

# **BUDGETING FOR THE MARGINALIZED**



NATIONAL CENTRE FOR ADVOCACY STUDIES  
PUNE



## BUDGETING FOR THE MARGINALIZED

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Sakti Golder is currently coordinating a research project on the state budget through the lens of children at CBGA. He has worked at CBGA mainly on the issues related to health, centre state fiscal transfers, marginalized groups like dalits and adivasis etc. He possesses Bachelor's in Economics from Jadavpur University, Kolkata and M. A. and M. Phil from Jawaharlal Nehru University.

Subrat Das has been associated with CBGA since its inception. Besides contributing regularly to CBGA's newsletter and its research work on the Union Budget, he has coordinated several major studies at CBGA. The major studies which he has coordinated include a study on Financing of Calamity Relief, a study on Gender Budgeting and a study on Budgeting for Children. He has also supervised CBGA's research on Budgeting for Dalits and Union Government's budgetary provisions for the North Eastern States.

# Foreword

Budgets reveal the real intents of a government. A closer scrutiny of the budget document helps us sift through the political rhetoric of the governments to identify their real political will and interests. Often the political rhetoric of the governments is centered on policies and programs for the poor and marginalized communities. However, not surprisingly, the budgets tell a different tale, where the governments focus is far from the aspirations and needs of the poor and marginalized communities. This problem is more acute in populist democracies.

‘Budget Analysis’ is an extremely potent tool for making governments accountable to the promises it makes and the politics it professes. Across the world we have several examples of civil society using Budget Analysis as an effective tool of people centered advocacy for building pressure on governments to deliver on it’s commitments for pro-poor policies and programs. The idea of Budget Analysis is powerful yet simple. The power of the idea lies in the fact that civil society groups use the most crucial policy instrument, the government’s budget itself, to expose where does the government literally put its money by analyzing the budgets from the perspective of poor, ordinary and marginalized citizens?

The government of India has been extremely pro-active in recognizing the importance of budgeting for the marginalized. Over the years it has built on policy initiatives like the Schedule Caste Sub Plan (SCSP), Tribal Sub Plan (TSP) and Gender budgeting. However, an analysis of Government of India’s budget clearly divulges that these progressive initiatives have remained on paper and in the realm of political rhetoric. In reality, none of the Government budgets have taken the political commitment of budgeting for marginalized seriously.

In this context it is imperative that civil society and social action groups are equipped to use, budget analysis and the basics of budgeting for marginalized, for holding the government accountable to its promises. This booklet ‘Budgeting for the marginalized’ is an attempt to familiarize activists and social change workers with the basic principles and methods of budget analysis for promoting budgeting for marginalized. Hopefully, this booklet would help the ongoing struggles of the marginalized for their basic rights.

In solidarity,

Amitabh Behar

## LIST OF ABBREVIATIONS

AE	Actual Expenditure
BE	Budget Estimates
C & AG	Comptroller and Auditor General of India
CBGA	Centre for Budget and Governance Accountability
CPR	Civil and Political Rights
CSS	Centrally Sponsored Schemes
DWCD	Department of Women and Child Development
ESCR	Economic, Social and Cultural Rights
FRBM	Fiscal Responsibility and Budget Management Act
GDI	Gender-Related Development Index
GDP	Gross Domestic Product
ICDS	Integrated Child Development Services
IMF	International Monetary Fund
IMR	Infant Mortality Rate
MMR	Maternal Mortality Rate
MPCE	Mean Per Capita Expenditure
MWCD	Ministry of Women and Child Development
NCEUS	National Commission for Enterprises in the Unorganised Sector
NCLP	National Child Labour Project
NFHS	National Family Health Survey
NIPCCD	National Institute of Public Cooperation and Child Development
NIPFP	National Institute of Public Finance and Policy
NSS	National Sample Survey
OBCs	Other Backward Castes
PPP	Purchasing Power Parity
RCH	Reproductive and Child Health
RE	Revised Estimates
SCs	Scheduled Castes
SCDCs	Scheduled Caste Development Corporations
SCSP	Scheduled Caste Sub Plan
SRS	Sample Registration System
SSA	Sarva Shiksha Abhiyan
STs	Scheduled Tribes
UNIFEM	United Nations Fund for Women
UPA	United Progressive Alliance
WCP	Women's Component Plan

## Budget Analysis: An Indispensable tool

*Bhumika Jhamb*

India today is a paradox with poverty amidst plenty. Where on one hand we witnessed an impressive growth rate of 7.2% in the Tenth Plan period from 2002-2007<sup>1</sup>, on the other hand the stark reality for the majority so clearly evident from the various macro-indicators is no cause for celebration. Even today extremely poor, poor, marginally poor and vulnerable\* together account for 836 million people with an income below \$ 2 in PPP terms as the poor and vulnerable section of the population. The share of poor has gone down from 19 percent to 15 percent, unlike the share of marginal group which has hardly changed and vulnerable group registering an increase from 32 percent to 36 percent<sup>2</sup>

As per the latest estimates according to the Planning Commission, the rural poverty has declined from 37.3% to 27.5% of the population comparing the 50<sup>th</sup> (1994-95) and 55<sup>th</sup> (1999-2000) NSS rounds. It is worth mentioning that a number of interrelated indicators of rural well being such as rural development expenditures as a proportion of GDP, all-India crop growth rates, rural employment growth, availability of bank credit to farmers and many more have actually worsened over exactly the same period. The 61<sup>st</sup> NSS round (2004-05) has produced a recent official estimate of 28.5% in rural poverty. What is much more disappointing is recently released Global Hunger Report 2007 which puts India at the 94<sup>th</sup> position in the Global Hunger Index amongst 118 countries whereby Ethiopia ranks a notch above at 93 and many neighbouring countries fare better as compared to India<sup>3</sup>.

Recent years have witnessed increased mass agitation and protests in several parts of the country. Such reactions reflect the government's failure to fulfill its promises and claims made time and again despite numerous initiatives adopted for the population and some targeted at the marginalized group in particular. The indicators cited below reinforce the grim picture.

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<sup>1</sup> 'Towards Faster and More Inclusive Growth' An approach to Eleventh Five Year Plan

<sup>2</sup> NCEUS (2007): Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector  
\*Extremely Poor: Monthly per capita consumer expenditure upto three-fourths of the official poverty line Poor: fall between extremely poor and upto poverty line Marginally poor: Monthly per capita consumer expenditure of 1.25 times the poverty line Vulnerable: Monthly per capita consumer expenditure two times the poverty line

<sup>3</sup> 'Challenge of Hunger 2007', October 2007

MACRO-INDICATORS	STATUS
Poverty (Planning Commission)	27.5% (2004-05)
Employment growth in the unorganized sector	16% between 55 <sup>th</sup> and 61 <sup>st</sup> NSS rounds and nil in the organized sector
Worker Population Ratio for females (2004-05)	33 % in rural areas 17% in urban areas
Percentage of SCs and STs in the unorganised sector	70.0%, 77.0%, 90.5% - SCs, STs and Muslims Others respectively
Proportion of underweight children among all children under 3 years	46% (NFHS -3)
Child Sex Ratio	927 (Census 2001)
Maternal Mortality Rate	301 (SRS 2001-2003)
Infant Mortality Rate	58 per 1000 live births (SRS 2005)
Male-Female Gap in Literacy Rate	21.70 (24.74 and 24.41 for SC and ST)
Drop Out Rate for girls at the secondary level	63.88% (2003-04) 75.5% and 81.2% for SC and ST girls respectively

It is worth mentioning that the major programme specific funding to States being through the Centrally Sponsored Schemes (CSS), in 2005-06 majority (180) of CSS showed expenditure either upto Re 1 per capita per year or less apart from a few which go up to Rs 5 per capita or less. Only 19 schemes had a funding provision exceeding Rs 5 per capita, of which two schemes showed expenditure exceeding Rs 50 per capita that year. This largely explains the pathetic impact of the schemes on the targeted beneficiaries<sup>4</sup>.

The Eleventh Five Year Plan document (2007-2012) entitled *Towards Faster and more Inclusive Growth* while recognizing the strengths of the Indian economy, also explicitly notes the challenges posed by the development taken place in the last few years. One of the major challenges recognized by the Plan document is the exclusion of groups such as SCs, STs and some minorities and OBCs and the all pervasive divide across gender. Many socio-economic and educational correlates are responsible for the deprivation of these groups.

For instance, as also highlighted by the NCEUS Report, 2007, among the workers outside agriculture, STs had the lowest average years of schooling i.e. 3.8 years followed by Muslim OBCs, Hindu SCs and Muslim Others, which largely determines their entry in the labour market. The overwhelming concentration of such groups in the unorganized sector especially Muslims is worrisome since unorganized sector workers have a much

<sup>4</sup> The Funding Impact of Plan Schemes, Economic Times August 17, 2007

higher incidence of poverty (almost double) than their organized sector counterparts. Although, on the whole casual workers have a higher incidence of poverty, but SCs and STs have even higher incidence of poverty than casual workers indicating to the overbearing influence of social status on poverty. The highest proportion of casual workers in the non-agricultural unorganised sector is in the case of ST men and women (30 and 25 per cent respectively), followed by the SCs. As regards level of educational attainment, low educational attainment was highest among men and women ST and Muslim OBC unorganised non-agricultural workers. Landlessness is highest among Hindu SCs and Muslim OBCs and Others with STs mostly having a larger share of the marginal land holdings<sup>5</sup>. Tribes also have to bear the brunt of displacement to mega-industrial projects. Between the 55<sup>th</sup> and 61<sup>st</sup> rounds of NSS, STs were found to have the highest coefficient for time spent unemployed among both males and females<sup>6</sup>.

The gender difference in mean years of schooling is striking for all workers (2 years) with women casual workers worst in this regard. Only 27 per cent of women are able to access the organized sector jobs. Women belonging to STs, SCs, OBCs and other minority groups and those residing in rural areas are especially marginalized since they constitute the bottom layer.

Given the context, Budget as a critical tool of governance cannot be overstated. The figures in the budget laid in black and white reflect the government's priorities towards the people of the nation and thus, affects almost every sector of the economy as well as every section of the population. There have been certain sections of the population which include women, children, dalits, adivasis and other minority groups such as Muslims who have been left behind the development benefits. One of the major reasons behind the lagging performance of the marginalised has been the low level of budgetary allocation as a percentage of total expenditure, both plan and non-plan by the Central and the State governments. Of the broadly three kinds of services delivered by the governments in India (viz. general services, economic services and social services), expenditure on social sector is perhaps the most important to look at from the lens of marginalized. The Union Government expenditure on Social Services as a percentage of GDP1 increased from 0.5% in 1993-94 to 1.1% in 2006-07, which is grossly inadequate if we take into account the acute need for greater public resources for the social sector as also the worsening fiscal health of the States over this period<sup>7</sup>. The view that largely resonates from organizations such as IMF and the World Bank to cap the deficits and the consequent FRBM Act by the Central Government is only making matters worse and sharpening the 'real' deficits.

Budget analysis is a potent tool to seek equity, transparency and accountability in the democratic process. Further, since there are huge development gaps, it is imperative to not

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<sup>5</sup> The Funding Impact of Plan Schemes, Economic Times August 17, 2007

<sup>6</sup> Mukhopadhyay Abhiroop and Rajaraman Indira, Rural Employment 1999-2005 – Who Gained, Who Lost?., Economic and Political Weekly, July 28, 2007

<sup>7</sup>Public Resources for Children in India – A study of Union Budgets', 2007 supported by UNICEF and conducted by Centre for Budget and Governance Accountability (Unpublished Report)

just analyse the budget as a whole but also analyse it from a specific lens. In recent years, there has been a growing interest to understand and thus build the development divides from a budgetary perspective and a positive outcome of which has been an emergence of various budget groups across the country, especially since the 1990s. Such groups are conducting budget analysis wither from the lens of sectors or from the lens of the marginalized. Many of them are state-level or sub-national level and few others are working on the local budgets and Union Budgets. For instance, budget analysis by Development Initiative for Social and Human Action (DISHA) in Ahmedabad with focus on tribals; Social Watch Tamil Nadu in Chennai and National Campaign for Dalit Human Rights (NCDHR) on dalits; HAQ in Delhi and Samarthan in Mumbai and on children, Centre for Budget and Policy Studies (CBPS) in Bangalore on local governance; UNIFEM, NIPCCD and various Women's Studies Centres on women; CEHAT in Mumbai on health and many more.

Largely, budget analysis so far has been 'applied' analysis based on the rights based approach. Given the fact that certain sections of the population have not been able to reap the benefits of growth, it becomes vital to analyse the budget from the lens of the marginalized. Many strategies have been adopted such as Scheduled Caste Sub Plan, Tribal Sub Plan, Women's Component Plan and thus the introduction of a gender budget statement since 2005-06 and also the government and the Planning Commission have made recognition of the distinction between 'incidental' benefits and 'direct' policy-driven benefits for the marginalized group from public expenditure. Also, since 2003-04 in its Annual Reports of 2002-03 and 2004-05, the Ministry of Women and Child Development (MWCD) had undertaken a series of analyses on Child Budgeting. Equally important is to advocate for pro-people, pro-poor and pro-marginalised perspective in budget allocations.

Various field surveys and reports pointing to the failure of the delivery systems highlight the loopholes in transparency and accountability at all levels of governance. The recent report by the Transparency International puts India at a slightly improved position as it is ranked 72 among 180 countries in the corruption index this year, driven by measures like the Right to Information Act. Social audit – a transparent, participatory, active evaluative process pioneered by the Mazdoor Kisan Shakti Sansthan (MKSS), Rajasthan is being employed widely these days to check corruption at various levels. The highly debated National Rural Employment Guarantee Act (NREGA) enacted in 2005 to provide minimum guaranteed wage employment of 100 days deserves a special mention at this point. The Act includes special provisions to ensure priority of works given to SCs/STs and women (30 percent beneficiaries to be women) and inbuilt checks such as provision of irrigation facility to land owned by households belonging to SC/ST etc.<sup>8</sup> Thus, the implementation of such an act is of immense potential which goes beyond to recognise employment a legal right is especially important. Against the annual allocation of Rs. 12,000 crore, the current expenditure of Rs. 4,385 crore is well short of the half-way mark on the Budget allocation. Even the national goal of 100 days of guaranteed employment for 1.78 crore people who have already sought

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<sup>8</sup> NREGA Guidelines

jobs would require *a little over* Rs 16000 crore, the present outlay being Rs. 12000 crore. In addition *the Government* has been able to offer only 29.3 days of employment so far this fiscal <sup>9</sup>

This book is thus an attempt to bring forward the potential of budget analysis through the lens of the marginalized sections of the population. The three disadvantaged sections included here are women, children and dalits. Each chapter gives an account of the extent of deprivation of the particular section, and then goes on looking at the gaps from budgetary perspective and flags the concerns therein. Finally, it tries to suggest corrective steps to be undertaken to bridge those gaps.

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<sup>9</sup> Business Line, Oct. 1, 2007

## Tracking the Gender Discourse

*Yamini Mishra and Bhumiika Jhamb*

Gender discrimination is an all pervasive phenomenon cutting across other forms of inequality. Given the patriarchal nature of the Indian society, several indicators are heavily biased against women. Starting with India's position on the Gender-Related Development Index (GDI) in relation to some countries, the chapter emphasizes the fact that there is a huge chasm between the vision statement and the grassroots reality. It strongly puts the case for a sizeable amount of benefits for women owing to different impact of budgetary policies on men and women and on different groups of men and women. It then sets out to outline the gender discourse which leads to the next session i.e. introduction of the Gender Budgeting statement in the Union Budget, its concept and the tools devised for its implementation. After a brief discussion of Gender Budgeting effort at a global level, the chapter further attempts to gauge the progress made so far in relation to the Gender Budgeting and the bottlenecks identified in the process. Finally, it locates the Gender Budgeting in the larger macro-economic context since Gender Budgeting is a tool to achieve the larger process of gender mainstreaming.

*“The issue of gender bias is another area which needs focused attention. (Gender Budgeting) will remain incomplete unless all the States join hands in ensuring development justice to women. This is one of the important instruments to tackle the growing violence against women which begins even before their birth and continues through their entire life span. It cuts across caste, class, community and prevails in all parts, rural and urban ”*

*(quotes from the Prime Minister's presentation in the 51<sup>st</sup> meeting of the National Development Council)*

The above lines echo the vulnerability of women in India and emphasize the immediate the significance of Gender Budgeting tool in addressing gender disparities.

Various commitments to gender equity are well entrenched as can be clearly seen at the level of highest policy making – the Constitution of India to the National policy for

Empowerment of women, 2001 supplemented by a plethora of women specific legislations. The situation as of date very clearly and strongly points to the rather absence of realization of the outcomes of administrative intent. Macro indicators such as MMR, skewed sex ratio, literacy gap, violence against women, workforce participation and representation of women in politics – reflect the stark evidences of the acute gender deprivation. The following table depicts India’s performance on Gender Development Index (GDI) with respect to South Asia and the world.

**Table 1.1 Countries’ Performance on Gender Development Index <sup>10</sup> (GDI)**

Country	GDIRank (140 countries)	GDI Value	HDI Value
India	98	0.586	0.602
Sri Lanka (Best performer in South Asia)	66	0.747	0.751
Pakistan (Worst performer in South Asia)	107	0.508	0.527
Norway (Best performer in the world)	1	0.960	0.963
Niger (Worst performer in the world)	140	0.271	0.281

Source: Country Fact Sheets, Human Development Report 2005

A crucial area where women’s contribution is very often conveniently missed is neglect of women’s work in the unpaid care economy<sup>11</sup>. Global estimates show that women’s unpaid work in care economy produces an output of \$11 trillion compared to a global GDP of about \$23 trillion (UNDP 2005). A positive step which has been taken on this front on part of the United National Statistical Division has been extension of the production boundary of the Systems of National Accounts (SNA), 1993. Unpaid work of women now figures in the national accounting system as satellite accounts.

The budget reflects the values of a country – who it values, whose work it values and who it rewards ... and who and what and whose work it doesn’t. The budget should reflect financial allocations to ensure attainment of goals set in policy and vision statements. The reality however shows the existence of a large chasm between -

- a) vision statements or stated objectives or targets

<sup>10</sup> The gender-related development index (GDI), introduced in Human Development Report 1995, measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between women and men. It is simply the HDI adjusted downward for gender inequality. The greater the gender disparity in basic human development, the lower is a country’s GDI relative to its HDI.

<sup>11</sup> Elson, D. (1999): ‘Gender-neutral, gender-blind, or gender-sensitive budgets? Changing the conceptual framework to include women’s empowerment and the economy of care’, in Commonwealth Secretariat, Gender Budget Initiative - Background Papers, London: Commonwealth Secretariat

- b) budgetary allocations made to attain these targets
- c) the prevailing grassroots reality

Recognising this visual disconnect between vision, goals and reality, the top priority should be given to the disadvantaged, or in correcting historical disparities over and above any and every goal <sup>12</sup>. Equally important is to recognize that budgetary policies have very different impacts on men and women and on different groups of men and women (Sharp, 2000). Men and women face different constraints and hence women respond differently to budgets vis-à-vis a men making different social preferences.

The inclusion of gender differential impact in the budget has been said to have two dimensions: equality and efficiency. There can be losses to the nation as a whole from failing to consider the gender implications of public expenditure and revenue. For instance, considering the efficiency gains, two researches deserve a special mention:

1. There is a strong tendency for extra income going to mothers to have a greater positive impact on the well being of children than that going to fathers.
2. Everything else being equal, countries in which the ratio of female-to-male enrolment in primary or secondary education is less than 0.75 can expect levels of GNP that are roughly 25 per cent lower than countries in which there is less gender disparity in education (Hill and Kang, 1995)

It was only recently that there was a paradigm shift to strengthen the actions and outcomes to achieve the desired goal of gender equity. It is to be noted that any attempt or commitment made by the Government cannot achieve the desired unless backed by adequate financial provisions. So, evolution of an analytical tool (Gender Budget) so as to scrutinize to reveal its gender differential impact and advocate for greater priorities for programmes/schemes directly targeting women and their implementation is a definitely a positive step much awaited.

Gender Budgeting evolved as an outcome of the translation of the slated policy commitment into budgetary allocations. It lends itself to realization of the many policy commitments outlined and reinforced time and again. Gender Budgeting as an approach extends itself to cover tracking the utilization of allocated resources, impact analysis and beneficiary incidence analysis of public expenditure and policy from a gender perspective in addition to looking at allocation of resources for women.

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<sup>12</sup> Mehta Kapur Aasha, Chaudhary Samik, Biashya Subhamoym and Elwaphy Ritu (2005): The Budget – A Gender and Poverty Perspective, IIPA, New Delhi

#### **The Seventh Plan**

- Declared as its objective, “to bring women into the mainstream of national development”
- Ministry of Human Resource Development set up DWCD in 1985
- DWCD was entrusted with of monitoring 27 major beneficiary oriented schemes to establish the impact of these schemes on women – Genesis of Gender Budgeting

#### **The Eighth Plan**

- Paradigm shift– from development to empowerment of women
- For the first time highlighted the need to ensure a definite flow of funds from general developmental sectors to women
- It commented: “...benefits to development from different sectors should not bypass women and special programmes on women should complement the general development programmes. The latter in turn should reflect greater gender sensitivity”

#### **The Ninth Plan**

- Stated **Empowerment of Women** as strategic objective
- **Adopted the Women’s Component Plan** – ‘not less than 30% of funds/benefits are earmarked in all the women related sectors’.

#### **The National Policy for Empowerment of Women 2001**

- Envisaged introduction of a gender perspective in the budgeting process as an operational strategy

#### **The Tenth Plan**

- Aim to continue the process of dissecting the Government budget to establish its gender differential impact
- Aim to take immediate action in tying up the two effective concepts of WCP and
- gender budgeting to play a complementary role to each other

#### **The Approach paper to the XIth Plan**

- Explicitly states that ‘gender equity requires adequate provisions to be made in policies and schemes across Ministries and Departments’.

Women’s Component Plan (WCP) and Gender Budgeting complement each other whereby WCP provides a benchmark to assess the performance of Ministries/ Departments in prioritizing Plan resources for schemes which benefit women.<sup>13</sup> WCP confines itself to the boundaries of covering Plan allocations by the Ministries/ Departments, however Gender Budgeting extends its domain to analyzing the whole budgetary process from a gender lens. Nevertheless, WCP plays a crucial role in providing a benchmark to assess the performance of various Ministries/ Departments in prioritising Plan resources for schemes benefiting women.

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<sup>13</sup> Das and Mishra ‘Women’s Component Plan and Gender Budgeting India – Still a long Way to Go’ YOJANA Vol. 50, Oct. 2006, Ministry of Information and Broadcasting, Government of India

The concerted step taken by the Finance Minister in 2004-05 by mandating the setting up of Gender Budgeting Cells in all Ministries and Departments provided further impetus to the already taken efforts. However, the policy commitment came into practice only in 2005-06 when a separate Gender Budget Statement was included.

### **Gender Budget – CONCEPT**

*"Gender-sensitive budgets', 'gender budgets', and 'women's budgets' refer to a variety of processes and tools aimed at facilitating an assessment of the gendered impacts of government budgets. In the evolution of these exercises, the focus has been on auditing government budgets for their impact on women and girls. This has meant that, to date, the term 'women's budget' has gained widest use. Recently, however, these budget exercises have begun using gender as a category of analysis so the terminology 'gender-sensitive budgets' is increasingly being adopted. It is important to recognize that 'women's budgets' or 'gender-sensitive budgets' are not separate budgets for women, or for men. They are attempts to break down, or disaggregate; the government's mainstream budget according to its impact on women and men, and different groups of women and men, with cognizance being given to the society's underpinning gender relations."*

(Sharp, Rhonda: 1999)

*"Gender budget initiatives analyze how governments raise and spend public money, with the aim of securing gender equality in decision-making about public resource allocation; and gender equality in the distribution of the impact of government budgets, both in their benefits and in their burdens. The impact of government budgets on the most disadvantaged groups of women is a focus of special attention."*

(IDRC, 2001)

Thus, from the above definitions:

- Gender budget is a policy framework, a methodology and a set of tools to assist governments to integrate gender perspective into budget;
- It is the dissection of the Government budget to establish its gender differential impacts
- It is not a separate budget; provides affirmative action to address the specific needs of women
- Gender Budgeting is a process which entails maintaining a gender perspective at various stages whereby gender budget is the culmination of this process

The activities entailed in the Strategic Framework of Gender Budgeting have been outlined in the Mission Statement – *"Budgeting for Gender Equity"*

## **Gender Budgeting - TOOLS**

A set of guidelines have been framed by the Ministry of Women and Child Development in the form of two checklists:

Checklist I: Programmes which specifically target women (Ministry of Rural Development, Health and Family Welfare etc.)

Checklist II: Covers mainstream sectors (Defence, Power, telecom etc.)

These guidelines serve as primary tool of gender budgeting by way of assessing the Public Expenditure from a gender lens and also identifying constraints in outreach of programmes and policies to cover women and suggest suitable corrective action.

Secondly, **Gender Based Profile of Public Expenditure** provides a clear review of various schemes and public expenditure from gender perspective. The basic components of the gender based profile (in terms of specific programme) include the expected outcome or objective, gender component of programme, total public expenditure, public expenditure on women/girls, and gender disaggregated beneficiaries. By doing this, it clearly provides a picture in terms of availability of gender disaggregated data, adherence to physical targets etc.

**Beneficiary Needs Assessment** i.e. ascertaining needs from the point of view of women and reviewing public expenditure accordingly.

**Impact Analysis through monitoring, evaluation and field level surveys** is another powerful tool of gender budgeting since it is equally important to track the flow of allocated funds. Impact analysis lends itself in identifying bottlenecks in actual tracking of funds to the beneficiaries and enables suitable suggestions in policy and programme design.

**Participative Budgeting**, which implies involving women in decision making i.e. treating them as equal partners rather than beneficiaries.

**Spatial Mapping – Macro level planning for micro level needs** serves to address specific regional requirements. It entails identification of gaps in social infrastructure and access to employment opportunities for women, resources available, resource allocation required based on size of population and yardsticks for availability of facilities etc. These spatial maps would enable local participation and feed into concomitant regional plans and projections on funds for gender requirements.

## **Gender Budgeting - GLOBAL CONTEXT**

The work on gender budgeting was pioneered by Australia in 1984, whereby it was found that expenditures specifically targeting women and girls made up only less than 1 percent of the total budget. A detailed gender sensitive analysis of expenditure portfolios of various Ministries was undertaken through a joint effort of parliamentarians and NGOs in South Africa. Commonwealth Secretariat Initiative coordinating the work of gender

budgeting in Barbados, Fiji Islands, Sri Lanka, South Africa, St Kitts and Nevis differed in the sense that it had been the direct engagement and coordination of the programme by Ministry of Finance. In UK, Women's Budget Groups has taken the lead in taking the process forward and has recommended for an inclusion of a comparative 'gender impact statement'. In line with the Platform for Action initiative, Government of Canada has adopted the Federal Plan for Gender Equality.

India, Nepal and Sri Lanka are in the process of engendering budgets in South Asia. A gender budget audit has been conducted in Nepal to assess the expenditure policies and revenue measures from a gender lens.

### **Gender Budgeting - PROGRESS SO FAR**

A Gender Budget statement in the 2005-06 Union Budget marked the beginning of a budgetary provision from a gender lens. The statement indicates two parts:

Part A: Presents women-specific budget provisions under schemes in which 100% allocations are meant for women

Part B: Presents women-specific budget provisions under schemes where such allocations constitute atleast 30% of the total provisions.

Although, India has a long way to go, a few milestones reached with respect to efforts undertaken are:

- DWCD in collaboration with UNIFEM commissioned National Institute of Public Finance and Policy (NIPFP) to undertake a study covering various issues such as parameters to identify status of women, quantification of contribution of women, role women can play in improving the framework for delivery of public services, and analyzing the Union Budget 2001-02. On the basis of the Interim Report of NIPFP, a section on 'gender inequality' was included in the Economic Survey 2000-01
- Gender Budget Cells have been set up in 50 Ministries/Departments. The aim of the cells, as envisaged is to coordinate gender budgeting initiatives both intra and inter ministerial.<sup>14</sup>
- Gender Budget statement now covers 33 demands for grants under 27 ministries/ departments and 5 Union Territories
- The total magnitude of the Gender Budget has also gone up from Rs.22, 251.41 Crore for 2006-07 (RE) to Rs. 31,177 Crore in 2007-08 (BE). As a percentage of total Union Government Expenditure, this constitutes a rise from 3.8 percent to 4.8 percent

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<sup>14</sup> Annual Report 2006-07, Ministry of Women and Child Development

**Table 1.2 Progress So Far**

Year	No. of Demands covered in Union Budget	Total Allocations under Part A of the statement**	Total Allocations under Part B of the statement***	Total magnitude of the Gender Budget
Gender Budgeting in 2005-06	10	Rs. 7,905.08 crore (BE)	Rs. 16,126.92 crore (BE)	Rs. 24,032.00 crore (BE) (4.67%*)
		Rs. 8,273.88 crore (RE)	Rs. 15,966.63 crore (RE)	Rs. 24,240.51 crore (RE) .77%)
Gender Budgeting in 2006-07	24	Rs. 9,575.82 crore (BE)	Rs. 19,160.71 crore (BE)	Rs. 28,736.53 crore (BE) (5.10%*)
		Rs. 4,618.95 crore (RE)	Rs. 17,632.46 crore (RE)	Rs. 22,251.41 crore (RE) (3.8%)
<b>Gender Budgeting in 2007-08</b>	<b>33</b>	<b>Rs. 8,795.47 crore (BE)</b>	<b>Rs. 22,382.49 crore (BE)</b>	Rs. 31,177.96 crore (BE) <b>(4.8%*)</b>

\* Proportion of Total Union Government Expenditure

\*\* Part A presents women specific provisions where 100% provisions are for women

\*\*\* Part B presents women specific provisions under schemes with atleast 30% provisions are for women

Source: Gender Budgeting Statement, Expenditure Budget Volume 1, Union Budget - Various Years

- Gender Budgeting has not remained confined to traditionally perceived 'women related' ministries, but has been able to extend its reach to departments such as science and technology, biotechnology and industrial policy and promotion.
- A thorough analysis of 2006-07 Gender Budgeting statement<sup>15</sup> revealed certain unrealistic assumptions which largely limit the scope of the gender budgeting exercise.

The mistakes pertained to the following categories:

1. Inclusion of schemes supposedly targeting both men as well as women in Part A of the Statement (Part which presents women specific provisions where 100 percent provisions are for women)
2. Treatment of schemes meant for both women and children as 100 percent women specific and thus including them in Part A
3. Miscalculations

<sup>15</sup> Das and Mishra, 'Misleading and Patriarchal Assumptions' Economic and Political Weekly, July 29, 2006.

- (a) Inclusion of larger allocations of Ministries/Departments in Part A which otherwise have schemes targeting other marginalised groups as well
- (b) Schemes although slated in Part B (Presents women specific provisions under schemes with atleast 30 percent provisions for women) but showing 100 percent of its allocations for women

These mistakes were recognised by the Finance Minister during the Budget Speech delivered in Feb. 2007-08 whereby mention was made regarding the corrective steps taken by the Finance Ministry. For instance, the ICDS previously in Part A of the statement has been moved to the relevant portion of the statement i.e. Part B.

### **Gender Budgeting and the States<sup>16</sup>**

As has been rightly said, concerted efforts have to be made by the states in order to make it a productive exercise. In depth and meaningful analysis of the State Budget from the gender lens requires a much broader coverage so that it can include all those schemes in which a part/component is earmarked for women. But the paucity of gender-disaggregated information on beneficiaries of programmes/schemes being implemented in the States throws up a serious challenge in this regard. Moreover, the fiscal architecture of State Budgets is rather complicated, which only adds to the methodological problem confronted in Gender Budgeting analysis of State Budgets.

The three categories of public expenditure on women from the Union Budget identified by the NIPFP study were: (1) Expenditure on programmes/schemes specifically targeted to women and girls, (2) Pro women allocations; which are the composite expenditure schemes with an earmarked component for women; and (3) Mainstream public expenditure that have a gender-differential impact. Unlike for the first category where it is easy to capture the magnitude of budget outlay on schemes that are targeted at women and girls, it is difficult to do the same for the second category i.e. for composite schemes for which NIPFP study depended heavily on the information compiled by DWCD regarding the status of implementation of Women's Component Plan (WCP) by different Central Ministries/Departments. In fact, for those Ministries/Departments, for which the DWCD did not have precise information on flows to WCP, the NIPFP study assumed the flow to WCP from Gross Budgetary Support of the Ministry/Department to be 30 %. As regards the third category of public expenditure affecting women, the NIPFP study had presented only an illustrative benefit-incidence analysis of Union Budget outlays on Elementary Education.<sup>17</sup>

Amongst many other studies, a study by Nirmala Banerjee and Poulami Roy has been

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<sup>16</sup> Das Subrat, 'Gender Budget Analysis for States' Budget Track 4(3), Centre for Budget and Governance Accountability

<sup>17</sup> Lahiri Ashok, Chakraborty Lekha and Bhattacharya P.N. (2001): Gender Budgeting in India: Post-budget Assessment Report, NIPFP

one of the most significant Gender Budgeting studies on State Budgets in India<sup>18</sup>. This study examined the nature and extent of West Bengal's budgetary policies that were supposed to work towards removing some of the gender-based disadvantages of women. Nirmala Banerjee and Poulami Roy (2003) followed a different methodology than the model developed in the NIPFP study.

The classification of the total identified budget outlays for women in West Bengal into different categories, which was adopted by them, laid emphasis on the gendered role of women in the society and their study analysed the impact of the women-oriented schemes in the State on the prevailing gender relations. However, this study also was based on some very generous assumptions owing to lack of gender-disaggregated data.

In view of the paucity of gender-disaggregated data on beneficiaries, a Gender Budgeting analysis of West Bengal State Budget done by Centre for Budget and Governance Accountability (CBGA) in 2006 adopted a different methodology. The 'Gender Budget' (within the State Budget) captured in this study referred to the total outlay which was entitled for women through specific policy guidelines relating to the programmes/schemes in the State Budget. The outlays earmarked for women (that year) under each of the following three categories, viz. outlays for State Plan schemes, outlays for Central Plan/Centrally Sponsored schemes, and Non-Plan outlays were examined. The study analysed West Bengal Budget for 2005-06, which presents Actual outlays made in the fiscal year 2003-04, Revised Estimates (RE) of the outlays made in 2004-05 and Budget Estimates (BE) of the outlays proposed for 2005-06. The study restricted its attention only to the expenditure part of the State Budget and did not cover the receipts part (i.e. it did not evaluate the revenue mobilization policies of the State).

Some of the main findings of this study are as mentioned below<sup>19</sup>

- The study found that both the total magnitude of outlays earmarked for women and its composition raise several concerns regarding priorities for women in the West Bengal State Budget. The total outlay earmarked for women in West Bengal accounted for only 6.1 % of the total State Budget outlay in 2003-04 (Actuals), which increased to 6.7 % in 2004-05 (RE) and 7.5 % in 2005-06 (BE).
- In terms of priorities for the different needs of women, outlays earmarked for Women's Education accounted for 5.18 % of the total State Budget outlay in 2003-04 (Actuals), which increased to 5.83 % in 2004-05 (RE) and 6.57 % in 2005-06 (BE).
- The outlay earmarked for Women's Education accounts for a major chunk of the total outlay earmarked for women in the State Budget, which reached around 87 % of the total Gender Budget (i.e. total outlay earmarked for women) in 2005-06 (BE). The shares of Women's Nutrition and Women's Health in the total Gender Budget are much lower at

<sup>18</sup> Banerjee Nirmala and Roy Poulami, (2003): Gender in Fiscal Policies: The Case of West Bengal, Sachetana, Kolkata

<sup>19</sup> Das Subrat, Thakur Debdulal, and Sikdar Satadru (2006): Report of the Gender Budgeting Study for West Bengal, Centre for Budget and Governance Accountability

around 6.5 % and less than 4 %, respectively. And, the shares of Women's Livelihood and Welfare of Women in Difficult Circumstances in the total outlays earmarked for women are very small.

- If we take into account the serious concerns regarding the nutritional status of women, health status of women and poor coverage of institutional deliveries in West Bengal, the low priority given to outlays earmarked for Women's Nutrition and Women's Health indicate the deficits in budgetary policies towards women in the State.
- While the priority for Women's Education in State Budget appears very high in comparison to other needs of women, the high Dropout Rate of girls in School Education and very low Enrolment Rate of girls in Secondary & Higher Secondary Education in the State indicate that outlays for this sector also need to be stepped up with targeted interventions for girls.

Thus, the study provided crucial insights on the possible deficiencies in budgetary policies for women in West Bengal.

#### **Gender Budgeting - CHALLENGES**

- Although, increase in the quantum of funds for gender budgets cannot be denied, as a percentage of GDP at market prices, this is an appallingly low figure of 0.5 per cent and 0.6 per cent for the years 2006-07 and 2007-08, respectively.
- Impact of sectors such as water supply and sanitation for women cannot be overemphasized. Still, over the successive budgets, one does not find any mention in the gender budget statements. Another point worth mentioning is that there has been a huge jump in the outlay for the Ministry of Minority Affairs, from a meager Rs. 2 crore (2006-07 BE) to Rs. 512.83 Crore (2007-08 BE). However, there is no single scheme/ allocation in the Ministry targeting women.
- The Finance Minister this year made a special mention of the removal of errors in the Gender Budgeting statement. Yet this year's statement still contains some errors which range from those relating to calculations to lack of conceptual clarity. More importantly, inclusion of contraception under MoHFW; and Indira Awas Yojana, Ministry of Rural Development, despite 2.55 lakh houses in joint names of husband and wife and 1.47 lakh to men, are stark evidences of the patriarchal ways of analysis. Also, under the Ministry of Labour and Employment, 100 percent allocations under the head 'Improvement in Working Conditions of Women/Child Labour' have been put exclusively for women, though the scheme has been put under Part B of the statement. It is incorrect since the allocations for this head goes to two schemes – National Child Labour Project (NCLP) and Indus Project, whereby the enrolment of girls in the former is 56 percent and percentage of expenditure on women/girls in the latter is 44 percent. So, considering the scheme as exclusively meant for women is incorrect.
- Further in-depth analysis of the total Gender Budget pool provides important insights

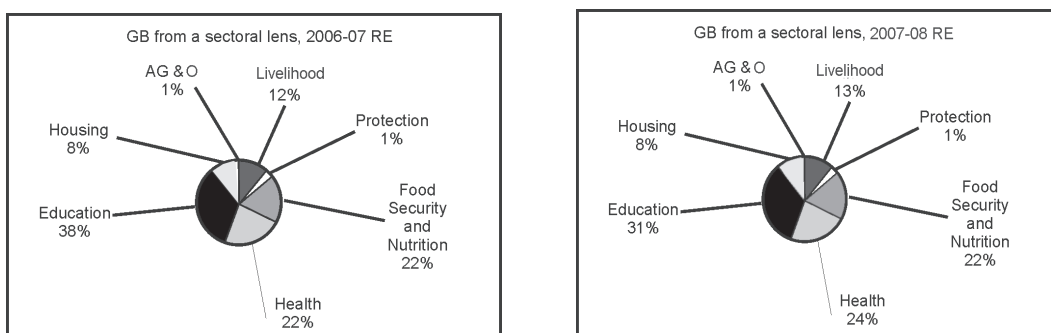
into priorities and therefore a clear indication of the actions of the government in the direction of it's laid down commitments. An analysis has been done by CBGA to scrutinize the budget from three very crucial lenses:

- a) from the lens of different sectors
- b) from the human rights lens
- c) from the lens of the most discriminated/marginalized women

In order to understand the sectoral allocations, the schemes under Part A and B can be divided into Livelihood, Education, Health, Food Security and Nutrition, Housing, Protection, Awareness Generation and Others.

As shown in Fig1, sectoral analysis from a gender lens reveals that still, allocations for sectors such as women's protection, housing and awareness generation largely remain neglected with the major chunk going to women's education, health, food security and nutrition and livelihood. This is not to say that that the funds allocated to these sectors are sufficient in any way, taking into account drop out rates, maternal mortality, and women living in poverty. Meager allocations in the housing sector are despite the fact that women perform two-thirds of the world's total working hours and own less than one percent of the world's property (Centre for Housing Rights and Eviction).

**Fig.1 Gender Budget Analysis from a Sectoral Lens**



AG&O refers to Awareness Generation and Others

Similarly, although the Civil and Political Rights (CPR) as well as Economic, Social and Cultural Rights (ESCR) are indivisible and interrelated, it is important to ensure adequate budgetary provisions for both. It is surprising to note that 99 percent of allocations for women have gone to ESCR and a mere one percent to CPR. This is again not to disagree with the very significance of ESCR taking into account the astonishing number of women living below poverty, nevertheless the issue of almost negligible proportion for CPR is critical. With alarming numbers of crimes against women, registering nothing but increase over years and conversely no allocations still for implementation of the Domestic Violence Act, 2005 is a strong case in point.

Various grids of power such as rural/urban divide, caste, race, disability etc. have far reaching implications if not acknowledged. For 2007-08 budget, a mere 7 percent of the total gender budget pool went to the most marginalized women.

Thus, on the whole, the budget 2007-08, although has extended to more Ministries/ Departments and has risen in magnitude, but does not do much in altering the status quo for women towards positive direction. Consistent low Revised Estimates as compared to the Budget Estimates raises the question of whether actually funds ever reach women. In addition, due to absence of sex-disaggregated data, evaluation of schemes through a gender lens or any effort at strengthening gender dimensions of existing schemes poses a big question. It is utmost important to prioritize universalisation of Gender budgeting (including gender audit) and Gender outcome assessment in all Ministries/Departments at Central and State levels

### **Gender Budgeting - THE LARGER PICTURE**

It is to be noted that the gender budget statement is but a first step for Gender Budgeting. Gender budgeting goes beyond mere accounting exercise. It cannot be seen in isolation from the overall political economy scenario. What is much more critical from the women's point of view is to see is the impact of overall public policies impact on social sectors, agriculture, employment generation and poverty alleviation. The changing demographics of agriculture, with more than 75 per cent of all women workers, 85 per cent of rural women workers are in agriculture; women's disproportionately large contribution to the export and services sector, in the unorganised sectors—all these need to be located in our policies. Such assessment of the impact of budgets on women has to be positioned in this context. The budget proposals need to cognizant of the macro-policy changes which in many ways directly affect women.

## Budgeting for Dalits

*Sakti Golder and Bhumika Jhamb*

Dalits till today face some of the severest forms of discrimination. They lag far behind in almost all the development indicators. The caste system has prevailed in India for decades now which has pushed the so called 'backward castes' to the periphery of development. The strategy of Scheduled Caste Sub Plan (SCSP) was adopted by the government to ensure allocation of funds to SCs in proportion to their share in the population. This chapter starts with a basic socio-economic profile of SCs which clearly indicates their status in relation to the All India average and also the fact that women belonging to SCs are especially marginalised. It then goes on to the origin of SCSP, its concept, elements and instruments devised for implementation of the strategy so adopted. The chapter further attempts to track the implementation of SCSP at the level of states and different Ministries/ Departments. Also, it tracks the affirmative action taken by the government for upliftment of SCs so that they can be pulled from the vicious circle of poverty. Finally, the chapter highlights the crucial concerns emerging the present status of implementation of SCSP and suggests some corrective actions.

¶ *A dalit woman and her infant daughter scalded with boiling hot dal and several other women and their children assaulted by upper caste men in the village*

*Parents at Amri, Sasaram, asked their children to not accept mid-day meals cooked by a Scheduled Caste woman at the village primary school*

*A nine-year old Dalit boy in a Bihar village loses vision after teachers of his government school, including the headmaster, beat him up severely for demanding more food during the mid-day meal ¶*

The instances cited above clearly indicate severest forms of discrimination that continue to prevail against Dalits in India. According to Census 2001, the Scheduled Castes constitute 16.2% of the total population of India. However, this social group has historically suffered from caste and untouchability based exclusion and discrimination.

Several socio-economic indicators point to the dismal state of SCs. In spite of

decades of planning and a sizeable amount of public resources being channelised in the name of welfare of SCs/STs, the actual benefits have hardly reached these groups.

### Socio-Economic Profile<sup>20</sup>

Among all social groups, SCs/ STs suffer from highest infant and child mortality rates, except in the Northeast where Muslims suffer from the highest incidence of child mortality. Further, although child malnutrition is pervasive across all socio-religious groups, the percentage of children who are stunted, wasted and underweight is much higher among those belonging to SCs/ STs. It is also worth mentioning that SCs/ STs have not registered a significant decline in the rates of child malnutrition during the 1990s as compared to other groups.

**Table 2.1 Child Mortality and Nutrition**

<b>MORTALITY</b>	<b>SCs (%) (2004-05)</b>	<b>STs (%) (2004-05)</b>	<b>All India</b>
Infant Mortality	83	84	68
Under 5 Mortality Rate	119	126	95
<b><u>NUTRITION</u></b>			
Children under 3 yrs stunted	44.1	44.3	38.4
Children under 3 yrs wasted	20.5	25.7	19.1
Children under 3 yrs underweight	52.2	56.7	45.9

Although there is some respite when the improvements in literacy levels are gauged over the time period between 1965 and 2001, registering a rise in the levels at a much faster rate amongst SCs/ STs than in any other social group, the figures for female literacy of STs (34.76%) is of grave concern. It is worth mentioning that the literacy rates for persons between 18-22 years and 23 years and above is as low as 65% and 36.5% as compared to the corresponding figures of 91.4 and 74 for general category (NSS 2004-05). The figure for the mean years of schooling of children aged 7-16 years -2001(Total) for SCs/ STs stands at 3.35. The disaggregated figure for males and females is 3.67 and 2.98 respectively. The difference in figures is especially visible in case of mean years of schooling for males and females in rural areas which is 3.08 and 2.62 respectively.

About 25% of children belonging to SCs/ STs have either never attended schools or have dropped out. The incidence of drop outs for SCs/ STs is very close to the Muslims with highest drop-out rate and children who have never attended schools being highest for SCs/ STs. For middle and higher level education in rural areas, the statistics for Muslims

<sup>20</sup> The data has been compiled from the Report on 'Social, Economic and Educational Status of Muslim Community of India', November 2006 (Henceforth referred as the Sachar Committee Report) and the 'Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector' NCEUS, August 2007 (Hence forth referred as the NCEUS Report)

and SCs/ STs is almost equal and lowest. Looking at the temporal context in case of students who have matriculated, one witnesses some degree of increase in urban males and females and rural males. However, condition for rural females has not changed.

Data compiled by the Sachar Committee Report based on NSS 61<sup>st</sup> round shows that only 39% SCs and 32% STs are likely to complete primary education as compared to 62% in case of upper caste Hindus and other religious groups excluding Muslims. Only 23% SC/ ST students are likely to complete college education after completion of secondary education. There is a marginal difference between the share of student and its corresponding total population for all social groups in the smaller age cohorts. However, for higher age cohorts, for instance 18.3% of 24.1% share in the total population, the gap widens

**Table 2.2 Educational Status**

Education	SCs/STs (Census 2001)					All India				
	Total	Male	Female	Urban	Rural	Total	Male	Female	Urban	Rural
Literacy Rates	52.2	64	38.4	66	45	65.4	75.3	53.7	79.9	58.7
Mean Years of Schooling (MYS) (7-16 yrs)	3 yrs 6months					4 years				
Enrollment Rates	55 <sup>th</sup> NSS Round SCs/STs (%)		61 <sup>st</sup> NSS Round SCs/STs (%)			55 <sup>th</sup> NSS Round		61 <sup>st</sup> NSS Round		
	44 <i>Number in Lakhs</i>		88 <i>% of 20 yrs+ total population</i>			66 <i>Number in Lakhs</i>		84 <i>% of 20 yrs+ total population</i>		
Graduates & Diploma Holders Certificate	Graduates	Diploma & Certificate	Graduates	Diploma & Certificate	Graduates	Diploma & Certificate	Graduates	Diploma & Certificate	Graduates	Diploma & Certificate
	30.8	4.1	2.4	0.3	376.7	40.5	6.7	0.7		

Source: Data has been compiled from the Sachar Committee Report

The lower levels of literacy as well as educational attainment explain the large share of SCs, STs and the overwhelming concentration of Muslims in the unorganised sector. The highest proportion of casual workers in the non-agricultural unorganised sector is in the case of ST men and women followed by SCs. As can be seen from the table (Table 2.3), a large proportion of females are self-employed, highest among being Muslims followed by STs and SCs. Considering the Worker Population Ratio (WPR), it is highest among STs (89 per cent) and SCs (85 per cent) among rural males and in STs among rural females.

**Table 2.3 Employment Status (Based on NSS 61<sup>st</sup> Round)**

Employment Status	Male					Female				
	ST	SC	OBC	Muslims OBC	Muslims Others	ST	SC	OBC	Muslims OBC	Muslims Others
Unorganised Sector: Casual	30.4	25.0	15.5	15.7	15.1	25.3	15.3	9.8	8.5	8.5
Unorganised Sector:\ Regular	8.7	11.4	13.1	12.3	13.7	6.6	14.6	11.0	7.3	7.3
Unorganised Sector: Self-Employed	25.3	34.9	45.0	60.5	52.9	36.9	45.2	55.0	71.6	71.6
Unorganised Sector: Total	64.4	71.4	73.7	88.5	81.7	68.7	75.1	75.8	87.4	87.4
Organised Sector: Total	35.6	28.6	26.3	11.5	18.3	31.3	24.9	24.2	12.6	12.6

Source: Compiled from NCEUS Report, 2007

**Table 2.4 Incidence of Poverty (Based on NSS 61<sup>st</sup> Round)**

Social Group	Poverty ratio (2004-05)	
	Rural	Urban
Hindu SC	26.2	38.9
Hindu ST	35.7	48.6
Muslims OBC	21.5	39.7
Hindu OBC	15.8	27.5
Hindu Upper	8.4	10.2

Source: Compiled from the NCEUS Report, 2007

As high as 88% of extremely poor, poor, marginally poor and vulnerable<sup>21</sup> belong to SCs/STs. In urban areas, the incidence of poverty is highest amongst SCs/STs i.e. 36.4 as compared to all India ratio of 22.8, with the poverty ratio of Hindu SCs close to Muslim OBC. SCs/STs have a higher poverty ratio than even the casual workers. Thus, a person belonging to SCs/STs and being a casual worker is worst off. The Mean Per Capita

<sup>21</sup> EXTREMELY POOR: Monthly per capita consumer expenditure upto three-fourths of the official poverty line

POOR: fall between extremely poor and upto poverty line

MARGINALLY POOR: Monthly per capita consumer expenditure of 1.25 times the poverty line

VULNERABLE: Monthly per capita consumer expenditure two times the poverty line

Expenditure (MPCE) of SCs/STs stands at Rs. 420 as compared to All India expenditure value of Rs. 712. The same for urban and rural for the disadvantaged group is Rs. 800 and Rs. 520 as against Rs. 1150 and Rs. 579 for All India respectively.

Considering overall development status and the discrimination these groups face, there is definitely a case for increase in the allocations earmarked for SCs/ STs and implement some special interventions aimed at their upliftment. It is also necessary for ensuring removal of disparities, eliminating exploitation and suppression and providing protection to the disadvantaged groups.

### **Scheduled Caste Sub Plan - CONCEPT**

Recognising the failure of the more than five Five-Year Plans and three Annual Plan periods spanning several decades, the Government of India at the initiative of Late Mrs. Indira Gandhi, formulated the Special Component Plan (SCP) [now being renamed as - Scheduled Caste Sub Plan (SCSP)] in the year 1979.

The strategy which was introduced by the Central Government during the 6<sup>th</sup> Five Year Plan was made mandatory for all the State governments' departments as well as Central Government ministries. The SCSP for SCs expected "to facilitate easy convergence and pooling of resources from all the other development sectors in proportion to the population of SCs and monitoring of various development programmes for the benefit of SCs".

Thus, it envisages allocation of a quantity of funds under SCP out of the total state plan outlays, proportionate to the percentage of SC population in the state. SCSP for SCs is not an isolated programme/scheme; rather it is an umbrella strategy for overall development of SCs. The strategy entails targeted flow of funds and associated benefits from the Annual Plan of States/UTs, at least in proportion to the Scheduled Caste population in total population of the States/UTs.

While the central objective of SCSP is the economic development of Scheduled Castes, it also intends to promote their educational and social development along with the fulfillment of their minimum needs and human resource development. The objective of SCSP is to ensure that not only sufficient funds are allocated for the welfare of SCs, but also to make sure that the funds are properly utilized and that effective and practical programmes towards clear goals and targets are initiated.

The main elements of SCSP<sup>22</sup> are:

- 1. Out of the total plan outlay, funds allocated for the welfare of Scheduled Castes should be at least as much as the percentage of their population representation in the particular state.*

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<sup>22</sup> This part of the paper (shown in italics) has been drawn solely from **Social Watch - Tamil Nadu** (2004), "Special Component Plan: Dalit Hopes Betrayed?" *Second (Revised) Edition*, Chennai, July 2004 and Reclaiming Scheduled Caste Sub Plan, National Campaign on Dalit Human Rights, June 2007

2. *Every department of the state government should initiate concrete steps to evolve separate programmes, in accordance with specific needs and priorities of Scheduled Castes, under the SCSP. And notional allocations under SCSP (especially in sectors like Power, Irrigation, Education, and Health) need to be avoided.*
3. *Only those programmes specially meant for Scheduled Castes and the percentage amount of funds allocated, as per specific G.O.s, can be included in the SCSP.*
4. *Separate budget heads have to be shown in the “Plan-Budget Link” Book clearly mentioning the receipts and expenditures details of the SCSP (in order to prevent diversion, underutilization and mis-utilization of funds earmarked for Scheduled Castes).*
5. *The Department concerned with Scheduled Castes Welfare in the State should act as the Nodal Agency for the formulation and implementation of SCSP in the state.*

The three important instruments devised as vehicles for the implementation of the SCSP strategy are:

1. *The SCSP of the states and central ministries: the targets fixed under SCSP are disaggregated into district-wise and sector-wise targets. At the district level, the district collectors are responsible for coordinating the implementation of the schemes under SCSP.*
2. *The Special Central Assistance (SCA) for the SCSPs of the States: SCA is given as 100% grant by the Ministry of Social Justice and Empowerment to various States, to make up for any deficiency towards the implementation of the SCSP in the respective State.*
3. *Scheduled castes Development Corporations (SCDCs) in the States or the State Departments, which will play the role of Nodal Agencies, in the implementation of SCSP in the States.*

The allocations for SCs fall under two categories:

**Actual Allocations:** By this we refer to allocations for SCs under those schemes, which are either meant exclusively for SCs or those in which there are clear guidelines/instructions regarding the proportion of SC beneficiaries being a certain minimum level within the total beneficiaries of the scheme.

**Notional Allocations:** In contrast to Actual Allocations for SCs, by Notional Allocations for SCs we refer to a different kind of allocations that are shown by the Government Ministry/ Department as directly benefiting the SCs from within the total allocations for a Scheme. These benefits, even if they really reach the SCs in the proportions shown by the Ministry/Department, are at best incidental benefits derived by

SCs, for which there were no binding policy guidelines or instructions within the scheme.

The nodal Ministry of Social Justice Empowerment entrusted with the welfare, social justice & empowerment of disadvantaged and marginalised section of the society identified certain thrust areas:

- Promotion of modern and technical education among minorities.
- Abolition of Manual Scavenging by August 2005.
- Promoting employment opportunities for Scheduled Castes.
- Formulating a model State legislation for promoting protection and care of old people.
- Revamping Special Component Plan for higher allocation to the Scheduled Castes for education, health and irrigation.
- Increasing irrigation of land owned by persons belonging to the Scheduled Castes
- Institutional reform in terms of (i) decentralization, (ii) simplification, (iii) transparency, (iv) accountability and (v) e-governance

#### **Some recent initiatives aimed at upliftment of Dalits**

- Till today, Dalits perform some of the most menial and dehumanising jobs, one of them being Manual scavenging. The Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993, seeks to abolish manual scavenging by declaring employment of manual scavengers for removal of human excreta an offence, and to prohibit construction of dry latrines. The Prime Minister directed to treat the problem in a time bound manner. The Self Employment Scheme for Rehabilitation of Manual Scavengers was launched with the aim to assist the remaining scavengers for rehabilitation, which are yet to be assisted, in a time bound manner by March 2009. NSKFDC has been identified to be nodal implementing agency in various states.
- The Working Group of the Development of Education of SC/ST/Minorities and other Disadvantaged Groups<sup>23</sup> has made several recommendations to empower them. Some of the major ones include bridging the data gaps pertaining to disadvantaged sections, setting up of an Equal Opportunities Cell may be set up to make the target groups aware of the existing schemes, setting up of anti-discrimination cell in all the universities and enhancing provisions in the major schemes such as Sarva Shiksha Abhiyan, Mid Day Meal Scheme, Jan Shiksha Sansthan etc. Special provisions for girls belonging to disadvantaged groups have also been recommended.
- Two new windows have been initiated in 2007 by the Prime Minister in order to

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<sup>23</sup> The Working Group Report of the Development of Education of SC/ST/Minorities and other Disadvantaged Groups for Eleventh Five Year Plan (2007-2012) and Report to the People 2004-2007

provide educational opportunities to SCs namely The Central Sector Scholarship Scheme of Top Class Education for SC Students as well as Central Sector Scheme of National Overseas Scholarships for SCs etc.

- A bill seeking to elevate reservations to a statutory right has been introduced in Parliament. A Coordination Committee, serviced by the Department of Industrial Policy and Promotion, has initiated the process of obtaining comments from the industry to develop a concrete scheme of affirmative action on best ways of incorporating the aspirations of youth belonging to SCs and STs in the private sector.
- The Finance Minister had announced a scheme for water harvesting for SC/ST farmers in 2004-05 and a provision of Rs. 49 crore was made in 2005-06 Budget. The Budget 2007-08 proposed creation of irrigation potential of 10 lakh hectares by 2009 under Bharat Nirman through groundwater which will primarily benefit small and marginal farmers among the SCs and the STs.

### **Implementation of SCSP**

The Centre has tracked the performance of states with reference to the 20-Point programme<sup>24</sup> in assisting SC families. Against the target of assistance to 27,38,335 SC families under 20-Point programme between April 2006 and February 2007, a total of 30,71,619 families were assisted, registering the success rate of 112 per cent.

Poor Performers: The performance of Left-ruled states in particular was found to be 'poor'. Orissa, Punjab and Sikkim along with Assam, J&K, and Andaman & Nicobar Islands were other states included in this category.

Very Good Performers: The success rate of Andhra Pradesh, Gujarat, Jharkhand, Madhya Pradesh, and Rajasthan in assisting SC families under 20-Point programme has been pegged at 116, 135, 171, and 124 per cent respectively. Their performance along with Bihar, Karnataka, Maharashtra, Tamil Nadu, Uttarakhand, and Chandigarh has been termed 'very good'.

Good Performers: Maharashtra, Sikkim, UP, TN, and Daman & Diu Madhya Pradesh, Manipur and Orissa have been judged as 'good' performers.

### **Implementation of SCSP -DISTURBING EVIDENCES**

Although the evolution of the SCSP dates back to the 6<sup>th</sup> Five Year Plan, evidences from the States (such as Tamil Nadu, Andhra Pradesh), where civil society groups have

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<sup>24</sup> 20-Point Programme was launched in 1975 and was restructured. The programme covers various socio economic aspects like poverty, employment, education, housing, health, agriculture, land reforms, irrigation, drinking water, protection and empowerment of weaker sections, consumer protection, environment, e- Governance, etc. Programme covers 66 items out of which 25 items will be monitored on monthly basis, remaining items will be monitored on annual basis as the information in respect of these items will be available on annual basis by the concerned Ministry. The performance of assistance to SC families come under the list of items to be of monthly monitored

been tracking the implementation of SCSP in the State Budgets, present a very disturbing picture. The Ministry of Social Justice and Empowerment has been regularly pressurizing the States to ensure adequate allocations under SCSP. As an incentive, 25% of the Special Central Assistance is released to States/UTs on the basis of percentage allocation made by them under SCSP as compared to share of SCs in their total population.

The details of the total State plan Outlay, flow to SCSP as reported by States/UTs for the first three years of the 10<sup>th</sup> Plan shows that the percentage of allocation under SCSP in the first three years of the 10th Plan has not been in correspondence with the 16.23% share of the SC in the total population.

**Table 2.5 Total State Plan Outlay, Flow to SCSP as Reported by States/UTs**

<i>Year</i>	<i>Total State Plan Outlay (Rs. in Crore)</i>	<i>SCSP Outlay (Rs. in Crore)</i>	<i>% of SCSP Outlay to State Plan Outlay</i>
2002-2003	88591.83	10177.54	11.49
2003-2004	85757.97	10373.95	12.10
2004-2005	95518.76	12057.43	12.62

*Source: Background Note: Working Group for the formulation of Eleventh Five Year Plan (2007-2012): B. Schemes for Welfare and development of Scheduled Castes.*

Looking at the Union Budget 2007-08, although there is some respite with regard to the proportion of Total Plan Allocation of the Central Govt. earmarked for SCs which shows an increase from 5.2% (BE) in 2006-07 to 8.1% (BE) in 2007-08. However, the proportions of these Plan allocations earmarked for SCs are far below the proportion of SC population in total population of the country, i.e. roughly 16% (Census, 2001) which is in violation of the strategy of SCSP for SCs.

**Table 2.6 Status of Implementation of SCSP for SC's by the Central Govt.**

Total Plan Allocations by All Departments/Ministries of the Central Govt. (in Rs. Crore)		Plan Allocations Earmarked for SCs by all Departments/Ministries (in Rs. Crore)		Proportion of Total Plan Allocation of the Central Govt. Earmarked for SCs (in %)	
2006-07 (BE)	2007-08 (BE)	2006-07 (BE)	2007-08 (BE)	2006-07 (BE)	2007-08 (BE)
1,34,757	1,54,939	7,056	12,516	5.2 %	8.1 %

*Source: Analysis done by CBGA and NCDHR*

Secondly, it is imperative to see the extent to which SCSP has been implemented by the Central Government Ministries/Departments, as measured in terms of the proportion of allocations earmarked for SCs in total Plan allocations of the respective Ministries/Departments in Union Budget for 2007-08 and track the changes since 2006-07.

**Table 2.7 Plan Outlay Earmarked for SCs by Central Government Departments / Ministries**

Department/ Ministry	Total Plan Allocation for the Dept./ Ministry in Union Budget (in Rs. Crore)		Plan Allocation Earmarked for SCs (in Rs. Crore)		Proportion of Total Plan Allocation of the Dept. Earmarked for SCs (in %)	
	2006-07 BE	2007-08 BE	2006-07 BE	2007-08 BE	2006-07 BE	2007-08 BE
Dept. of Science & Technology	1340					
Ministry of Social Justice & Empower- ment	1750	2001	1226.68	1561.7	70.1	78.04
*Department of Rural Development	24025.62	27500	2286	2893	9.51	10.52
*Ministry of Labour & Employment	311.36	325.48	0.53	0.66	0.17	0.20
*Dept. of Women & Child Development	4795.85	5793	635	1464	13.2	25.27
*Dept. of Secondary Education & Higher Education (Ministry of HRD)	3616	6480.5	371.2	769.86	5.9	11.87
*Dept. of Elementary Education & Literacy (Ministry of HRD)	17128	22191	2493.5	3747.8	14.6	16.88
*Ministry of Youth Affairs and Sports	600	700	16.45	22.5	2.74	3.21
*Ministry of Finance/ Payments to financial Institutions	36	00	24	00	00	00
*Ministry of Agriculture	4840	5560	00	96.2	00	1.73
*Ministry of Agro and Rural Industries	967	1112	00	102	00	9.17
*Department of Telecommunications	213.61	340	00	00	00	00
*Department of Information Technology	1090	1500	00	20	00	1.33
*Department of Health & Family Welfare	11289.62	13875	00	1704.72	00	12.28
*Department of Small Scale Industries	466.33	530	00	31.5	00	5.94
*Ministry of Textiles	1349.5	2243	00	88	00	3.92
*Union Territories without Legislature	1671.96	1791.33	00	10.81	00	0.60

**Note:** \* The Union Budget documents do not segregate the total allocations earmarked for SCs and STs further to show allocations separately for SCs and STs in these Ministries/ Departments. We assume here that following the proportion of SCs and STs in total population of the country (i.e. 16.2 % for SCs and 8.2 % for STs as in Census 2001), out of the total funds earmarked for SCs and STs together, roughly two-third would be spent for SCs.

**Source:** Expenditure Budget Vol. I and Vol. II, Union Budget- 2006-07 and 2007

Except for Ministry of Social Justice and Empowerment and a few others such as the Department of Women and Child Development and Department of Elementary Education & Literacy (Ministry of HRD), the proportion of Plan allocations for SCs is less than 16 %. Moreover, in case of some of these Ministries, the allocations are only notional allocations, where incidental benefits to SCs from the regular schemes of the Ministry have been assumed without any concrete data on actual beneficiaries. And, more disturbingly, we find that almost all of the schemes, under which there are clearly earmarked allocations for SCs, follow the conventional approach of placation instead of actual empowerment of SCs. The mainstream Ministries, which are benefiting most from the current trajectory of economic growth in the country, have not been showing any allocations clearly earmarked for SCs. One of the main arguments put forward in this respect is that their schemes/services are indivisible. And, therefore, it is not feasible for such mainstream Ministries to implement SCSP for SCs.

The most disappointing fact is that in most of the crucial sectors, which are very important from the point of view of economic empowerment such as Department of Agricultural Research and Cooperation, Department of Animal Husbandry, Dairying and Fisheries, Department of Road Transport and Highways etc., there are absolutely no concrete schemes for inclusion of SCs. They don't even have notional allocations for SCs, set aside the actual allocations.

### **Concluding Remarks**

In totality, we find that only four Ministries/Departments in the Central Government (including the Ministry of Social Justice and Empowerment) have some small amounts of Plan allocations earmarked for SCs, while three other Departments have some amount of notional Plan allocations earmarked for SCs. The proportions of these Plan allocations earmarked for SCs are far below the proportion of SC population in total population of the country, i.e. roughly 16 %, which is in violation of the strategy of SCSP for SCs. Thus, there should not be any doubts as to why the SCs have been excluded from the growth process. We must recognize that empowerment of SCs requires that they get their due share in economic growth and wealth creation. The approach towards development of SCs needs to be **an Entitlement-based/ Rights-based approach rather than that of Charity/ Placation**. In this regard, a comprehensive review of the existing approach, strategies, priorities of the ongoing policies and programmes and their implementation for the development and empowerment of SCs is required on an urgent basis.

## Budgeting for Children

*Subrat Das*

Children constitute nearly 40 % of India's population. All kinds of public expenditure, meant for development of a community, can be expected to have some benefits for children as well. However, in a country where children are clearly a disadvantaged section of the population, there exists a strong case for- identifying that part of the public expenditure which is meant specifically for addressing the needs of children; in other words segregating those programmes/ schemes from all kinds of developmental programmes/ schemes, which are specifically meant for addressing the needs of children. Thus, the total magnitude of public expenditure on child specific programmes/ schemes is what we refer to as the magnitude of total Child Budget. Thus, Child Budget is not a separate budget, but a part of the usual government budget

### **Children - SOME OUTCOME INDICATORS**

Many of the outcome indicators for children point to the fact that they are one of the largest disadvantaged sections of our population.

Over the last one and a half decades, India has succeeded in bringing down the Infant Mortality Rate (IMR) per 1000 live births from a level of 80 in 1990 to 57 in 2005-06. However, it is still much higher than the levels of IMR not only in the developed countries but also in many developing countries, for instance Sri Lanka (15 in 2003) and China (37 in 2003). More importantly, the aggregate IMR for India hides a vast disparity persisting across the States. The level of IMR still varies widely across the States, with the six economically backward States, viz. Uttar Pradesh, Madhya Pradesh, Assam, Orissa, Rajasthan and Bihar recording very high levels of IMR (above 60 per 1000 live births in 2005-06 for each of these, according to National Family Health Survey- III).

The NFHS-III has revealed that Vaccination Coverage (among children aged 12-23 months) in India has improved very marginally from 42 per cent in 1998-99 to 44 per cent in 2005-06. Likewise, the progress in Coverage of Institutional Deliveries has been very slow with only 40.7 % coverage in the country in 2005-06. Moreover, the results from NFHS-III point to the very disturbing fact that while the Proportion of Underweight Children among all children under 3 years was 47 per cent in 1998-99, it still persisted at the level of 46 per cent in 2005-06.

As regards educational attainments of children, although Gross Enrolment Ratios for boys and girls at the level of primary schooling has gone up significantly, the Dropout Rates at this level still continue to be unacceptably high. In upper primary classes, the Dropout Rates for both boys and girls are very high at around 52 per cent (as of 2003-04). At the level of secondary schooling, even the Enrolment Rates for both boys and girls are very low, which need to be improved significantly. Also, in most of the States, the Dropout Rate for girls has been higher than that for boys. While the indicators of school enrolment and dropout present a bleak picture, it must also be noted here that the learning achievements of children in many of the States have been found to be poor.

In India, millions of children, such as those engaged in child labour, street children, child prostitutes, children of prostitutes, handicapped children, children affected by calamities and children in conflict with law, etc. are exposed to different kinds of risks. For the protection of such children exposed to different kinds of difficult circumstances, a serious and comprehensive intervention from the government is essential. Thus, in each of the important sectors relating to children, i.e. child survival and health, early childhood care and nutrition, child education, and protection of children in difficult circumstances, there are persisting problems in the country, which call for better policies and greater priorities for children.

**Table 3.1: Condition of Children in India as indicated by NFHS-III (in 2005-06)**

Major States	Infant Mortality Rate (Per 1000 Live Births)	Children Under Age 3 Who Are Underweight (%)	Coverage of Institutional Deliveries (%)	Vaccination Coverage (%)	Any Antenatal Care (%)
Uttar Pradesh	73	47	22	23	67
Madhya Pradesh	70	60	30	40	81
Assam	66	40	23	32	71
Orissa	65	44	87	52	51
Rajasthan	65	44	32	27	76
Bihar	62	58	22	33	34
Andhra Pradesh	53	37	69	46	96
Gujarat	50	47	55	45	87
Delhi	50	33	61	63	92
West Bengal	48	44	43	64	93
Karnataka	43	41	67	65	91
Haryana	42	42	39	65	89
Punjab	42	27	53	60	91
Maharashtra	38	40	66	59	93
Tamil Nadu	31	33	90	81	99
Kerala	15	29	100	75	100
<b>India</b>	<b>57</b>	<b>46</b>	<b>40.7</b>	<b>44</b>	<b>77</b>

**Notes:** The data collected in every National Family Health Survey pertain to the previous three years from the year of the respective Survey.

Vaccination Coverage: the percentage of children aged 12-23 months, who have received all recommended vaccines

Any Antenatal Care: percentage of Women who utilized any Ante-Natal Care provided by skilled personnel for reasons related to pregnancy at least once during pregnancy

**Source:** Fact Sheets, National Family Health Survey (NFHS) - 3, 2005-2006, [www.nfhsindia.org](http://www.nfhsindia.org)

In this context, assessing Union and State Government budgets through the lens of children can provide crucial insights on deficiencies in public policy for children in our country. It is important to track the quantum of funds which the Union and State Governments in India are allocating for programmes/schemes meant specifically for child development, both at the aggregate level and in the different child related sectors. Also, several bottlenecks in the planning and implementation processes constrain effective utilization of public resources, which has become a serious problem in case of the backward States in India. Analysing the budgets and the processes of fund utilization, therefore, could provide useful insights on the deficiencies in policies driving the budgets as also the loopholes in implementation of budgetary proposals.

The following box lays down the initiatives undertaken by the present UPA Government to accelerate the development of children and protection of their rights.

#### **Initiatives Taken by the Government**

- A separate Ministry of Women and Child Development has been formed
- A comprehensive National Plan of Action for Children, 2005 has been drawn up
- Legislative measures
- Commissions for Protection of Child Rights Bill, 2006: A National Commission for Protection of Child Rights was constituted in February 2007
- Amendment to the Juvenile Justice (Care and Protection of Children) Act, 2000
- The Prohibition of Child Marriage Bill 2006 was enacted in the Winter Session of the Parliament in 2006
- Policy Initiatives
- The phased expansion of ICDS scheme for universalising ICDS, the nearly universal National Cooked Mid-Day Meal Programme, and universalised Kishori Shakti Yojana.
- The scheme for crèches and day care centres has been revised with enhanced outlays for improved and better crèche facilities to children and working mothers, as well as training for service providers, and a new scheme launched, viz., the Rajiv Gandhi National Crèche Scheme for the Children of Working Mothers.
- Over a thousand Kasturba Gandhi Balika Vidyalyayas have been sanctioned in educationally backward blocks of 21 states to provide free residential education to underprivileged girls at the upper primary level.

In the last three Union Budgets (i.e. 2005-06 to 2007-08), allocations for some of the important social sector schemes, such as, Sarva Shiksha Abhiyan (SSA), National Rural Health Mission (NRHM), ICDS, Mid Day Meals, and Total Sanitation Campaign (TSC) have been stepped up noticeably.

Although these initiatives are welcome, there are two obvious questions that arise here. First is, *whether the increased levels of public spending by the Union Government are adequate to give us the desired results in terms of child development, and whether this increase in public spending pertains to all sectors relating to children?* The second question is *how far the increased levels of budgetary allocations are translating into better delivery of public services (or better state intervention) for children on the ground, especially in the backward States (which account for a very large share of the disadvantaged children in the country)?* Both of these questions are reasonably difficult to answer, when the currently available information on public expenditure management in India is not only inadequate but is also available only with a time lag of two years.

It is also pertinent to ask: to what extent are the increased levels of Union Budget outlays translating into better delivery of public services for children on the ground, especially in the backward States? The 'Sub-Group on ICDS & Nutrition' of the MWCD's Working Group on Development of Children in the 11<sup>th</sup> Five Year Plan has identified numerous problems in implementation of ICDS scheme in the States. Similarly, the Comptroller & Auditor General (C&AG) of India conducted a performance audit of SSA in 2005. It revealed some glaring shortfalls in the outputs delivered by SSA (up to 2004-05) as well as numerous deficiencies in the processes of budgeting for and actual implementation of SSA (during 2001-02 to 2004-05).

### **Magnitude of the Child Budget in 2007-08**

'Child Budgeting' is fast emerging as an analytical tool for assessing the priority accorded to children in public spending in the country. Some prominent civil society organisations, which have done pioneering work in the field of 'Child Budgeting', are *HAQ: Centre for Child Rights*, New Delhi; *Indian Council for Child Welfare*, Tamil Nadu and *Concerned Citizens for Community Health and Development*, Jaipur. The Ministry of Women and Child Development (MWCD) of the Government of India has also shown a keen interest in 'Child Budgeting'.

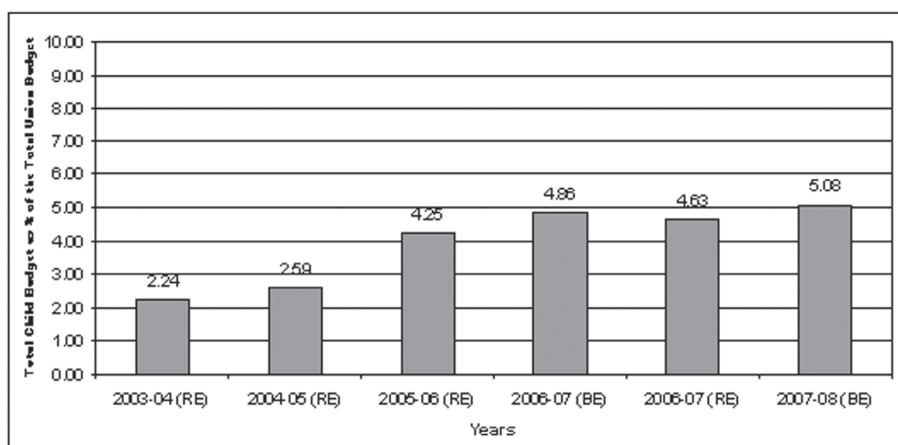
The analysis presented here follows an ***ex ante*** approach in the selection of schemes funded by the Union Budget which can be considered as a part of the 'Budget for Children' (or 'Child Budget'). An *ex post* approach in the selection of schemes, i.e. taking into account the proportion of children in the actual beneficiaries after a scheme has been implemented, would not only require a great amount of time and other resources, it would also confront serious problems of unavailability of data. Moreover, the *ex ante* approach has a clear advantage in the fact that it emphasizes on the policy goals/ objectives underlying each scheme funded by the Union Budget.

In order to reveal the priority accorded to children in the Union Budget, we focus on tracking the expenditures on those programmes/schemes in the Union Budget, which are specifically meant for addressing the needs of children. The Union Government Ministries, which have child specific schemes, are: *Women and Child Development, Human Resource Development, Health and Family Welfare, Labour and Employment, Social Justice and*

*Empowerment, Tribal Affairs, Minority Affairs, and Youth Affairs and Sports.*

As shown in the Figure below, the total magnitude of Child Budget within the Union budget, i.e. the aggregate outlay for child specific schemes as a proportion of total budget outlay by the Union Government, has increased from 4.86 % in 2006-07 (BE) to 5.08 in 2007-08 (BE).

**Fig. 2 Total Magnitude of child budget within th Union Budget**



*Note:* The figure for Total Expenditure from Union Budget in 2007-08 used in the present analysis does not include the Rs. 40,000 Crore worth of non-plan transaction to be undertaken in 2007-08 relating to the transfer of RBI's stake in SBI to the Government.

*Source:* Please see Table 3 in Annexure for the detailed figures for 'Child Budget' (i.e. total outlays earmarked for child specific schemes) and the total Union Budget.

If we take into account the fact that children (i.e. all persons up to the age of 18 years) constitute more than 40 per cent of the country's population and that many of the outcome indicators for children, such as those captured by the successive rounds of National Family Health Survey (NFHS), point to the disadvantaged status of our children; the magnitude of Child Budget at 5.08 per cent of the total Union Budget in 2007-08 (BE) is quite inadequate. There can be little doubt about the fact that given the striking deficits in the development of children in India, the priority accorded to specific (or, direct) investments for children needs to be much higher than a meager 5 per cent of the Budget.

### **Non-Plan and Plan Expenditure**

However, we need to distinguish here between the two broad categories of expenditure in the Union Budget, viz. Non-Plan and Plan. Under Plan Expenditure, it is quite feasible for the Government to earmark a specific proportion of the total outlays for children, which would mean the provisioning of a certain minimum amount of funds for the targeted interventions for development of children being carried out under the aegis of a Five Year Plan. Hence, it is worthwhile to ask – what proportion of the total Plan Outlay from the Union Budget is earmarked for children?

**Table 3.2: Priority for Children in Plan & Non-Plan Outlays in Union Budget 2006-07 (BE)**

	<b>TOTAL</b>	<b>Plan</b>	<b>Non-Plan</b>
Allocations Earmarked for Children (in Rs. Crore)	27,421.02	26,462.21	958.81
Total Allocations from Union Budget (in Rs. Crore)	5,63,991	1,72,728	3,91,263
<b>Allocations Earmarked for Children as % of Total Allocations from Union Budget</b>	<b>4.86 % of Total Union Budget</b>	<b>15.32 % of Total Plan Outlay</b>	<b>0.25 % of Total Non Plan Outlay</b>

Source: Das, S., D. Thakur, R. Singh & S. Sikdar (2007), "Public Resources for Children in India: A Study of Union Budgets", Vol. 1 of the Resources for Children Series; Unpublished Reports of a Study conducted by Centre for Budget and Governance Accountability (CBGA) and supported by UNICEF India Country Office.

Table 3.2 presents a Plan – Non-Plan break up of the total 'Child Budget' in Union Budget 2006-07 and also compares the outlays earmarked for children under these two categories with the total Plan and Non-Plan outlays from Union Budget 2006-07.

Out of the total Non-Plan outlay of Rs. 3,91,263 crore in 2006-07 (BE), only Rs. 958.8 crore (i.e. 0.25 %) was earmarked for children. A substantial part of this Non-Plan outlay was meant for educational institutions funded by the Union Government which provide secondary and higher secondary level education to children. As regards Plan outlay from Union Budget in 2006-07 (BE), we find that out of the total of Rs. 1,72,728 crore about Rs. 26,462 crore (i.e. 15.3 %) was allocated for child specific schemes. There are at least two strong reasons for demanding a significantly higher share of the Plan outlay (than the 15.3% observed in 2006-07) for funding the child specific schemes % first is that the striking deficits in development of children and the unacceptable levels of vulnerabilities of children in the country call for a much stronger state intervention which in turn would require significant fund support; secondly, many of the States over the last decade have become heavily dependent on Union Government funds allocated for the Centrally Sponsored Schemes for children (such as, Sarva Shiksha Abhiyan, Reproductive & Child Health programme, Universal Immunization, ICDS, and National Child Labour Project) to undertake targeted interventions for child development.

We must note here that even the currently observed level of priority accorded to child specific schemes in Plan outlay from the Union Budget (i.e. 15.3 % in 2006-07) is significantly higher than what it was in the earlier Union Budgets. We can go back to Figure 2, which shows that the total 'Child Budget' accounted for only 2.6 % of the Union Budget in 2004-05 (RE). The sharp increase in the magnitude of 'Child Budget' within the Union Budget in 2005-06 (RE) was mainly on account of significant increases in Union Budget outlays on SSA, ICDS and RCH programme. However, analysis of the Budgets of States (such as, Rajasthan, Uttar Pradesh and Madhya Pradesh) indicates that many of the State Governments have become heavily dependent on Union Budget outlays for the Centrally

Sponsored Schemes for children (such as, SSA, ICDS and RCH) for financing targeted interventions for children in their States. If we take into account this growing dependence of States on the Centrally Sponsored Schemes for children, we have to infer that the magnitude of Child Budget in the Union Budget is still grossly inadequate.

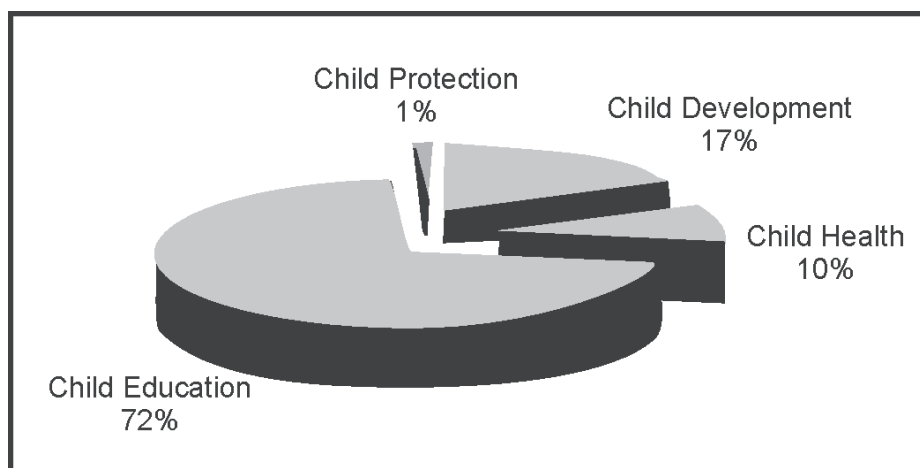
### **Sectoral Composition of the ‘Child Budget’**

While the magnitude of Child Budget appears to be grossly inadequate, its sectoral composition also raises serious concerns. Based on the different needs of children, the entire Child Budget is divided into four categories, viz.

- *Child Development* (comprising mainly the schemes delivering early childhood care & nutrition),
- *Child Health* (comprising the schemes addressing the needs of child survival and child health),
- *Child Education* (all programmes/ schemes under Elementary & Secondary education), and
- *Child Protection* (comprising mainly the schemes/ interventions meant for protection of children who are in difficult circumstances, e.g. child labourers, children with disabilities, children of prostitutes, child prostitutes, children affected by calamities, and children in conflict with law etc.)

**Figure 3** shows the sectoral composition of the total Child Budget in Union Budget 2007-08. What it implies is: within the total resources earmarked for children in Union Budget 2007-08, 72 per cent is meant for Child Education, 17 per cent is meant for Child Development, 10 per cent is meant for Child Health and only 1 per cent is meant for Child Protection.

**Fig. 3 Sectoral Composition of Child Budget in Union Budget 07-08**



Thus, we find that Child Education is the only sector which has got some noticeable priority in the Union Budget; while the priorities accorded the other three sectors relating to children do not register any noticeable figures. Moreover, the priority for Child Protection sector, at a meagre 0.05 per cent of the Union Budget in 2007-08, is grossly inadequate. The Union Government must back its policy and legislative initiatives for child protection with a significant increase in fund support for this sector. The same is also true of Child Development sector. Universalisation of ICDS services, with acceptable quality of the services delivered, certainly demands a substantial increase in resources for this scheme. On the other hand, the findings of NFHS-III (2005-06) clearly show the persistence of huge deficits in child survival and child health in the country, especially in the backward States. In light of these realizations, it is imperative that the Union Budget outlays on programmes/schemes under Child Health are stepped up significantly so as to strengthen the state intervention in this sector.

The priority accorded to Child Education sector, which stood at 3.63 per cent of the Union Budget in 2007-08 (BE), needs to be interpreted carefully. This is much higher than the priority for other three sectors, but in no way suggests that resources provided from the Union Budget for Child Education have been adequate. It has been argued by several observers that over the last decade, States' efforts towards containing their fiscal crisis have resulted in a reduction in the priority for education within their budgets. Also, even the current level of total public spending on education (which was estimated to be 3.66 % of GDP in 2005-06) is much less than the 6 per cent of GDP, which the *Kothari Commission* had recommended (in the late 1960s) as the desired level of total public spending on education in India to be achieved by 1986. Hence, there can be no doubt about the need for a significant increase in the Union Budget outlays for Child Education sector as well. What the significantly higher priority for Child Education in Union Budget- as compared to the priority for Child Development, Child Health or Child Protection- does indicate is that while

**Table 3.3: Financial Allocations for Children in the 11th Five Year Plan Proposed by the Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012)**

Sl. No.	Item	Proposed Budget (in Rs. Crore)					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
1	ICDS and Nutrition	7939.35	8659.35	8505.36	8405.36	8405.36	41914.8
2	Early Childhood Education	74.55	146.55	218.55	290.55	362.55	1092.75
3	Child Protection	2227.21	2288.13	2348.06	2408.31	2464.91	11736.62
4	Girl Child	1682.00	1682.00	1682.00	1650.00	1650.00	8346.00
5	Media Plan for MWCD	100.00	100.00	100.00	100.00	100.00	500.00

Source: Ministry of Women and Child Development (2007), 'A Report: The Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012)- Vol. I', Government of India (downloaded from [www.wcd.nic.in](http://www.wcd.nic.in))

the Union Government, over the last decade, has indeed paid some attention to the acute need for greater public spending in Child Education sector; it has not paid any visible attention to the need for greater public spending in the other sectors relating to children.

A set of recommendations made by the Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012), which was constituted by the Central Government's Ministry of Women & Child Development were identified as non-negotiable, which must find full support in the 11<sup>th</sup> Plan in terms of adequate financial allocations. And, the Working Group has also indicated the financial support required for these non-negotiable recommendations.

The lacunae pointed in the above discussion have translated into low priorities for child specific programmes/schemes in the Union Budgets. Moreover, interventions in important sectors, such as Child Health and Child Protection, have been severely under funded. This deficit is further aggravated when we take into account the fact that Union Budget outlays for children provide the main share of funds for Plan expenditure on children in the States at the current juncture. However, along with a significant stepping up of Union Budget outlays for child specific interventions, the Union Government also needs to take wide-ranging measures in order to eliminate the bottlenecks in implementation of the child specific programmes/schemes.

The Planning Commission is expected to accord significant priority to protection of children and child development in the 11<sup>th</sup> Five Year Plan, which would be finalized by the end of year 2007. Union Budget for 2008-09 must reflect these higher priorities for protection of children and child development. The dependency of the states, backward states in particular on Union Budget outlays for the central sector schemes and centrally sponsored schemes for financing their targeted interventions for child development also needs to be factored while deciding the outlays.