

Social Cost Benefit Analysis

- **Social Cost benefit Analysis** is a systematic evaluation technique for long-term decision making in capital projects appraisal. It is an analytical tool in decision making which enables a systematic comparison to be made between the social costs and related social benefits with due emphasis on technical and other feasibility studies but focusing more on social impact. In the context of planned economies, the social costs benefit analysis aids in evaluating individual projects within the planning framework.
- **Social Cost:** Apart from general costs of production, there are certain costs which though ignored by a firm do have a serious impact on the society. These costs can be the wear n tear of roads, pollution etc. These costs which have to be borne by the society, come under the head of Social cost.

- The following are some of the examples of social costs for which business firm is responsible:
 - Air pollution
 - Water pollution
 - Depletion and destruction of animal resource
 - Soil Erosion
 - Deforestation
 - Impairment of human resources
 - Deterioration in the law and order conditions

- **Social Benefits:** The term social benefits refer to an increase in the overall welfare of the community or society which is being derived from a particular course of action by a business firm or government other than the person who is receiving the benefit.
- For example Society gets benefitted from public parks developed and maintained by government
- The social benefits may be in the form of products and services provided, payment of taxes, additional employee's benefits, donations to the community, environmental improvements, etc.

- **Social Profit:** The term may be defined as the excess of social benefits received by the society from the activities of the business over the social costs borne by the society attributable to the same firm or Positive difference between Positive impact and Negative impacts on society.
- SCBA can be used to engage both in the public and private sectors.
- **1. Public investment:** conducting social cost analysis for economic infrastructure development is critical for the developing world. When the national government contributes to shaping that country's economy, it is essential to analyze the development's social impact.
- **2. Private investment:** Evaluating the social impact of private development initiatives is vital as federal and quasi-government authorities authorize these initiatives.

- **Significance of Public Expenditure:**
- **Social security contributions:**
 - Varishtha Pension Bima Yojana.
 - Pradhan Mantri Vaya Vandana Yojana(PMVVY)
- **Low Income Support:** PDS, Pradhan Mantri Kisan Samman Nidhi, Pradhan Mantri Awas Yojana
- Antyodaya [Anna Yojana](#)
- Pradhan Mantri Ujjwala Yojana
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- **Social Insurance Programmes:** Pradhan Mantri Jeevan Jyoti Bima Yojana(PMJJB Y)
- Pradhan Mantri Suraksha Bima Yojana(PMSBY)
- Life Cover under Pradhan Mantri Jan Dhan Yojana (PMJDY)
- Pradhan Mantri Fasal Bima Yojana(PMFBY)