

**“AN OVERVIEW OF GOVERNMENT EXPENDITURES & FINANCIAL GRANTS TOWARDS
WAR WIDOWS IN INDIA: 1999-2019”****Dr. Sanhita Athawale***Principal**Shri Siddhivinayak College**Karve Nagar, Pune*Email Id : prin.svmm@maharshikarve.org**Prof. Sayali Deshmukh***Assistant Professor**Shri Siddhivinayak College**Karve Nagar, Pune*Email Id: sayali.deshmukh@siddhivinayakcollege.org**Abstracts**

India spends notable amount in terms of both and revenue expenditures. The welfare of war widows along with the Ex-servicemen and NOK is a major responsibility Department of Sainik Kalyan Board which comes under Defense Ministry. There is whole integrated system at central, state and district level which works dedicated for wellbeing of these members especially war widows, as they are most vulnerable financially and socially as well. The paper tries to understand different Budgetary provisions made by Government of India to make sure stable lives of NOKs. The analysis of the available data can be seen in 3 parts, first is overall share of military expenditures in union budget. Secondly, Demand for grants on ‘Pay and Pensions of Defense Ministry’ and lastly, ex gratia provided by State Government of Maharashtra. The whole study is aimed to understand financial grants only during 1999 to 2019, that is post Kargil war. Methodology is absolutely on secondary data available on government websites. In the conclusion, the paper states, there is huge and continuous increase in budgetary provisions made by GOI at all levels which is to ensure good life to war widows. Especially in the case of Maharashtra, there is more than two times increase in the financial support provided to war widows in the form of Ex-gratia. This shows the attentiveness of Maharashtra government towards financial issues of war widows in their state.

Key Words: War Widows, Government, Health, Education, Budget.

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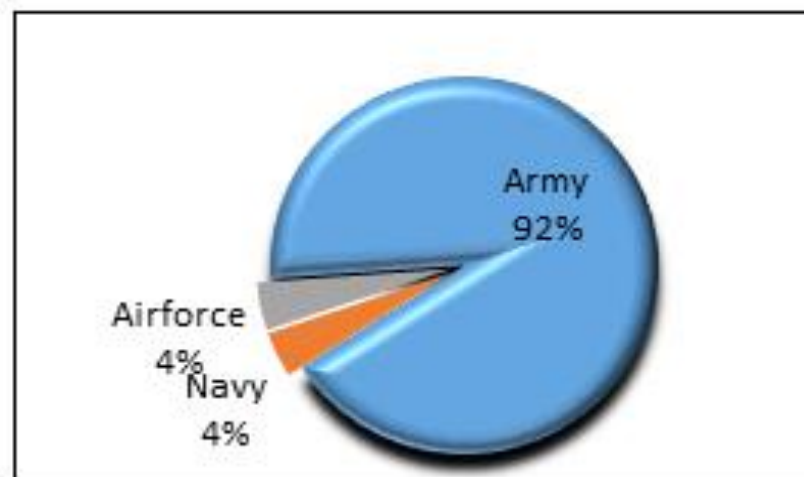
Introduction

The second most populous nation in the world, India stands at 4th in case of military power. Along with that, India is one of the biggest armies in the world. The obvious cause and consequence of it- Defense has become one of the major spending sectors in the India’s Annual Budget. Considering huge size and scope of Indian armed services, India spends notable amount in terms of both a) capital and infrastructure building (that results in the creation of some kind of assets for the government) and revenue expenditures (that is operational in nature). India

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being a welfare state has the wellbeing and resettlement responsibilities of all Ex-service personal and NOKs of diseased soldier. All money spent for this motive is spent under revenue head. The paper is an overall study of government spending on the military with special focus on war widows.

Military expenditures data from SIPRI are derived from the NATO definition, which includes all current and capital expenditures on the armed forces, including peacekeeping forces; defense ministries and other government agencies engaged in defense projects; paramilitary forces, if these are judged to be trained and equipped for military operations; and military space activities.¹ The spending which we are looking into includes retirement pensions of military personnel and their NOKs, Ex-gratia from central government and state government separately, education, employment, health, concessions related welfare schemes for them etc.



As per recent figures provided by Kendriya Sainik Board Secretariat², there exists currently, 25, 04,182 Ex-service personal and 6, 86,168 widows of diseased soldiers of army, navy, air force. And thus, responsibility of all of them lies on the shoulders of public expenditure. Total number of Widows under each wing is mentioned in the Table-1 and Figure-1. Army accounts for highest number of both ESM and widows. Thus, many facilities provided especially for these people is important topic of discussion.

Table 1 & Figure1- Widows registered at RSB as on 30 Jun 2019

Wing	No. of Widows
Army	631322
Navy	26815
Airforce	28213
Total	686168

Source: KSB Publications

¹ Stockholm International Peace Research Institute (website).

² Kendriya Sainik Board Secretariat is an attached office of Department of Ex-Servicemen Welfare (DESW), Ministry of Defence

Union Budget for the financial year 2019-20, presented by the Finance Minister Smt. Nirmala Sitharaman in the Parliament 05 July 2019, envisaged a total outlay of Rs27,86,349 crore. Out of this Rs 3, 18,931.22 crore has been earmarked for Defense (excluding Defense Pension). The government will spend around \$43 billion in the financial year 2019-20 ending in March 2020, in comparison to \$41 billion in 2018-19. For Defense Pension, an amount of Rs 1, 12,079.57 crore has been provided in Budget Estimate 2019-20. Total Defense Allocation (Rs4,31,010.79 crore), including Defense Pension, accounts for 15.47 per cent of the total Central Government expenditure for the Financial Year 2019-20.

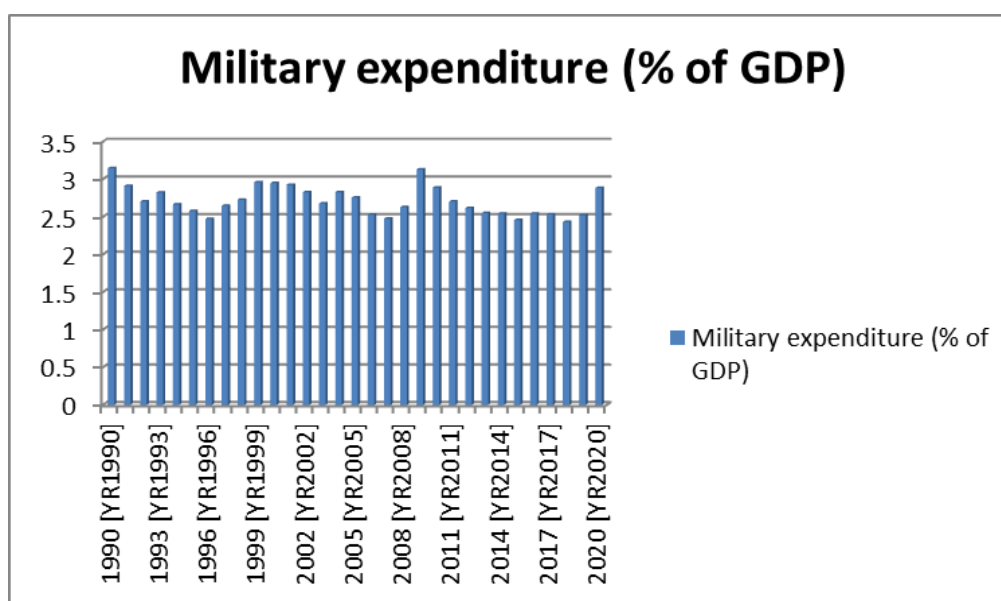


Figure 2- Military Expenditure as percentage of total GDP of India

Source: KSB Publications

Looking at the background of this high spending sector which right now has been putting a lot of effort into capacity building and looking forward to incur more resources, this paper tries to look at from the view of government spending and social security provided to war widows. Huge resources that are put in the military accounts have been helpful for war widows to get financial security and other welfare programmes. But the amount that is used for the well-being of Next to keens of martyred soldiers is just a small amount out of the total that is being spent overall.

Along with the special efforts taken by the Union government of India, the paper also tries to peep into state grants made especially for war widows. Giving special reference to Maharashtra, one of the highest financial assistance providing for war widows and NOKs.

The social security system provided by GOI includes well designed and integrated national to regional level offices for smooth functioning. These aids is to provide assistance to a maximum of two dependent children of ESM or their widows and their Orphans up to the rank of Havildar (MACP Nb Sub) in the army and equivalent in the Navy and Air Force. Different wings work together to achieve the goal of to serve social security at the best to war widows and their NOKs.

The following Ex-servicemen (ESM) resettlement schemes are sponsored by Directorate General Resettlement (DGR) to provide resettlement opportunities to ESM of three Armed Forces Services: –

- Security Agency Scheme
- ESM Coal Loading and Transportation Scheme & Tipper Attachment Scheme
- Tipper Attachment Scheme for War Widows and Disabled Soldiers.
- Management of CNG Stations
- Allotment of BPCL/IOCL Company Owned Company Operated (COCO) Outlets/Retail Pumps
- Allotment of Mother Dairy Milk Booths and Fruit & Vegetable (Safal) Shops in NCR
- Allotment of Regular LPG Distributorship
- Retail Outlet Dealership (Petrol/Diesel)

Apart from above mentioned schemes, basic monthly pension provision, Ex-gratia and education, vocational training, self-employment related schemes are designed for betterment of the widows and their children.

Literature Review:

1. **War and Underdevelopment: CAN ECONOMIC ANALYSIS HELP REDUCE THE COSTS? FRANCES STEWART** Queen Elizabeth House, Oxford

War is supposed to be very expensive in terms of sacrifice of human lives and human and economic development, both immediately and in its aftermath. Monetary costs coming out of it has a huge magnitude for almost all ‘strong’ and highly military spending countries. Very few countries make provisions for adverse effects that occur, but whether they can be offset or prevented, is less often discussed. While much has been written on the costs (and also the modernizing effects) of military expenditure, most economists put countries at war on one side - treating these countries as subject to exogenous developments which take them outside the normal realms of analysis. As paper rightly points out the war and its effects are not mentioned in the first.

Human Development Report as a cause of failure in human development, despite the fact that disruptions because of war were a major feature of at least half the worst performers on human development. Among the 10 countries listed with lowest life expectancy, Ethiopia, Afghanistan, Angola, Somalia and Chad all suffered significant wars in recent years. The war has also been identified as a reason why adjustment programmes do not work (Mosley and Weeks, 1992), no efforts have been made to consider what adjustment policies are appropriate during war. Indeed, the World Bank’s programme for Mozambique in 1987 (in the middle of a long war) was designed to provide a framework for more effective use of resources ‘when the security situation and other exogenous constraints have eased’ (World Bank, 1987 quoted in Wuyts, 1989. The costs of war can, somewhat artificially, be divided into two categories: immediate human costs and longer term development costs.

2. **Indian Government’s Policies for the Welfare of War Widows and Dependents of Martyred Soldiers (1947–2000) Mamta Hatwal**

The paper analyses government’s policies since the time of independence till 2000 when many policy changes occurred with the effect of Kargil war and moves of government. They classify before independence types of welfare schemes, as disability and family pension. Which was vague and limited in its scope.

After independence, India formulated a fresh defense policy and assessed its defense requirements in the context of its own circumstances and resources. In order to recompose and redesign forces, there has to be clear balance between the social objectives of the new independent state and its military requirements. Social objectives considering war widows and dependents of martyred soldiers were helped by the Indian Government by providing financial aid for the welfare of these families. However, the expenditure depended upon the defense budget of the Indian Army of the particular year. After 1997 the financial help by the government to dependents were increased. The main reason behind it was military budget, which was rapidly increased after 1997. Indian Government implemented various welfare policies for soldiers and their families. But financial help was one of the most important steps; the policy of ex-gratia was one of important aid. The ex-gratia was a financial support which was given by government to War-Widows to help in their livelihood. The casualties can be classified into six distinct categories based on the entitlement available from time to time.

3. **Defense Pension:** A Comparative Study of India, US and UK April 23, 2020 Laxman Kumar Behera, and Vinay Kaushal Amit Cowshish

The issue brief makes a comparative analysis of the defense pension systems in India, with developed countries like the United States (US) and the United Kingdom (UK). The purpose of the analysis is to sensitize the Indian policymakers about the systems devised and initiatives taken in the US and the UK in managing the defense pension and the possible lessons it may hold for India. The study assumes importance given the demand for India's defense pension reforms from several quarters including the Chief of Defense Staff (CDS) who recently made a persuasive argument for controlling India's ballooning expenditure on defense pension. Because of the armed forces' unique terms of engagement and successive improvements made in the pension entitlements, the pension budget⁹ has shown a sharp increase over the years. Between 2005-05 and 2020-21, it has increased more than 10 times (accounting for nearly 30 per cent of the MoD's budget for 2020-21). This growth is far more rapid than the pace of increase in the overall budget and the capital outlay

Table-2: Defense Budget, Pension Budget and Capital Outlay

Year	MoD's Budget (Rs Billion)	Defence Pension (Rs Billion)	Pension as % of MoD's Budget	Capital Outlay (Rs Billion)	Capital Outlay as % of MoD's Budget
2005-06	969.52	124.52	13	343.75	35
2010-11	1,757.72	250.00	14	600.00	34
2015-16	3,100.80	545.00	18	858.94	28
2020-21	4,713.78	1,338.25	28	1,137.34	24

Note: Defence pension is inclusive of civilian defence pensioners

Source: Compiled from Demands for Grant (relevant years)

The first conclusion one can draw from the macro-comparison of the pension systems of the three countries is that in all of them defense pensions. US and the UK, there can't see periodic revision of pension. Second, in the US

and the UK, affordability is a significant factor in determining the quantum of pensionary benefits to be paid to the service personnel. This has led to occasional pension reforms, with each reform attempting to lessen the government's financial liability.

Objectives

- To take a review of Union Budget spending towards defense services, especially War Widows
- Analyse financial grants provided to war widows in terms of Ex-gratia and pension schemes both through center and state.

Methodology

The paper takes into account secondary data available in the form of demand for grants of the defense ministry with special reference to 'pay and pensions' which includes pensions and amounts provided to war widows along with other Ex-servicemen and disabled soldiers for the duration 1999-2019. Major changes in financial grants are to be expected after kargil war (i.e.-1999), thus, duration of 20 years taken into account to analyse changes in budgetary disposal under the head. Apart from that, data from World Bank and other secondary sources has been taken and analysed as per the need of the topic.

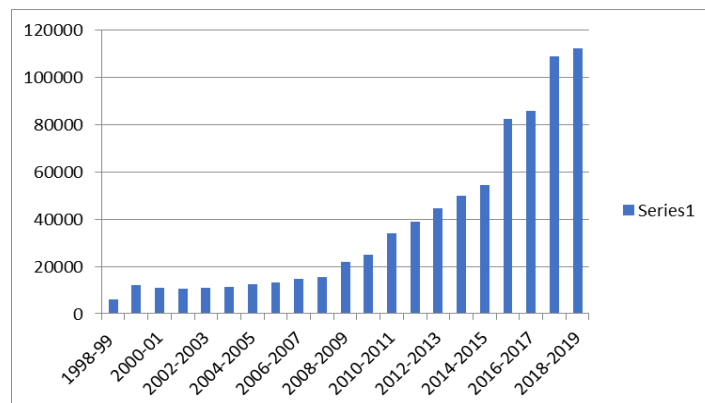
Secondary data of Maharashtra state expenditure on ex-gratia and other compensatory amounts provided to NOKs after the death of the soldier has been taken by making special requests to DSW Maharashtra and analysed for the same duration.

Overall amounts that are being provided to NOKs are available to respective state's Department of Sainik Welfare. Recent hike in spendings of Maharashtra government is important to take into consideration. Along with this, many government websites provide information regarding budgetary allocation made for war widows has been taken from time to time.

Analysis

Budget estimates from 1999-2019 is shown in the table below which is taken from demand for grants No. 17 of defense 'pay and pensions'. It includes revenue budgetary estimated amount required in the year ending for defense pensions. And other head which includes grant that will be accounted for on behalf of ministry of defense-Pension and other retirement benefits. Both of the accounts are taken in terms of Cr. rupees.

Figure-3: Budget estimates from 1999-2019



Source: Demand for grants, Defense Budget, GOI

Table- 3: Budget estimates from 1999-2019

Years	I. Estimates of the amount required in the year ending for Defence Pensions (In crores of Rupees)			II. The Heads under which this Grant will be accounted for on behalf of the Ministry of Defence- Pensions and Other Retirement Benefits (In crores of Rupees)						
				Budget Estimates			Revised Estimates			
	Revenue	Capital	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
1998-99	11999.66	-	5923.58	-	5923.58	5923.58	-	7270	7270	
1999-2000	10769.26	-	11999.66	-	7348.65	7348.65	-	11024.65	11024.65	
2000-01	10699.87	-	10769.26	-	12000	12000	-	10538.93	10538.93	
2001-2002	10999.74	-	10699.87	-	10769.6	10769.6	-	10488.23	10488.23	
2002-2003	11249.74	-	10999.74	-	10700.22	10700.22	-	10092.07	10092.07	
2003-2004	12451.74	-	11249.74	-	11000	11000	-	11000	11000	
2004-2005	13223.75	-	12451.74	-	11250	11250	-	11922	11922	
2005-2006	14648.75	-	13223.75	-	12452	12452	-	12715	12715	
2006-2007	15563.75	-	14648.75	-	13224	13224	-	13806	13806	
2007-2008	21789.75	-	15563.75	-	14649	14649	-	15244	15244	
2008-2009	24999.75	-	21789.75	-	15564	15564	-	20233.2	20233.2	
2009-2010	33999.75	-	24999.75	-	21790	21790	-	24000	24000	
2010-2011	38999.74	-	33999.75	-	25000	25000	-	34000	34000	
2011-2012	44499.31	-	38999.74	-	34000	34000	-	34000	34000	
2012-2013	49999.3	-	44499.31	-	39000	39000	-	39500	39500	
2013-2014	54499.26	-	49999.3	-	44500	44500	-	45500	45500	
2014-2015	82331.66	-	54499.26	-	51000	51000	-	50000	50000	
2015-2016	85737.31	-	82331.66	-	54500	54500	-	60238	60238	
2016-2017	108850.84	-	85737.31	-	82332.66	82332.66	-	85625.96	85625.96	
2017-2018	112077.11	-	108850.84	-	85740	85740	-	95000	95000	
2018-2019		-	112077.11	-	108853.3	108853.3	-	106775.14	106775.14	

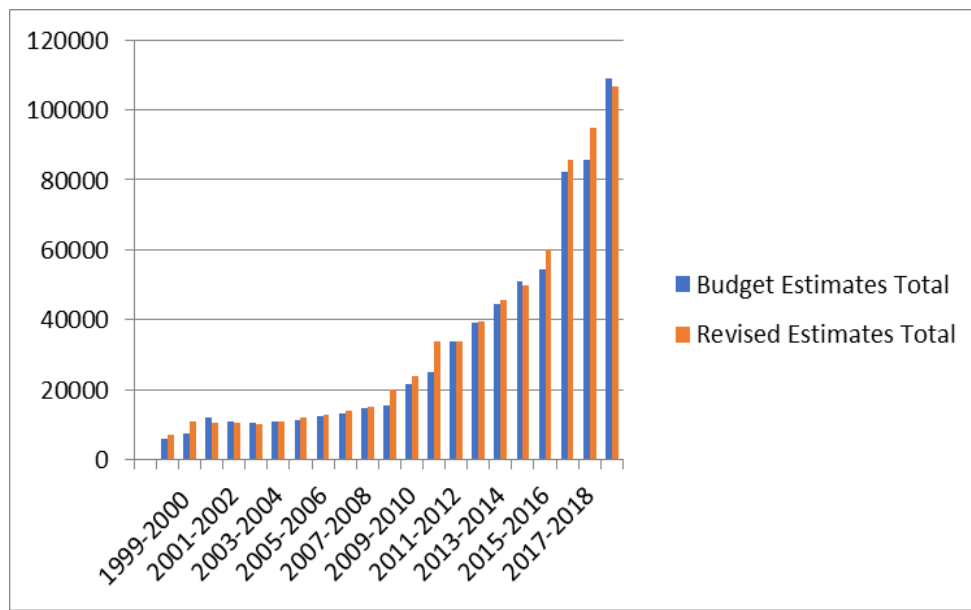
Source: Demand for grants, Defense Budget, GOI

Gradual increase can be seen in revenue estimates from 1999 to 2019 in terms of absolute numbers. Especially hike has been seen exactly after 1999 first and then 2007 and 2015 respectively. Hike in 1999 is due to various grants and Liberalized family pension applied to war widows of martyred soldiers in Kargil war along with disabled Soldier's pensions. Secondly in next 2 terms, it may also be because of 6th and 7th pay commission considering the inflation rate has applied which makes this overall rise in growth rate of the budget allotted.

Budget and Revised estimates from 1999 to 2019 has been shown in the table below. In most of the times in last 20 years, demand for grants made of defense ministry is accurate and shows at the end of financial year it fulfilled the disbursement needs of this department. Special rise after 2017 is quite indicative of pay commission. At few times like financial year- 2009-10 and 2015-16, 2017-18 shows that government expenditure under head of pay

and pensions consider to be higher after revising at the end of financial year.

Figure-4: Budget and revised Estimates 1999 to 2018

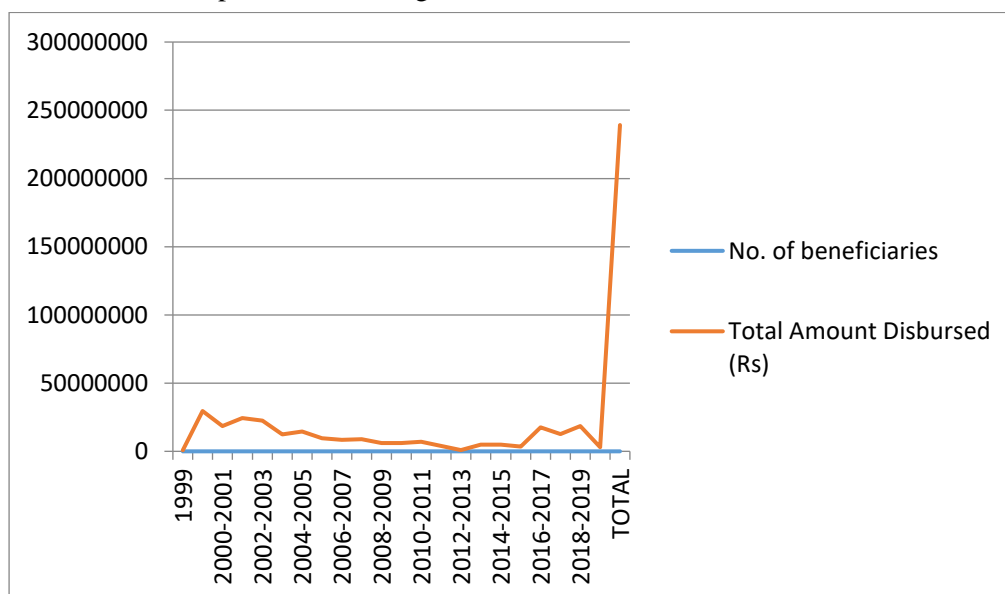


Source: Demands for Grants (Defense Budget, GOI)

Maharashtra State Expenditure on Ex-gratia

Maharashtra state has continuously taking steps ahead to provide fullest possible support to NOKs, has recently increased amount of state ex-gratia upto 1cr to each War widow domicile of the state. That has increased the total amount that is disposed to very high levels. Rise in expenditure is evident from the table below-

Figure-5: Maharashtra State Expenditure on Ex-gratia 1999 to 2019



Source= data collected from DSW Maharashtra

Table-4: Maharashtra State Expenditure on Ex-gratia 1999 to 2019

Financial Year	No. of beneficiaries	Total Amount Disbursed (Rs)	Avg Annual Growth Rate OF Amount disbursed
1999	4	800000	-
1999-2000	61	29600000	3600%
2000-2001	37	18500000	-38%
2001-2002	49	24500000	32%
2002-2003	45	22500000	-8%
2003-2004	25	12500000	-44%
2004-2005	29	14500000	16%
2005-2006	19	9500000	-34%
2006-2007	17	8500000	-11%
2007-2008	18	9000000	6%
2008-2009	12	6000000	-33%
2009-2010	12	6000000	0%
2010-2011	14	7000000	17%
2011-2012	8	4000000	-43%
2012-2013	2	1000000	-75%
2013-2014	10	5000000	400%
2014-2015	10	5000000	0%
2015-2016	7	3500000	-30%
2016-2017	22	17600000	403%
2017-2018	11	12650000	-28%
2018-2019	11	18500000	46%
2019	3	3000000	-84%
TOTAL	426	239150000	275%

Source: data collected from DSW Maharashtra

Conclusion

There is an overall hike in budgetary expenditure under pay and pensions which is visible through data provided by demand for grants from 1999 to 2000. But Maharashtra state being very aware of wellbeing has started spending highest on pensions in the form of gallantry awards and Ex-gratia. That is clearly shown in the annual avg growth rate percentage of amount Disbursed from 1999 to 2019, with overall rise in amount if as high as 275% and avg annual growth sometimes being 400 and 3600% at times. This volatility is clearly associated with number of diseased soldiers each year, but state of Maharashtra continuously being aware and a step ahead in the matter of financial security provided to EXM and widows. The amount given till 2016 was almost 25lakhs which raised to 1cr recently in 2019. This huge hike in the Ex gratia given to individual widow itself is a matter of deep investigation and calls to review the use of given money for providing better financial stability and empowerment in the state of Maharashtra.

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