Chapter - 26

GOVERNMENT AND YOU

NOTES:

- There are innumerable activities of the government which affect us.
- The government is involved in various development activities especially in infrastructures and social sectors such as health and education.
- Ushering in economic development is one of the top priorities of any government.
- The availability of adequate infrastructure like electric power, roads, railways, ports, airports, tele-communication, irrigation, drinking water, sanitation, storage, and warehousing etc. is necessary for the acceleration of economic development in the country.
- Quality of living of the people and the pace of economic development depend on the state of these infrastructures.
- The most important functions of the government is to ensure that these public facilities are made available to everyone.
- The government's role also includes making a provision for education, setting up schools & colleges, ensuring equal distribution of food throughout the country, improving health & sanitation facilities, improving the means of transport and maintaining public utility works like post offices, railways and roads.
- It gives rise to better living indices and helps any country to get recognised at international level in terms of development.
- Public facilities are related to the basic needs and the Indian Constitution has recognised the right to water, health, education, etc. as being a part of the Right to Life.
- Education opens up opportunities for a better life. It is the most crucial input for empowering people with skills and knowledge and giving them access to productive employment. It not only enhances efficiency but also improves the quality of life. It is now considered the major instrument for achieving rapid and inclusive growth

Inclusive Growth (I.G)

1. Focuses on economic growth which is necessary and crucial condition for poverty reduction.
2. Adopts a long term perspective and is concerned with sustained growth.

- IG focuses on both the pace and pattern of growth.
- Government has undertaken various development works, and launched various policies, schemes etc. for the welfare of its people. Some of them are as follows:

1. Construction of highways and expressways.
2. TPDS (Targeted Public Distribution System)to ensure supply of food grains and other necessary items at a lower price than the market price to BPL and APL families. PDS (Public distribution system) is the key element of the government's food security system in India.
3. SSA (Sarva Shiksha Abhiyan) scheme for universalisation of elementary education.
4. The National Youth Policy 2003 to galvanise the youth to rise up to the emerging challenges and to urge the youths to become active partners in national building.
5. The National Service Scheme (NSS) which focuses on the development of personality of students through community service.
6. Health Schemes like National Rural Health Mission (NRHM) and National Urban Health Mission (NUHM).Various ASHA (Accredited Social Health Activists) workers have spread out across the country under NRHM.
7. The National Health Mission was launched by the government of India in 2013 subsuming the National Rural Health Mission and National Urban Health Mission. It was further extended in March 2018, to continue until March 2020.
8. Poverty Alleviation Programmes like Unorganised Sector Workers Social Security Bill, 2007, the Aam Admi Bima Yojana (AABY), Health Insurance Scheme for Unorganised Sector BPL workers, 2007, Antyodaya Anna Yojana (AAY), Annapurna Scheme, MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) etc.
9. Infrastructure Development Programes like Bharat Nirman Programme initiated in 2005 focuses on the provision of the key element of rural infrastructure such as irrigation, rural electrification, rural roads, rural drinking

water supply and sanitation and housing for the poor and rural connectivity via community IT service centre.

10. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) seeks to provide central assistance for urban infrastructures.
11. The Pradhan Mantri Gram Sadak Yojana(PMGSY) is a nationwide plan in India to provide good all-weather road connectivity to unconnected villages.
12. Housing Schemes like Pradhan Mantri Awas Yojana(PMAY) (Urban), Pradhan Mantri Gramin Awaas Yojana, Rajiv Awas Yojna etc.

Planning and Budget:

- To carry out the activities of the government lots of money is needed. That money is provided through the annual budget.
- Planning is essentially setting out in advance what you want to achieve over a period of time and how you intend to realise it.
- A Budget shows how we intend to finance our expenditure. A budget is simply a statement of proposed expenditure and expected receipts over a period of time, usually a financial year.
- A financial year in India starts on April 1st and ends on 31st March next year.
- Since Independence, with the launching of Five Year Plans, the Union Budget has also become a significant statement of government policy.
- First Union Budget was presented by then Finance Minister, RK Shanmukham Chetty on November 26, 1947.
- The Finance Minister normally presents the Union Budget in the last week of February every year in Lok Sabha.
- The proposals in the budget are discussed in detail in the Lok Sabha. Some proposals may be amended also.
- Not a single paisa can be withdrawn from the Consolidated Fund of the Union if the Parliament does not approve the budget.
- States also present their budgets in state assemblies. If any government fails to pass a budget before 1st April the government will not be able to spend a single paisa from its fund.

Planning Commission and NITI Aayog:

- Planning Commission of India is an organization in the Government of India, which formulates India`s Five-Year Plans, among other functions. It was established on 15 March 1950, with Prime Minister Jawaharlal Nehru as the chairman.

- India's First Five Year Plan was launched in 1951. The Planning Commission was assigned the responsibility of assessing all the resources of the country, enhancing scarce resources, drafting plans for the most productive and balanced usage of resources and ascertaining priorities to improve the economic conditions of the people.
- From 1947 to 2017, the Indian economy was premised on the concept of planning. This was carried through the Five-Year Plans, developed, executed, and monitored by the Planning Commission (1951-2014) and the NITI Aayog (2015-2017). With the prime minister as the ex-officio chairman, the commission has a nominated deputy chairman, who holds the rank of a cabinet minister. Montek Singh Ahluwalia is the last deputy chairman of the commission (resigned on 26 May 2014). The Twelfth Plan completed its term in March 2017.

Government Revenue and Expenditure:

- The government maintains three accounts namely Consolidated Fund, Contingency Fund and Public Account.
- The Consolidated Fund of India includes revenues, which are received by the government through taxes and expenses incurred in the form of borrowings and loans.
- The Consolidated Fund of India was created under Article 266 of the Constitution. It is also considered as the most important part of the financial statement.
- The Contingency Fund stores money for some of the urgent or unplanned expenditures of the government. The President gives advance nod for a particular sum of money to be stored in the Contingency Fund for emergency uses.
- Note that the CAG, or the Comptroller and Auditor General, is responsible for audit of receipts and expenditure from the Fund and also of the states. The corpus of the Contingency Fund, as authorised by Parliament, stands at Rs 500 crore at present.
- The Public Account of India was constituted by Article 266of the Indian Constitution. It deals with the money received by the government, i.e. state provident funds, various pre-deposits under income tax, depreciation and reserve funds of departmental undertakings are paid into public accounts.

Government Budget:

- Government Budget comprises of Revenue Budget and Capital Budget.
- Revenue Budget consists of the revenue receipts of the government (tax revenues and other revenues) and the expenditure met from these revenues. Revenue receipts are divided into tax and non-tax revenue. Tax revenue is the income that is gained by governments through taxation.
- Capital Budget consists of capital receipts and capital payments. The capital receipts are loans raised by Government from public, called market loans, borrowings by Government from Reserve Bank and other parties through sale of Treasury Bills, loans received from foreign Governments and bodies, disinvestment receipts and recoveries of loans from State and Union Territory Governments and other parties.
- The government may have three types of deficits - revenue deficit, fiscal deficit and primary deficit.
- Revenue Deficit is the excess of its total revenue expenditure to its total revenue receipts. Revenue Deficit is only related to revenue expenditure and revenue receipts of the government.
- Fiscal Deficit represents the government's total borrowing including interest payments.
- Primary Deficit is Fiscal Deficit of the current year minus interest payments on previous borrowings. Primary Deficit shows the amount of borrowing excluding interest payments. It is the difference between the current year's fiscal deficit and the interest paid on the borrowings of the previous year.
- RTI – The Right to Information act has given the power to the public to seek a wide range of information on government activities.
- Government is for the people. The many activities undertaken by the government enable the people to get their share of development.
- Our lives would have been very difficult without a government.
- The public has to ensure that public works are taken up as per specification.
- Vigilance of the people will ensure that government activities are conducted for the people.