



An Analytical Study of Social Sector Expenditure and Sustainable Development Goals in Maharashtra

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Abstract

This study presents an analytical evaluation of social sector expenditure in Maharashtra and its connection with the United Nations Sustainable Development Goals (SDGs). Maharashtra is one of India's leading economic states with a high Gross State Domestic Product (GSDP). However, the state still faces regional, social, economic and gender inequalities. The study examines government expenditure on important social sectors such as education (SDG 4), health and nutrition (SDG 2 and SDG 3), water supply and sanitation (SDG 6) and social welfare programmes (SDG 5 and SDG 10). It also analyses how this expenditure contributes to human development. The findings show that the total government spending on welfare programmes, direct benefit transfers and basic infrastructure has increased over the years. However, social sector expenditure as a share of GSDP has shown fluctuations and is affected by fiscal limitations. A large share of the budget is allocated to primary education and poverty alleviation programmes, while healthcare infrastructure, rural sanitation and environmental sustainability require more regular and adequate funding to achieve the SDG targets by 2030. The study also identifies important challenges such as delays in the use of allocated funds, regional disparities between urban and rural areas and financial pressure due to short-term welfare commitments. The study concludes that achieving the Sustainable Development Goals in Maharashtra requires not only higher public expenditure but also efficient use of funds, better outcome-based budget monitoring and fair distribution of resources among all sections of society, especially the marginalized population.

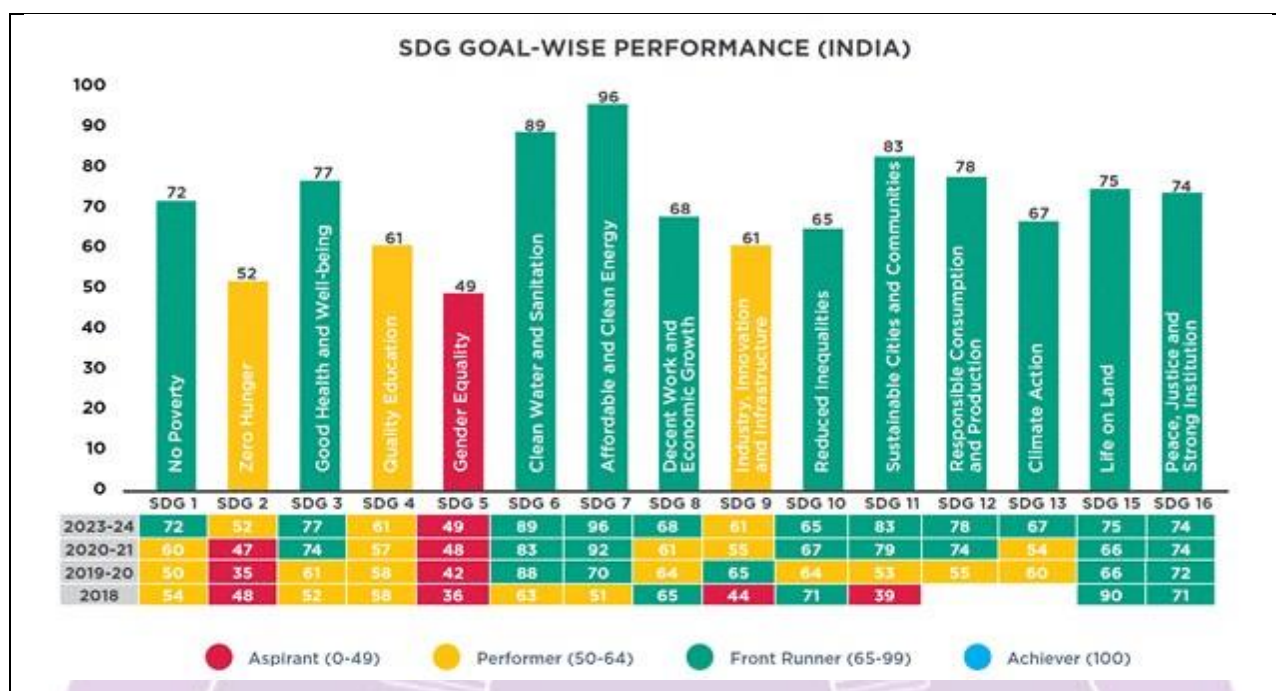
Keywords: Social Sector Expenditure, Sustainable Development Goals (SDGs), Public Expenditure, Human Development, GSDP, State Budget, Education, Health, Social Welfare, Fiscal Policy, Inclusive Development etc.



Introduction:

The social sector is an important part of inclusive growth, human capital development and long-term socio-economic progress. In a developing country like India, state governments play a major role in converting economic growth into better living standards for the people through public expenditure. Maharashtra, one of India's most economically developed states, provides an important case for studying social sector expenditure. The state contributes a significant share to the country's Gross Domestic Product (GDP) through its strong industrial and service sectors. Although Maharashtra has achieved high economic growth and rapid urbanization, it still faces major challenges such as regional imbalances, agrarian distress in regions like Vidarbha and Marathwada and socio-economic inequalities among disadvantaged communities. To overcome these challenges, it is important to align state budget policies with the United Nations Sustainable Development Goals (SDGs). The 17 SDGs, adopted by the United Nations in 2015, aim to eliminate poverty, reduce inequality, improve health and education and promote environmental sustainability by the year 2030. In India, state governments are mainly responsible for sectors that directly support these goals, such as public health (SDG 3), quality education (SDG 4), clean water and sanitation (SDG 6), gender equality (SDG 5) and reduced inequalities (SDG 10). Therefore, Social Sector Expenditure (SSE) in the Maharashtra State Budget is an important indicator of the state's commitment towards achieving the Sustainable Development Goals. An analytical study of social sector expenditure in Maharashtra is important for understanding how public expenditure contributes to sustainable human development.

To visualize the conceptual framework connecting Maharashtra's Social Sector Expenditure (SSE) to the Sustainable Development Goals (SDGs), the structural pathway can be broken down into four interconnected stages:



NITI Aayog SDG Index Performance Framework. Source: Drishti IAS

Objectives of the Study:

1. To examine the trends and pattern of social sector expenditure in Maharashtra.
2. To analyse the relationship between social sector expenditure and the achievement of Sustainable Development Goals (SDGs) in Maharashtra.
3. To suggest policy measures for improving the efficiency and effectiveness of social sector expenditure for sustainable and inclusive development in Maharashtra.

Hypotheses of the Study:

“Social sector expenditure has a significant positive relationship with the achievement of Sustainable Development Goals (SDGs) in Maharashtra.”

Research Methodology:

The study is analytical and descriptive in nature and is based on secondary data. The required data have been collected from the Maharashtra State Budget, Economic Survey of Maharashtra, RBI publications, NITI Aayog SDG India Index Reports, Finance Accounts and Audit Reports and other government publications.



Relationship between social sector expenditure and the achievement of Sustainable Development Goals (SDGs): Social sector expenditure plays an important role in achieving the Sustainable Development Goals (SDGs) in Maharashtra. Government spending on sectors such as education, health, nutrition, water supply, sanitation and social welfare directly contributes to improving the quality of life of the people. Adequate investment in these sectors helps increase literacy, improve healthcare services, reduce poverty, promote gender equality and provide better access to basic public services. The Sustainable Development Goals (SDGs) provide a global framework for inclusive and sustainable development by 2030. Since most social sector programmes are implemented by state governments, Maharashtra's budget allocations have a significant impact on achieving these goals. Higher and well-planned social sector expenditure strengthens human development, reduces regional and social inequalities and promotes inclusive economic growth. However, achieving the SDGs depends not only on increasing public expenditure but also on the efficient utilisation of funds, effective implementation of government schemes and equitable distribution of resources across different regions and communities. Therefore, social sector expenditure is an important instrument for accelerating sustainable development and improving the overall well-being of the people in Maharashtra.

Trends in Social Sector Expenditure: The following table presents the year-wise trend of social sector expenditure in Maharashtra. It highlights the pattern of government spending on major social sectors and its role in promoting sustainable and inclusive development.

TABLE NO. 1
SECTOR-WISE EXPENDITURE

Sectors	2020-21	2021-22	2022-23	2023-24	2024-25
Education, Sports, Arts & Culture	62,450	68,770	81,560	97,200	98,985
Health & Family Welfare	16,820	21,067	20,387	30,630	27,748
Social Welfare & Nutrition	16,140	19,881	20,677	28,364	32,754
Welfare of SC, ST, OBC & Minorities	14,910	17,279	20,025	28,879	26,967
Urban Development	11,230	13,166	18,349	31,082	22,759



Rural Development	9,840	10,852	16,708	25,424	23,782
Total Social Sector	1,31,390	1,50,915	1,77,706	2,41,579	2,32,995
Total Net Budget Expenditure (Rs. Cr)	3,71,215	3,98,792	4,73,922	6,00,498	6,12,293
Social Sector Share in Budget (%)	35.4%	37.8%	37.5%	40.2%	38.1%
Revenue Expenditure Share (%)	88.2%	87.5%	86.0%	84.2%	85.9%
Capital Outlay Share (%)	11.8%	12.5%	14.0%	15.8%	14.1%

Source: Directorate of Economics and Statistics (DES), Planning Department, Government of Maharashtra. Chapter 5 (Public Finance) and Chapter 10 (Social Sector).

The table shows that social sector expenditure in Maharashtra increased from Rs. 1,31,390 crore in 2020-21 to Rs. 2,32,995 crore in 2024-25. Education received the highest allocation throughout the study period, followed by Health & Family Welfare and Social Welfare & Nutrition. The share of social sector expenditure in the total budget increased from 35.4% in 2020-21 to a peak of 40.2% in 2023-24, before slightly declining to 38.1% in 2024-25. Overall, the trend reflects sustained government commitment towards achieving the Sustainable Development Goals (SDGs).

TABLE NO. 2
MAHARASHTRA GSDP

Financial Year	Nominal GSDP (Current Prices)	Real GSDP (Constant 2011-12 Prices)
2020-21	Rs. 26,27,542 Crore	Rs. 18,89,307 Crore
2021-22	Rs. 31,03,912 Crore	Rs. 20,90,049 Crore
2022-23	Rs. 35,27,084 Crore	Rs. 22,86,510 Crore
2023-24	Rs. 41,18,375 Crore	Rs. 24,88,560 Crore
2024-25	Rs. 46,22,138 Crore	Rs. 26,71,361 Crore
2025-26	Rs. 51,00,597 Crore	Rs. 28,82,699 Crore

Source: Ministry of Statistics and Programme Implementation (MoSPI), Government of India. Chapter 3 (State Income) and Annexures 3.1 & 3.2 (Nominal and Real GSDP at current and constant 2011-12 prices).



The table shows that Maharashtra's Nominal GSDP increased steadily from Rs. 26,27,542 crore in 2020-21 to Rs. 51,00,597 crore in 2025-26. Similarly, Real GSDP increased from Rs. 18,89,307 crore to Rs. 28,82,699 crore during the same period, reflecting sustained growth in the state's real economic output. Overall, the continuous rise in both Nominal and Real GSDP highlights Maharashtra's strong economic performance and its growing capacity to support social sector expenditure and sustainable development.

TABLE NO. 3
TOTAL BUDGET EXPENDITURE OF MAHARASHTRA

Budget Component / Indicator	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Expenditure (Salaries, Pensions, Subsidies)	3,12,340	3,49,686	4,07,614	5,05,647	5,19,514
Capital Outlay (Asset Creation, Infrastructure)	38,450	46,670	61,644	85,657	85,292
Loans & Advances Disbursed	20,425	2,436	4,664	9,194	7,487
Net Budget Expenditure (Excluding Debt Repayment)	3,71,215	3,98,792	4,73,922	6,00,498	6,12,293
Repayment of Debt (Principal Servicing)	29,700	36,033	44,795	55,997	57,198
Gross Total Expenditure	4,00,915	4,34,825	5,18,717	6,56,495	6,69,491

Sources: State Finance Audit Reports & Budget Documents, Finance Department, Government of Maharashtra.

The table indicates that Net Budget Expenditure of Maharashtra increased from Rs. 3,71,215 crore in 2020-21 to Rs. 6,12,293 crore in 2024-25. Revenue Expenditure accounted for the largest share of the budget throughout the study period, while Capital Outlay also increased steadily, showing greater investment in infrastructure and asset creation. At the same time, Gross Total Expenditure and Debt Repayment recorded continuous growth, indicating the expansion of government expenditure along with increasing fiscal commitments.



TABLE NO. 4
MAHARASHTRA NITI AAYOG SDG INDIA INDEX SCORES

Sustainable Development Goal (SDG)	2020-21 Edition Score	2023-24 Edition Score
SDG 1: No Poverty	60	72
SDG 2: Zero Hunger	47	52
SDG 3: Good Health & Well-being	74	77
SDG 4: Quality Education	57	61
SDG 5: Gender Equality	48	49
SDG 6: Clean Water & Sanitation	83	89
SDG 7: Affordable & Clean Energy	92	96
SDG 8: Decent Work & Economic Growth	61	68
SDG 9: Industry, Innovation & Infrastructure	55	61
SDG 10: Reduced Inequalities	67	65
SDG 11: Sustainable Cities & Communities	79	83
SDG 12: Responsible Consumption & Production	74	78
SDG 13: Climate Action	54	67
SDG 14: Life Below Water (<i>Coastal States</i>)	—	—
SDG 15: Life on Land	66	75
SDG 16: Peace, Justice & Strong Institutions	74	74
Composite Index Score (Overall)	70	75

Source: NITI Aayog SDG India Index Reports (3rd Edition: 2020-21 & 4th Edition: 2023-24).

The table shows that Maharashtra's overall SDG India Index score improved from 70 in 2020-21 to 75 in 2023-24. Significant improvements were observed in No Poverty (SDG 1), Climate Action (SDG 13), Life on Land (SDG 15), Clean Water and Sanitation (SDG 6) and Decent Work and Economic Growth (SDG 8). However, Reduced Inequalities (SDG 10) recorded a slight decline, while Peace, Justice and Strong Institutions (SDG 16) remained unchanged.



TABLE NO. 5
MAHARASHTRA HUMAN DEVELOPMENT INDICATORS

Indicator	2020-21	2021-22	2022-23	2023-24	2024-25
Infant Mortality Rate (IMR) (per 1,000 live births)	16	16	15	15	14
Maternal Mortality Ratio (MMR) (per 100,000 live births)	33	33	33	32	31
Under-5 Mortality Rate (U5MR) (per 1,000 live births)	18	18	17	17	16
Crude Birth Rate (CBR) (per 1,000 population)	15.3	15.1	14.8	14.6	14.4
Crude Death Rate (CDR) (per 1,000 population)	5.5	5.5	5.4	5.4	5.3
Life Expectancy at Birth (Overall) (years)	72.5	72.7	72.9	73.1	73.3
Life Expectancy at Birth (Male) (years)	71.2	71.4	71.6	71.8	72.0
Life Expectancy at Birth (Female) (years)	73.9	74.1	74.3	74.5	74.7
Literacy Rate (Overall) (%)	82.3%	82.8%	83.4%	83.9%	84.5%
Literacy Rate (Male) (%)	88.4%	88.7%	89.1%	89.4%	89.8%
Literacy Rate (Female) (%)	75.9%	76.6%	77.4%	78.1%	78.9%
Multidimensional Poverty Index (MPI) (Headcount Ratio)	14.8%	11.2%	7.8%	6.4%	5.2%
Gross Enrolment Ratio (Elementary) (%)	102.1%	103.5%	104.3%	104.8%	105.1%
Gross Enrolment Ratio (Higher Education) (%)	32.1%	33.5%	34.9%	35.6%	36.2%

Source: Economic Survey of Maharashtra, Sample Registration System (SRS) Bulletins, National Family Health Survey (NFHS-5) and NITI Aayog National MPI Reports.

The table indicates continuous improvement in Maharashtra's human development indicators during the study period. Infant Mortality Rate (IMR), Maternal Mortality Ratio (MMR), Under-5 Mortality Rate (U5MR), Crude Birth Rate (CBR) and Crude Death Rate (CDR) showed a gradual decline. At the same time, life expectancy, literacy rates and gross



enrolment ratios increased steadily, indicating improvements in education and overall quality of life. The Multidimensional Poverty Index (MPI) declined significantly from 14.8% in 2020-21 to 5.2% in 2024-25.

Measures for Improving the Efficiency and Effectiveness of Social Sector Expenditure:

1. The government should ensure the timely release and proper utilisation of social sector funds to improve the implementation of welfare programmes.
2. Greater emphasis should be given to outcome-based budgeting so that expenditure leads to measurable development outcomes.
3. Budget allocations should be increased for priority sectors such as education, health, nutrition, water supply and sanitation.
4. Special attention should be given to reducing regional disparities by allocating more resources to backward and rural areas.
5. Regular monitoring and evaluation of government schemes should be carried out to improve their effectiveness.
6. Transparency and accountability in public expenditure should be strengthened through better financial management systems.
7. Digital technologies should be used to improve fund management, service delivery and monitoring of development programmes.
8. Community participation and stakeholder involvement should be encouraged in planning and implementing social sector schemes.
9. Better coordination among government departments should be promoted to ensure effective utilisation of public resources.
10. Continuous investment in the social sector should be maintained to support sustainable, inclusive and equitable development in Maharashtra.

Conclusion:

The study concludes that social sector expenditure plays a significant role in promoting sustainable and inclusive development in Maharashtra. During the study period, the state recorded a steady increase in budget allocations for important sectors such as education, health, social welfare and rural development. The analysis also shows improvements in Maharashtra's



SDG India Index scores and human development indicators, reflecting the positive impact of public expenditure on social development. However, challenges such as regional disparities, efficient utilisation of funds and maintaining adequate social sector investment continue to affect the achievement of the Sustainable Development Goals. Therefore, the government should focus on outcome-based budgeting, transparent financial management and equitable distribution of resources to maximise the benefits of public expenditure. Strengthening these measures will help Maharashtra achieve sustainable, inclusive and balanced development

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