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A Sectoral Analysis of the Government of Karnataka's Ayurveda Budget from FY2011-12 to FY2023-24

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ABSTRACT

On the 17th of February, the Chief Minister of Karnataka presented the ₹3 Trillion Karnataka Budget. This year, the Government of Karnataka aims to spend more than ₹13,000 crores on health and family welfare. Good. The allocation for *Ayurveda*? ₹195 crores. Narratives shape public opinion. And the public opinion about the ascent of *Ayurveda* seems no different. For some, *Ayurveda* has grown by leaps and bounds in the past decade. For others, less so. The former narrative traces the causes of growth to, amongst other reasons, 'government support.' Is that true? This paper tries to answer the question by tracking the evolution of government support for *Ayurveda* in Karnataka. It does so by analysing the budget allocation for the Department of AYUSH, specifically for *Ayurveda*, over the past decade. The sectoral analysis presented in this paper is based on the data extracted from budget documents of the Government of Karnataka from FY2011-12 to FY2023-24. The study is limited to understanding the budgetary allocation for *Ayurveda* at the state level. It doesn't take into account (for example) the grants received under Centrally Sponsored Schemes. The author concludes that when it comes to *Ayurveda*, the clamour surrounding *Ayurveda* hides more than it reveals.

Key words: Budget, Ayurveda, Budget Estimate, Revised Estimate.

INTRODUCTION

One of the narratives surrounding *Ayurveda*'s changing landscape points to the cause for the growing interest in *Ayurveda* as 'government support.'^[1] Is this narrative accurate? If yes, then is it good for a government to spend money on promoting *Ayurveda*? This paper tries to answer these questions by looking into a specific State Budget - the annual budget of the Government of Karnataka. Before we delve into the gory details of the

Government of Karnataka's budget though, let's review the basics of the budget.

Budget101

Just as individuals keep track of their savings and expenses, governments lay out their plans for future expenses and earnings in a document called the budget.^[2] In India, the union government and the state governments come up with budgets annually. Therefore, the budget is also called the Annual Financial Statement (AFS). In it, the government provides details about its income and expenditure.

A government budget helps us answer two questions: How does a government earn money? Where does it spend the money?

A government earns some of its money through taxes (e.g., income tax, GST, corporate tax.). It also charges people for services (e.g., water bill, electricity bill etc.). Like people, governments could sell assets in return for cash (e.g., disinvestment). And just as individuals do, governments take loans (debt).

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Governments are expected to spend money on things called public goods (e.g., law and order, public health etc.). But similar to individuals, governments have the habit of spending money on everything.

When a government spends money on infrastructure, such spending is called Capital Expenditure (e.g., constructing roads, buildings etc.). When a government gives out money for salaries or paying bills, such expenditure is called Revenue expenditure.^[3]

The Constitution of India provides lists of areas for which the union government and state governments are responsible. State governments are responsible for, amongst other things, hospitals and dispensaries, and public health and sanitation.^[4]

Understanding the Budget Documents

Budget Documents include the Annual Financial Statement (AFS), expenditure volumes, budget speech etc.

The Annual Financial Statement (AFS) and other budget documents provide the estimates for the given year and two preceding years.

Governments make promises. They also break promises. The promises made by the government for a given year are included under the term 'Budget estimate' (BE).^[5] E.g., a government has promised to spend ₹X on the Department of AYUSH for FY2023-24.

A government may announce to spend ₹1,000 crores on something but only spend ₹200-₹300 crores by the end of the fiscal year. Therefore, the details about the amount of money being spent vis-à-vis the amount allocated in the BE will be inferred by looking at the Revised Estimate (RE). The revised estimate is the government's estimate for the money spent in a financial year.^[6]

The budget documents for the year 'n' also include the details of the actual money spent on budget items in the year 'n-2.'

So, a budget document for the year 'n' provides the following details:

1. The Budget Estimate (BE) for the year 'n'

2. The Budget Estimate (BE) for the year 'n-1'

3. The Revised Estimate (RE) for the year 'n-1'

4. Actuals for the year 'n-2'

Ayurveda Budget: GOK Perspectives

In this paper, the author tracks the Government of Karnataka's (GOK) budget allocation for the Department of AYUSH, specifically the allocation for Ayurveda, from FY2011-12 to FY2023-24. This paper is about understanding the year-on-year change in the Ayurveda budget over the last decade. For the sake of brevity, the specifics of each budget are omitted.

The allocation for the department of AYUSH, similar to most other budget items, comes in two forms: Revenue Expenditure and Capital Expenditure.

Revenue expenditure includes the salaries of government employees, bills paid by the government, scholarships for AYUSH students etc. Capital expenditure includes spending money on constructing hospitals, colleges, labs etc.

The details of the allocation for the department of AYUSH can be found in the 'Expenditure Volume-2' of the budget documents. The budget documents could be accessed on the Finance department's website.^[7]

In India, the budget documents for both the union government and the state governments are standardised. That is, they all look the same. Each entry in the budget (a budget item) will have a unique code attached to it. For example, the budget code for Revenue expenditure on Medical and Public Health is 2210. This is the same across states.

The allocation for Ayurveda could be tracked using the budget codes related to Ayurveda. The budget codes related to Ayurveda are the following:

Table 1: Revenue Expenditure

Budget Item	Budget Code
Ayurveda (Urban Health Services - Other Systems of Medicine)	2210-02-101
Ayurveda - Education	2210-05-101

Table 2: Capital Expenditure

Budget Item	Budget Code
Ayurveda - Buildings	4210-03-101

Summing up the revenue expenditure and capital expenditure gives the total allocation for Ayurveda. For example, for FY2023-24 i.e., this year, the Budget Estimate for revenue expenditure on Ayurveda (2210-02-101) is ₹169.23 crores. The Budget Estimate for revenue expenditure on Ayurveda Education (2210-05-101) is ₹6.63 crores. The Budget Estimate for capital expenditure on Ayurveda Buildings (4210-03-101) is ₹20 crores.

Summing up these values gives the number for the total allocation for Ayurveda. The number for FY2023-24 is ₹195.86 crores.

The allocation for Ayurveda in the previous year (FY2022-23) was ₹171.12 crores. The year before? ₹169.43 crores.

The usual method for calculating the year-on-year change in the allocation for a budget item is to compare its BE for the year 'n' with its RE for the year 'n-1.' The author has used a different method. The author has compared the government's promises (BE) year-on-year. That is, the author has compared the BE starting FY2011-12 to FY2023-24. Here's what the numbers look like:

Table 3

Allocation for Ayurveda in Government of Karnataka's Annual Budget From FY11-12 to FY23-24									
Fiscal Year	Ayurveda	Ayurveda Education	Ayurveda Buildings	Total Allocation	Change in Allocation	Percentage Change	Percentage Increase	Difference	
	(In Cr)	(In Cr)	(In Cr)	In Crores	Year (n)/(n-1)	% Change	% Increase	In Cr	
FY 2011-2012	14.8	34.19	32.5	81.49					
FY 2012-2013	21.24	46.46	17.75	85.45	1.04059492	104.859492	4.859491962	3.96	
FY 2013-2014 (Feb)	22.69	52.91	21.91	97.51	1.141135167	114.1135167	14.11351668	12.06	
FY 2013-2014 (July)	24.89	51.61	15.51	92.01	0.943395529	94.33955287	-5.64047134	-5.5	
FY 2014-2015	18.74	82.84	14.84	116.42	1.26529725	126.529725	26.52972503	24.41	
FY 2015-2016	14.34	70.04	7.02	91.4	0.785088473	78.50884728	-21.49115372	-25.02	
FY 2016-2017	10.92	60.15	10	81.07	0.886980206	88.69802063	-11.30199937	-10.33	
FY 2017-2018	16.74	64.37	10.66	91.77	1.131984705	113.1984705	13.19847046	10.7	
FY 2018-19 (Feb)	17.81	55.86	11	84.67	0.922652669	92.26526686	-7.787333137	-7.1	
FY 2018-19 (July)	17.81	55.86	11	84.67	1	100	0	0	
FY 2019-2020	21.31	66.14	44.24	131.69	1.553321467	155.3321467	55.33214672	47.02	
FY 2020-2021	21.75	106.32	35	163.07	1.230286886	123.0286886	23.02868859	31.38	
FY 2021-2022	27.37	122.06	20	169.43	1.039001656	103.9001656	3.900165573	6.36	
FY 2022-2023	155.18	5.94	10	171.12	1.009974621	100.9974621	0.997462079	1.69	
FY 2023-2024	169.23	6.63	20	195.86	1.144576905	114.4576905	14.45769051	24.74	

Source: Expenditure Volumes – FY2011-12 to FY2023-24, Department of Finance, Government of Karnataka.

DISCUSSION

What does this mean for Ayurveda?

The allocation for Ayurveda has improved over the last decade. By how much? For the past 12 years, the year-on-year change in the Ayurveda budget is about **7.44%**. That is, the budget allocation for Ayurveda has grown at a pace of 7.44% each year. Great, right? No.

You may have seen biscuit brands like Parle claiming to be offering **25%** extra for the same price. You may have also noticed that the 25% only translates to an extra **15 grams** of biscuits!

Percentage change could mislead us into believing that a change is radical when it is not. When the budget allocation for Ayurveda changed by 123.82% between FY2019-20 and FY2020-21, the change was a mere ₹31.38 crores.

The take-home message here is that **a big percentage of a small number will be a small number.**

Another example to demonstrate this would be the allocation (BE) for the Ministry of AYUSH by the Union government this year.

The Union Government aims to spend ₹3647 crores on AYUSH this year. This is a whopping 19.57% increase in the allocation for the ministry compared to the previous year. The allocation for the ministry of AYUSH in FY2022-23 was ₹3050 crores. So, the actual change from the last year is ₹597 crores.

Now, let's look at the allocation for the Ministry of Health and Family Welfare. This year, the allocation (BE) for the Ministry of Health and Family Welfare stands at ₹86,175 crores. Compared with last year's BE, this is an increase in the allocation for the ministry by a mere 3.82%. Last year's BE for the ministry stood at ₹83,000 crores. So, a 3.82% change translates into an increase of ₹3,175 crores!

Always remember: **Numbers could be misleading.** A 19.57% increase doesn't always mean a radical change.

An observation

When you look carefully at Table 3, you will notice that the allocation for the budget item 'Ayurveda' i.e., 2210-

02-101 increased from 27.37 crores in FY2021-22 to ₹155.18 crores and ₹169.23 crores in the succeeding years. Again, seems like a radical change, right? No!

This seems like a trick. While the total allocation for Ayurveda has remained more or less the same, over the same period the allocation for a budget item—2210-2-101—has increased by more than 5 times!

We know that when $a + b = c$, if 'c' is constant, then an increase in the value of 'a' means a corresponding decrease in the value of 'b.'

That is, given the revenue expenditure on *Ayurveda* hasn't changed by much in the past two years, if the allocation for 2210-02-101 has increased, then the allocation for 2210-05-101 must have decreased. It has decreased. 2210-05-101 is *Ayurveda* Education. Did the government spend only 5.94 crores on Ayurveda education last year? (Refer: Table 3). Again, the answer is "No."

What's happening here!? To understand this, let's dissect the budget document a little bit.

The Budget item 2210-02-101 i.e., *Ayurveda*, is a budget item within section 2210-02.

2210-02 stands for the category "Urban Health Services – Other systems of Medicine." Under this category, the allocation for 2210-02-101 (*Ayurveda*) is used for Ayurvedic hospitals, hospital staff, allowances etc.

The budget item 2210-05-101 i.e., *Ayurveda* Education is a budget item under section 2210-05.

2210-05 is about "Medical Education Training & Research." The allocation for *Ayurveda* education is nested under this section.

In the past two years, most of the allocations for *Ayurveda* Education are listed under 2210-02-101 instead of 2210-05-101. That's why, the numbers for 2210-02-101 have skyrocketed, while the numbers for 2210-05-101 have decreased.

Why would the government commit this mistake? Not once, but twice. (Refer to the values of 2210-02-101 for FY2022-23 and FY2023-24 in Table-03)

When we zoom out a little bit, we can see that the allocation for the category 2210-05 has increased while the allocation for 2210-05-101 (*Ayurveda*) has decreased. So, the government could still claim that it has increased the allocation for Medical Education. On the other hand, 2210-02-101 is about AYUSH hospitals. Most people would be interested in knowing the allocation for AYUSH hospitals and Urban Health Services than AYUSH colleges. The government, one would guess, may know this. (This is a speculation.)

Thus, it appears that there may be a discrepancy in the reported numbers regarding the improvement of *AYUSH* facilities by the government. When it comes to the expenditure budget, keeping an eye on the capital expenditure part of *Ayurveda* budget could be revealing for the stakeholders. In toto, while there is a lot of clamour around *Ayurveda*, the government may not be doing much other than indulge in rhetoric.

CONCLUSION

It appears as though the narratives around the ascent of *Ayurveda* pay too much credence to the candidate that deserves it less – the government. While there is a lot that a government could do to 'promote' *Ayurveda*, the author expects that it restricts itself to regulating the *Ayurvedic* system of cures.

One should remember that it is not imperative for the government to support *Ayurveda*. Instead, it is a moral imperative for *Ayurvedic* students and practitioners to be open to self-criticism, and have a sense of healthy scepticism towards *Ayurveda*. Therefore, it is time for us to see *Ayurveda* for what it is by testing its methods for scientific rigour, because closing our eyes doesn't stop us from getting deceived.

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