

Budget 2021: We Welcome Vision but Concerns Remain

(Press statement: Population Foundation of India)

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Population Foundation of India welcomes the Union Government's commitment to increase investments and focus on health in the Union Budget 2021-22. Signalling the importance of health and wellbeing by terming it as the first of the six pillars of the budget 2021 has lifted the spirits of all of us who are deeply concerned by the impact of the COVID-19 pandemic on the lives of our people.

It is encouraging that the budget adopts a holistic approach to health, focusing on both preventive and curative measures.

The Finance Minister has announced a new centrally funded scheme PM Atma Nirbhar Swasthya Bharat Yojana with an outlay of about 64,184 crore over six years. We are confident that the new scheme will develop crucial capacities and infrastructure of primary, secondary, and tertiary health care systems and complement existing programmes under the National Health Mission.

Overall the FY 2021-22 outlay (budget estimate) for health and well-being is Rs.2,23,846 crore, reflecting an increase of 137%. Of this amount, Rs. 35,000 crore will be spent on the producing and distributing the COVID-19 vaccine.

There are some concerns on budgetary allocations for this year:

- The budget allocation for the Department of Health and Family Welfare is Rs. 71,269 crores, an increase of 9.6% over the budget allocation (Rs. 65,012 crores) on Financial Year 2020-21. **This is, however, lower than the revised estimates for FY 2020-21 (Rs. 78,866 crores.)**
- Allocations for Central Sector and Centrally Sponsored Family Welfare schemes, which includes the budgets for procurement and distribution of contraceptives to states, **is reduced by 35% from Rs. 600 crores in FY 2020-21 to Rs. 387.15 crores in FY 2021-22.** This is concerning, since to maintain the momentum of India's commendable performance in moving towards population stabilisation, investments in this area are critical. According to a study by Population Foundation of India, [*"The Cost of Inaction in Family Planning in India"*](#), India's per capita gross domestic product (GDP) could rise an additional 13% by 2031 if family planning policies and investments were actively prioritised.
- The budget of the National Health Mission has increased by 9.5% over the previous year from Rs. 33,400 crores to Rs. 36,575.5 crores in FY 2021-22. However, **the National Urban Health Mission received only a Rs. 50 crore increase over the previous budget, from Rs. 950 crores to Rs. 1,000 crores. Given the increasing pressure of growth and migration on India's cities, this amount is inadequate.**
- Allocations for the PM Jan Arogya Yojana (PM-JAY) under Ayushman Bharat **remains stagnant at Rs. 6,400 crores for FY 2021-22. Post-COVID there were hopes that the spends on this account would rise to reduce out-of-pocket private expenditure on health, which continues to be very high and is a key factor for many families to fall into poverty.**

As numerous studies have made clear, women have borne the brunt of COVID-19. In the current scenario, the absence of budgetary allocations focussing specifically on women **is a cause for concern.** Also, **a reduction by 42% in the funds allocated in the MNREGA scheme this year will hurt**

the incomes of the most vulnerable and will be a setback to the path to recovery. **A decrease in the allocation for education also comes as a surprise as the education sector has suffered severe stress during the pandemic.** We are particularly worried about high-dropout rates among students, especially girls.

Responding to the Union Budget 2020-21, Poonam Muttreja, Executive Director, Population Foundation of India said, *“The announcement of the PM Atma Nirbhar Swasthya Bharat Yojana is a step in the right direction towards strengthening our healthcare capacities and infrastructure. The increased investment of 50,000 crores over 5 years to strengthen research and development will surely put India’s innovation on the global map. However we must not lose our focus on maternal, child and adolescent health, including family planning. Prioritising social sector spending on women and young people’s health is central to all our futures. It will spur economic growth and recovery by ensuring a healthy population and ensure that the current health crisis does not increase existing gender disparities in access to affordable and quality healthcare.”*

About Population Foundation of India

[Population Foundation of India](#) was founded in 1970 by a group of socially committed industrialists led by the late JRD Tata and Dr. Bharat Ram, Population Foundation of India, a national non-governmental organisation, supports and promotes gender-sensitive and people-friendly population, health and development programmes and policies. Population Foundation of India works with Governments, both at the national and state levels, and with NGOs in the areas of community action for health, scaling up of successful pilots as well as social and behaviour change communication. The Foundation is guided by distinguished members of the Governing Board and Advisory Council comprising eminent persons from civil society, Government and the private sector.

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