

TRENDS AND PATTERN OF PUBLIC EXPENDITURE ON HEALTH IN PUNJAB

Dr. Shaveta Kaushal

Assistant Professor,
PG Department of Economics,
SGTB Khalsa College,
Sri Anandpur Sahib

Dr. Rupinder Kaur

Assistant Professor,
Amity Law School,
Amity University,
NOIDA

Abstract

Health is one of the vital indicators reflecting the quality of life and therefore it has been rightly said, 'Health is wealth'. Though preservation and promotion of health is one of the most basic human rights, India is still lagging behind in realizing this distant dream. Public health is concerned with the health of the community as a whole. Its key goal is to reduce population's exposure to disease. The total health expenditure of a country is generally classified under three major categories (a) public expenditure by state through tax financed revenues; (b) non-household private sector including companies, NGOs, community financing etc. and c) households' direct expenditure on purchasing of health care services. Among these three, the role of public and non-household private sector financing is considered to be significant in reducing the burden of health care expenditure on the households.

INTRODUCTION

Punjab, as such, does not have any specific health policy of its own. Health programmes in the state, as in most of the other Indian States, have continued to pursue, the policies of the Union Government. Even though health is a state subject, the policies and programmes framed by the Central Government are top priorities, as they are usually accompanied by a grant component, sometimes up to 100 per cent.

Prior to the beginning of the Fourth Five Year Plan, efforts had already been made to expand the health services to meet the requirements of the people

of the state. According to the guidelines lay down by the Central Government. However, the problem of making these services adequate for the community was yet to be solved. The population served in 1966 was 2,758 per doctor, 8,119 per midwife, 7,797 per nurse and 1,384 per dai, which were grossly inadequate. The total numbers of beds available (8,737) in 1966 were much less, and on an average 72 beds were available per lakh of population. Moreover, there were large-scale disparities in the availability of beds. It was stated in the Draft Outline of Fourth Plan that 'there has been a steady increase in the health facilities available in the Punjab State but, unfortunately, the gains made had been absorbed by the growing population'. It was further felt that 'there should also be qualitative improvements in the service rendered to the community. Whatever the deficiency in the registration of "vital statistics", the high death rate as well as high infant mortality rate are indicative as much of the inadequacy and the low quality of health services available to the population in general'. It was felt that there is an urgent need to expand the health facilities at a faster rate than the rate of growth of population. Based on the above few priorities listed in the Fourth Plan, allocations were made to improve the quality of service, particularly in rural areas, and meet the need for special inducement and facilities provided to the medical and paramedical personnel. 'Thus, during the Fourth Five Year Plan, efforts were made to provide medical and health facilities to the people, both in urban as well as in rural areas of the State. Efforts were made to improve the hospitals in the matter of staff, equipment and physical facilities and the highest priority was assigned to the family planning programme to check the growth of population in the State' (GOP 1979). For the first time, Rupees 25 lakh were earmarked for 'Child Health Care Campaign' in the last year of the Fourth Plan (1973-74), out of which only Rupees 16.63 lakh were utilized. The total expenditure on health and medical sector was Re.629.866 crores which is 1.47 per cent of total plan expenditure.

The Fifth Five Year Plan laid emphasis on building the health infrastructure. It was proposed to establish health Sub-centres at the rate of one each for a population of 10,000. Provisions were incorporated for up gradation of 29 PHCs to 30-bedded rural hospitals. Proposals were made for opening 150 new dispensaries in rural areas and to establish dental clinics in each block. There were proposals to open new Ayurvedic/Unani dispensaries, and to establish common medical facilities in rural areas, including diagnostic facilities such as X-Ray, laboratory, operation theatre and library for doctors serving in these areas, and completion and improvement of existing district hospitals. The total expenditure on health and medical sector was 1129.100 crores which is 1.57 per cent of total plan expenditure.

In the Sixth Five Year Plan, it was strongly felt that the existing number of medical institutions in the state was sufficient to meet the needs of the people. Simultaneously, it was also felt that the expansion of these institutions had not been brought to a reasonable norm of efficient functioning. A number of shortcomings, such as shortages of para-medical staff, buildings, modern machinery and equipment in the working. With further expansion and concentrate on meeting existing deficiencies and improving operational efficiencies of medical institutions in the state. Thus, the Sixth Plan focused on improvement of infrastructure and provision of quality health services. The total expenditure on health and medical sector was 5199.877 crores which is 2.75 per cent of total plan expenditure.

Under public health, the Seventh Plan provided adequate outlays for purchasing essential machinery and equipment, replacement of obsolete equipment and for the completion of spill-overwork, so as to optimally utilize the investment already made. During this plan, 330 Subsidiary Health Centres (SHCs), more commonly known as rural dispensaries, were upgraded to the level of Primary Health Centres (PHCs), raising the total to 460, i.e., one each for approximately 30,000 rural population. An additional community health

officer, staff nurse, laboratory technician and two class IV employees were provided to PHCs. The total expenditure on health and medical sector was 5816.816 crores which is 1.64 per cent of total plan expenditure

In tune with the earlier FYPs, the Eighth Five Year Plan aimed at strengthening the infrastructure, provision of equipments and manpower development. A section on State specific strategies laid down that for States Punjab and Haryana with above average level of infrastructure and below average performance in some health indices, specific efforts need be made to identify the factors responsible for the relatively poor performance and correct them. (GOI, 2002). The total expenditure on health and medical sector was 16980.150 crores which is 2.49 per cent of total plan expenditure Punjab's Ninth Plan highlighted the need to strengthen the existing health infrastructure. It was felt that despite rapid expansion, the majority of the institutions were without proper buildings. The main role of the Ninth Plan envisaged consolidation and strengthening of existing medical institutions (Allopathic, Ayurvedic and Homeopathic) in the state, by meeting the existing deficiencies in building, machinery and equipment, and provision of basic minimum services in the health sector. A proposal was also made to establish a four-bedded hospital each at 277 focal points in the state.

A Punjab Health System Corporation (PHSC) was set up in 1996-97 covering 150 hospitals at the level of Community Health Centres, sub-divisional hospitals and district hospitals. Among these, 86 medical institutions are situated in rural and 64 in urban areas. The corporation upgraded the facilities with the aid of a soft World Bank loan (70%), state government (20%) and other loans (10%). User charges in the 150 hospitals are levied at the same rate as in other hospitals in the state. Collections through user charges are retained entirely by the hospitals concerned, unlike the collections from hospitals not covered by the Corporation, which accrues to the state exchequer. Thus, the burden of servicing the World Bank loan (after a five year loan moratorium)

will be borne by the state government, to which the charges levied on beneficiaries of the loan at present do not accrue. It is thought those five years hence, user charges on all improved facilities could be enhanced. At that stage, there could perhaps be an earmarking of a portion of the enhanced charge for servicing the loan. (Rajaraman, Mukhopadhyay and Amar Nath,1999).The total expenditure on health and medical sector was 43952.027 crores which is 4.50 per cent of total plan expenditure

The Tenth Five Year Plan of the Government of Punjab indicates that 70 percent sub-centres, 67 per cent Subsidiary Health Centres (dispensaries), 62 percent Primary Health Centres and 51 per cent Community Health Centres are without proper buildings. A total sum of Rupees 32,840 lakh would be needed to provide proper buildings for these institutions. The major thrust of the Tenth Five Year Plan was to consolidate and strengthen the existing medical institutions in the state in Allopathic, Ayurvedic and Homeopathic medicines, by removing the existing deficiencies in buildings, medicines, machinery and equipment and providing basic minimum services in the health sector. Besides extending the targets covered in the Ninth Plan, the Tenth Plan had emphasized mental health care, biomedical waste and diagnostic services in the state, setting up an institute of Para-medical services, opening new dispensaries in urban slum areas, provision of toilets and attendants, accommodation in medical institutions, establishment of new PHCs/up gradation of existing SHCs to PHCs and completion of the provision for four-bedded hospitals at there maining 197 focal points out of the 277 selected (GOP,2003).The total expenditure on health and medical sector was 53081 crores which is 4.9 per cent of total plan expenditure. The Eleventh and twelfth Five Year Plans emphasized on up gradation of health infrastructure in the state, enhancing the quality of health care and making health services available at affordable price to the poor. The total expenditure on health and medical sector was 28516.03 crores which is 0.87 per cent of total plan expenditure during eleventh five year plan and total

outlay on health and medical sector is 264345.85 crores which is 2.87 per cent of total outlay during twelfth plan.

From the above, it should be evident that during the formulation of all the Five Year Plans, the focus of the state government has largely remained on strengthening the health infrastructure in the form of buildings, machinery, equipment and manpower for primary health care. It did not realize the importance of having a proper health management information system, which would have helped in setting need-based priorities. The state did not spend much of its total expenditure on health. Moreover, the state has not made many efforts to establish referral linkages, management of life-style diseases – diabetes, cancer and cardiovascular diseases, regulation of private health care services, and involving the voluntary sector in different health programmes.

This chapter attempts to examine the trend and pattern of public expenditure on health care and family welfare services vis-à-vis other social and economic services in Punjab. The study period has been divided into three parts as follows: (i) First period-1981-82 to 1990-91, (ii) Second period- 1991-92 to 2000-01, (iii) Third period-2001-02 to 2011-12.

The planned allocation of resources to the health care and family welfare services in Punjab has also been analyzed. The analysis is important because health sector is competing within social services and social services are competing with economic services in terms of allocation of resources. Thus, this analysis is of paramount importance. The budget of the Punjab government consists of two parts- revenue account and capital account. Expenditure on revenue account benefits the recipients immediately whereas that on capital account takes time for fruition. The various heads of expenditure under the revenue account are general services, social services, economic services and grants-in-aid while the various heads of expenditure under the capital account are general services, social services, economic services and loans and advances. Health is a very important component of social services. Since our motive is

to examine the trends and pattern of public expenditure on health in Punjab, it is necessary to have a detailed analysis of growth of public expenditure both on revenue account and on capital account.

Receipts and Disbursements on Revenue Account

Table 1 shows the receipts and disbursements on revenue account in Punjab. Total receipts increased from Rs. 682.61 Cr in 1981-82 to Rs. 38043.36 Cr in 2012-13, with overall growth rate of 13.6564 per cent per annum. During the first period, the total revenue receipts increased about three fold from Rs.682.61 Cr in 1981-82 to Rs. 1975.69 Cr in 1990-91, with growth rate of 12.72 per cent per annum. During the second period, the total revenue receipts increased from Rs. 3715.84 Cr in 1991-92 to Rs.9376.86 Cr in 2000-01, with growth rate of 11.98 per cent per annum, whereas during the third period, the total revenue receipts increased from Rs. 8928.62 Cr in 2001-02 to Rs. 38043.36 Cr in 2012-13, with growth rate of 14.29731 per cent per annum. The total receipts on revenue account showed maximum growth during the third period and minimum growth during the second period.

Table 1: Receipts and Disbursements on Revenue Account in Punjab

(Rs. in crore)

Year	Total Receipts	Total Expenditure	Surplus or Deficit
1981-82	682.61	619.95	62.66
1982-83	786.04	683.55	102.49
1983-84	879.12	819.83	59.29
1984-85	931.97	941.32	-9.35
1985-86	1170.23	1162.90	7.33
1986-87	1292.50	1202.09	90.41
1987-88	1404.53	1633.54	-229.01
1988-89	1623.39	1867.47	-244.08
1989-90	1800	2021.02	-221.02

1990-91	1975.69	2519.91	-544.22
1991-92	1800.00	4196.71	-4880.87
1992-93	1975.69	3422.52	-640.59
1993-94	3715.84	4043.56	-766.93
1994-95	2781.93	6042.76	-741.84
1995-96	3276.63	5634.99	-450.20
1996-97	5300.92	6925.67	-1357.06
1997-98	5184.79	7835.20	-1483.90
1998-99	5568.61	8384.31	-2628.34
1999-00	6351.30	10194.98	-2727.12
2000-01	5755.97	11712.83	-2335.97
2001-02	7467.86	12709.81	-3781.19
2002-03	9376.86	14852.12	-3780.94
2003-04	8928.62	15701.92	-3562.96
2004-05	13807.48	17198.03	-2290.55
2005-06	16966.48	18206.73	-1240.25
2006-07	16795.09	18543.78	-1748.69
2007-08	19237.62	23060.86	-3823.24
2008-09	20712.79	24568.99	-3856.2
2009-10	22156.58	27407.94	-5251.36
2010-11	27608.47	32897.18	-5288.71
2011- 12(RE)	31015.05	36599.43	-5584.38
Compound Annual Growth Rate (per cent)			
1981-82 to 2011-12	13.66	14.65	-
1981-82 to 1990-91	12.72	17.09	-

1991-92 to 2000-01	11.98	13.92	-
2001-02 to 2011-12	14.72	10.61	-

Source: Statistical Abstract of Punjab, Government of Punjab, Various Issues.

On the other hand, total expenditure on revenue account in Punjab increased from Rs. 619.95 Cr in 1981-82 to Rs. 36599.43 Cr in 2011-12, with overall growth rate of 14.65 per cent per annum. During the first period, total expenditure of Punjab rose from Rs. 619.95 Cr in 1981-82 to Rs. 2519.91 Cr in 1990-91, with growth rate of 17.09 per cent per annum, whereas during the second period, it rose from Rs. 4196.71 Cr in 1991-92 to Rs. 11712.83 Cr in 2000-01, with growth rate of 13.92 per cent per annum. During the third period, it increased from Rs. 12709.81 Cr in 2001-02 to Rs. 36599.43 Cr in 2011-12, with growth rate of 10.61 per cent per annum. The growth rate of expenditure has declined over the study period. It was maximum during the first period and minimum during the third period.

The gap between revenue receipts and revenue expenditure depicts surplus/deficit on revenue account. The state witnessed surplus on revenue account up to the period 1986-87 (except during the year 1984-85). Revenue deficit jumped up from Rs. 9.35 Cr to Rs. 544.22 Cr during 1984-85 to 1990-91. Further deficit on revenue account went up to Rs. 3781.19 Cr in 2001-02. But afterwards it declined to Rs. 1240.25 Cr in 2005-06 and then again started increasing reaching to Rs. 5584.38 Cr in 2011-12. The revenue account showed a continuous deficit after 1987-88, i.e. current expenditure needs for salaries, pensions, interest payments, subsidies etc. of the state always far exceeded the current revenue from tax and non-tax source. The main reason behind this was the mounting expenditure amount due to increase in non-developmental expenditure in form of interest payments and debt servicing etc. Moreover the deficit on revenue account has almost been consistently on the rise. However, a

continuous fall in revenue deficit has been observed between 2001-02 and 2005-06 and afterwards it starts increasing.

Trend and Pattern of Public Expenditure on Revenue Account

The trend and pattern of public expenditure on different heads on revenue account in Punjab has been presented in Table 2. Total expenditure on revenue account in Punjab rose during the period 1981-82 to 2011-12, with 14.65 per cent growth rate per annum. The growth rate of total revenue account expenditure was 17.09 per cent per annum during 1981-82 to 1990-91; it was 13.92 per cent per annum during 1991-92 to 2000-01, while its growth rate during 2001-02 to 2011-12 was 10.61 per cent per annum. It was maximum during the first period and minimum during the third period.

Expenditure on General Services

Expenditure on general services include expenditure on items like organs of state, fiscal services, administrative services, interest payment, pension and miscellaneous services. Expenditure on general services rose from Rs. 186.25 Cr in 1981-82 to Rs. 16434.11 Cr in 2011-12, with overall growth rate of 17.73 per cent per annum. On analyzing the rise in expenditure on general services period-wise, it has been observed that during the first period it increased from Rs. 186.25 Cr in 1981-82 to Rs. 855.84 Cr in 1990-91, with the growth rate of 16.10 per cent per annum, whereas during the second period it increased from Rs. 981.94 Cr in 1991-92 to Rs. 6530.80 Cr in 2000-01, with the growth rate of 20.35 per cent per annum. During the third period, it went up from Rs. 7567.23 Cr in 2001-02 to Rs. 16434.11 Cr in 2011-12, with the growth rate of 8.70 per cent per annum.

Table 2: Public Expenditure under Different Heads on Revenue Account in Punjab

(Rs. In Crores)

Year	General Services	Social Services	Economic Services	Grants in Aid	Total Expenditure
------	------------------	-----------------	-------------------	---------------	-------------------

1981-82	186.25(30.04)	243.51(39.28)	189.10(30.51)	1.09(0.17)	619.95(100.00)
1982-83	214.13(31.32)	262.03(38.34)	204.38(29.89)	3.01(0.45)	683.55(100.00)
1983-84	235.13(28.68)	328.75(40.09)	254.29(31.02)	1.66(0.21)	819.83(100.00)
1984-85	319.45(33.94)	354.19(37.63)	260.96(27.72)	6.72(0.71)	941.32(100.00)
1985-86	372.23(33.06)	486.08(41.89)	287.11(24.80)	1.74(0.25)	1162.90(100.00)
1986-87	418.23(34.79)	454.46(37.81)	318.99(26.54)	10.31(0.86)	1202.09(100.00)
1987-88	432.27(26.46)	707.45(43.32)	483.12(29.57)	10.70(0.65)	1633.54(100.00)
1988-89	546.19(29.25)	882.97(47.28)	419.23(22.45)	19.08(1.02)	1867.47(100.00)
1989-90	685.27(33.91)	859.97(42.55)	453.34(22.43)	22.44(1.11)	2021.02(100.00)
1990-91	885.84(34.15)	891.09(35.30)	714.89(2.54)	28.09(1.01)	2519.91(100.00)
1991-92	981.94(23.40)	955.87(22.77)	2227.57(53.08)	31.33(0.75)	4196.71(100.00)
1992-93	1452.66(42.44)	1029.53(30.08)	907.19(26.51)	33.14(0.97)	3422.52(100.00)
1993-94	1873.35(46.34)	1146.87(28.38)	964.22(17.08)	57.12(1.42)	4043.56(100.00)
1994-95	3802.33(62.92)	1231.55(20.68)	916.15(15.16)	47.73(0.79)	6042.76(100.00)
1995-96	3017.65(53.55)	1590.91(28.23)	962.02(17.08)	64.39(1.41)	5634.99(100.00)
1996-97	2911.90(42.04)	1639.23(23.67)	2307.93(33.33)	66.61(0.96)	6925.67(100.00)
1997-98	3643.07(46.49)	2062.16(26.34)	2059.67(26.28)	70.30(0.89)	7835.20(100.00)
1998-99	4391.36(52.37)	2639.54(31.49)	1280.11(15.27)	73.30(0.87)	8384.31(100.00)
1999-00	5582.23(54.75)	2716.03(26.64)	1846.35(18.12)	50.37(0.49)	10194.98(100.00)
2000-	6530.80(55.76)	2992.71(25.55)	2100.51(17.93)	88.80(0.76)	11712.83(100.00)

01					
2001-02	7567.23(59.54)	3110.60(24.47)	1860.68(14.64)	171.30(1.543)	12709.81(100.00)
2002-03	9072.35(61.23)	3221.64(21.69)	2309.95(15.59)	221.18(1.49)	14852.12(100.00)
2003-04	9350.91(59.55)	3367.69(21.45)	2939.39(18.72)	43.93(0.28)	15701.92(100.00)
2004-05	9850.04(57.27)	3535.79(20.56)	3737.68(21.74)	74.53(0.43)	17198.03(100.00)
2005-06	10516.25(57.76)	3604.06(19.79)	3714.06(20.40)	372.36(2.05)	18206.73(100.00)
2006-07	10338.64(55.75)	4103.71(22.13)	3772.88(20.35)	328.55(1.77)	18543.78(100.00)
2007-08	12891.90(55.90)	4333.58(18.79)	5478.59(23.76)	356.79(1.55)	23060.86(100.00)
2008-09	14032.14(57.11)	5482.68(22.32)	4744.48(19.31)	309.69(1.26)	24568.99(100.00)
2009-10	15525.28(56.65)	6217.13(22.68)	5218.62(19.04)	446.91(1.63)	27407.94(100.00)
2010-11	18597.4(56.53)	7260.85(22.07)	6398(19.45)	639.66(1.95)	32897.18(100.00)
2011-12	16434.11(44.90)	11387.33(31.11)	7018.77(19.18)	1759.22(4.81)	36599.43(100.00)
Compound Annual Growth Rate(per cent)					
1981-82 to 2012-13	17.73	11.90	12.65	20.90	14.65
1981-82 to 1990-91	16.10	17.74	16.33	33.75	17.09
1991-92 to 2000-01	20.35	14.82	5.64	9.35	13.92
2001-02 to 2012-13	8.70	12.18	12.85	26.27	10.61

Note: Figures in parentheses are percentages.

Source: Statistical Abstract of Punjab, Government of Punjab, Various Issues

The growth rate was observed to be maximum during the second period and minimum during the third period. Further the overall growth rate of expenditure

on general services was more (17.73 per cent) as compared to that of total expenditure (14.65 per cent), over the study period.

It has also been observed that the share of expenditure on general services increased over the study period. Expenditure on general services increased in absolute as well as in relative terms over the study period. The percentage share of general services in the total expenditure increased from 30.04 per cent to 44.90 per cent during 1981-82 to 2011-12. The share of expenditure on general services was 30.04 per cent in 1981-82 which rose to 34.15 per cent in 1990-91 during the first period, though it was 26.46 per cent and 29.25 per cent in 1987-88 and 1988-89 respectively. During the second period, their share of expenditure on general services was 23.40 per cent in 1991-92 which increased to 62.92 per cent in 1994-95 but thereafter reduced to 42.04 per cent in 1996-97, but again rose to 55.76 per cent in 2000-01. However, during the third period, its share increased to 59.54 per cent in 2001-02 but it declined to 44.90 per cent in 2011-12. It was maximum (62.92 per cent) in 1994-95 and minimum (23.40 per cent) in 1991-92.

Expenditure on Social Services

Social services expenditure covers expenditure on education, art and sports, health and family welfare, housing and urban development, information and broadcasting, welfare of SC/ST/OBC, labour and labour welfare etc. Expenditure on social services rose from Rs.243.51 Cr in 1981-82 to Rs. 11387.33 Cr in 2011-12, with the overall growth rate of 11.90 per cent per annum. During the first period, it increased from Rs. 243.51 Cr in 1981-82 to Rs. 891.09 Cr in 1990-91, with the growth rate of 17.74 per cent per annum. During the second period, it rose from Rs. 955.87 Cr in 1991-92 to Rs. 2992.71 Cr in 2000-01, with the growth rate of 14.82 per cent per annum, while during the third period, it moved up from Rs. 3110.60 Cr in 2001-02 to Rs. 11387.33 Cr in 2011-12, with the growth rate of 12.18 per cent per annum. The growth rate of expenditure on social services has declined over the study period. It was

observed to be maximum during the first period and minimum during the third period. Further it has been observed that though expenditure on social services increased in absolute terms, but in relative terms it declined over the study period mainly because the relative share of general services has went up over the corresponding period. The percentage share of social services in total expenditure dropped from 39.28 per cent to 31.11 per cent during 1981-82 to 2011-12. During the first period, the relative share of social services was observed to be 39.28 per cent in 1981-82 which increased to 47.28 per cent in 1988-89 but declined to 35.30 per cent in 1990-91. However, during the second period it was 22.77 per cent in 1991-92, which increased to 31.49 per cent in 1998-99, but later reduced to 25.55 per cent in 2000-01. During the third period, the share of social services was 24.47 per cent in 2001-02, which declined to 18.79 per cent in 2007-08, and then increased to 31.11 per cent in 2011-12. The share of social services was observed to be maximum (47.28 per cent) in 1988-89 and minimum (18.79 per cent) in 2007-08.

Expenditure on Economic Services

Expenditure on economic services is composed of items like agriculture and allied activities, rural development, special area programme, irrigation and flood control, energy, industry and mining, transport, science and technology, general economic services etc.

Expenditure on economic services zoomed up from Rs. 189.10 Cr during 1981-82 to Rs. 7018.77 Cr during 2011-12, with the overall growth rate of 12.65 per cent per annum. During the first period, it moved up from Rs. 189.10 Cr in 1981-82 to Rs. 714.89 Cr in 1990-91, with the growth rate of 16.33 per cent per annum. During the second period, in the year 1991-92, government spent a considerable amount on energy so the expenditure on economic services swelled to Rs. 2227.57 Cr, but later it declined to Rs. 907.19 Cr in 1992-93, there after it rose to 2100.51 Cr in 2000-01, with the growth rate of 5.64 per cent per annum. During the third period, it went up from Rs. 1860.88 Cr in

2001-02 to Rs. 7018.77 Cr in 2011-12, with the growth rate of 12.85 per cent per annum. The growth rate of expenditure on economic services was maximum during the first period and minimum during the second period.

Expenditure on economic services increased in absolute terms but its percentage share in the total expenditure decreased over the study period. It was 30.51 per cent in 1981-82 but it declined to 19.18 per cent in 2011-12. During the first period, it declined from 30.51 per cent to 29.54 per cent during 1981-82 to 1990-91. During the second period, it was 53.08 per cent in 1991-92 but it dropped to 17.93 per cent in 2000-01. However, during the third period, it increased from 14.64 per cent in 2001-02 to 23.76 per cent in 2007-08, but decreased to 19.18 per cent in 2011-12. It was maximum (53.08 per cent) in 1991-92 and minimum (14.64 per cent) in 2001-02.

Expenditure on Grants-in-Aid

Grants-in-Aid include compensation and assignment to local bodies and panchayati raj institutions. Grants-in-aid jumped up from Rs.1.09 Cr during 1981-82 to Rs. 1759.22 Cr during 2011-12, with overall growth rate of 20.90 per cent per annum. During the first period, it increased from Rs. 1.09 Cr in 1981-82 to Rs. 28.09 Cr in 1990-91 with growth rate of 33.75 per cent per annum, while during the second period, it increased from Rs. 31.33 Cr in 1991-92 to Rs. 88.80 Cr in 2000-01 with growth rate of 9.35 per cent per annum and during the third period, it increased from Rs.171.30 Cr in 2001-02 to Rs. 1759.22 Cr in 2011-12, with the growth rate of 26.27 percent per annum. The growth rate of expenditure on grants-in-aid was maximum during the first period and minimum during the second period.

Expenditure on grants-in-aid rose both in absolute terms and in relative terms. The percentage share of grants-in-aid in the total expenditure increased from 0.17 per cent in 1981-82 to 4.81 per cent in 2011-12. During the first period, it increased from 0.17 per cent to 1.01 per cent during 1981-82 to 1990-91. During the second period, it was 0.75 per cent in 1991-92 which increased

to 1.42 per cent in 1993-94 but again declined to 0.49 per cent in 1999-2000, though it rose to 0.76 per cent in 2000-01. During the third period, it was 1.35 per cent in 2001-02, which reduced to 0.43 per cent in 2004-05, but later it increased to 4.81 per cent in 2011-12. It was maximum (4.81 per cent) in 2011-12 while minimum (0.17 per cent) in 1981-82.

Thus, it may be concluded that the expenditure on general services and grants-in-aid increased at a higher rate than the growth rate of total expenditure in Punjab over the study period. Besides it has been observed that the relative share of expenditure on general services and grants-in-aid have increased over the study period while the shares of social and economic services have dwindled.

Receipts and Disbursements on Capital Account

Receipts and expenditure on capital account constitute an important fiscal instrument to affect the transfer of resources, though their effects are felt comparatively over a long period of time. The receipts and disbursements on capital account in Punjab have been presented in Table 3. It reveals that the total receipts on capital account climbed up from Rs. 103.02 Cr to Rs. 9593.55 Cr during 1981-82 to 2011-12. During the first period, it increased from Rs. 103.02 Cr in 1981-82 to Rs. 1305.8 Cr in 1990-91, though it was negative (Rs. -76.26 Cr) in 1982-83, while during the second period it increased from Rs. 1272.32 Cr in 1991-92 to Rs. 4224.78 Cr in 2000-01. During the third period, it declined from Rs. 6206.63 Cr in 2001-02 to Rs. 2581.28 Cr in 2005-06, but later increased to Rs. 9593.55 Cr in 2011-12.

Table 3: Receipts and Disbursements on Capital Account in Punjab

(Rs. in crore)

Year	Total Receipts	Total Expenditure	Surplus or Deficit
1981-82	103.02	114.843	-11.82
1982-83	-76.26	76.42	-152.68
1983-84	119.76	119.45	0.31

1984-85	113.14	238.39	-125.25
1985-86	670.26	617.34	52.29
1986-87	336.37	486.39	-150.02
1987-88	1049.48	793.86	255.62
1988-89	877.96	648.79	229.17
1989-90	944.77	731.84	212.93
1990-91	1305.89	740.04	565.85
1991-92	1272.32	710.98	561.34
1992-93	1228.53	660.81	567.72
1993-94	1476.20	791.50	684.70
1994-95	1759.13	1089.90	669.23
1995-96	1664.55	968.22	696.33
1996-97	1647.67	189.31	1458.36
1997-98	2373.88	1088.54	1285.34
1998-99	4012.19	1255.25	2756.94
1999-00	3208.90	575.97	2632.93
2000-01	4224.78	1694.68	2530.10
2001-02	6206.63	1866.36	4340.27
2002-03	4501.61	759.15	3742.46
2003-04	4909.56	1422.23	3487.33
2004-05	4354.48	858.20	3487.28
2005-06	2581.28	1550.37	1030.91
2006-07	4928.83	3030.82	1898.01
2007-08	6103.71	2226.45	3877.26
2008-09	6392.50	2913.00	3479.50
2009-10	7472.63	2195.28	5277.35
2010-11	7322.11	2452.49	4869.62
2011-12	9593.55	4136.50	5457.05

Source: Statistical Abstract of Punjab, Government of Punjab, Various Issues

The total expenditure on capital account increased from Rs. 114.84 Cr to Rs. 4136.50 Cr during 1981-82 to 2011-12. During the first period, it increased from Rs. 114.84 Cr to Rs.740.04 Cr during 1981-82 to 1990-91, while during the second period it increased from Rs. 710.98 Cr toRs. 1694.68 Cr during 1991-92 to 2000-01, and during the third period it increased from Rs. 1866.36 Cr to Rs. 4136.50 Cr during 2001-02 to 2012-13.

Surplus on capital account increased from Rs. 0.31 Cr in 1983-84 toRs. 4340.27 Cr in 2001-02, but it decreased to Rs. 1030.91 Cr in 2005-06and later increased to Rs. 5457.05 Cr in 2011-12. During the first period, it increased from Rs. 0.31 in 1983-84 to Rs. 565.85 Cr in 1990-91, though itwas deficit in 1981-82 (Rs. 11.82 Cr), 1982-83 (Rs. 152.68 Cr), 1984-85(Rs. 125.25 Cr) and 1986-87 (Rs. 150.02 Cr), while during the second period it increased from Rs. 561.34 Cr in 1991-92 to Rs. 2530.10 Cr in 2000-01, and during the third period it decreased from Rs. 4340.27 Cr in 2001-02 toRs. 1030.91 Cr in 2005-06 and later increased to Rs. 5457.05 Cr in 2012-13.

Trends and Pattern of Public Expenditure on Capital Account

The trends and pattern of public expenditure on different heads i.e. general services, social services, economic services and loans and advances on capital account in Punjab has been presented in Table 4.

Table 4: Public Expenditure under Different Heads on Capital Account in Punjab

Year	General Services	Social Services	Economic Services	Loan and Advances	Total Expenditure
1981-82	2.41	15.51	27.77	69.15	114.843
1982-83	2.73	15.26	58.43	-152.84	76.42
1983-84	4.05	12.77	102.62	0.00	119.45
1984-85	3.59	18.48	208.21	8.11	238.39

1985-86	3.84	19.51	261.57	332.42	617.34
1986-87	4.91	23.40	-26.46	482.54	486.39
1987-88	6.48	26.79	-45.28	805.87	793.86
1988-89	6.98	31.57	208.10	402.14	648.79
1989-90	13.46	40.62	171.76	506.00	731.84
1990-91	8.45	18.06	191.85	521.68	740.04
1991-92	8.61	102.96	180.06	419.35	710.98
1992-93	12.52	70.36	176.22	301.71	660.81
1993-94	20.19	65.76	409.39	296.16	791.50
1994-95	22.42	58.58	630.43	378.55	1089.90
1995-96	24.28	55.37	599.51	289.06	968.22
1996-97	32.49	28.79	-300.07	428.60	189.31
1997-98	35.39	45.58	888.85	118.72	1088.54
1998-99	41.96	67.71	1027.78	117.80	1255.25
1999-00	37.81	41.80	359.25	137.11	575.97
2000-01	69.79	126.26	1197.58	302.09	1694.68
2001-02	49.39	189.74	1215.70	412.53	1866.36
2002-03	20.58	22.42	377.40	338.75	759.15
2003-04	18.16	4.40	642.13	757.54	1422.23
2004-05	50.73	91.88	618.79	96.80	858.20
2005-06	90.20	343.99	1082.70	33.48	1550.37
2006-07	93.82	370.52	2122.32	444.16	3030.82
2007-08	135.22	490.08	1566.30	34.85	2226.45
2008-09	186.91	114.84	1526.18	55.07	2913.00
2009-10	125.70	699.23	1341.48	28.84	2195.28
2010-11	184.76	663.46	1535.87	68.40	2452.49
2011-12	349.62	1701.04	1909.00	176.40	4136.50

Source: Statistical Abstract of Punjab, Government of Punjab, Various Issues

General Services

Capital account expenditure on general services went up from Rs. 2.41 Cr to Rs. 349.62 Cr during 1981-82 to 2011-12. During the first period, it increased from Rs 2.41 Cr in 1981-82 to Rs. 8.45 Cr in 1990-91, while during the second period, it increased from Rs. 8.61 Cr in 1991-92 to Rs. 69.79 Cr in 2000-01. During the third period, it further increased from Rs. 49.39 Cr in 2001-02 to Rs. 349.62 Cr in 2011-12.

Social Services

Capital account expenditure on social services increased from Rs. 15.51 Cr to Rs. 1701.04 Cr during 1981-82 to 2011-12. During the first period, it increased from Rs 15.51 Cr in 1981-82 to Rs. 40.62 Cr in 1989-90 but it declined to Rs.18.06 Cr in 1990-91. During the second period, it rose from Rs. 102.96 Cr in 1991-92 to Rs. 126.26 Cr in 2000-01. During the third period, it tremendously increased from Rs. 189.74 Cr in 2001-02 to Rs. 1701.04 Cr in 2011-12.

Economic Services

Capital account expenditure on economic services increased from Rs. 27.77 Cr to Rs. 1909.00 Cr during 1981-82 to 2011-12. During the first period, it rose from Rs 27.77 Cr in 1981-82 to Rs.191.85 Cr in 1990-91, while during the second period; it went up from Rs. 180.06 Cr in 1991-92 to Rs. 1197.58 Cr in 2000-01. During the third period, it further increased from Rs. 1215.70 Cr in 2001-02 to Rs. 1909.00Cr in 2012-13. In some of the years, expenditure on economic services was negative; these were 1986-87(Rs. 26.46 Cr), 1987-88 (Rs. 45.28 Cr), 1996-97 (Rs.300.07Cr).

Loans and Advances

Capital account expenditure on loans and advances went up from Rs. 69.15 Cr in 1981-82 to Rs. 444.16 Cr in 2006-07, but later declined to Rs. 176.40 Cr in 2011-12. During the first period, it increased from Rs 69.15 Cr in 1981-82 to Rs. 521.68 Cr in 1990-91, though it was negative in the year 1982-

83 (Rs. 152.84 Cr) and no amount was spent in the year 1983-84 and only Rs. 8.11 Cr was spent in the year 1984-85. During the second period, it decreased from Rs. 419.35 Cr in 1991-92 to Rs. 302.09 Cr in 2000-01. During the third period, it declined from Rs. 412.53 Cr in 2001-02 to Rs.176.40 Cr in 2011-12, though it was Rs. 757.54 Cr in 2003-04.

Development and Non-Development Expenditure on Revenue Account

Public expenditure on revenue account has been divided into two components: development and non-development expenditure. Development expenditure includes expenditure on social and community services and economic services provided to the people in the state, while non-development expenditure is mainly incurred on administrative services. These social and community services provided by the state not only contribute to the welfare of the people, but some of them particularly education and health including family welfare, improve the quality of human beings, and hence, are treated as an investment in man.

The development and non-development expenditure on revenue account in Punjab for the period 1981-82 to 2011-12 has been presented in Table 5.

Table 5: Development and Non-Development Expenditure on Revenue Account in Punjab.

(Rs.in crore)

Year	Development Expenditure	Non-Development Expenditure	Total Expenditure
1981-82	432.61(69.78)	187.35(30.22)	619.95(100.00)
1982-83	464.41(68.23)	217.14(31.77)	683.55(100.00)
1983-84	583.05(71.12)	236.81(28.88)	819.83(100.00)
1984-85	615.17(65.35)	326.17(34.65)	941.32(100.00)
1985-86	773.19(66.49)	389.7(33.51)	1162.90(100.00)
1986-87	773.45(64.34)	428.64(35.66)	1202.09(100.00)

1987-88	1190.57(72.88)	442.97(27.12)	1633.54(100.00)
1988-89	1302.2(69.73)	565.27(30.27)	1867.47(100.00)
1989-90	1313.31(64.98)	707.71(35.02)	2021.02(100.00)
1990-91	1635.98(64.92)	883.93(35.08)	2519.91(100.00)
1991-92	3183.44(75.86)	1013.27(24.14)	4196.71(100.00)
1992-93	1936.72(56.59)	1485.8(43.41)	3422.52(100.00)
1993-94	2111.09(52.21)	1932.47(47.79)	4043.56(100.00)
1994-95	2192.7(36.29)	3850.06(63.71)	6042.76(100.00)
1995-96	2552.93(45.30)	3082.06(54.70)	5634.99(100.00)
1996-97	3855.06(55.66)	3070.61(44.34)	6925.67(100.00)
1997-98	4121.83(52.61)	3713.376(47.39)	7835.20(100.00)
1998-99	3919.65(46.75)	4464.66(53.25)	8384.31(100.00)
1999-00	4562.38(44.75)	5632.60(55.25)	10194.98(100.00)
2000-01	5093.22(43.48)	6619.6(56.52)	11712.83(100.00)
2001-02	4976.28(39.15)	7733.53(60.85)	12709.81(100.00)
2002-03	5531.59(37.31)	9293.53(62.69)	14852.12(100.00)
2003-04	6307.08(40.17)	9394.84(59.83)	15701.92(100.00)
2004-05	7273.46(42.29)	9924.57(57.71)	17198.03(100.00)
2005-06	7318.12(40.19)	10888.61(59.81)	18206.73(100.00)
2006-07	7876.59(42.48)	10667.19(57.52)	18543.78(100.00)
2007-08	9812.17(42.55)	13248.69(57.45)	23060.86(100.00)
2008-09	10227.16(41.62)	14341.83(58.37)	24568.99(100.00)
2009-10	11435.75(41.72)	15972.19(58.28)	27407.94(100.00)
2010-11	13659.78(41.52)	19237.4(58.48)	32897.18(100.00)
2011-12	18406.1(50.29)	18193.33(49.71)	36599.43(100.00)
Compound Annual Growth Rate(per cent)			
1981-82 to 2012-13	12.21	17.80	14.65

1981-82 to 1990-91	16.50	18.20	17.09
1991-92 to 2000-01	10.00	20.00	13.92
2001-02 to 2012-13	12.46	9.23	10.61

Note: Figures in parentheses are percentages.

Source: Statistical Abstract of Punjab, Government of Punjab, Various Issues

The total expenditure spiraled from Rs. 619.96 Cr to Rs.36599.43 Cr during 1981-82 to 2011-12, at the rate of 14.65 per cent per annum. During the first period it increased from Rs. 619.96 Cr in 1981-82 to Rs. 2519.91 Cr in 1990-91, with growth rate of 17 per cent per annum, while during the second period, it rose from Rs. 4196.71 Cr in 1991-92 to Rs.11712.82 Cr in 2000-01 with growth rate of 14 per cent per annum, and during the third period, it climbed up from Rs. 12709.81 Cr in 2001-02 to Rs. 41166.67 Cr in 2012-13, with growth rate of 10.93 per cent per annum.

Development expenditure rose from Rs. 432.61 Cr to Rs. 18406.10 Cr during 1981-82 to 2011-12, with overall growth rate of 12.21 per cent per annum. During the first period, it increased from Rs.432.61 Cr in 1981-82 to Rs. 1635.98 Cr in 1990-91 with the growth rate of 16.50 per cent per annum. During the second period, it increased from Rs. 3183.44 Cr in 1991-92 to Rs. 5093.22 Cr in 2000-01, with the growth rate of 10 per cent per annum, while during the third period, it increased from Rs. 4976.28 Cr in 2001-02 to Rs. 18406.10 Cr in 2011-12, with the growth rate of 12.46 per cent per annum.

The percentage share of development expenditure in total expenditure declined from 69.78 per cent in 1981-82 to 50.29 per cent in 2011-12. During the first period, it was 69.78 per cent in 1981-82 which declined to 64.92 per cent in 1990-91. However, during the second period it increased to 75.86 per cent in 1991-92 but declined to 43.48 per cent in 2000-01. During the third

period, it was 39.15 per cent in 2001-02 and improved to 50.29 per cent in 2011-12. The relative share of development expenditure in total expenditure was maximum (75.86 per cent) in 1991-92 and minimum (36.29 per cent) in 1994-95.

Non-development expenditure zoomed up from Rs. 187.35 Cr to Rs. 18193.33 Cr during 1981-82 to 2011-12, with overall growth rate of 17.80 per cent per annum. During the first period, it went up from Rs.187.35 Cr in 1981-82 to Rs. 883.93 Cr in 1990-91, with the growth rate of 18.20 per cent per annum. During the second period, it increased from Rs.1013.27 Cr in 1991-92 to Rs. 6619.60 Cr in 2000-01, with the growth rate of 20 per cent per annum and during the third period; it rose from Rs.7733.53 Cr in 2001-02 to Rs.18193.33 Cr in 2011-12, with the growth rate of 9.23 per cent per annum. The relative share of non-development expenditure in the total expenditure increased from 30.22 per cent to 49.71 per cent during 1981-82 to 2011-12. During the first period, it was 30.22 per cent in 1981-82 and increased to 35.08 per cent in 1990-91, but during the second period, it declined to 24.14 per cent in 1991-92 and then increased to 56.52 per cent in 2000-01. During the third period, it increased further to 60.85 per cent in 2001-02 but declined to 49.71 per cent in 2011-12. The percentage share of non-development expenditure was maximum (63.71 per cent) in 1994-95 and minimum (24.14 per cent) in 1991-92.

Thus, it has been observed that the rate of growth in non-development expenditure was higher than that of development expenditure during the first and second period, while during the third period, the rate of growth in development expenditure was higher than that of non-development expenditure.

Pattern of Development Expenditure on Revenue Account

The study of the pattern of development expenditure seems to be rather rewarding, particularly in view of different impact of different types of such expenditure. While discussing the importance of pattern of development

expenditure, Mr. Robert Mc. Namara stated that “shifts in the patterns of public expenditure represent one of the most effective techniques a government possesses to improve the conditions of the poor and, also, the distribution of public services”. The pattern of development expenditure in Punjab for the period 1981-82 to 2011-2012 has been presented in Table 6.

Table 6: Pattern of Development Expenditure in Punjab

(Rs. In Crore)

Year	Social Services						Economic Services										Grand Total
	Educ., Arts & Sports	Health & Family Welfare	Housing & Urban Development	Information & Broadcasting	Other Social Services	Total	Agriculture & Allied Activities	Industry & Mines	Irrigation & Flood Control	Transport & Communication	Rural Development	Special Area Program	Energy	Science & Technology	General Economic Service	Total Economic Services	
1981-82	144.2 (33.34)	56.4 (13.95)	3.67 (0.85)	-	39.1 (9.05)	243.49 (56.29)	60.75 (14.04)	5.62 (1.30)	42.19 (9.76)	74.50 (17.22)	-	-	-	-	6.02 (1.39)	189.08 (43.71)	432.57 (100)
1982-83	163.4 (35.05)	58.9 (12.65)	6.77 (1.45)	-	32.8 (7.03)	262.02 (56.18)	65.2 (13.98)	6.79 (1.46)	44.51 (9.54)	80.38 (17.24)	-	-	-	-	7.48 (1.60)	201.36 (43.82)	466.38 (100)
1983-84	188.8 (32.39)	78.5 (13.48)	6.58 (1.12)	-	54.7 (9.39)	328.73 (56.38)	93.65 (16.06)	9.38 (1.61)	51.06 (8.76)	91.71 (15.73)	-	-	-	-	8.48 (1.46)	254.28 (43.62)	583.01 (100)
1984-85	213.9 (34.77)	88.0 (14.31)	4.38 (0.71)	-	47.8 (7.79)	354.18 (57.58)	97.0 (15.78)	11.1 (1.82)	55.58 (9.04)	86.75 (14.10)	-	-	-	-	10.3 (1.68)	260.94 (42.42)	615.12 (100)
1985-86	236.3 (30.57)	83.6 (10.82)	29.16 (3.77)	2.47 (0.32)	134.42 (17.39)	486.05 (62.87)	69.55 (8.99)	10.8 (1.40)	79.98 (10.34)	92.05 (11.91)	30.03 (3.88)	-	-	0.1 (0.02)	4.54 (0.59)	287.10 (37.13)	773.15 (100)
1986-87	250.6 (32.40)	89.9 (11.63)	32.99 (4.27)	2.76 (0.36)	78.1 (10.10)	454.46 (58.76)	75.8 (9.81)	16.2 (2.17)	83.98 (10.86)	103.42 (13.370)	34.55 (4.47)	-	-	0.1 (0.02)	4.73 (0.61)	318.99 (41.24)	773.45 (100)
1987-88	331.7 (27.87)	106.44 (8.94)	37.68 (3.16)	3.59 (0.30)	227.96 (19.15)	707.45 (59.42)	91.58 (7.69)	12.9 (1.09)	106.7 (8.97)	108.92 (9.15)	30.84 (2.59)	-	125.72 (10.56)	0.1 (0.01)	6.20 (0.52)	483.12 (40.58)	119.57 (100)
1988-89	388.0 (29.80)	123.09 (9.45)	111.23 (8.54)	4.09 (0.32)	256.56 (19.70)	882.97 (67.81)	101.64 (7.81)	17.0 (1.31)	129.8 (9.98)	115.93 (8.90)	40.42 (3.10)	-	0.6 (0.05)	0.1 (0.01)	13.4 (1.03)	419.23 (32.19)	130.22 (100)
1989-90	532.2 (40.5)	156.88 (11.11)	54.78 (4.17)	4.92 (0.37)	111.16 (8.4)	859.97 (65.65)	128.45 (9.7)	12.5 (0.9)	116.4 (87.8)	138.09 (10.10)	28.00 (2.0)	4.4 (0.0)	0.8 (0.0)	0.7 (0.0)	23.7 (1.81)	453.34 (34.100)	131.31 (100)

90	3)	95)			6)	48)	8)	6)	7)	51)	13)	34)	6)	6)	)	52))
19	512.4	166.	49.28	5.11	157.	891.	152.	13.6	125.2	153	26.	5.9	0.8	1.1	265.	744.	163
90	7	30	(3.01)	(0.31)	93	09	22	3	5	.94	44	8	6	3	44	89	5.98
-	(31.3	(10.			(9.6	(54.	(9.3	(0.8	(7.65	(9.4	(1.	(0.	(0.0	(0.0	(16.2	(45.	(100
91	3)	17)			5)	47)	0)	3)	)	1)	62)	37)	5)	7)	3)	53))
19	568.5	181.	58.19	5.60	142.	955.	170.	13.0	132.4	172	26.	7.5	137	1.3	325.	222	318
91	7	19	(1.83)	(0.18)	32	87	14	2	1	.35	80	6	8.2	7	69	7.57	3.44
-	(17.8	(5.6			(4.4	(30.	(5.3	(0.4	(4.16	(5.4	(0.	(0.	3	(0.0	(10.2	(69.	(100
92	6)	9)			7)	03)	4)	1)	)	2)	84)	24)	(43.	4)	3)	97))
19	602.4	197.	77.45	6.17	145.	102	240.	15.6	148.1	199	29.	9.5	0.8	1.5	262.	907.	193
92	6	95	(4.00)	(0.32)	5	9.53	23	7	2	.97	20	2	7	0	11	19	6.72
-	(31.1	(10.			(7.5	(53.	(12.	(0.8	(7.65	(10.	(1.	(0.	(0.0	(0.0	(13.5	(46.	(100
93	1)	22)			1)	16)	40)	1)	)	33)	51)	49)	4)	8)	3)	84))
19	687.6	222.	68.60	6.47	161.	114	220.	53.5	156.2	252	29.	11.	0.6	0.7	238.	961	211
93	8	91	(3.25)	(0.31)	21	6.87	78	2	1	.56	88	29	9	9	50	4.22	1.09
-	(32.5	(10.			(7.6	(54.	(10.	(2.5	(7.39	(11.	(1.	(0.	(0.0	(0.0	(11.3	(45.	(100
94	7)	56)			4)	33)	46)	4)	)	96)	42)	53)	3)	4)	0)	67))
19	765.6	226.	78.53	7.59	153.	123	190.	41.0	167.8	272	17.	7.6	0.8	0.9	262.	961.	219
94	4	17	(3.58)	(0.35)	62	1.55	46	3	4	.24	95	3	6	3	21	15	2.7
-	(34.9	(10.			(7.0	(56.	(8.6	(1.8	(7.65	(12.	(0.	(0.	(0.0	(0.0	(11.9	(43.	(100
95	2)	31)			1)	17)	9)	7)	)	42)	82)	35)	4)	4)	5)	83))
19	895.4	256.	109.42	8.46	320.	159	264.	35.0	187.7	304	37.	10.	1.0	1.0	120.	962.	255
95	7	85	(4.29)	(0.33)	71	0.91	46	7	2	.93	15	23	1	5	40	02	2.93
-	(35.0	(10.			(12.	(62.	(10.	(1.3	(7.35	(11.	(1.	(0.	(0.0	(0.0	(4.72	(37.	(100
96	8)	06)			56)	32)	36)	7)	)	94)	46)	40)	4)	4)	)	68))
19	1042.	314.	112.54	11.17	157.	169	218.	24.3	217.8	321	24.	8.5	133	0.2	154.	230	394
96	91	84	(2.85)	(0.28)	77	3.2	96	1	1	.08	00	2	8.7	3	28	7.93	7.16
-	(26.4	(7.9			(4.0	(41.	(5.5	(0.6	(5.52	(8.1	(0.	(0.	4	(0.0	(3.91	(58.	(100
97	2)	8)			0)	53)	4)	1)	)	3)	61)	22)	(33.	1)	)	47))
19	1302.	383.	118.52	11.80	246.	206	279.	52.0	256.4	371	45.	9.6	874	0.5	170.	205	412
97	36	23	(2.88)	(0.29)	25	2.1	31	5	5	.13	56	9	.45	9	44	9.67	1.83
-	(31.4	(9.3			(5.9	(50.	(6.7	(1.2	(6.22	(9.0	(1.	(0.	(21.	(0.,	(4.14	(49.	(100
98	9)	0)			7)	03)	8)	6)	)	0)	11)	23)	22)	01)	)	97))
19	1715.	516.	144.22	12.23	251.	263	347.	38.0	290.1	417	54.	8.4	0.8	0.9	122.	128	391
98	97	09	(3.68)	(0.31)	03	9.54	21	2	1	.40	46	6	5	6	64	0.11	9.65
-	(43.7	(13.			(6.4	(67.	(8.8	(0.9	(7.40	(10.	(1.	(0.	(0.0	(0.0	(3.13	(32.	(100
99	8)	17)			0)	34)	6)	7)	)	65)	39)	22)	2)	2)	)	66))
19	1804.	544.	134.69	10.92	220.	271	339.	38.1	294.0	458	46.	8.9	404	0.7	256.	184	456
99	99	56	(2.95)	(0.24)	87	6.03	37	6	6	.10	69	3	.11	2	21	6.35	2.38
-	(39.5	(11.			(4.8	(59.	(7.4	(0.8	(6.45	(10.	(1.	(0.	(8.8	(0.0	(5.61	(40.	(100
00	6)	94)			4)	53)	4)	4)	)	04)	02)	19)	6)	2)	)	47))
20	1858.	637.	167.55	10.82	317.	299	448.	28.5	315.7	447	67.	13.	605	1.5	173.	210	509
00	96	59	(3.29)	(0.21)	79	2.71	10	5	7	.44	25	25	.01	4	60	0.51	3.22
-	(36.5	(12.			(6.2	(58.	(8.8	(0.5	(6.20	(8.7	(1.	(0.	(11.	(0.0	(3.41	(41.	(100
01	0)	52)			4)	76)	0)	6)	)	9)	32)	26)	87)	3)	)	24))
20	1832.	618.	199.88	15.69	444.	311	420.	22.3	325.8	404	61.	16.	450	1.4	162.	186	497
01	29	17	(4.02)	(0.32)	57	0.6	41	7	2	.81	42	25	.68	1	01	5.68	6.28
-	(36.8	(12.			(8.9	(62.	(8.4	(0.4	(6.55	(8.1	(1.	(0.	(9.0	(0.0	(3.26	(37.	(100
02	2)	42)			3)	51)	5)	6)	)	3)	23)	33)	5)	3)	)	49))
20	2091.	610.	241.00	14.24	264.	322	430.	22.6	359.3	481	39.	-	752	0.4	223.	230	533
02	84	34	(4.36)	(0.26)	22	1.64	26	1	0	.99	24		.48	1	67	9.96	1.6
-	(37.8	(11.			(4.7	(58.	(7.7	(0.4	(6.50	(8.7	(0.		(13.	(0.0	(4.04	(41.	(100
03	1)	03)			8)	24)	8)	1)	)	1)	71)		60)	1)	)	76))
20	2080.	608.	275.45	10.89	392.	336	433.	21.3	491.1	358	56.	-	135	0.7	226.	293	630

03 - 04	38 (32.9 8)	45 (9.6 5)	(4.37)	(0.17)	52 (6.2 2)	7.69 (53. 39)	72 (6.8 8)	5 (0.3 4)	2 (7.79)	.39 (5.6 8)	33 (0. 89)		1.6 6 (21. 43)	2 (0.0 1)	10 (3.59)	9.39 (46. 61)	7.08 (100)
20 04 - 05	2113. 24 (29.0 5)	603. 79 (8.3 0)	289.23 (3.98)	12.89 (0.18)	516. 64 (7.1 0)	353 5.79 (48. 61)	471. 68 (6.4 9)	22.0 0 (0.3 0)	470.8 8 (6.47)	443 .20 (6.1 0)	26. 99 (0. 37)	-	217 2.9 4 (29. 87)	0.8 5 (0.0 1)	129. 13 (1.78)	373 7.67 (51. 39)	727 3.46 (100)
20 05 - 06	2289. 09 (31.0 2)	695. 85 (9.4 3)	207.26 (2.81)	15.60 (0.21)	396. 26 (5.3 7)	360 4.06 (48. 84)	487. 32 (6.6 1)	71.1 0 (0.9 6)	594.1 6 (8.05)	411 .65 (5.5 8)	47. 56 (0. 65)	-	155 1.3 4 1 (21. 02)	2.7 4 (0.0 4)	609. 10 (8.25)	377 4.94 (51. 16)	737 9 (100)
20 06 - 07	2318. 26 (29.5 7)	689. 02 (8.7 2)	346.32 (4.42)	18.27 (0.23)	731. 84 (9.3 4)	410 3.71 (52. 35)	473. 73 (6.0 4)	138. 14 (1.7 6)	519.4 3 (6.63)	514 .38 (6.5 6)	66. 23 (0. 85)	-	142 7.4 7 (18. 21)	0.9 1 (0.9 1)	595. 37 (7.59)	373 5.66 (47. 65)	783 9.37 (100)
20 07 - 08	2673. 99 (27.2 5)	756. 47 (7.7 1)	307.12 (3.13)	17.63 (0.18)	578. 37 (5.9 0)	433 3.58 (44. 17)	662. 15 (6.7 5)	128. 35 (1.3 1)	567.6 7 (5.79)	363 .64 (3.7 1)	65. 68 (0. 66)	-	285 1.0 7 (29. 06)	13. 98 (0.1 4)	826. 05 (8.41)	547 8.59 (55. 83)	981 2.17 (100)
20 08 - 09	3065. 30 (29.9 7)	829. 23 (8.1 1)	282.62 (2.76)	25.90 (0.25)	127 9.63 (12. 51)	548 2.68 (53. 61)	748. 90 (7.3 2)	132. 62 (1.2 9)	613.2 7 (5.99)	326 .41 (3.1 9)	74. 49 (0. 73)	-	260 2.2 8 (25. 44)	1.9 9 (0.0 2)	244. 52 (2.39)	414 4.48 (46. 39)	102 27.1 (100)
20 09 - 10	3645. 24 (31.8 8)	980. 66 (8.5 8)	318.34 (2.78)	20.38 (0.18)	125 2.51 (10. 95)	621 7.13 (54. 37)	736. 29 (6.4 4)	34.5 4 (0.3 0)	768.6 6 (6.72)	459 .88 (4.0 2)	10 2.4 1 (0. 89)	-	287 4.6 7 (25. 14)	2.2 1 (0.0 2)	239. 96 (2.09)	521 8.62 (45. 63)	114 35.7 (100)
20 10 - 11	4086. 06 (29.9 1)	118 9.84 (8.7 1)	321.69 (2.36)	23.96 (0.18)	163 9.30 (12. 00)	726 0.85 (53. 15)	1205 .99 (8.8 3)	103. 21 (0.7 6)	920.9 0 (6.74)	508 .91 (3.7 3)	11 7.3 9 90. (86)	-	337 6.2 4 (24. 72)	3.4 3 (0.0 3)	162. 86 (1.19)	639 8.93 (46. 85)	136 59.7 (100)
20 11 - 12 (R .E)	6154. 51 (33.4 4)	169 2.00 (9.1 9)	476.51 (2.59)	37.00 (0.20)	302 7.31 (16. 45)	113 87.3 (6. 61)	1145 .82 (6.2 3)	99.9 0 (0.5 3)	1165. 41 (6.33)	580 .25 (3.1 5)	19 4.0 8 (1. 05)	-	320 8.2 1 (17. 43)	12. 32 (0.0 7)	612. 78 (3.33)	701 8.77 (38. 13)	184 06.1 (100)

Note : Figures in parentheses are percentages

Source: Statistical Abstract of Punjab, Government of Punjab, Various Issues.

It reveals that the expenditure on social services constituted a top priority in the total development expenditure on revenue account as compared to the economic services, as more than one-half of the expenditure was allocated for these services throughout the period except during the years 1991-92, 1996-97,

2004-05, 2005-06, 2007-08. In absolute terms, the expenditure on social services grew from Rs. 243.49 Cr to Rs.11387.33 Cr during 1981-82 to 2011-12.

The expenditure on economic service also rose upward in absolute terms from Rs. 189.08 Cr to Rs.7018.77 Cr during 1981-82 to 2011-12. Education is considered as a very important sector which helps in human resource development and helps in bringing about all round development of the state. The analysis of the data reveals that education has always assumed a high priority with around one-third share in total development expenditure. The expenditure on education increased from Rs. 144.21 Cr to Rs. 6154.51 Cr during 1981-82 to 2011-12. The relative share of expenditure under this head increased slightly from 33.34 per cent to 33.44 per cent during 1981-82 to 2009-10.

To maintain good health of people and efficiency to work, expenditure on medical and public health is very important so the provision of medical and public health services is another necessary responsibility of the state. The establishment and maintenance of dispensaries and hospitals, training and keeping large staff of doctors, nurses and other staff, public health services for prevention of diseases and similar other facilities have to be provided by the state government. Healthcare and family welfare services is another important constituent of development expenditure. In absolute terms it increased from Rs. 56.46 Cr to Rs. 1692.00 Cr during 1981-82 to 2011-12. The relative share of expenditure under this head reduced from 13.05 per cent to 9.19 per cent during 1981-82 to 2011-12.

Expenditure on housing and urban development increased from Rs. 3.67 Cr to Rs. 476.51 Cr during 1981-82 to 2011-12. The relative share of expenditure under this head was only 0.85 per cent in 1981-82 and it went up to 2.59 per cent in 2011-12. The government started allocating expenditure for information and broadcasting after 1985-86. The expenditure under this head increased in absolute terms from Rs. 2.47 Cr to Rs. 37.00 Cr during 1985-86 to

2009-10. The relative share of expenditure under this head declined from 0.32 per cent to 0.20 per cent during 1985-86 to 2011-12.

Other social services include labour and labour welfare, welfare of SCs and STs and social security. Social security includes expenditure on unemployment benefits, old age pensions, accident, injury and sickness compensation and other benefits to compensate loss in income. Social welfare services include expenditure on department of social welfare, department of family planning etc. It is the responsibility of the state to provide such services to the state. Expenditure on other social services rose from Rs. 39.15 Cr to Rs. 3027.31 Cr during 1981-82 to 2011-12. The relative share of expenditure under this head improved from 9.05 per cent to 16.45 per cent during the corresponding period.

Punjab's economy is mainly an agrarian economy and enjoys an enviable position among the Indian states in terms of the yield per hectare of major crops. The outlays on agriculture and allied services help in the economic development of the state and welfare of the people. The expenditure on agriculture and allied activities increased from Rs. 60.75 Cr to Rs. 1145.82 Cr during 1981-82 to 2011-12. The percentage share of public expenditure on agriculture and allied activities decreased from 14.04 per cent in 1981-82 to 6.23 per cent in 2011-12. This trend can seriously hamper the future development process in the state. The agriculture base of the state cannot sustain the economic development and higher standards of living of the people in the long run; this can be sustained only through industrialization. For this more emphasis must be laid on industrial development. Expenditure on industry and mining enhanced in absolute terms from Rs.5.62 Cr to Rs. 99.90 Cr during 1981-82 to 2011-12. Its relative share in the total development expenditure reduced from 1.30 per cent in 1981-82 to 0.53 per cent in 2011-12.

Increase in agricultural production depends to a large extent on the availability of water so irrigation plays an important role in agriculture. State has been

investing a lot of funds to generate the facilities to provide assured irrigation and control floods. Expenditure on irrigation and flood control increased from Rs. 42.19 Cr to Rs. 1165.41 Cr during 1981-82 to 2011-12. The relative share under this head slid down from 9.76 per cent in 1981-82 to 6.33 per cent in 2011-12.

Transport and communication sector has been playing an important role in the economy of the state. The expenditure on transport and communication moved up from Rs. 74.50 Cr to Rs. 580.25 Cr during 1981-82 to 2011-12. The percentage share of total development expenditure under this head shrank from 17.22 per cent in 1981-82 to 3.15 per cent in 2011-12.

Rural development plays a very important role in the development of Punjab state as a majority of the population resides in the rural areas. If the government does not pay proper attention for the development of rural areas, it may result in the migration of people to the urban areas which may lead to a number of problems. The expenditure on rural development increased from Rs. 30.03 Cr to Rs. 194.08 Cr during 1985-86 to 2011-12. The percentage share of total development expenditure under this head reduced from 3.88 per cent in 1985-86 to 1.05 per cent in 2011-12. The expenditure under this head is very important to develop the rural economy.

It is also the responsibility of the state government to provide for the development of some special areas. Expenditure on special area development programme increased from Rs. 4.48 Cr to Rs. 16.25 Cr during 1989-90 to 2001-02. Its relative share in the total development expenditure did not show much improvement. Punjab government started spending on energy after 1987-88. Expenditure under this head was found to be quite low in 1988-89, 1989-90, 1990-91, 1992-93, 1993-94, 1994-95, 1995-96 and 1998-99. The percentage share of total development expenditure under this head improved from 10.56 per cent to 17.43 per cent during 1987-88 to 2011-12. Expenditure on science and technology increased from Rs. 0.13 Cr to Rs. 12.32 Cr during 1985-86 to

2011-12. Its relative share in the total development expenditure remained quite low during the study period.

The state government has to meet the cost of ministries, like salary of the ministerial staff, to get the building on rent for ministers and their staff, telephone bills of the ministers and other perks which may be called secretariat cost. These services come under general economic services. This head also includes expenditure on tourism, civil supplies etc. Expenditure on this head increased from Rs. 6.02 Cr to Rs. 612.78 Cr during 1981-82 to 2011-12. Its relative share in the total development expenditure improved from a meager percentage of 1.39 per cent in 1981-82 to 3.33 per cent in 2011-12.

Thus, it can be concluded that during 1981-82, the percentage share of education, art and sports (59.22 per cent) was maximum, followed by health and family welfare (23.18 per cent). It was lowest in case of housing and Urban Development (1.51 per cent). During 1991-92, again the percentage share of education, art and sports (59.48 per cent) was maximum, followed by health and family welfare (18.95 per cent), while it was minimum for other social services (0.29 per cent). During 2001-02, the percentage share of education, art and sports (58.91 per cent) was maximum followed by health and family welfare (19.87 per cent) and social welfare and nutrition (10.90 per cent). The percentage share was lowest in case of other social services (0.22 per cent). During 2011-12, the percentage share of expenditure on education, art and sports (54.05 per cent) was maximum followed by social welfare and nutrition (19.32 per cent) and health and family welfare (14.86 per cent), while it was lowest in case of other social services (0.19 per cent). Besides, it has also been observed that out of all the social services, the overall growth rate of expenditure on education, art and sports (12.17 per cent per annum) , housing and urban development (14.38 per cent per annum) and social welfare and nutrition (12.15 per cent) was more than that of the total social services expenditure (11.90 per cent per annum) over the study period.

Among the constituents of social services, expenditure on education assumed topmost priority followed by health and family welfare during all three decades, while minimum share of expenditure was spent on other social services. The per capita expenditure on social services in Punjab increased nearly 28 times during 1981-2012. Throughout the study period, the per capita expenditure on education was maximum followed by health and family welfare, with an exception of only four years (2008-09, 2009-10, 2010-11 & 2011-12) during which per capita expenditure on social welfare & nutrition was more than that of health and family welfare. The expenditure on medical and family welfare increased in absolute terms from 56.46 Cr in 1981-82 to 1692.00 Cr in 2011-12 (11.24 per cent per annum).

The above analysis clearly establishes that expenditure on social services has always been greater importance vis-à-vis economic services in Punjab. Within social services, education followed by health and family welfare services has been given paramount importance. Though the relative share under this head has declined but in absolute terms there has been a tremendous increase, mainly due to enhanced expenditure on family planning programme, on rural water supply schemes, on equipment, revision of pay scales of doctors and para-medical staff and a part of the increase can be attributed to rising price level and rising population. Although the total public expenditure has increased in absolute terms, but its share as a percentage of Net State Domestic Product (NSDP) has shown a declining trend, particularly in 1990s after the introduction of National Economic Policy (NEP). It showed a decelerated growth of expenditure on health and family welfare over the time period.

In the absence of strong public financing of the health care system, a poor household succumbing to illness may be forced to spend a large fraction of its resources on health care at the expense of other goods and services. Infact, smaller role of the public in total health expenditure not only increases the burden of health care financing on the household sector but also it may have a

disrupting impact on the living standards of households, particularly in case of health exigencies.

Thus, the public provision for health services is very important, not only to provide low cost and quality treatment in case people suffer from diseases/illnesses, but also to promote health status by preventing occurrence of diseases among people.

Public expenditure on health is an effective tool to improve the socio-economic welfare of the people. The shifts in the pattern of public expenditure towards social sectors represent one of the most powerful techniques with the government to improve the living conditions of the poor and also the redistribution of public services. The government must intervene by way of providing health care and family welfare services at the doorsteps of the people, particularly to the poor and vulnerable segments of the population.

References

1. Advani Mohan and, Mohammad Akram (2007), “Health Concerns in India”, in Mohammad Akram(ed), Health Dynamics and Marginalized Communities, Rawat Publications.
2. Gill Sucha Singh, Sukhwinder Singh and Jaswinder S. Brar (2010), “ Health Services in Punjab” in Globalization and Indian State: A State of Delivery of Education, Health and Agriculture Extension Services in Punjab, Aakar Books.
3. Rajaraman, Indira, Mukhopadhyay, Hiranya and Amarnath HK(1999), State Fiscal Studies:Punjab, National Institute of Public Finances and Policy, New Delhi.
4. Rao, K. Sujatha, S. Selvaraju, Somil Nagpal and S. Sakthivel (2005), “Financing of Health in India”, National Commission on Macro economics and Health, Government of India, New Delhi.

5. Singh Balwant Mehta (2008), “ Pattern of Health Care Expenditure in India”, The Indian Economic Journal, Vol. 55 (4), January-March 2008.
Singh Narinder Deep (2010), “Rural Healthcare and Indebtedness in Punjab”, Economic and Political Weekly, Vol.45, No.1, pp. 22-25.
6. Wulf, L.D. (1975), Fiscal Incidence Studies in Developing Countries, Survey and Critique, IMF Staff Papers, Vol. 22, No. 1, pp. 61-131
7. Government of India (2002), National Human Development Report 2001, Planning Commission
8. Government of Punjab, Plan Documents, Department of Planning, Various Issues.
9. Government of Punjab, Statistical Abstract of Punjab, Various Issues, Economic and Statistical Organization.