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## SOCIAL-SECTOR AGENDA

# Focus is on healthy, skilled and empowered Indians

The Budget reflects clarity, optimism, and a results-oriented approach aimed at fostering transparency and citizen engagement. By **PwC India**



Budget has several proposals for skill development and education

**T**he Union Budget FY27 positions social sector development at the heart of India's journey towards *Viksit Bharat*, combining higher growth with deeper inclusion across education, skills, livelihoods and social protection.

The 'three *kartavyas*' reinforces a *Yuva-Shakti* driven vision that links "education to employment and enterprise" through new university townships near industrial corridors, expansion of STEM infrastructure for girls, and targeted initiatives for caregivers, sportspersons and creative industries.

At the same time, it sharpens the focus on social inclusion and dignified livelihoods through Self-Help Entrepreneur (SHE) marts, disability-specific skilling under *Divyangjan Kaushal Yojana*, enhanced assistive technology ecosystems and stronger care and mental health architecture. The Budget reflects clarity, optimism, and a results-oriented approach aimed at fostering transparency and citizen engagement. This approach reaffirms the government's commitment to nurturing talent, ensuring healthcare for all, empowering women, and fostering entrepreneurship, thus steering India towards an inclusive and prosperous future.

### Education

The combined approach to school and higher education in FY27 reflects a comprehensive strategy to nurture India's youth with the knowledge, skills, and opportunities necessary for driving future economic growth and innovation. The Union Budget highlights inclusive education with an 18 per cent increase for School Education and 8.5 per cent for Higher Education in FY27 over FY26. The flagship scheme Samagra Shiksha receives an 11 per cent boost, further strengthening foundational learning. Additionally, the PM Schools for Rising India (PM SHRI) initiative benefits from a significant 67 per cent increase in funding. Previous year's initiative to set up Atal Tinkering Labs is supported by a 540 per cent increase in funding.

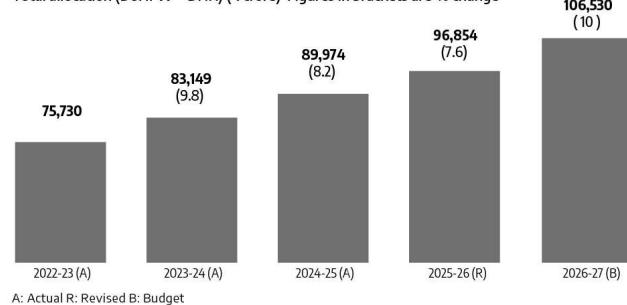
To enhance skill development and education quality, the budget proposes establishing five university townships along industrial and logistics corridors. The promotion of STEM education among girls through the establishment of one girls' hostel per district is a welcome initiative. Increased funding for research through the PM Research Fellowship Scheme (107 per cent) and the introduction of PM Research Chair (₹200 crore outlay) along with a 29 per cent increase towards

Digital India e-learning is expected to promote nuanced interventions.

Specialised institutions are to be established or upgraded in critical areas such as mental health, design, content creation, health services, and pharmaceuticals, ensuring holistic growth.

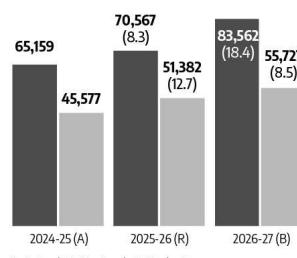
### Health-sector allocation

Total allocation (DoHFW + DHR) (₹ crore) Figures in brackets are % change



### Education allocation

■ Department of School Education & Literacy  
 □ Department of Higher Education (₹ crore)  
 Figures in brackets are % change



### Public health and nutrition

The Union Budget FY27 strengthens India's public health and nutrition agenda with a people-centric focus and an allocation of ₹1,06,530 crore, a 10 per cent rise over the FY26 revised estimate. The allocation focuses on strengthening health infrastructure and accessibility for all sections of society, with specific programmes targeting malnutrition and child health.

Pharma and life sciences aligned with the vision for *Atmanirbhar Bharat*, the government launches the Biopharma SHAKTI initiative, equipped with ₹10,000 crore to boost affordable biologics development and manufacture in India. Significant regulatory capacity building is planned for the National Institute of Pharmaceutical Education and Research (NIPERs). To improve medicine affordability, essential cancer drugs are exempted from customs duties, and imports of rare disease drugs are to be made duty-free.

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Budget proposals aim to strengthen health infrastructure and accessibility for all sections of society

making healthcare more accessible.

Health infrastructure and human resources are prioritised through a planned 50 per cent expansion of district hospital capacity via dedicated Emergency and Trauma Care Centres. The government will also expand Allied Health Professional education across 10 disciplines, training 100,000 additional professionals over five years, alongside NSQF-aligned skilling of 150,000 multi-skilled caregivers.

#### Skill development

The budgetary allocation for the Ministry of Skill Development and Entrepreneurship (MSDE) has increased to ₹9,886 crore, with PM SETU positioned as the anchor programme, absorbing ₹6,140 crore of this outlay. Within this expanded fiscal envelope, the Budget's skilling strategy reflects a holistic approach, combining sector-specific targeting with institutional reforms.

The Budget emphasises workforce development in identified growth sectors by embedding skill formation within industrial and technological strategies. Emphasis lies on workforce development tailored to emerging growth sectors such as electronics and semiconductor manufacturing, notably through the India Semiconductor Mission (ISM) 2.0 initiative, which supports building high-tech manufacturing capacity domestically and generating skilled jobs.

#### Livelihood, entrepreneurship and women empowerment

The Union Budget FY27 promotes equitable growth in social enterprise, livelihoods, and entrepreneurship under "Sabka Saath Sabka Vikas." It supports women entrepreneurs through SHE Marts, enhancing market access for Self-Help Groups. The Divyangjan Kaushal Yojana offers industry-specific training to persons with disabilities for digni-

fied livelihoods. MSMEs receive enhanced support with a new ₹10,000 crore SME growth fund and a ₹2,000 crore boost to the Self Reliant India Fund, increasing risk capital availability.

The Budget earmarks funds for the women and child development ministry's flagship Saksham Anganwadi and Poshan 2.0 programme, and the Palna scheme under Mission Shakti that build early childcare infrastructure and support working women. Additionally, this year's announcement of a "strong care ecosystem" may in future not only alleviate women's disproportionate unpaid care burden, but also create skilled employment opportunities within the care sector.

#### Digital transformation for the social sector

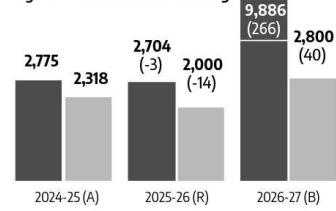
The Union Budget FY27 underscores the growing role of digital transformation in reshaping

## Ministry of Skill Development and Entrepreneurship's allocation

■ Ministry of Skill Development and Entrepreneurship

■ Skill India Programme (₹ crore)

Figures in brackets are % change



A: Actual R: Revised B: Budget

India's social sector. The proposal to establish AVGC Content Creator Labs across 15,000 secondary schools and 500 colleges aims to strengthen the animation, visual effects, gaming and comics ecosystem, an industry projected to require nearly 2 million professionals by 2030. Digital interventions are extended to tourism and heritage through a National Destination Digital Knowledge Grid to digitally map cultural, spiritual, and heritage assets, creating jobs for local researchers, historians, content creators, and tech partners.

#### Textiles

The Budget launches an Integrated Textile Programme with ₹1,500 crore to boost manufacturing, exports, and global competitiveness. It includes the National Fibre Mission to improve raw materials, the Textile Expansion and Employment Scheme to modernise clusters, the National Handloom and Handicrafts Programme to support artisans, TexEco for sustainable practices, and SAMARTH 2.0 for skill development. The Mahatma Gandhi Gram Swaraj initiative further enhances khadi, handloom, and rural employment through branding and capacity building.

By Arjan Chakraborty, Partner, Social Sector, PwC India