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Inclusive Budgeting and Disability Welfare in India: An Analysis of Union Budget Allocations During 2021–2026

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Abstract

Inclusive budgeting has emerged as an essential tool for achieving sustainable development by giving due consideration to marginalized groups of people in the process of formulating public budgetary policies. This research aims at identifying the allocation trend of Union budget towards the welfare of the disabled community in India between 2021 and 2026. The present paper makes an analysis of the budget allocation made through the Department of Empowerment of Persons with Disabilities (DEPwD). This research also makes an assessment of inclusive budgeting practices in India. The growth trends and fiscal priorities in the area of disability welfare have been assessed using some statistical measures like growth rate, descriptive statistics, CAGR, and trend analysis. The findings of this research show that even though there is an increasing trend in nominal appropriation, the disability benefit still gets a minuscule share of the total government budget in India.

Key Words: Inclusive Budgeting, Disability Welfare, Persons with Disabilities, Union Budget, Public Expenditure, Social Justice, Fiscal Policy

1.0 Introduction

The concept of development of a nation has gone through significant evolution in the last few decades. In earlier times, economic growth and generation of revenues were considered to be the major criteria for national development. But according to the current development theories, social justice and inclusivity become the major components of sustainable development. In current scenario, governments have realized that unless the underprivileged and marginalized communities are fully included in the development process, just economic growth will not ensure improved conditions of life for everyone. Therefore, expenditure and policies of the government have become important policy instruments for promoting social inclusion and reducing inequalities. Inclusive Budgeting becomes an important policy instrument in order to ensure that the fruits of development are extended to everyone, especially to those individuals who suffer from socio-economic and physical disadvantages. This involves the distribution of public funds in such a manner that equal opportunities are provided and requirements of marginalized communities are addressed.

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People with disabilities comprise a substantial portion of the population within various disadvantaged groups and require specialized intervention. According to the Census of India 2011, 2.21% of the country's population belong to people with disabilities. People with disabilities usually face a range of obstacles that hinder their involvement in education, employment, health care, transport, access to information, and social activities. The Government of India has launched many welfare schemes to improve the lives of people with disabilities. The welfare schemes include scholarship programs, skill development schemes, rehabilitation services, assistive devices, and employment opportunities. The effective implementation of these schemes relies on the financial resources available for that. Thus, budget allocation becomes one of the key indicators of the government's concern with the issue of disability welfare. Budget allocation is a tool that reflects not only the spending priorities of the government but also its efforts to meet the needs of various segments of society. That is why the analysis of budgetary allocations is quite relevant in terms of the translation of principles of inclusive budgeting into practice.

The objective of this current research paper is to evaluate the trend in Union Budgets for the benefit of people with disabilities in India during 2021-2026. This time period is crucial in the context of studying the disability welfare expenditures in India since there have been many socio-economic changes after the COVID-19 pandemic.

2.0 Objectives of the Study

- To examine the trend of Union Budget allocation for disability welfare in India.
- To examine the expenditure growth trend under DEPwD.
- To evaluate how much the allocation for disability welfare is inclusive.
- To compare the allocation with total expenditure
- To make recommendations for improving disability budgeting.

3.0 Research methodology

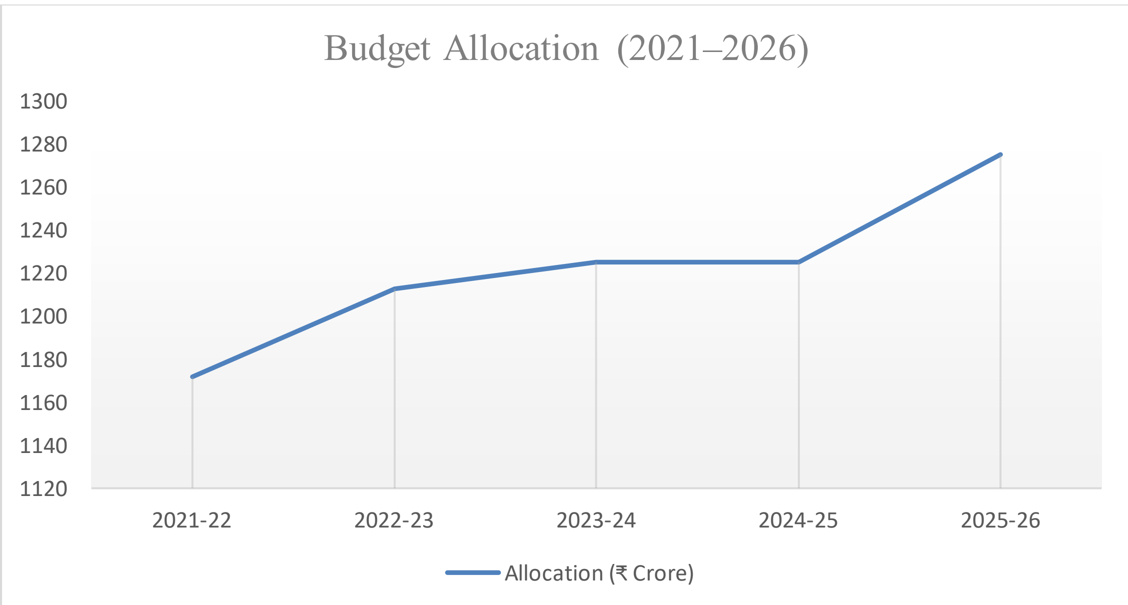
This study is a descriptive and analytical research study based on secondary data. Data related to disability welfare expenditure during 2021-2026 were gathered from documents of Union Budget, annual report of the Department of Empowerment of Persons with Disabilities (DEPwD), and other government publications. Various statistical methods like percentage analysis, growth rate analysis, trend analysis, CAGR, index numbers and regression analysis have been used for studying the trend and growth in budgetary allocation.

4.0 Budget Allocation

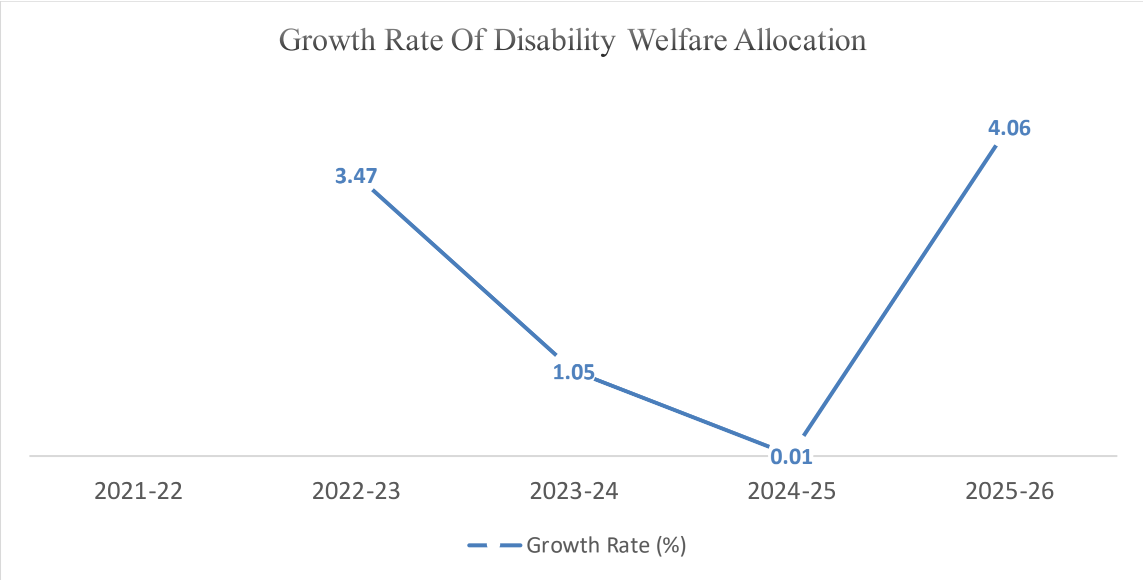
The allocation of the budget can be considered one of the most important indicators of the dedication of the government to the well-being and empowerment of people with disabilities. Examining annual allocations provides us with useful information regarding how much attention to disability welfare is paid within inclusive budgeting. As the table reveals, the budget allocation for disability welfare in India increased from ₹1,171.77 crore in 2021 to ₹1,275.00 crore in 2025, demonstrating positive trends during this period of time. The annual growth rate was the highest in 2025 with the value of 4.06% and second highest in 2023 with the value of 3.47%. At the same time, the lowest annual growth rate is observed in 2024 with the value of 0.01%. It should be admitted that although there is an upward trend in budget allocation for disability welfare in nominal terms, the growth rate varies considerably. In particular, moderate growth rate of 2023 was followed by slowing in 2024 and almost absence of growth in 2025. Nonetheless, a considerable improvement was observed in 2026 with the growth rate exceeding 4 percent.

Budget Allocation Data (2021–2026)

Year	Allocation (₹ Crore)	Growth Rate (%)
2021-22	1171.77	NA
2022-23	1212.42	3.47
2023-24	1225.15	1.05
2024-25	1225.27	0.01
2025-26	1275	4.06



In relation to inclusive budgeting, the results reveal that while disability welfare remains funded within the budget, the rate of growth is not sufficient enough to cater to the rising needs of people with disabilities or to realize the objectives of inclusive development. The fluctuating pattern of growth rate also implies that disability welfare has not been the priority area in terms of financing for the government. Thus, it could be suggested that a better financial commitment is necessary for the welfare of people with disabilities in India.



4.1 Statistical Summary of Disability Welfare Budget Allocations (2021–2026)

Statistical Measure	Value
Mean Allocation (₹ Crore)	1221.92
Standard Deviation	33
Compound Annual Growth Rate (CAGR)	2.13%
Regression Slope	21.93
R-Squared Valu	0.883

The average budget allocation of ₹1,221.92 crore helps us to infer that the Government of India allocated around ₹1,222 crore per year towards welfare of persons with disabilities from 2021 to 2026. The standard deviation of 33.00 means that there was no large variation in budget allocation every year. This signifies that the budget allocations remained constant during the period of the study and did not undergo fluctuations. Although constant budget allocations are always beneficial, in this case, it is evident that the sector did not get any budget boost due to increased emphasis on inclusive development and disability rights.

The growth rate of 2.13 percent indicates that there was a slight growth of over two percent every year during the period under consideration. Although it is a positive growth rate, it seems to be quite low compared to the overall growth rate of expenditure in Union Government and inflation. Therefore, the actual growth of financial assistance in disability welfare may be insignificant. The value of the regression slope of 21.93 suggests that budgetary allocation grew by ₹21.93 crore every year. A positive regression slope indicates a growing trend in expenditure on disability welfare. However, the growth rate is low when compared to the changing needs of persons with disabilities and welfare services.

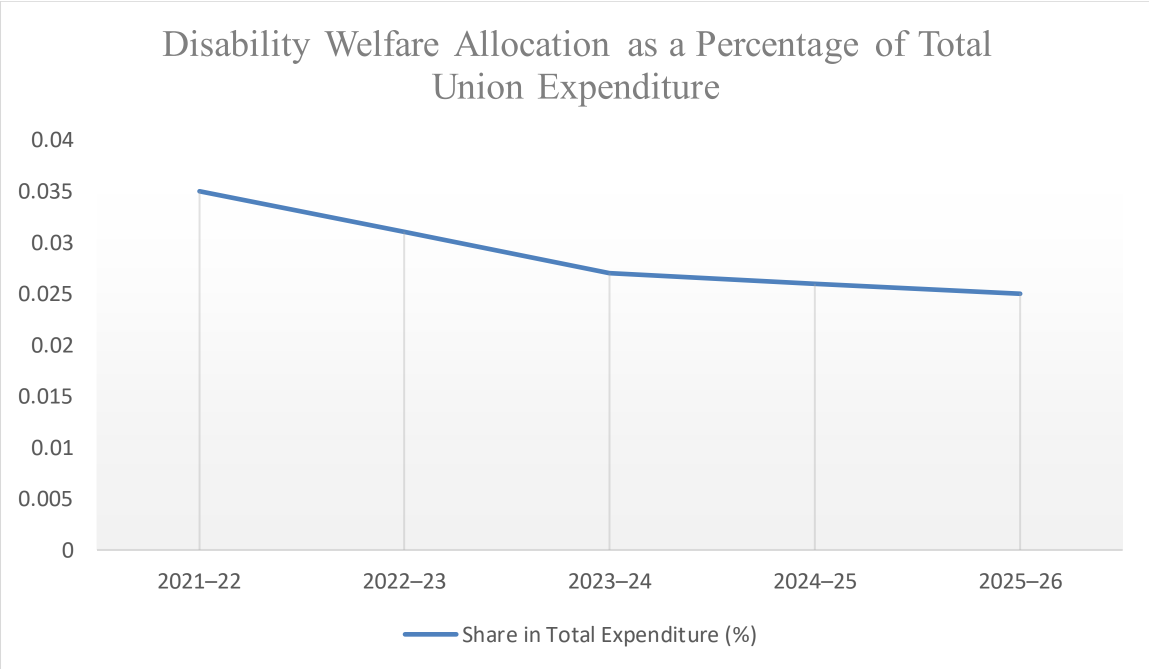
With the R-squared (R^2) value of 0.883, there is about 88.3% of change in the budget allocation which is attributed to the passage of time. This high value indicates a significant and consistent trend of increase in budget allocation over the period under consideration. It simply means that there is a systematic trend of budget allocation over the years rather than a random change.

From the statistical results above, it is evident that there have been consistent and gradual increases in the allocation of the disability welfare in India from 2021 to 2026. The consistent growth of the allocation of budget over the period suggests continued support from the government. However, the low compound annual growth rate of disability welfare allocations implies that there have been no financial developments in disability welfare in India.

5.0 Disability Welfare Allocation as a Percentage of Total Union Expenditure

Year	Disability Welfare Allocation (₹ Crore)	Total Union Expenditure (₹ Lakh Crore)	Share in Total Expenditure (%)
2021–22	1,171.77	33.07	0.035
2022–23	1,212.42	39.45	0.031
2023–24	1,225.15	45.03	0.027
2024–25	1,225.27	46.33	0.026
2025–26	1,275.00	50.65	0.025

Although there has been a rise in the budgetary expenditure on disability welfare from Rs 1,171.77 crore in 2021-22 to Rs 1,275.00 crore in 2025-26, yet it is different when the expenditure on disability welfare is compared to the overall expenditure by the Union Government. There has been a rise in the total expenditure of Union Government during the above-mentioned time period from ₹33.07 lakh crore to ₹50.65 lakh crore, which amounts to an increase of over 53 per cent. At the same time, expenditure on disability welfare has increased merely by 8.8 per cent. The percentage of disability welfare expenditure has been on the decline during the study period from 0.035 per cent in 2021-22 to 0.025 per cent in 2025-26.



5.1 Comparative Statistics of Disability Welfare Allocation

Particulars	Disability Welfare Allocation	Total Union Expenditure
Initial Value (2021–22)	₹1,171.77 Crore	₹33.07 Lakh Crore
Final Value (2025–26)	₹1,275.00 Crore	₹50.65 Lakh Crore
Absolute Increase	₹103.23 Crore	₹17.58 Lakh Crore
Percentage Increase	8.81%	53.16%
CAGR	2.13%	11.24%

As can be seen from the above analysis, there exists a great disparity between the increase in the amount of disability welfare spending and the total budgetary expenditure of the Union

Government. During the study period, the amount of total Union budget expenditure has grown by 53.16% while the amount of disability welfare spending has grown by merely 8.81%. The above mentioned facts reveal that total government budget expenditure was increasing at a much faster pace than the budget expenditure on persons with disability. The same thing is evident through the Compound Annual Growth Rate. While the CAGR of disability welfare spending stood at 2.13%, the CAGR of total Union Government budget expenditure was 11.24%. It is clearly seen from the above statistics, the increase in disability welfare budget expenditure is much lower than that in total budget expenditure of the Union Government. It is evident that due to falling budget allocation share, declining CAGR and widening disparity of growth despite increases in nominal budget allocations during the study period, disability welfare has not received due budgetary consideration through inclusive budgeting in India.

Comparative Growth Index (Base Year = 2021–22 = 100)

Year	Disability Welfare Index	Union Expenditure Index
2021–22	100	100
2022–23	103.47	119.29
2023–24	104.56	136.17
2024–25	104.57	140.1
2025–26	108.81	153.16

The value of the indexes clearly illustrates how despite an increase in the disability welfare index to 108.81 points, the total Union expenditures index grew up to 153.16 points by 2025-2026. This huge difference illustrates how significantly lagging behind other expenditures are the disability welfare payments.

6.0 Findings of the Study

1. The budgetary allocations for disability welfare in India have been gradually increasing during the entire time span under consideration which indicates continuous efforts of the Government to support people with disabilities.
2. The growth in expenditures on disability welfare has been quite small and somewhat unstable from year to year.
3. The statistical analysis demonstrates a positive upward trend in the allocation of funds for disability welfare which proves a stable trend in budgeting on this issue by the Government.
4. Insufficient attention is being paid to disability welfare in comparison with the general growth of Union Government expenditures although budgetary allocations have been gradually increasing.
5. There have been no significant changes in the budgetary provisions for disability welfare during the period under analysis.

6. In spite of the findings made, it becomes evident that the importance of taking a disability responsive approach in budgeting is growing.

7.0 Suggestions

1. The Government of India must substantially increase the budgetary allocation to the disability welfare programs in order to effectively implement the disability rights and welfare programs.
2. The disability welfare budget must be increased in ratio to the increase in the total budget of the Union government so that persons with disabilities may get their fair share of the national resources.
3. Budgeting of the disability programs must be made mandatory for all ministries and departments, not only the Department of Empowerment of Persons with Disabilities.
There needs to be an increase in funding for inclusive education, affordable health care, assistive technology, skill training, employment opportunities, and barrier-free infrastructure.
4. Separate disability budgeting policy must be formulated so that there is systematic monitoring of the budgeting and spending in various sectors relating to persons with disabilities.
5. There should be encouragement to the active participation of the disability rights organizations and stake holders in the process of budgeting so that the budgetary decisions fulfill the actual needs of persons with disabilities.
6. The principles of social justice, equality and inclusive development must guide future fiscal policies so that persons with disabilities become completely integrated into the national development process.

8.0 Conclusion

Inclusion of budgeting is important in ensuring social justice and equality and welfare of the marginalized groups. This study examines the trend of Union Budget allocations for disability welfare in India from 2021 to 2026 with an emphasis on DEPwD. It was found out that there has been a steady rise in budgetary allocations over the years but the rate has been relatively low. Besides, the growth of expenditure on disability welfare has not kept up with the general growth of expenditure of the Union Government. It shows that there has been little attention given to the issues of disability. It was found out that while the Government of India has been keen to empower the persons with disabilities through the different schemes and programmes, more funds are required to be able to achieve the aims of inclusive development. There is great potential in enhancing budgeting in response to disability, resource allocation and the main streaming of the issues of disability in all sectors of expenditure by the government.

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