

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**FM: BENEFITS OF DEMOGRAPHIC DIVIDEND WILL FLOW ONLY IF OUR
POPULATION IS HEALTHY, EDUCATED AND PROPERLY SKILLED; MEETS
REPRESENTATIVES OF SOCIAL INFRASTRUCTURE, HUMAN CAPITAL AND
DEVELOPMENT GROUPS AS PART OF HIS PRE BUDGET CONSULTATIVE
MEETING**

New Delhi, January 8, 2015
Pausha 18, 1936

The Union Finance Minister Shri Arun Jaitley said that apart from on-going schemes and programmes for the marginalized and vulnerable section of the society, the Government has initiated various special social sector programmes. He said that these programmes among others include Swachh Bharat Mission (Gramin), which will set the base for improving sanitation and health standards; Pradhan Mantri Jan Dhan Yojana (PMJDY) and RuPay debit card which will extend financial inclusion and give financial empowerment to the account holders at large. The Finance Minister, Shri Jaitley was making his Opening Remarks during the Pre Budget Consultative Meeting with the representatives of Social Infrastructure, Human Capital and Development Groups here today. He said that more than 63% of the population is in the age group of 15-59 years, broadly termed as India's demographic dividend. He said while this young population provides India a great opportunity, but it also poses a great challenge to the Government. He said that benefits will flow only if our population is healthy, educated and properly skilled. In this context, he said that investments, especially in social infrastructure that build-up human capital are crucial. Shri Jaitley said that India needs to take advantage of this demographic window in the next couple of decades and garner its benefits. Therefore, the Finance Minister said that his Government has put thrust on skill development as well as on 'Make in India' as the Government's endeavour to improve employability and create large employment avenues for the youth among others. He said that skill development has been given focused attention for which a dedicated Department of Skill Development and Entrepreneurship has been created in the Central Government. He said that the challenge for the country now is in planning and acting towards converting its potential demographic force for enhancing opportunities of growth by dovetailing the quality of manpower to the requirements of employers, both domestic and international.

The Union Finance Minister Shri Arun Jaitley said that emerging trends indicate the growth deceleration in India has bottomed-out. The Finance Minister said that significant downward trend in inflation has also been recorded in the second and third quarter of 2014-15. He said that external environment has also largely turned in India's favour. In such a back drop, the Finance Minister said that domestic policies to achieve macro-economic balance and the on-going process of economic reforms would lend further strength to the recovery of the economy.

The meeting was attended among others by Shri Rajiv Mehrishi, Finance Secretary, Shri Shaktikanta Dass, Revenue Secretary, Shri Ratan P. Watal, Secretary (Expenditure), Shri V.S. Oberoi, Secretary (WCD), Shri Lov Verma, Secretary, Health and Family Welfare, Ms Vrinda Sarup, Secretary, Department of School Education and Literacy, Smt. Gauri Kumar, Secretary, Ministry of Labour and Employment, Dr. Arvind Subramaniam, Chief Economic Adviser Ms. Anita Kapur, Chairperson, CBDT, Shri Kaushal

Srivastava, Chairman, CBEC, and other senior officers of the Ministry of Finance. Among the representatives of the various social sector groups included Shri Paul Divakar, National Campaign on Dalit Human Rights, Ms. Barsha Poricha, National Foundation for India, Shri Sreedhar Ramamoorthy, Mines Minerals and People, Ms Dipa Sinha, Right to Food Campaign, Shri Subrat Das, Centre for Budget and Governance Accountability, Shri Ashok Bharti, National Confederation of Dalit Organisation, Ms. Sonali Khan, Breakthrough, Shri Ashraf Patel, Pravah, Shri Ajay Jha, Public Advocacy Initiatives for Rights and Values in India (PAIRVI), Shri Thomas Chandy, Save the Children, Shri Sandeep Chachra, Actionaid, Shri Avinash Kumar, Wateraid, Shri Pradeep S. Mehta, CUTS, Shri Ambarish Rai, Right to Education Forum and Ms Yamini Aiyar, Centre for Policy Research among others.

Various suggestions were received from the representatives of the different social sector groups during the meeting. Major recommendations include that immediate steps be taken in the budget to prevent any scope of diversion and misallocation of funds meant for the benefit of dalits and adivasis. This will result in about Rs. 30,000 crore to be available for the development of Scheduled Caste and Scheduled Tribes. Other suggestions include to set apart in the coming budget the entire 16.2% for Scheduled Castes and 8.2% for Scheduled Tribes, establishment of well designed and dedicated institutional mechanism for Schedule Caste Sub Plans (SCSPs) Tribal Sub Plans (TSPs) separately at the Centre and State levels, creation of a separate unit within Niti Ayog with power to review, monitor and direct to ensure effective implementation of the SCSP and TSP as well as setting-up of a nodal unit headed by a Joint Secretary with the responsibility of preparation of Annual SCSP Plans and their subsequent implementation.

Other suggestions include adequate allocation for ICDS budget, Mid Day Meal Scheme and for the programmes for the nutrition of mother and child under Food Security Act as well as clear demarcation of funds to remove malnutrition among children of dalits and adivasis etc. Besides this, there was suggestion for budget transparency at local level in order to have better utilization of funds and results of various social welfare schemes at the grass root level etc.

Other suggestions made during the aforesaid meeting include that a mechanism needs to be built to develop entrepreneurship among dalits, schemes to be brought out for developing art and culture of dalit and adivasi communities. Suggestions were also made about proper implementation of Prevention of Domestic Violence against Women Act, appointment of women protection officers, increasing the scope of Nirbhaya Fund to cover the domestic violence against women etc. A suggestion was made that Finance Minister may include a statement in his Budget Speech condemning violence against women showing unequivocal commitment of the Government in this regard.

Some suggestions were also made on investment on youth, especially from those of socially excluded communities, investment in skill and entrepreneurship building, more spending on education and social enterprises, inclusion of youth leadership in CSR activities, higher spending to change the social mindset of people against the use of toilets etc.

Other suggestions include adoption and implementation of the National Competition Policy to push the growth on higher trajectory, adoption and implementation of Public Procurement Act. As public procurement accounts for almost 30% of the total GDP worth US \$136 billion annually, therefore, Public Procurement Act would help in promoting the good

governance by curbing corruption in public procurement; and adoption of a National Public Procurement Policy; adoption and implementation of Financial Consumer Protection Act, fixing of fiscal management practices by establishment of Parliamentary Budget Office, adoption of international best practices in budgetary planning and reduction of non-merit subsidies among others.

In end, suggestions were also made for enhancement of allocation to education with an emphasis on making functional investment in early childhood and elementary education, enhanced allocation to education to 6% of GDP in line with Kothari Commission and National Education Policy recommendations and enhance allocation to elementary education by 1% to accommodate a cumulative gap in education, enhanced allocation to areas with strongest implications on quality–availability of teaching learning materials, improved libraries and strengthening of the capacity of the resource unit at the cluster level, enhance allocation for research, monitoring and evaluation, address gaps in financial and planning process to ensure full expenditure of allocated funds in education sector among others.
