



International Journal of Research in Academic World

Received: 25/March/2026

IJRAW: 2026; 5(5):240-241

Accepted: 08/May/2026

A Comparative Analysis of Budgetary Allocation on Key Sectors in Mizoram

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Abstract

The study examines the public expenditure patterns of Mizoram across key sectors in the fiscal year 2025-26, comparing them with the national average expenditure of 31 states. The analysis reveals that Mizoram allocates a smaller proportion of its budget to critical sectors such as education, health, rural development, roads, and agriculture, while prioritizing expenditure on home department. The state budget allocation reflects the developmental priorities and resource constraints, with implications for its socio-economic development and security policies. The present comparative analysis highlights the need for balanced resource allocation to foster socio-economic progress and sustainable development in Mizoram.

Keywords: State budget allocation, key sectors, socio-economic development.

Introduction

Public expenditure serves as a vital indicator of development priorities and policy focus. Analyzing sectoral expenditure patterns provides valuable insights into how resources are allocated to different areas, reflecting government priorities, efficiency in resource utilization, and areas requiring policy intervention. Mizoram, a northeastern Indian state characterized by unique socio-economic and demographic features, faces specific developmental challenges such as rural poverty, limited infrastructure, and security concerns. Given its distinct context, understanding expenditure patterns of Mizoram is crucial for assessing whether its resource allocation aligns with its socio-economic needs and development aspirations.

The study aims to analyze the sectoral expenditure of Mizoram for the fiscal year 2025-26, comparing it with the national average expenditure of 31 Indian states based on their 2024-25 budget estimates. The sectors under focus include education, health, rural development, roads and bridges, agriculture, and police. By examining these patterns, the study seeks to identify priorities, gaps, and potential areas for policy intervention to promote balanced and sustainable development within Mizoram.

Objectives of the Study

- To analyze the sectoral expenditure pattern of Mizoram.
- To compare public expenditure of Mizoram with the national average expenditure of 31 Indian states.
- To provide recommendations for optimizing resource

allocation and to enhance developmental outcomes in Mizoram.

Methodology

Data was collected from state budget estimates for 2024-25 and 2025-26, focusing on the proportion of total expenditure allocated to each sector. The comparison involves the public expenditure pattern of Mizoram against the national average, providing a contextual understanding of developmental priorities of the state.

State Budget Allocation on Key Sectors in Mizoram

State Budget allocation on key sectors include education, health, rural development, roads and bridges, agriculture and police/home. The analysis of state budget allocation for the fiscal year 2025-26 reveals a distinctive prioritization pattern across key sectors compared to the national average. As shown in Table-1, Mizoram allocates 14.3% of its total budget to education, which is slightly below the national average of 15%, indicating a moderate emphasis on educational development but leaving room for increased investment to enhance human capital.

Similarly, health receives 5.7% of the state's budget, marginally lower than the 6.2% allocated at the national level, potentially affecting healthcare delivery and outcomes in the state. The rural development sector sees a significant gap, with Mizoram dedicating only 2.9% of its budget compared to the 5.1% national average, which could hinder rural upliftment initiatives and impede progress in rural

infrastructure and livelihoods. Infrastructure development through road and bridges also reflects a slightly lower priority, with 3.9% allocated against the national average of 4.3%, possibly impacting connectivity and economic activities.

Agriculture, vital for predominantly rural economy of Mizoram, receives 5.7%, slightly below the 6.3% national average, which may influence agricultural productivity and rural economy growth. Conversely, the police or home department commands a higher share, with 5.1% of the budget compared to the 4.1% national average. This indicates a strategic emphasis on security and law enforcement, likely driven by internal stability concerns or border management priorities. Overall, state government expenditure pattern suggests a focus on security over social and economic sectors, highlighting the developmental priorities and resource allocation choices for 2025-26.

Table 1: State Budget Allocation on Key Sectors in Mizoram.

Sector	State Budget Allocation	National Average	Observation
Education	14.3	15	Slightly below average, indicating moderate prioritization.
Health	5.7	6.2	Slightly lower, potentially impacting healthcare outcomes.
Rural Development	2.9	5.1	Significantly below average, possibly affecting rural upliftment.
Roads and Bridges	3.9	4.3	Marginally below, affecting infrastructure development.
Agriculture	5.7	6.3	Slightly lower, which could influence agricultural growth.
Police/Home	5.1	4.1	Higher than average, indicating a focus on security

Source: Mizoram Budget Analysis 2025-26 Annual Financial Statement, Mizoram Budget Documents 2025-26; various state budgets; PRS Legislative Research

The study further reveals that Mizoram allocates less than the national average to most sectors vital for socio-economic development. The lower expenditure on education and health may hinder long-term human capital development, while reduced spending on rural development, roads, and agriculture could slow economic progress, especially in rural areas. Conversely, the higher allocation to police/home department suggests a strategic emphasis on law and order, possibly reflecting security concerns, border management, or internal stability priorities. This expenditure pattern may stem from resource constraints, demographic factors, or policy choices. The relatively lower investment in social sectors could challenge Sustainable Development Goals (SDGs) of Mizoram, particularly in health, education, and rural livelihood enhancement.

Major Findings

- i). The study shows a tendency to allocate a smaller proportion of resources to critical social and economic sectors such as education, health, rural development, roads, and agriculture compared to the national average. This indicates a potential under-prioritization of sectors essential for long-term socio-economic development.
- ii). The higher allocation to police and home departments (5.1%) suggests a strategic emphasis on security and law

enforcement, possibly driven by internal stability and border management concerns. This focus might be at the expense of sectors that promote inclusive growth.

- iii). The lower expenditure on social sectors like education and health could hinder progress toward sustainable development goals (SDGs), affecting human capital development and rural livelihoods.
- iv). The expenditure pattern may reflect resource limitations, demographic factors, or policy choices, leading to a disproportionate emphasis on security over socio-economic development.
- v). Reduced investments in social infrastructure and rural development may slow economic growth, hinder rural upliftment, and affect overall living standards in Mizoram.

Recommendations

- i). Mizoram should consider reallocating resources to balance security needs with essential social and economic sectors such as education, health, rural development, and infrastructure.
- ii). Enhancing expenditure on education, health, and rural infrastructure can foster human capital development, improve health outcomes, and promote inclusive growth.
- iii). Focused investments in rural areas and agricultural sectors are vital for sustainable economic growth and rural livelihoods.
- iv). Transparency and efficiency in resource allocation and utilization can maximize developmental outcomes and ensure that expenditures translate into tangible benefits.
- v). Formulating policies that prioritize sustainable development objectives while maintaining security can help Mizoram achieve a more equitable and inclusive growth trajectory.

Conclusion

The analysis of Mizoram’s budgetary allocation for 2025-26 reveals a strategic prioritization of security over vital social and economic sectors. While ensuring internal stability and border security is important, the under-investment in sectors such as education, health, rural development, and infrastructure poses significant challenges to the state's long-term socio-economic growth and sustainable development goals. To foster inclusive development and improve living standards, Mizoram needs to adopt a more balanced resource allocation approach that emphasizes social sector investments alongside security concerns. Strengthening social infrastructure and rural development initiatives will be crucial for unlocking the state's full development potential and ensuring sustainable progress in the years ahead.

References

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