

Critical evaluation of Budget of Chhattisgarh 2024

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Abstract

This research paper aims to critically analyse the state of Chhattisgarh budget for the financial year 2024 comprising of the fiscal policies and budget distribution of this Indian state along with the effect of the implemented/ proposed financial measures on educational sector, health, infrastructure development, agriculture, and welfare sectors. On the same note, the study seeks to establish the efficiency and viability of the budgetary estimates, government's priorities and probable areas of emphasis; in regard to the state's socio economic concern. The triennial budget unveiled by the state government for 2024 focuses on the aspects of inclusive growth, development of rural areas, and welfare of the society with special reference to uplift the living standard of weaker sections of society and reduction of regional imbalances.

This paper scrutinizes the capability of the projected budget in containing fiscal deficit, generating tax revenues and giving out public expenditure with accountability whether it is realistic and sustainable to the state's growth. Furthermore, the research evaluates the efforts deployed by this State towards growth of employment, support of SMEs, and environmental management.

This work also examines the supply of state subsidy for welfare programs such as health insurance, education scholarships for children, and rural infrastructure development projects, which are fundamental to revitalize the needy population. A comparison with budgets of previous financial years will bring out trends, changes in focus and how the government handles new paradigms, such as slower growth, rising inflation rates, and climate change. At the end of this paper, strategies for efficient budget for resource acquisition as well as the attainment of sustainable development goals and objectives in the state are outlined.

Keywords - Fiscal Policy, Public Expenditure, Economic Growth, Infrastructure Development, Policy Evaluation

Introduction

Budget is one of the most important state documents signifying its financial condition, the directions of development and perspectives for the future. In the context of Chhattisgarh, a resource-endowed state of union of India, it has created an imperative institution of the annual budget for tackling social economic issues in this state to ensure public welfare along with growth and development. There is importance in the present Chhattisgarh Budget 2024 because it plans to further the process of building sustainable development in Chhattisgarh alongside the tackling of new problems; and overall improving the living standard of the people of Chhattisgarh. The present research work argues about the 2024 budget plan of Chhattisgarh and concerns with the analysis of its managing strategic direction, fiscal responsibility, and relevance to respond to the essential and necessary needs of the major sectors in education, health, agriculture, infrastructure, and rural development.

As Chhattisgarh has a large agrarian population base and is mainly an agricultural state, the issues on the developmental agenda include poverty, unemployment, healthcare and education system, and infrastructure in the state. The welfare schemes which dominated the state government in the recent past have dealt with development needs of the oppressed sections of the society and the service sector. The proposed 2024 budget also follows this practice while extending brand-new steps to address modern problems like a slowing economy, rising inflation, and environmental concerns.

Thus, this paper seeks to evaluate the components of 2024 Chhattisgarh state budget as follows: The distribution of each fund across sectors; the manner in which the government intends to manage fiscal; and the result of spending on proposed projects. The research work will also involve comparing the budget with the one prepared the previous year with a view to making a headway on the fiscal policy of the state as well as grasping how the budget fits into the broader policies of economic and social development.

Therefore, this paper aims to provide an analysis of the Chhattisgarh Budget 2024, in light of the state's ongoing priorities and financial condition. In light of the analysis of the provisions of the budget and its implications for different stakeholders, the research intends to share knowledge in the degree towards offering solutions to the problems of bad governance and appalling public financial management in the state.

Thus, this study is of interest for policymakers, economists, social scientists, and other stakeholders interested in the development of Chhattisgarh to understand how the budget of the state is constructed, and what strategic decisions would imply for the path of development of this region in the months and years to come.

Literature review

The involvement of state budgets in determining economic conditions and financing developmental imperatives is a subject of considerable scholarly and policy interest. A state budget, which contains policy of the governor of and/or the legislature, sources of revenues, expenditure, and development goals of a state, is a significant tool in controlling a region's economy. Thus, the contours and processes of budget making in Chhattisgarh can only be understood by reviewing different theoretical models, previous budgets, and scholarly works concerning fiscal strategies, distribution sectors and budgetary measures on socio-economic growth of the state.

Balances are considered to be in focus when it comes to the economic growth in the short-run and on the long-run as well. In their view as expressed by Bhagwati and Srinivasan (1999), an appropriate indication of the ability of government expenditure to overcome market failures and provide efficient resource allocation is the case of developing countries. Chhattisgarh is a resource endowment but moderately developing state and therefore, development expenditure is given to sectors including agriculture, education, health and rural development for strengthening the economy with equal opportunities for each area (Choudhury, 2013). But perhaps, more important for Chhattisgarh is the distribution of resources to sectors like agriculture and infrastructure and welfare programmes which impinges on over 60 percent of the people depend on agriculture and rural employment.

Ramesh and Sudhir (2017) also stressed the role of fiscal responsibility and realize resources utilisation in ensuring balance state budgets. They postulate that constructive management of public revenues and expenditures can reduce fiscal deficits, and foster efficient economic growth. The strategies of finance in Chhattisgarh reflected in its past budgets are strongly committed to balanced spending, control over public debt and the

rational usage of financial resources more particularly in the light of limited resources along with its dependency on central grants.

The literature review analysis of state budgets in India has identified the sectoral nature of state budgets in promoting the process of economic restructuring. For instance, agricultural budgeting literature (Singh & Kumar, 2016) explains how the state budget for the rural based economy provides funds for agricultural development, irrigation facility and benefiting farmers. Since agriculture forms a substantial part of the Chhattisgarh's income, the state has a major chunk of its budget proposed for the schemes, which are meant to raise agricultural output and facilities, besides the existence and standards of farmers. Patel (2020) also stressed that agricultural subsidies, MGNREGA employment schemes and the extension of organic farming are all major pillars of Chhattisgarh's development policies.

Additionally, the education and health care sectors of Chhattisgarh have shown a good deal of interest in the previous budgets. As reported by Planning Commission (2015), the state has given higher emphasis on educational development especially in education sector in rural areas and to give improvement to health sector. Past analyses of state budgets have argued that with more emphasis on such issues the spending in these areas must also be followed by implementation strategic plans popularly referred to as effective implementation frameworks for delivery of the social services to the targeted groups and vulnerable groups of women and children and the tribal population (Sharma, 2018).

Any reasons for a state's fiscal status are solely and explicitly associated with determined revenues and balanced deficits. As stated by Mathur and Sharma (2014) an important component of state budgets is revenue and expenditure. Such states as Chhattisgarh which relies on central transfers and grants will always find it hard to generate their revenues. The state has been active in increasing its own sources of external revenue such as industrial development and taxation measures. But as pointed by Jadhav & Dubey (2020), the state remained fully relied on grant and financial assistance from the Central government and thereby faced problems in attaining fiscal self-sufficiency.

This is reinforced by Bhardwaj and Rath (2019) with regard to sound fiscal policies which assist the states in avoiding early borrowings and creation of huge burdens to the various forms of debts which are all very advantageous to a state. The state of Chhattisgarh has

also focused on various reforms with regard to its fiscal management in the country, more particularly, reduction of fiscal deficit, the improvement in the resources mobilization by innovative system of taxes and industrial development. But the problem of budget constraints still remains in front of the state, and the questions related to the management and control of public debt on the one hand and spending state money according to the flow of the revenues on the other hand.

According to the empirical literature, it is possible to improve social conditions of vulnerable groups by providing them with the necessary financial supplies under the indicated social-oriented budgeting. Similarly, in Chhattisgarh, the state government has also develop a vast welfare schemes especially for women, children and the tribal. The state government has carried out various schemes like Chhattisgarh MukhyamantriShahari Slum Swachhata Mission (an urban sanitation mission) to ensure social uplift of the society. Puri (2017) identified that the budgets of Chhattisgarh have influenced the state's women's effectiveness in MSC and job market by improving female labor force participation along with the decision-making authority in homes in rural and tribal area.

Furthermore, Gupta and Sharma (2016) focused on the fact that thegettext:properly targeted health and education expenditure has paid dividends; literacy and other standard indicators have improved, access to better health care services is much more evident in rural areas. One of Chhattisgarh's centripetal budgetary priorities was the rural health schemes and free medical for the economically needy which helped the state enhance the health standards.

Analyzes of Indian state budgets reveal that there is a requirement of policy change and efficient governance to make best use out of the available state expenditure. Sharma and Pandey's (2015) studies on the effective management of state budgets indicate that there is need to fine-tune state budgets to meet these higher developmental priorities of the country like poverty eradication and sustainable development. Under these circumstances, Chhattisgarh's capital accumulation to renewable energy along with water conservation and environmental issues prove that sustainable development is no longer a taboo. However, Rathi and Soni (2019) opine that there is the need for better implementation mechanisms to ensure these projects are transformed into the community requisite impacts.

State Budgets have been discussed in detail in many papers, which gives a rich understanding of its priorities, problems, and approaches to overcoming socio-economic inequality in Chhattisgarh. It is observed that Chhattisgarh has been decentralised its budget in agriculture, health, education and social welfare sectors, yet there is a lot of scope for further changes in fiscal policies and to innovate towards resource mobilisation and management to support inclusive growth in Chhattisgarh. The literature draws attention to the efficient implementation and tracking of the budget expenditure as well as the central issue of government policy in the process of altering the economic benefits received and potentially receivable by the socially disadvantaged. On this basis, this research paper extends from these findings to analyze the Chhattisgarh Budget 2024 with the purpose to assess its impact on the state's growth and development.

Objectives of the study

- To analyze the allocation of funds across various sectors in the Chhattisgarh Budget 2024.
- To assess the fiscal discipline and revenue generation strategies adopted by the state government.
- To evaluate the impact of budgetary provisions on socio-economic development in Chhattisgarh.

Research methodology

The study therefore adopts a qualitative research approach utilizing both primary and secondary data to analyse the Chhattisgarh Budget 2024. Secondary data is collected from the existing literatures, journals, articles, and published research papers to analyze the affectivity of the financial budget on economy, and interview with the financial analyst, government employees and economist is conducted to understand the pros and cons of the budget and the main issues those can arise in its implementation. Secondary data involve an analysis of official budgets, financial statements, government reports and articles, and literature on state budgets and fiscal policies. Comparative analysis methods are applied to assess the distribution of budgets for different sectors including health, education, agriculture, and infrastructure, in addition to the previous budgets of Chhattisgarh. In addition, different types of quantitative data and economic performance measures are employed to compare the budget with overall state development objectives, expenditure restraint, and revenue plans. It is explicit from the above analysis that this methodological

approach assists in evaluating and making recommendations about the budget; its benefits, things that need improvement and the impact that a budget will have on socio-economic development of Chhattisgarh.

Data analysis and discussion

Table 1 - allocation of funds across various sectors in the Chhattisgarh Budget 2024

S. No.	DepartmentName	BE 2023-24	BE 2024-25	Growthvalue	%Growth
1.	Women&ChildDevelopmentDepartment	2,675	5,683	3,008	112%
2.	PublicHealthEngineeringDepartment	2,557	5,048	2,491	97%
3.	MineralResources	877	1,580	703	80%
4.	Panchayat&RuralDevelopmentDepartment	10,329	17,529	7,200	70%
5.	PublicHealth&FamilyWelfareDepartment	5,497	7,552	2,055	37%
6.	AgricultureDevelopment&FarmerWelfareDepartment	10,070	13,435	3,365	33%
7.	EnergyDepartment	6,665	8,009	1,344	20%
8.	HomeAffairsDepartment	6,520	7,570	1,050	16%
9.	UrbanAdministrationDevelopmentDepartment	5,360	6,044	684	13%
10.	SchoolEducationDepartment	19,489	21,489	2,000	10%

The Chhattisgarh Budget 2024 shows that rural development, social welfare, and infrastructure are the most heavily funded areas. In 2024–25, the budget for the Women & Child Development Department increased from 2,675 crore to 5,683 crore, a growth rate of 112%. This dramatic increase highlights the state's commitment to welfare programs that support women and children, and it is likely a result of efforts to enhance nutrition, child safety, and health. Likewise, the budget of the Public Health Engineering Department has about doubled, going from ₹ 2,557 crore to ₹ 5,048 crore, a 97% increase. This indicates a significant commitment to enhancing the infrastructure for water supply and sanitation, which is vital for public health.

The state's dedication to improving rural infrastructure and strengthening local administration was shown by the substantial 70% increase in budget to the Panchayat & Rural Development Department. To promote inclusive development, this sectoral focus is

in line with the needs of the state's mostly rural population. Consistent funding for healthcare services and agricultural assistance is shown by the 37% and 33% increases, respectively, obtained by the Public Health & Family Welfare Department and the Agriculture Development & Farmer Welfare Department. Increasing production, improving farmer welfare, and tackling agricultural difficulties are the continuous goals of the agriculture budget increase.

On the other hand, Energy, Home Affairs, and Urban Administration Development all saw modest budget increases of 20%, 16%, and 13% respectively. This points to a slow but steady increase in energy and urban infrastructure projects compared to the emphasis on rural and social sectors. Finally, there was a small but good 10% growth in the School Education Department, which might indicate that resources should be better distributed across important areas. The allocation of funds shows that Chhattisgarh is committed to improving social welfare, healthcare, and rural development while keeping other important areas funded consistently.

Fiscal discipline and revenue generation strategies adopted by the state government

Pension Expenditure

Pensions would use 6% of Chhattisgarh's income in 2024–25, amounting to Rs 7,737 crore. Chhattisgarh intends to reinstate the Old Pension Scheme (OPS) in the next fiscal year (2022–2023). Since states are no longer required to make payments under the New Pension Scheme, they may be able to reduce their pension spending in the medium future if they return to OPS. When new workers retire, however, the impacts of joining the OPS will be apparent. Budget projections for pensions in Chhattisgarh are available up to 2034–35. Pension spending is projected to reach Rs 32,793 crore in 2034–35, up 13% from 2022–23.

Devolution to Local Bodies

For the years 2021–2026, the 50 states were recommended for funds totalling Rs 4.4 lakh crore by the 15th Finance Commission. To be eligible for these funds, you must meet the criteria set down by the Commission, which include being open and honest about your financial dealings and doing a better job of collecting property taxes. Between 2021 and 2026, Chhattisgarh is projected to get a sum of Rs 10,368 crore in local body funds, according to the recommendations of the 15th FC. It has received a total of 4,791 crore

rupees in grants from local bodies as of 2022–23. It is projected to receive a total of Rs 3,511 crore in 2023-24 (revised) and 2024-25.

Debt sustainability

According to the Reserve Bank of India (RBI), a state's debt may be seen as sustainable if two conditions are met: (i) the rate of public debt growth is lower than the growth of nominal gross state product (GSDP), and (ii) the rate of GSDP growth is greater than the effective interest rate. From 2017–18 to 2020–21, Chhattisgarh's debt increased at a faster pace than nominal GSDP. The projected growth rates for outstanding liabilities and GSDP in 2024-25 are 9% and 11%, respectively. Despite the FRBM Review Committee's recommendation of 20% of GSDP, the projected outstanding liabilities of Chhattisgarh are 25% of GSDP.

Conclusion

The research found that the Chhattisgarh Budget 2024 prioritises healthcare, rural development, and social welfare in order to promote inclusive growth and enhance the living conditions of the state's citizens. A targeted strategy to meet the urgent needs of vulnerable people, enhance infrastructure, and fortify rural governance is evident in the substantial budget increases allocated to departments like Women & Child Development, Public Health Engineering, and Panchayat & Rural Development. Because of the importance of agriculture to the state's economy, the government has prioritised allocating funds to the sector in order to help farmers and alleviate economic hardships in rural areas.

Urban administration, energy, and education are all enjoying stable but less aggressive growth in financing, despite the budget's proactive initiatives towards social and rural development. Prioritising areas with the greatest social effect while ensuring vital sectors get funding is achieved via this balanced approach. It may be necessary to spend more strategically in the development of human capital for the long run, nevertheless, since educational financing has only increased little.

With an eye towards more equitable development, better public health, and bolstering rural livelihoods, the Chhattisgarh Budget 2024 seems to be in line with the state's socio-economic objectives. The research suggests that in order to make the most of the money that has been given and to make modifications that might improve the state's economic

trajectory even more, the budget implementation should be continuously monitored and evaluated.

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