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Social sector ranking of India lowest among the BRIC nations

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Social sector ranking of India lowest among the BRIC nations, AEP

While India with its unabated growth momentum stands out as preferred investment destination, the country lags far behind its peers in social sector achievements. Despite the sustained rise in budgets over the years, India's public spending on health as a percent of GDP is second lowest among the BRIC countries and lowest in terms of education, according to ASSOCHAM Eco Pulse (AEP) Study.

According to the AEP, *"Public health and education expenditures among the BRIC countries"* revealed that India's public expenditure on the two most significant social sectors, health and education stood at 5 per cent and 9.2 per cent respectively as a per cent of GDP in FY 2005-06.

While Brazil and Russia spent 7.9 per cent and 5.2 per cent on health as a per cent of GDP in FY 2005-06, India is a notch above China with public expenditure on education at 5 per cent of GDP in 2005-06. Surprisingly, China ranked lowest among the BRIC countries with a minimal share of 4.9 per cent of public expenditure on health.

"India needs to keep its pace with other developing countries in its social sector development, to meet the twin objectives of rapid progress and inclusive growth. We need to invest in more quality education and health services" Mr. Sajjan Jindal, President ASSOCHAM, said.

Public health expenditure as a per cent of GDP (2005-06)

Country	Health expenditure, total (per cent of GDP)	Mortality rate under-5 (per 1000)*
Brazil	7.9	20
Russia	5.2	16
India	5.0	76
China	4.7	24

* The mortality data is for FY 2006-07

Source: World Bank

The compression of the public spending by India on health is also reflected in terms of high infant mortality rate as a consequent of rising population and poverty of the country. In FY 2006-07, India's mortality rate under-5 (per 1000) stood at 76, the highest among the BRIC countries. In contrast, Russia was ranked lowest infant mortality rate at 16 per 1000 deaths in FY 2006-07. China and Brazil ranked second and third with mortality rates 24 and 20 per 1000 deaths respectively.

In terms of Government education expenditure (per student primary) as a per cent of GDP per capita, India is at the lowest of the pile of BRIC economies with 9.2 per cent of GDP for the year 2004-05.

While Russia, Brazil and China spends 12.9 per cent, 12.8 per cent and 10.2 per cent expenditure per student primary as a per cent of GDP per capita, India contributes just 9.2 per cent of GDP per capita towards primary education.

Literacy rate of 67 per cent in India is least among BRIC countries. In FY 2004-05, Russia with highest public expenditure on education among the BRIC nations, has almost achieved complete literacy, as its literacy rate was 99.4 per cent.

China, whose education spending stood at 10.2 per cent of its GDP, has 90.92 per cent literacy rate. Though the public expenditure in Brazil is comparatively high, the country lags behind China with literacy rate at 88.6 per cent in FY 2004-05.

Education expenditure per student, primary (per cent of GDP per capita) in 2004

Country	Expenditure per student, primary (per cent of GDP per capita)	Literacy (in per cent)
Russia	12.9	99.4
Brazil	12.8	88.6
China*	10.2	90.92
India	9.2	67

* The data for China is for the year 1999-00.

Source: World Bank