital investments, industrial policy or the failures of structural transformation. Relatively less attention is paid to the role of effective welfare measures that could simultaneously improve the socio-economic conditions of the poor and contribute to growth. Rather, the discussion on welfare is often limited to its fiscal impact and

framed as a ‘drain on resources’. More recently, newer narratives have emerged which often blur the lines between welfare as a right and welfare as ‘doles’ or ‘freebies’.

In such a context, analysis of existing welfare interventions and recent transitions is important for any meaningful discussion. **‘Realising Rights: A Handbook for Welfare in India’**, brought out by the Centre for the Study of the Indian Economy, Azim Premji University, is an attempt to provide a detailed view of the major welfare interventions of the Union government. It brings together eighteen chapters across important welfare domains and a set of overarching themes pertaining to institutional architectures and modes of governance. The introductory chapter lays out the dominant welfare debates in India, followed by a chapter on macroeconomics that details why and how public spending and provisioning of welfare leads to equitable growth. The other welfare domains covered are: maternity entitlements; the Integrated Child Development Services; mid-day meals; school education; the Right to Education Act; health; PM-JAY; the Public Distribution System; rural employment guarantee; social security pensions; PM-KISAN; and state-level unconditional cash transfers. Chapters on social justice, social accountability, decentralisation and digitisation address the cross-cutting themes that shape delivery.

**Encompassing interventions across the lifecycle of people, the laws and programmes covered by these chapters reach more than two-thirds of the population and are critical to the lives of the most marginalised.** Although this Handbook only includes centrally sponsored schemes, state governments contribute substantially to each of them in terms of resources and are primarily responsible for implementation. These chapters do not exhaustively cover all the welfare schemes of the Union government but have been chosen to represent the most relevant ones for the discussion on strengthening a rights-based welfare regime.

Schemes providing tangible goods and services such as housing (PM-AWAS), cooking gas connections (Ujjwala Yojana) or free

public transport also represent real improvements in people's lives. The challenge, rather, is with ensuring that such provisioning is accompanied by legal entitlements, accountability mechanisms and institutional capacity.

While the Constitution made a strong case for a rights-based welfare regime, the initial years after Independence were preoccupied with establishing basic structures of governance with an emphasis on first achieving economic growth through industrialisation. Over the years, however, there was an expansion of direct delivery of welfare and social sector spending. Many schemes, programmes and 'missions' were set up with mixed results. The decade of the 2000s saw an emphasis on converting many of the entitlements into legally enforceable rights.

Over the last decade, there has been a subtle shift away from these rights-based approaches towards a greater emphasis on direct transfers termed 'New Welfarism'. In this evolving paradigm, schemes, particularly unconditional direct cash transfers in the name of women, have become inevitable. **These have spawned fresh debates on the role of cash transfers in human development, the shifting terrain of Centre-state relations and its implications for federalism, alongside whether the digital mode should be the primary delivery channel.** While each of these come with the promise of efficiency, as several chapters of the Handbook argue, concerns remain about whether they amplify exclusions, perpetuate inequities and make governance less accountable.

As rights-based programmes jostle for space alongside such 'New Welfarism', the interventions discussed in this Handbook mostly belong to the 'old' welfare regime. Their age does not make them any less relevant. They are grounded in an idea of socio-economic justice that goes beyond income provision, asking instead whether people are actually able to live decent lives, access education, healthcare and nutrition, and participate as equal citizens. As the Foreword asserts, **'this volume is more than a catalogue of schemes and their shortcomings. It is a sustained meditation on the gap between India's**

constitutional imagination of welfare — as a springboard for equal capabilities and dignified citizenship — and the realities of implementation’.

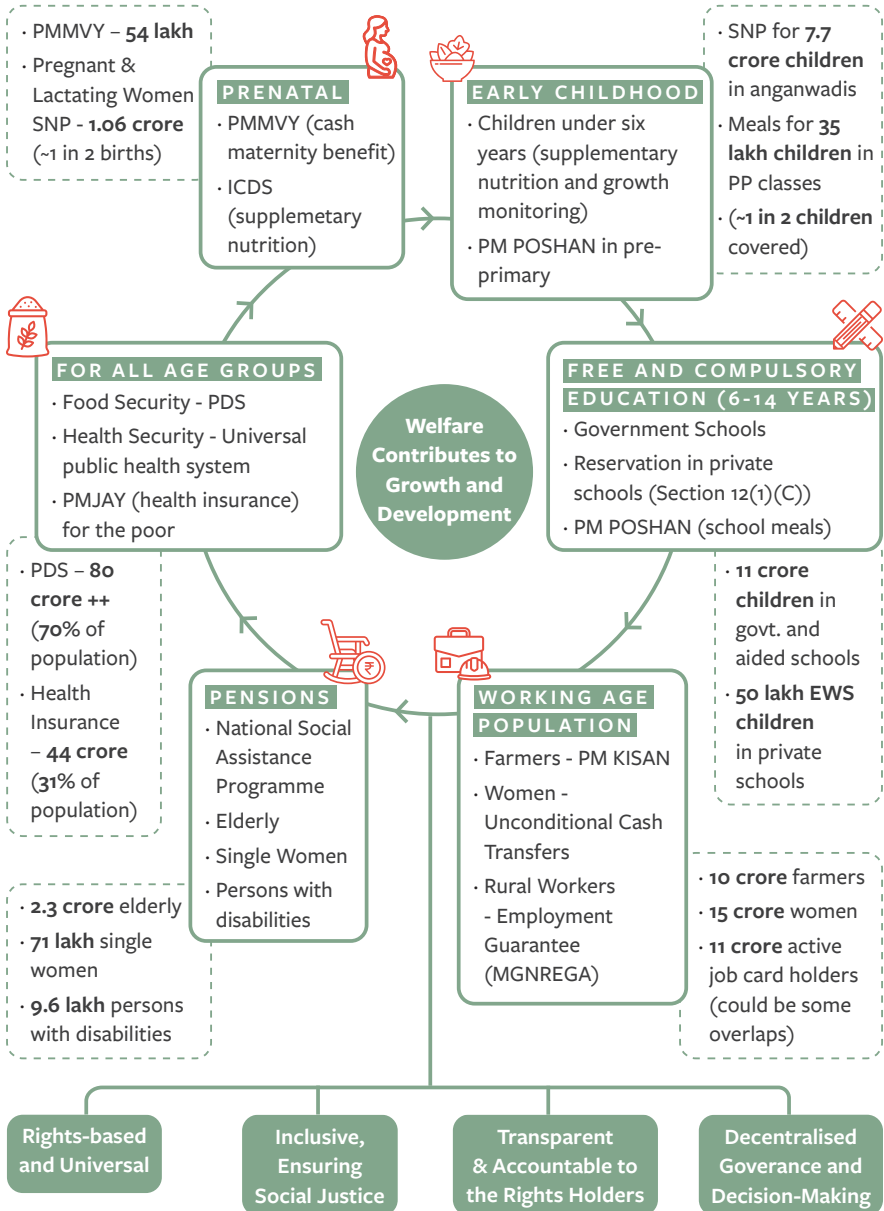
Some common principles emerge from the chapters. Such as the importance of **universal basic services**, in keeping with constitutional provisions. **Universality does not mean uniformity**. Given the depth of social and economic discrimination in Indian society, universalism must be accompanied by protective and promotional features that actively ensure inclusion. Reservations and choices given to people on how and where to access services are crucial. A commitment to universal, free public services does not absolve the State of **accountability for the quality of those services** or for the exclusions that persist within them. Ensuring that services build **community solidarity** and are **delivered with dignity** requires mechanisms for participation, public scrutiny, transparency, accountability and time-bound grievance redress. Social audits, open data and decentralised grievance mechanisms have been tried in various forms and need to be deepened and expanded. Local governments need to be empowered, allowing flexibility as well as **decentralised decision-making**. Digitisation must be undertaken through consultation and accompanied by legal safeguards. **Grounding welfare in a rights-based framework requires reimagining citizens as rights-holders making claims on the State rather than as ‘beneficiaries’ receiving largesse from a benevolent benefactor**.

Establishing these as the criteria by which policy is assessed can help shape the contribution of welfare to democratic functioning. It is through welfare that democratic commitments are realised in people’s lives and that a more equitable and productive society becomes possible. In India, it was a promise we made to ourselves in the Constitution. Nearly eight decades on, that promise remains a work in progress.

This preview presents some data highlights and figures pertaining to the Handbook.

## Life cycle of major welfare schemes

Schemes covered in the Handbook



Note: Figure 1.3 in the Handbook

Icons: Baby by Made by; Made; education by; kasamah; employment by; anil supriharyati; prenatal by; Good Wife; Grain by; Anil Nur; Abdullah; from; Noun Project (CC BY 3.0)

## Scale of welfare spending (Select sectors)

Together, the sectors and schemes analysed in this Handbook account for about 7% of the GDP and 21% of the total government expenditure.

Estimates of Budgetary Allocations by Union and state governments for the schemes/sectors covered in this Handbook (₹ in lakh crores)

Scheme / Sector	Union Budget Allocations 2025-26	State Budget	Union + State Budget	% of GDP
Social Justice & Empowerment	0.15			
Tribal Affairs	0.15	2.03	2.32	0.65
Minority Affairs	0.03	-	0.03	0.01
PMMVY	0.02	0.01	0.04	0.01
ICDS (Anganwadi)	0.22	0.15	0.37	0.10
School Education	0.79	6.83	7.62	2.13
Public Health	1.00	3.93	4.93	1.38
PDS	2.03	0.54	2.58	0.72
MGNREGA	0.86	0.10	0.96	0.27
NSAP (Pensions)	0.10	-	0.10	0.03
PM KISAN	0.64	-	0.64	0.18
State farmer cash transfers	-	0.62	0.62	0.17
State social security pensions	-	1.57	1.57	0.44
State Unconditional Cash Transfers Schemes for Women	-	1.68	1.68	0.47
Finance Commission Grants to local bodies (Urban and Rural)	0.75	-	0.75	0.21
Sum of Allocations on the Above Schemes	6.73	17.46	24.20	6.77

[Contd.]

## Estimates of Budgetary Allocations by Union and State Governments for the Schemes/Sectors covered in this Handbook (₹ in lakh crores) [contd.]

Scheme / Sector	Union Budget Allocations 2025-26	State Budget	Union + State Budget	% of GDP
Total Government Expenditure (TE)	50.65	62.02	112.67	31.54
Share of the above schemes as a % of TE	13.29	28.16	21.47	-
GDP (2025-26) current prices	357.14	357.14	357.14	-
Share of the above schemes as a % of GDP	1.89	4.89	6.77	-

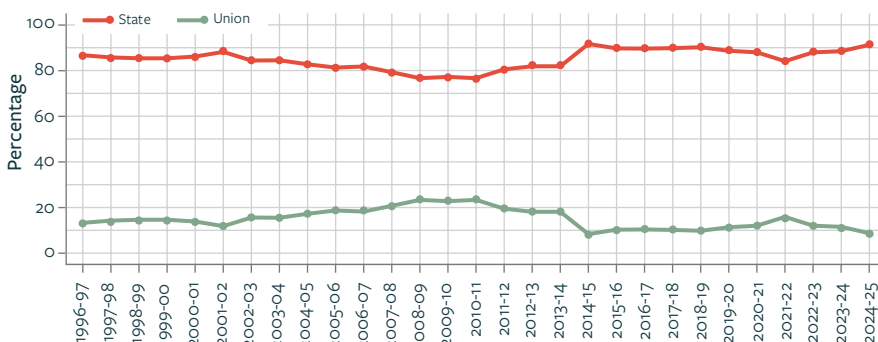
### Sources and Notes:

- Estimated by the editorial team from different sources including Union Budget 2025-26, RBI State Finances: A Study of Budgets, RBI Database on Indian Economy, 16th Finance Commission Report.
- Figures are rounded off to two decimal places.
- All Union data are for 2025-26 Budget Estimates (BE), state figures are 2025-26 BE or estimated from data available for the latest year.
- For a detailed explanation on estimates refer to the methodological note at the end.

## States Spend a Significant Amount on Welfare

State governments account for almost 90 per cent of combined state and Union government expenditure on the social sector.

### Share of Union and state governments in total social sector expenditure over time

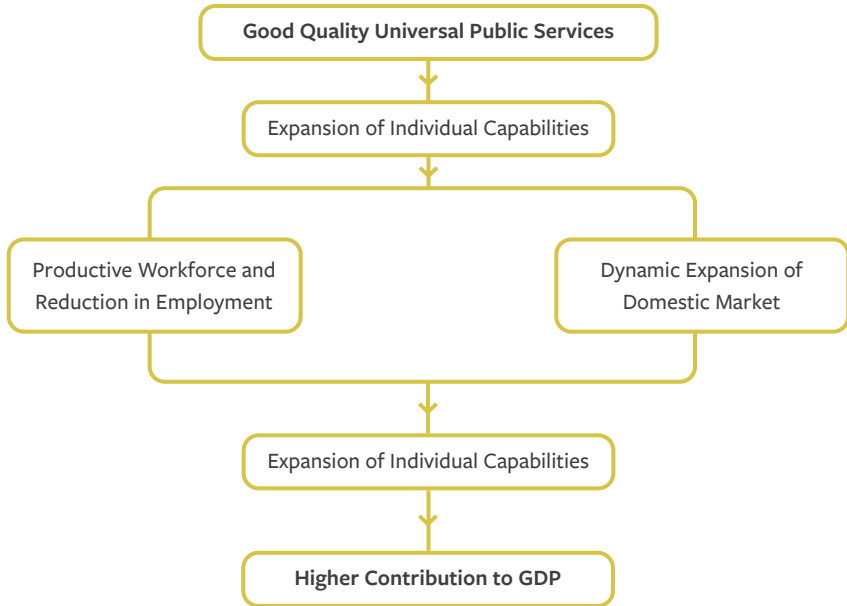


Sources and Notes: RBI Database.

## The Route from Welfare to Growth

Increased welfare spending and good quality public services, result in improved human development, a healthier and more educated workforce. These result in higher productivity and national incomes.

### Economic effects of public social spending on inequality and development

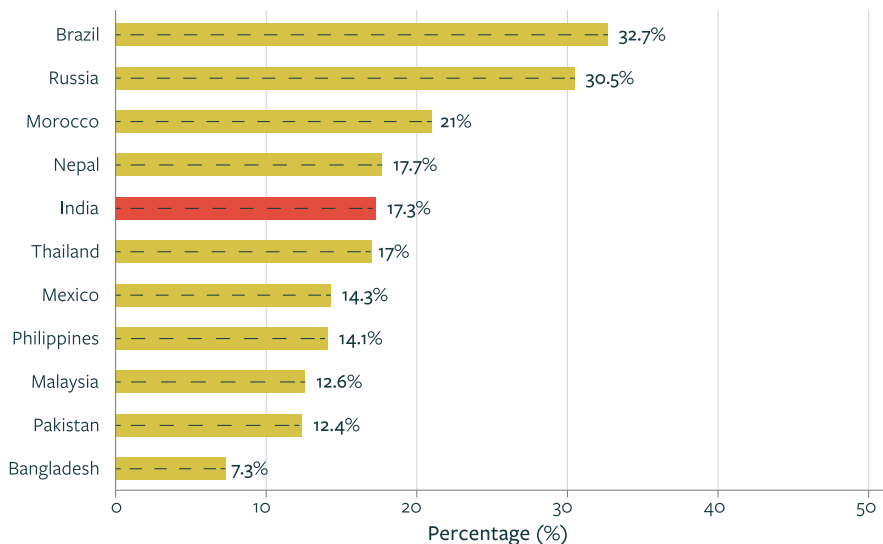


Without welfare spending inequalities of income and assets would persist, leading to underemployment and underutilisation of resources. Which would further cause a reduction in productivity and wasted potential resulting in lower contributions to GDP.

## A Global Comparison

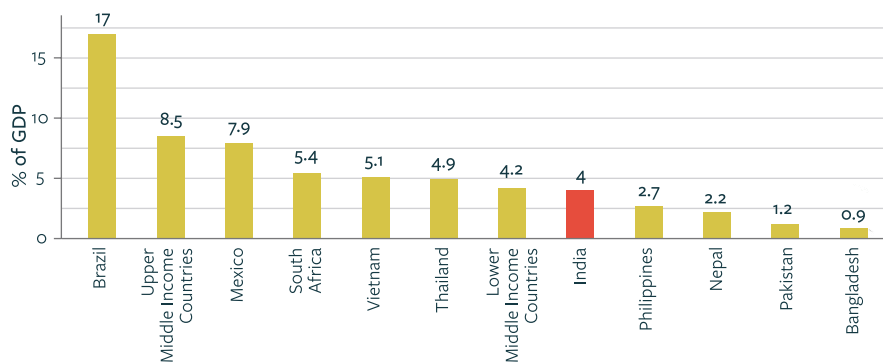
India's tax-to-GDP ratio is comparable to middle-income countries, but lags behind in expenditure on social protection as a percentage of GDP

### Share of Tax Revenue to GDP, Selected Countries, 2023



Sources and notes: UNU-WIDER Government Revenue Dataset (2025). Figure 2.2 in the Handbook

### Expenditure on Social Protection as a % of GDP, Selected Countries (2023)



Sources and notes: ILO WSPDB, "Public social protection expenditure excluding healthcare (% of GDP)." Covers cash benefits and social insurance/assistance expenditure across eight branches (children/family, maternity, disability, old age, survivors, work injury, unemployment, and sickness); excludes education, health service delivery, and other public services. Figure 2.3 in the Handbook.

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## Handbook Chapter Abstracts

### 02 **Financing Rights: The Macroeconomics of Social Welfare Programmes**

*Jayati Ghosh*

Over the years, many social welfare programmes in India have been recast as rights resulting in debates surrounding the means to finance these rights. There is a persistent tension in the allocation of finances between capital expenditure for big infrastructure and spending on social welfare policies. Critics see welfare expenditure as a net cost to society, inducing rigidities in the labour market. However, it has been observed that increased spending on social welfare policies has both short and long-term positive impacts for economic development. In the short term, it reduces poverty and inequalities while in the long run by creating a more educated and healthier workforce it contributes to higher productivity and growth. Welfare spending in India has been inadequate, although there exists a strong economic rationale to increase it and this can be achieved through a more progressive tax regime including wealth and inheritance taxes.

### 03 **Social Inclusion in India: History, Shifts and Contemporary Jurisprudence**

*Annie Namala and Aditi Anand*

Evidence on human development outcomes suggests that structural inequities based on social identity persist. The caste system forms the basis of social and economic inequalities and normalises discrimination against the marginalised in India. Meanwhile, social exclusion based on other identities is also pervasive. The Constitution of India includes several provisions towards substantive equality as well as for preventive, promotive and participatory measures for ensuring inclusion. However, implementation has consistently fallen short of intent. Recent changes in the orientation of welfare policies such as reductions in budgets and increased privatisation dilute constitu-

tional promises. Varied experiences and needs of marginalised communities must be recognised, with the allocation of adequate government resources to address inequalities, not out of largesse but as a fulfilment of the State's constitutional obligation towards social justice.

## **04 Recognising Reproductive Labour: Maternity Entitlements**

*Sejal Dand and Neeta Hardikar*

Article 42 of the Constitution states 'the State shall make provision for securing just and humane conditions of work and for maternity relief'. Over the years, in fulfilment of this directive, India's maternity protection regime has taken many steps starting with the Maternity Benefit Act of 1961. While important, it failed to fully realise the goal of maternity protection within the domain of universal citizenship and labour rights as it only applied to a subset of women engaged in formal employment. It was the National Food Security Act (NFSA), 2013, that finally marked a vital shift by guaranteeing a universal cash transfer of ₹6000 to every pregnant woman as partial compensation for wage loss during pregnancy. However, the Pradhan Mantri Matru Vandana Yojana (PMMVY) (notified under NFSA) diluted this recognition of women's reproductive labour by marring it with conditionalities and digital barriers.

## **05 Nurture and Nourish: Ensuring Early Childhood Development**

*Sudeshma Sengupta*

The Integrated Child Development Services (ICDS) programme was launched in 1975 with the aim of comprehensively addressing nutritional, health and educational needs of children below the age of six. The ICDS comprises supplementary nutrition, universal immunisation, nutrition and health education, health check-ups and referral services, and pre-school education delivered to ~6 crore children and ~75 lakh women via 14 lakh anganwadi centres across the country. It is

a foundational programme aimed at shaping the welfare and development of every child. Over the past fifty years, the programme has continued to hold significance, with experts calling for its universalisation with equity and quality, and its expansion to include crèche services.

06

## **The Welfare State at Lunch: India's School Mid-Day Meal Programme**

*Dipa Sinha and Bhargav B S*

The Mid-Day Meal Scheme (MDMS) — a programme started by a single municipal corporation in 1920, is India's most enduring and wide-reaching social welfare interventions today. The MDMS addresses the crucial intersection of poverty, hunger and malnutrition, and primary education by currently providing cooked meals to over eleven crore children in approximately twelve lakh schools nationwide. Its impact can be captured via two crucial material outcomes. Hot cooked meals are a significant factor in boosting enrolment and attendance rates especially for girls and children from marginalised communities who would otherwise not be able to attend school. It reduces women's burden of unpaid care work. It has been an instrumental scheme which has had a tangible effect over the progress of Indian society.

07

## **The Right to Education Journey: From Access to Quality**

*Anuradha De and Amarjeet Sinha*

Article 21A of the Constitution, introduced by the 86th Constitutional Amendment, set out the right of children between the ages of six and fourteen to free and compulsory education. In 2009, this was operationalised by the Right of Children to Free and Compulsory Education (RTE) Act. While efforts over the years have improved levels of school participation, data continue to report learning deficits among students and concerns about the quality of education and students' learning outcomes remain. Policy needs to focus on overcoming these learning deficits to create an environment where learning can take place

in a meaningful way. This would require transforming schools into community institutions, decentralising their management and providing teachers with adequate training and teaching time.

08

## **Reservations in Private Schools: Towards a Common School System?**

*Ankur Sarin and Tarun Cherukuri*

Section 12(1)(c) of the Right of Children to Free and Compulsory Education Act, 2009 mandates that unaided private schools set aside at least 25 per cent of entry-level seats for children from ‘economically weaker sections’ and ‘socially disadvantaged groups in the neighbourhood’. The precursor to this Act was Article 21 A of the Constitution, introduced by the 86th Constitutional Amendment, which mandates the provision of free and compulsory education to all children between the ages of 6 and 14. Section 12(1)(c) specifically brings private unaided schools within a rights-based framework. The mandate is motivated by the argument that educating underprivileged children is ‘not merely the responsibility of schools run or supported by the appropriate governments, but also of schools which are not dependent on government funds’.

09

## **Diagnosing Healthcare Delivery: History, Challenges and Current Status**

*Vandana Prasad and Indira Chakravarthi*

Health is widely recognised as a basic human right. Healthcare systems play a critical role in promoting health and well-being and in preventing and managing ill-health. In a democratic welfare state such as India, the responsibility for ensuring comprehensive healthcare across all levels of care and categories of interventions lies squarely with the government. The interpretation of this responsibility has varied significantly, shaped by the broader economic and social paradigms within which health policy and systems function. This chapter outlines key principles, policies, programmes and forces that have influenced, and

continue to shape, healthcare services from the early and mid-twentieth century to the present.

10

## **Government-funded Health Insurance: Does Coverage Mean Care?**

*Indranil and Richa Chintan*

The Indian healthcare system has long faced poor public investment and high out-of-pocket expenditures (OOPE). From 2005 onwards, many state governments initiated government-funded health insurance schemes (GFHIs) towards improving access to healthcare and reducing OOPE. This culminated in the launch of the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) in 2018, a central scheme providing insurance coverage of up to ₹5 lakh per household per year for hospitalisation expenses for the bottom 40 per cent of the population. Existing evidence points to several limitations of GFHIs, including the persistent burden of OOPE, exclusions, induced demand, inequitable access and shift of public resources to the private sector. Given that insurance schemes are rife with market failures, expanding and strengthening the public health system for universal and equitable access to healthcare should be the priority.

11

## **Combating Hunger: The Public Distribution System**

*Nandini Nayak and Dipa Sinha*

The Public Distribution System (PDS) in India has had a long and chequered history. From being a wartime rationing system in the 1940s, it emerged into a nationwide network serving multiple objectives including price stabilisation, reaching foodgrains to deficient regions and providing basic food security to the poor. The National Food Security Act (NFSA), 2013 made access to subsidised foodgrains through the PDS for 75 per cent of rural and 50 per cent of urban populations a legal entitlement. The PDS has since seen further expansion and a structural shift away from poverty-line-based targeting. Yet, issues such as inadequate coverage based on outdated population figures, exclusion of some

marginalised populations, a narrow focus on cereals and digital exclusions remain. While addressing these, the PDS must be reimagined towards responding to the present challenges of poor dietary diversity as well as crop diversity.

12

## **The Promises of the Right to Work: Achievements and Challenges**

*Rajendran Narayanan and Vijay Ram S*

On 5 September 2005, for the first time, the ‘right to work’ was constitutionally mandated in India through NREGA. The history that led to this, in terms of rights, economic and policy intentions, began before independence. It took decades of sustained efforts, despite a strong constitutional commitment, to realise NREGA. It empowered people to contest caste and gender rigidities, improved livelihoods, democratised planning and built crucial infrastructure in rural India. While the implementation of NREGA has not been without its challenges, these do not warrant its repeal. The new VB-GRAM G Act passed in December 2025, has abrogated crucial provisions guaranteed by NREGA and effectively rescinded the right to work. Excessive centralisation, shifting the fiscal burden to states, and exclusionary technology and selective application cast serious doubts about the scheme’s impact.

13

## **Whither State Care? India’s Non-Contributory Pension System**

*Asmi Sharma and Nancy Pathak*

A transformative concept of social security began to take shape in India in the 1990s, informed by a rights-based approach to welfare. The state’s outlook on social security shifted from discretionary relief to a basic obligation, articulated through the language of rights, citizenship and social justice. The National Social Assistance Programme (NSAP), introduced in 1995, was the first attempt to establish a national, non-contributory social assistance pension system for the country’s most socially and economically vulnerable populations. Since its incep-

tion, the NSAP has undergone numerous developments that have both strengthened and fragmented the system. Key state-level schemes and practices show pathways to enhance the programme and chart a path towards a more meaningful social security pension system.

## **14 Cultivating Income: Pradhan Mantri Kisan Samman Nidhi**

*Chakradhar Buddha and Rahul Mukkera*

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) was introduced in 2019 with the objective of doubling farmers' incomes. It represented a paradigm shift, as it is a direct income transfer to farmers, while all previous policies focussed on reducing input costs or increasing remuneration through price mechanisms. Agriculture requires multiple interventions and higher public investment in general. The amount ₹6,000 per year per farmer is insufficient compared to input costs borne by farmers, and there are concerns that PM-KISAN plays a limited role in enhancing farmers' income. Since it is conditional on land ownership, the scheme disproportionately excludes women farmers, tenant farmers, Dalits and Adivasis. Mandating entitlements on digital conditionalities continues to be a cause for concern.

## **15 Whose Direct Benefit? Cash Transfers for Women**

*Dipa Sinha and Vijay Ram S*

Over the last few years, there has been a tremendous rise in unconditional cash transfer (UCT) schemes targeted at women. Since 2021, seventeen states have introduced them and some estimates suggest that over ₹2 lakh crore was allocated to such schemes in 2024. These initiatives continue to spread and have become a central feature of electoral promises made by political parties in state elections. The debate on cash versus in-kind transfers in India is not new but has recently evolved into a complex and contested one. It is important to examine the various dimensions of this debate and situate this wave of UCTs within its broader policy and political context. This

shift in welfare policy raises key questions on implications for financial sustainability and state budgets, public services and human development outcomes, gender relations and women's economic agency, the state-citizen relationship and the nature of democracy.

16

## **People's Watch: Principles of Social Accountability**

*Anindita Adhikari*

Social accountability refers to mechanisms within public programmes that seek to make the state responsive to citizens' claims by creating direct linkages between citizens and government. These mechanisms have expanded state-society interfaces for participation, claim-making and oversight, extending the downward reach of the democratic state. The development and functioning of social accountability mechanisms in India's welfare state can be understood through key instruments such as social audits, grievance redress systems and public information platforms. Rights-based legislations since the 2000s have transformed governance by embedding transparency, citizen participation and oversight within state institutions. However, persistent challenges remain and perhaps the gravest threat to these social accountability systems are sweeping legislative changes which undermine transparency and the retrenchment of social rights.

17

## **Localising the State: Decentralisation and Democratic Governance**

*Avani Kapur*

The 73rd and 74th Amendment Acts 1992, institutionalised urban and rural local governments as a third-tier of governance. This was a landmark step. In practice, however, there continues to be much variation in the devolution of funds, functions and functionaries between states. Shifts in the architecture of welfare delivery have created parallel administrative structures, leading to the local governments increasingly operating as implementers rather than autonomous decision-making bodies. India's vision of decentralisation was intended as a

means of deepening democracy by embedding decision-making power with institutions closest to citizens. Realising this vision requires aligning fiscal devolution with functional authority, strengthening local accountability, and empowering panchayats. Although a vital initiative to deepen democracy, significant corrective measures have to be taken towards achieving it in its intended form.

18

## **Clouding Citizenship: The Digital State**

*Rajendran Narayanan and Padmini Ramesh*

The last two decades have seen a steady transformation of how welfare delivery has happened in India creating a “Digital State”. Notwithstanding economic efficiency gains and ease of “targeting”, this shift has purportedly risked the subordination of citizenship to administrative convenience. By transferring accountability from state to citizens, such a digital state often obscures the human costs and complexities involved in accessing rights. Governance strategies increasingly prioritise scale over accuracy and deprioritise consent. A participatory approach and a legal framework for digital accountability is likely to make welfare delivery more inclusive and less prone to potential misrepresentation of individuals’ needs and realities.

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## **Methodological Note for Estimates of Budgetary Allocations by Union and State Governments**

In the Table on budgetary allocations we attempt to estimate total Union and state spending for the several schemes and sectors covered in this Handbook for Financial Year (FY) 2025-26.

For Union Budget data we refer to the Expenditure Budget 2025-26 for all schemes and sectors other than PMMVY. The biggest component under Mission Shakti (budget Rs. 3,150 crore), PMMVY does not have a separate budget head in the Union Budget. According to the Parliamentary Standing Committee Report no. 377 (page no. 22), the budgetary allocation for PMMVY in 2025-26 was Rs. 2,185 crore.

## Source of scheme-wise allocations from the Expenditure Budget 2025-26

Scheme / Sector	Ministry/Demand
Social Justice & Empowerment	Ministry of Social Justice and Empowerment, Demand no. 93, Department of Social Justice and Empowerment and Demand No. 94, Department of Empowerment of Persons with Disabilities (page no. vi).
Tribal Affairs	Ministry of Tribal Affairs, Demand no. 100 (page no. vi).
Minority Affairs	Ministry of Minority Affairs, Demand no. 70 (page no. iv)
ICDS (Anganwadi)	Ministry of Women and Child Development, Demand No. 101, Saksham Anganwadi and POSHAN 2.0 (page no. 336)
Education	Ministry of Education, Demand no. 25, Department of School Education and Literacy (page no. ii).
Health	Ministry of Health and Family Welfare, Demand no. 46, Department of Health and Family Welfare and Demand no. 47, Department of Health Research (page no. iii).
PDS	Ministry of Food, Consumer Affairs and Public Distribution, Demand no. 15, Department of Food and Public Distribution, Allocation for Total Food Subsidy (page no. 57).
MGNREGA	Ministry of Rural Development, Demand no. 87, Department of Rural Development, Mahatma Gandhi Allocation for National Rural Employment Guarantee Program (page no. 292).
NSAP	Ministry of Rural Development, Demand no. 87, Department of Rural Development, Allocation for National Social Assistance Programme (page no. 292).
PM KISAN	Ministry of Agriculture and Farmers Welfare, Demand no. 1, Department of Agriculture and Farmers Welfare, Allocation for Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) (page no. 2).
Finance Commission Grants to local bodies	Ministry of Finance, Demand No. 42, Transfer to States, Allocation for Grants for Local Bodies (page no. 146).

State-level budgetary allocations across different schemes and sectors are not readily available in one source and are often released with a lag, as such data used in the table are on the basis of our own estimates from across different available data sources.

- State allocations for Social Justice and Empowerment, and Tribal Affairs are estimated as the sum of capital and revenue expenditure on 'Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes' (Appendix II and IV, RBI State Finances).
- Data for state expenditure on Minority Affairs is not readily available as a distinct head and has not been presented in the table on budgetary allocations above.
- For schemes such as PMMVY, ICDS (Anganwadi) and MGNREGA, we have estimated state share on the basis of the scheme specific cost sharing rules. For PMMVY and ICDS regular cost-sharing norms are 60:40 and 90:10 for MGNREGA. However, some state governments have expanded PMMVY by increasing the entitlement. We do not have access to such additional state contributions. Some states also have their own schemes, this has been indicated under 'Unconditional Cash Transfers Schemes for Women'. According to a report by PRS Legislative Research (2025), states are collectively estimated to spend Rs. 1.68 lakh crore (0.5% of GDP) on UCT schemes for women. Based on the 16th Finance Commission report, 47% of 4.14 lakh crore was spent on cash transfers which is roughly Rs. 1.95 lakh crore. We have taken the estimated amount from PRS legislative research as it explicitly states unconditional cash transfers for women.
- We obtain the total state expenditure on 'Education, Sports, Art and Culture' for 2025-26 BE from Appendix II and IV, RBI State Finances. Based on the most recent 'Analysis of Budgeted Expenditure on Education' by the Ministry of Education for the year 2022-23, we calculated that the state share of expenditure on school education was 75.2% of the total expenditure on education. We assume that the share of expenditure on school education is the same in 2025-26 for the states.

- Health expenditure is a summation of state expenditure on ‘Medical and Public Health’ and ‘Family Welfare’ based on Statement 37 of RBI State Finances.
- State data comparable to the Union allocation on food subsidies, is available for FY 2023-24 in the 16th Finance Commission report (page no. 301). We use this as an approximation for state allocations in BE 2025-26 as these closely reflect actuals of previous years.
- PM KISAN and NSAP are centrally sponsored schemes where the entire funding comes from the Union government. However, under both schemes a number of state governments contribute a share or have their own additional cash transfer schemes. As per the 16th Finance Commission Report, ₹4.14 lakh crore was spent on unconditional cash transfer. Out of this, 15% was spent on agriculture and 38% on social security. This is what we have used to arrive at estimated expenditures by states on cash transfers for farmers and social security pensions.
- Finally, having put together estimates for Union and state budgetary allocations towards the different schemes/sectors, we calculate this as a share of total government allocation (sum of developmental and non-developmental expenditure for Centre and state from RBI Database on Indian Economy) and GDP 2025-26 at current prices (Macro-Economic Aggregates (Base Year: 2011-12 At Current Prices) from the RBI Database of the Indian Economy).

Sources:

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