PRESS RELEASE

Cuts in the Health Budget are an Assault on Poor People

The Jan Swasthya Abhiyan expresses deep concern and disappointment about reports that have appeared in the Press regarding the slashing of the health budget for 2014-15 in the revised budget estimates. This follows earlier reports of across the board cuts in social sector expenditure by the present government.

Cuts in the Health Budget are an assault on the poor and working people of the country. Expectations had been raised that the new government might provide priority to health, in contrast to the stance of the previous UPA government, given its commitment to a 'National Health Assurance Mission'. The most basic requirement for any form of 'health assurance' is an increase in allocation for health to at least 3% of GDP in the short term and to 5% of GDP in the medium and long term (from the abysmally low 1.2% at present). With such cuts in Govt. health expenditure it is impossible to even start moving towards any Universal Health Assurance programme. Clearly the government has belied expectations, having ordered a budget cut of 20% for the health sector, and attributing this to budget constraints and India's fiscal deficit. (this is apart from a 30% slashing of the country's HIV budget).

Notwithstanding the protestations of its own health ministry, this policy direction by the present government is odious for several reasons. First, given allied moves by the government to make India capital and business friendly, the message seems to be that there is definitely going to be even greater privatisation of health care in the country. Increased dependence on private healthcare has been shown, time and again in countries across the globe, to be associated with catastrophic household expenditure and impoverishment of people. Second, there is clear evidence that in times of fiscal consolidation and crisis, the advisable and more sustainable course of action - that improves both health and economic recovery - is to increase allocations to social sectors. Further, it is perverse to try to overcome the fiscal deficit by reducing expenditure on welfare, rather than reduce the huge tax exemptions given to the corporate sector.
The present course of action will not only bring several programmes of the health ministry to a grinding halt, it also vitiates any prospect of serious reforms that guarantee people the right to access comprehensive healthcare. We are deeply concerned that the present cuts are an ominous sign that the government's National Health Assurance Mission, might end up as a prescription for reduced public spending on health and increased private sector penetration in the healthcare system.

**JSA demands that the government should reverse the decision to slash allocations in the current health budget.** It is a matter of further concern that these cuts in the health budget have been undertaken precisely in the period when the 2015-16 budget is being formulated. Jan Swasthya Abhiyan demands that the Union government health budget for 2015-16 should be increased by at least 35-40% compared to the budget for the current year. Keeping in view ongoing inflation, such levels of substantial annual increase in health budgets must be maintained to ensure that essential public health services of adequate quality would be delivered to the people of India as their due entitlement.

**Released on behalf of Jan Swasthya Abhiyan**

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