

Media Coverage

September 2010 – April 2011



Centre for Budget and Governance Accountability

Name of the Newspaper/Magazine	Title of the Story	Date	Author
Statesman	India gets 67% in 'open budget survey'.	October 26, 2010	Staff Reporter
Tehelka	India improves rapidly in Open Budget Survey.	October 27, 2010	Staff Reporter
The Hindu	NGOs hold pre-Budget meeting with Pranab.	February 13, 2011	Staff Reporter
Governance Now	Minorities should get more budgetary provisions: CBGA.	February 14, 2011	Staff Reporter
Education Times	Right to Education	February 21, 2011	Subrat Das
PROMISES TO KEEP SERIES: The Times of India	<ol style="list-style-type: none"> 1. Key govt plans falter owing to shortage of manpower. 2. Spending on education a total write-off? 3. Despite growth, hunger pangs reality for millions. 	February 21, 2011 February 22, 2011 February 23, 2011	Staff Reporter
FACT vs. FICTION SERIES: Mint	<ol style="list-style-type: none"> 1. The imbalance in gender budgeting. 2. Revamp social spending priorities. 	February 22, 2011 February 23, 2011	Bhumika Jhamb Jawed Alam Khan
The Times of India	Demystifying the budget: MP, Gujarat score highest [India].	February 24, 2011	Staff Reporter
Business Standard	Gujarat Scores Highest on Budget Transparency: Survey.	February 24, 2011	Staff Reporter
Mint	Evading challenges in social sectors and food security.	February 28, 2011	Subrat Das
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Business Standard	Marginalising the marginalized	March 1, 2011	Pooja Parvati
Governance Now	Budget has little for the common man: CBGA	March 1, 2011	Staff Reporter
Indian Express	Budget 'fails' fairer sex test: Experts.	March 4, 2011	Staff Reporter
Jagran Post	A Case of Unclear Priorities	March 5, 2011	Praveen Jha and Pooja Parvati
The Hindu	State's budget transparency average: study	March 9, 2011	Staff Reporter
Sahara Time	Union Budget 2011-12: Whither the Aam Aurat?	March 12, 2011	Pooja Parvati
Business Standard	Orissa comes fourth in budget transparency.	March 15, 2011	Staff Reporter
Down to earth	Farmers feel left out	March 31, 2011	Staff Reporter
The Hindu	Maharashtra way behind in budget transparency.	April 3, 2011	Staff Reporter
The Sentinel	Assam scores 50.1 per cent in State Budget transparency.	April 22, 2011	Staff Reporter

India gets 67% in 'open budget survey'

26 October 2010

statesman news service

NEW DELHI, 26 OCT: Have you ever wondered how transparent government accounts are?

A study conducted by the Centre for Budget and Governance Accountability (CBGA), New Delhi, in collaboration with a Washington-based agency, International Budget Partnership (IBP), reveals that India scores moderately well on an Open Budget Index (OBI) which evaluates the quantity and type of budget information that governments make available to the public during the course of the budget year. India scores 67 per cent on the OBI 2010 conducted in 94 countries.

The Open Budget Survey 2010 is the third such global survey, previously conducted in 2006 and 2008. The OBI has been developed based on this survey and all selected countries have been ranked based on their Open Budget Indices. A country's placement within a performance category was determined by averaging the responses to 92 questions on the Open Budget Questionnaire related to information contained in eight key budget documents that all countries should make available to the public. The parameters used to garner this information include: public access to budget information; opportunities to participate in the budgetary processes; scrutiny by the legislature and the Supreme Audit Institution (SAI).

Only 20 of the 94 countries included in this Survey 2010 score above 60 per cent, which can be characterised as providing their citizens with enough budget data to enable them develop a comprehensive analysis and understanding of their national budgets. In almost 50 per cent countries (41 of the 94 surveyed), the amount of information available is acutely inadequate.

TEHELKA

India improves rapidly in Open Budget Survey

India scores 67 percent on the Open Budget Index (OBI) 2010, conducted in 94 countries

BY **Bijay Kumar Singh**

Posted on October 27, 2010

New Delhi: A biennial study conducted by Centre for Budget and Governance Accountability (CBGA), New Delhi in collaboration with a Washington-based agency, International Budget Partnership (IBP) and claiming to be the only independent, comparative, regular measure of budget transparency and accountability around the world by independent experts not attached to any national government, reveals that India scores moderately well in transparency and accountability.

India scores 67 percent on the Open Budget Index (OBI) 2010, conducted in 94 countries. India's OBI score improved from 53 in 2006 to 67 in 2010 since it started publishing more comprehensive budget documents. "India scores much better than most of its neighbours barring Sri Lanka which has a similar score as India," it said.

It shows that the government provides the public with significant information on the central government's budget and financial activities during the course of the budget year.

"Some additional documents, for example the revenue foregone documents, Gender Budgeting documents introduced in budget this year, helped India in score 67 percent, a rise of 14 percentage points from last year," believes senior journalist Ashok K Bhattacharya.

"I would say Finance Minister's budget speech should be taken as a pre-budget document. Transparency is not necessarily equivalent to disclosure. Off-budget expenditure should also be reflected in budget," he added

The Open Budget Survey 2010 is the third such global survey previously conducted in 2006 and 2008. Only 20 of the 94 countries inducted in this Survey 2010 scores above 60 per cent which can be characterized as providing their citizens with enough budget data to enable them develop a comprehensive analysis.

South Africa with an OBI score of 92 is ranked first, followed by New Zealand (90). "74 of 94 countries assessed, failed to meet basic structure of transparency and accountability when it comes to their national budget," says the survey.

The study concluded with a set of recommendations to make the Indian budget more transparent.

NGOs hold pre-Budget meeting with Pranab

Aarti Dhar

A delegation of the People's Budget Initiative met Finance Minister Pranab Mukherjee here on Saturday to demand enhanced resources for the social sector which was crucial for the development of human resource and the nation.

Formed in 2006, People's Budget Initiative is a coalition comprising representatives from people's movements, grassroots organisations, national and international development organisations, academia and the media. The Centre for Budget and Governance Accountability (CBGA) serves as the Secretariat of this coalition.

Unfulfilled promises

The delegation drew his attention to the long-overdue promise, of raising government spending on education to 6 per cent of Gross Domestic Product (GDP). At present, the country's total government spending on education is about 3.4 per cent of GDP (as of 2008-09). It needs to be ensured that the Right to Education (RTE) Act is adequately funded by the Union government to ensure free, compulsory and quality elementary education. It is imperative that the Union government significantly increase outlays in Sarva Shiksha Abhiyan for implementing the Right To Education.

The government's commitment in 2004 to raise the country's budgetary spending on health to 2 to 3 per cent of GDP remains unfulfilled. In 2009-10, India's total budgetary spending on health was only 1.06 per cent of GDP. Hence, the Union government needs to take adequate measures towards increasing the country's total budgetary spending on health significantly.

Despite an alarmingly high prevalence of occupational diseases such as Silicosis in the country, there has been scant attention by the government in terms of provisioning for occupational health of workers.

The Union government should provide budgetary resources for strengthening the National Institutes of Occupational Health, training of doctors and awareness generation, the non-governmental organisations said in their charter of demands to the Minister.

Further, to ensure that food security becomes an entitlement for all, there is an urgent need to enact the Right to Food. In this regard, food subsidy in the Union Budget should be increased significantly from the existing outlay of Rs. 55,578 crore (2010-11 BE). The

norms of targeting beneficiaries in the current Public Distribution System (PDS) regime must focus on individuals as the unit of distribution of food grains rather than the family. PDS should be expanded to cover food grains such as millets, pulses, and edible oils.

The calorie intake norms of malnourished children under Mid Day Meal scheme should be increased and brought within the ambit of the Right to Food.

For the farm sector, adequate budget allocations should be made towards improvement of dryland/rain-fed agriculture within the existing schemes such as the Integrated Watershed Management Programme, as well as through introduction of new programmes and schemes that take into account the needs of dryland agriculture. Higher magnitudes of funds should be provided for irrigation projects and watershed development projects. The charter pointed out that although several of the Union government schemes are being reported in the Gender Budget Statement, very few of them seem to have been designed taking into account the gender-based disadvantages of women in our country.

Gender issues

There is a pressing need to make the objectives, operational guidelines, financial norms and unit costs of the existing schemes across various Ministries and departments more gender responsive.

Acknowledging that it may be difficult for some of the Ministries and departments to report any funds or benefits earmarked for Scheduled Castes and Scheduled Tribes in their existing interventions, it is recommended that the Union government formulate new schemes focusing on Scheduled Castes and Scheduled Tribes in case of each of these so called 'indivisible' sectors.

Minorities should get more budgetary provisions: CBGA

Include the PM's 15-point programme for minorities in budget, NGO tells FM

[Trithesh Nandan](#) | New Delhi | February 14 2011

In a meeting with the finance minister Pranab Mukherjee on pre-budget consultation, a delegation from the Centre for Budget and Government Accountability (CBGA) asked the government to include developmental concerns of minority groups as a priority.

The New Delhi-based think-tank asked the government to pay special attention to the women and children of minority groups in charter presented to Mukherjee on Saturday

Based on 2001 census figures, female literacy rate has been found to be lower in the Muslim community (around 50.09 percent) than other religious groups.

The delegation highlighted the low spending by the ministry of minority affairs (MMA) and the prime minister's 15-point programme for minorities.

“The targets for provisioning of major services like housing, supply of drinking water, construction of health sub-centres, anganwadi centres (AWC), school buildings and additional class rooms have hardly completed 28 percent of targeted work during the past three and half years of implementation under the multi-sectoral development programme (MSDP),” a report by the CBGA said.

The MSDP was initiated in 2007-08 by the MMA for the overall development of the minorities of the country. Based on 2004-05 data, the Sachar committee had pointed out that as much as 312 percent of the country's Muslim population was under the poverty line. The panel had reported dropout rate among children at 25 percent and infant mortality rate at 59 percent in the community.

CBGA also demanded increased budgetary provisions for the Muslims beyond the 90 minority concentration districts. “There is a still huge gap in budgetary allocation and utilisation for the minorities,” the CBGA said.

According to the CBGA, “Total plan allocation for MMA in the eleventh plan was Rs. 7,000 crore and the utilisation of funds accounts for 34 percent of total proposed outlay.”

The think tank demanded transparency in the implementation of the different schemes for the minority affairs.

However, the state minister of minority affairs, Vincent H. Pala shrugged off such criticism.

“It is not the entire responsibility of the centre but also depends on the state governments because the proposals have to come from them in form of detailed project reports,” Pala told Governance Now.

The civil society organisation also raised the issue of panchayats being kept out of the implementation process of MSDP. “In Uttar Pradesh, half the posts of district minority welfare officers are still lying vacant, which has led to poor planning and delay in implementation of the schemes,” Jawed A Khan, research officer of the CBGA told Governance Now.

“The PM’s 15 point programme for the welfare of minorities, initiated in 2006, should be converted into a minority sub-plan, which would improve transparency and accountability in the process of planning and budgeting for minorities,” said one of the charter of demands of CBGA.

It also asked the government to pay special attention to the local crafts, and budgetary provisions for creation of artisan clusters in minority concentration districts in India.

The government has identified 90 minority concentration districts in India falling in socio-economic and basic amenities pointers as compared with the national average.

According to the 2001 census figure, minority groups constitute around 19 percent of the total population – Muslim (13.4 percent), Christians (2.3 percent), Sikhs (1.9 percent), Buddhists (0.8 percent), Jains (0.4 percent), and others (0.6 percent).

Source URL: <http://www.governancenow.com/news/regular-story/minorities-should-get-more-budgetary-provisions-cbga>

February 21, 2011

SUBRAT DAS

Executive Director, CBGA

The Right to Education (RTE) Act has been one of the most progressive measures undertaken by the government in recent years as a pronouncement of its commitment towards improving the state of education in our country. The implementation of the RTE Act is of overriding national concern and, hence, the Union budget has a responsibility to ensure that sufficient funds are allocated to the public sector that is in charge of setting up/maintaining the basic infrastructure and framework of elementary education.

This is especially important because it has been observed that in the previous budgets, the Sarva Shiksha Abhiyan (that is the obvious corollary in terms of realising the mandate of the RTE) did not get incremental increases in terms of money on account of which the implementation of Sarva Shiksha Abhiyan suffered in many states. While the bulk of fiscal outlay accorded to Sarva Shiksha Abhiyan by last years Union budget was a visible leap from the preceding year, it was not sufficient to combat the escalating scale of inflation. As a consequence this scheme did not have adequate funds to meet the rising unit costs (costs entailed in terms of setting up quality infrastructure like for instance toilets within individual schools). Given this understanding, the cost estimates for the implementation of RTE at a micro-level need to be substantially revised.

Also at the higher education level significant outlays have to be accorded towards teacher-training. With the sixth pay commission many universities in states like Orissa are unable to afford quality teachers. This aspect also needs to be looked into by this years budget and they should sufficiently provision the public educational institutions in terms of the financial bandwidth through which they can afford quality teachers.

PROMISES TO KEEP SERIES – 21st to 23rd February, 2011



Subodh Varma, TNN, Feb 21, 2011, 12.38am IST

Dearth of manpower hits govt welfare schemes

TIMES INSIGHT GROUP

Four mega-programs of the government, meant to tackle big-ticket issues like child nutrition, school education, health and employment, appear to be faltering not because funds are short but because adequate manpower has not been put in place. This is the surprising finding of a new study done by the Center for Budget and Governance Accountability (CBGA), a New Delhi based think tank.

The four mega-programs are Integrated Child Development Services (ICDS), which delivers nutrition to under-6 children; Sarva Shiksha Abhiyan (SSA) for elementary education; National Rural Health Mission for delivering basic health services to rural areas; and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for providing employment in rural areas.

The UPA government has spent Rs.2,55,033 crore over the past four years on these programs, which involve the country's whole population between them.

The root of the problem lies in the state governments drive to lower their budget deficit by restricting non-plan expenditure, under which staff for development schemes could be appointed, says Subrat Das, director CBGA. The Center too has been unwilling to help by giving more untied resources to states over the past decade.

In the absence of adequate number of trained personnel, the States are struggling to expand the coverage of flagship schemes. Hence, actual expenditure falls far short of the sanctioned budgets for schemes and the quality of expenditure remains sub-optimal, he says.

ICDS functions through anganwadi workers and helpers deployed one each per thousand population. They are guided by supervisors and project officers. The CBGA study found that 16% of helpers and 22% of workers posts were vacant countrywide. In some states vacancies are much more in Chhattisgarh 44% workers posts and 40% helpers posts were vacant, while in Bihar 93% of supervisors posts are vacant. Nationally, 43% of supervisors and 36% of project officers have not been appointed against sanctioned posts. For the 11th Plan, ICDS had been allotted Rs.42400 cr over 5 years. In four years they should have utilized about Rs.34000 cr. But actual utilization is only Rs.27,384 cr.

In the National Rural Health Mission, there is a shocking shortfall of 64% among doctors and other specialists at the community health center level. Among the states showing massive vacancies in specialists, Gujarat (93%), Haryana (89%) and Jharkhand (82%) are

prominent. At the primary health center level, 16% of doctors are yet to be appointed. The frontline health delivery is done by ASHAs.

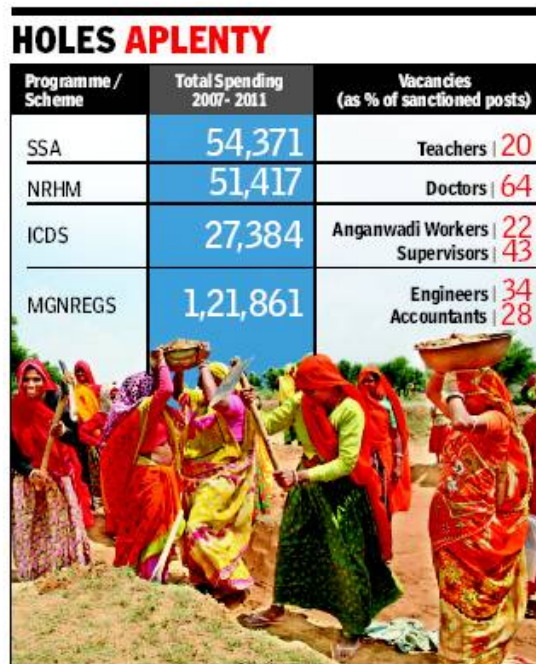
Although 8.3 lakh ASHAs have been appointed, only 3.2 lakh have received the stipulated 5-module training. 11th Plan allocation for NRHM was nearly Rs.90,000 crore. About 80% should have been spent by now but actual expenditure is only 58%. Data till September 2010 shows that over Rs.10,597 cr was lying unspent with state governments.

UPA governments most ambitious scheme MGNREGS is implemented through gram panchayats. In the past 4 years, Rs.121861 cr have been spent on it. That's 122% of the 11th Plan allocation.

Yet, some of the key personnel which guide its implementation at the ground level are absent. In several states they have not been appointed. There are 83% vacancies in MP, 63% in Uttarakhand and 51% in Punjab. Another key functionary is the engineer or technical assistant who prepares plans for the civil works.

In Punjab and West Bengal 70% of these posts are lying vacant, while at the national level 34% posts are vacant. Over 28% posts of accountants and 23% of computer assistants are also vacant.

In SSA, the government has spent Rs 54,371 crore in the past four years. Yet, the most crucial element in education teachers are not being appointed. Of the 10.8 lakh teachers posts sanctioned, 8.8 lakh teachers are in place, leaving a shortfall of nearly two lakh teachers.



Spending on education a total write-off?

Subodh Varma, TNN, Feb 22, 2011, 12.38am IST

Is the government doing enough to provide good quality education to children? Budget speeches and political propaganda would have us believe that increased government spending on education in the past few years and the Right to Education Act (RTEA) is propelling an education revolution. But the reality appears to be different.

A recent report of the District Information System of Education (DISE) says that 29% of elementary schools did not have a pucca building in 2009-10, up from 27% in 2007-08. Over 49% schools did not have boundary walls, only a slight improvement over two years ago when the proportion was 50%. Girls had a separate toilet in only 59% of schools, again only slightly better than 50% in 2007-8. There is improvement in drinking water and number of classrooms, but the situation is still grim.

Although there are no comprehensive surveys to test learning levels of children, an NGO Pratham which has been regularly testing samples of students in rural areas revealed in its 2010 report that 53% of class 5 students could read a simple text. That's down from 58% in 2007. Only 36% of children could do simple division compared to 42% in 2007. Desperate parents are shifting their kids to private schools where enrollment is up from about 20% in 2007 to 24% in 2010. The number of class 8 students taking private tuitions is also up from about 22% in 2007 to 31% in 2010. Most alarming is the fact pointed out in the DISE report that net enrollment ratio dropped from about 98% in class 5 to 58% in class 8.

Obviously all is not well. Government expenditure — both, state and central combined — on education has grown over the years, from about Rs.97,375 cr in 2004-05 to Rs.1,89,325 cr in 2008-09, according to data compiled by the Center for Budget and Governance Accountability (CBGA). As a share of total government expenditure, the spending on education is stagnating at about 11.6%, while as a share of GDP it has increased only marginally from 3.01% in 2004-05 to 3.4% in 2009-10.

CBGA studies show that the government is being very tight fisted in its approach towards actually implementing the RTE Act. A meeting of state education secretaries in January last year had worked out that Rs 1.82 lakh crore will be needed to ensure that every child between 6 to 14 years gets good education, as per the act. This was to be given to the states over 5 years starting 2010.

The nearest to quality school education in the government sector is the Kendriya Vidyalayas (KVs). According to CBGA, the government spent about Rs 2002 crore for 981 KVs in 2010-11. That works out to about Rs 2.04 crore per KV every year. Assuming that half this amount would be spent on elementary education — the rest going

for higher classes — CBGA arrives at about Rs 1 crore for good quality elementary education per school. So, how much is the government willing to spend through the SSA for implementing RTEA? Just Rs 22 lakh, as per CBGA calculations. As the CBGA study points out "the first step towards making a dent in improving the education outcomes is possible only if the budgetary outlays are substantially increased". Is the government listening?

Despite growth, hunger pangs reality for millions

Subodh Varma, TNN, Feb 23, 2011, 03.16am IST

Although finance minister Pranab Mukherjee had promised food security and inclusive growth in his budget speech last year, hunger continues to stalk over 300 million citizens of the country. India slipped to 67th place in the Global Hunger Index 2010 rankings of 122 countries prepared by International Food Policy Research Institute. An Oxford University report said that 410 million Indians live in poverty. While there may be nit-picking over the actual numbers, but one thing is clear — there is widespread if not alarming hunger and malnutrition in the country despite a high growth trajectory.

The situation dramatically worsened in the past year with vegetable prices zooming up by over 24%. Since March last year, potato prices rose by over 75% and onion rocketed up by a jaw-dropping 300% for a few months pushing these staple vegetables out reach of large sections of people. Inflation had become a vehicle for sustaining malnutrition and hunger in the country.

Yet, the government continues to drag its feet on such crucial measures as providing cheap food grain to the people according to a study by the Centre for Budget and Governance Accountability (CBGA), a Delhi based think tank. The single biggest step that could reduce hunger and bring down prices of essential food items - universalisation of the public distribution system - has been stuck in wrangling between policy wonks.

CBGA's study points out that providing cheap wheat and rice to about 24 crore households in the country would cost the exchequer Rs.1,44,141 crore. The government is already spending Rs.55,578 crore on providing food subsidies as per 2010-11 budget estimates. So, the net additional cost would be Rs.88,563 crore per year.

Many economists argue that India can ill afford spending such huge amounts on food subsidies. But calling such arguments "unsubstantiated", CBGA said that food subsidies amount to less than 1% of India's GDP and less than 4% of the combined expenditure incurred by state governments and Union government annually.

"Financial constraints can never be an excuse for denying the basic needs of the masses, and even less so when the government is prepared to forego tax revenue (as exemptions and deductions in both direct and indirect taxes) to the extent of Rs.5,02,299 crore for a single fiscal year (2009-10)," says the CBGA study.

The argument that there are not enough foodgrain to distribute to all the people too comes in for criticism in the study. As per the Second Advance Estimates released on 12 February 2010, the procurement of wheat and rice was 253.9 lakh tonnes and 236.9 lakh tonnes respectively last year, which accounted for only about 23 percent of the total food

production. Universal public distribution would involve procurement of 1008 lakh tonnes of foodgrain. Enhancing the procurement levels can easily do this, the study says.

Last year in August, the Supreme Court had directed that 17.8 million tonnes of grain in danger of rotting in government godowns should be distributed to the people. This was after there were reports that 67,000 tonnes of wheat had been spoiled in the rainy season due to insufficient protection in godowns. Such tragic waste could be avoided if the government were to streamline the public distribution system, plug leakage and build infrastructure to deal with storage and transportation issues.

FACT vs. FICTION SERIES – 22st and 23rd February, 2011

MINT

Columns

Posted: Tue, Feb 22 2011. 1:15 AM IST

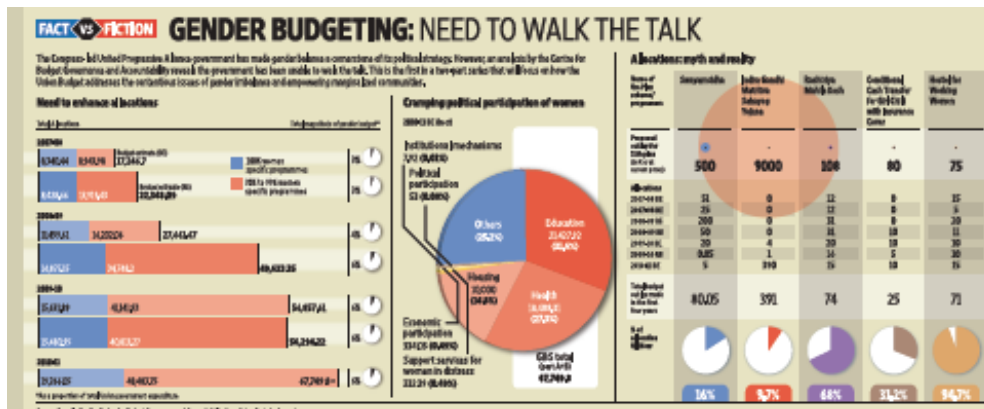
The imbalance in gender budgeting

The allocations earmarked for women as a proportion of the total Union budget outlay has gone up from 3% in 2007-08 (revised estimate) to 6.1% in 2010-11 (budget estimate)

Gender Economics | Bhumika Jhamb

It will be seven years since the government, acknowledging a gender imbalance, introduced gender budgeting in 2005-06. Ever since then, the annual budget has been accompanied by a gender budgeting statement. An analysis of the last four Union budgets reveals two things. First, the outlays specifically targeting women, who make up 50% of the population, are inadequate at Rs1,200 per woman per annum. Second, the bulk of the allocations are taken up by funds earmarked for basic human resource development such as health and education, leaving little aside for programmes to facilitate political participation.

Women in our society face many gender-based disadvantages because of patriarchy. Hence, they would derive much less benefit from the budget than men unless special measures are taken in budgetary policies and their implementation. This was the logic that led to the introduction of gender budgeting in the first place. The schemes with 100% funds meant for women and girls are reported in part A of the expenditure statement, while others (that is, those with at least 30% funds, earmarked for women and girls) are reported in part B of the expenditure statement.



The allocations earmarked for women as a proportion of the total Union budget outlay has gone up from 3% in 2007-08 (revised estimate) to 6.1% in 2010-11 (budget estimate). At 6.1% of the total Union budget outlay, the total quantum of funds earmarked for women

appears grossly inadequate, especially if we take into account the persistence of deficits in women's development. If we probe deeper into the composition of total resources earmarked for women, it is seen that education and health account for nearly half, while equally crucial issues such as support services for women in distress and economic and political participation of women remain neglected. In fact, despite the introduction of Protection of Women from Domestic Violence Act in 2005, no funds have been allocated by the Union government for facilitating implementation of this legislation.

Significantly, for the last three years the government has been unable to enhance the number of programmes receiving a gender focus from the existing level of 33. Many important programmes, such as the Accelerated Rural Water Supply Programme and the Total Sanitation Campaign are not being covered. Moreover, there are no disclosures to reveal the assumptions underlying the allocation of funds earmarked for schemes covered at the moment.

Preparation of a statement, though very important, is only a first step towards improving the gender responsiveness of the budget. Although many of the Union government schemes are being reported in the annual budget statement, very few have been designed taking into account the different kinds of gender-based disadvantages of women in our country. Hence, gender reviews should be conducted for all major programmes and schemes in order to make their objectives, operational guidelines, financial norms and unit costs more gender responsive.

Also, many of the sectors covered by various departments of the Union government such as commerce and industry, communications and information technology, power, road transport and highways, and environment and forests are claimed (by some of our policymakers) to be "indivisible". What this means is that in these sectors, the government cannot count the beneficiaries of its programmes and schemes, and hence, it is difficult for some of them to report the funds or benefits earmarked for women beneficiaries. We must note here that in case of each of these "indivisible" sectors, it is imperative to formulate new intervention strategies focusing on women.

In fact, Kerala has already started taking such initiatives under gender budgeting for more than a year now. For instance, it has started a new intervention pertaining to women-friendly infrastructure that covers some of the so-called "indivisible" sectors. In Kerala, due to such efforts, the number of departments having women-specific schemes went up from 10 in 2009-10 to 17 in 2010-11.

Therefore, while at one level the Union government should make concerted efforts to improve the methodology of preparing the gender-budgeting statement, it needs to take a range of substantive measures to improve the gender responsiveness of the Union budget.

Graphic by Sandeep Bhatnagar/Mint

The author is a programme officer at the Centre for Budget and Governance Accountability.

Respond to this column at feedback@livemint.com

Revamp social spending priorities

The strategies of SCSP, TSP require the Union govt to ensure that out of its total Plan budget, at least 16% is earmarked for the development of SCs and at least 8% is earmarked for the development of STs

Social Economics | Jawed Alam Khan

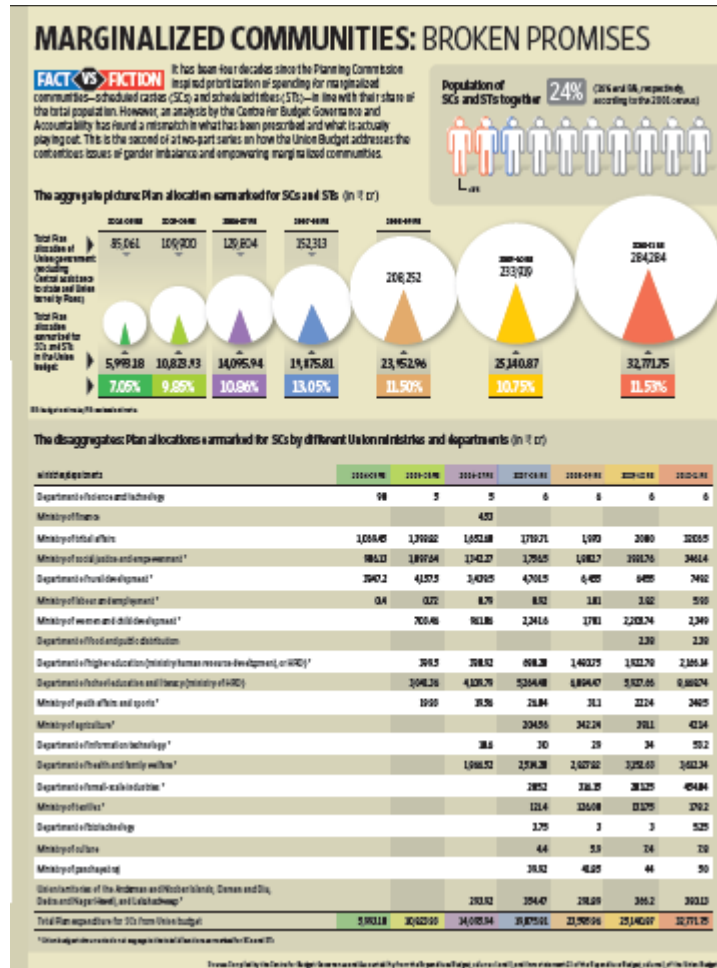
Scheduled castes (SCs) and scheduled tribes (STs) have historically been among the most disadvantaged sections of our society, given their socio-economic exploitation and isolation. They have remained neglected in the planning and implementation of development interventions of the Union and state governments. Although the 11th Five-Year Plan inculcated the slogan of “inclusive growth”, with a special focus on the development of SCs and STs, they continue to lag behind in nearly every aspect of development.

In the 1970s, the Planning Commission introduced specific strategies for channelling Plan funds for the development of SCs and STs, in accordance with the proportion of SCs and STs in the total population (that is, 16% and 8%, respectively, at the national level, as of 2001); these planning strategies are known as the Scheduled Caste Sub Plan (SCSP) and the Tribal Sub Plan (TSP).

SCSP and TSP aimed to ensure direct “policy-driven” benefits for SCs and STs through specific interventions as opposed to the earlier approach of relying solely upon “incidental” benefits flowing to them from various interventions by the government. Even after three decades since these strategies were introduced, a scrutiny of the budgetary resources earmarked for SCs and STs raises serious concerns. Civil society organizations such as the Centre for Budget and Governance Accountability (CBGA) and the National Campaign on Dalit Human Rights (NCDHR) have drawn attention to the major gaps in implementation of SCSP and TSP in the Union government even during the 11th Plan period.

The strategies of SCSP and TSP require the Union government to ensure that out of its total Plan budget (excluding the block grants made to states and Union territories for Plan spending), at least 16% is earmarked for the development of SCs and at least 8% is earmarked for the development of STs. The magnitudes of Plan allocations earmarked for SCs and STs, as reported in the expenditure document (statement 21) of the Union budget, are at much lower levels of 7.2% and 4.3%, respectively, in the 2010-11 budget estimates. We may note here that statement 21 includes those schemes in which at least 20% of the funds or benefits are earmarked for SCs or STs. The schemes with 100% funds meant for SCs or STs are reported in part A of the statement, while the remaining schemes (that is, those with at least 20% funds, but not the entire amount of funds, earmarked for SCs or STs) are reported in part B of the statement. In both the parts, the magnitudes of funds earmarked for SCs or STs are also reported along with the respective schemes.

Statement 21 in the Union budget does not segregate the funds earmarked for SCs and those for STs separately, which is problematic, especially in part B of this statement. Hence, with regard to the schemes in part B, we assume that two-thirds of total funds earmarked are for SCs and the remaining one-third for STs.



However, a closer analysis reveals that the figures pertaining to Plan allocations earmarked for SCs and STs by various ministries and departments, which have been reported in statement 21 in the Union budget, seem to have included large amounts of “notional allocations” (that is, figures of fund allocation or expenditure that cannot be verified). This is because an in-depth scrutiny of the “detailed demands for grants”, which are the most detailed budget books, of all Union ministries reveals much smaller budgetary allocations earmarked for SCs and STs.

The amounts booked under various budget heads in the “detailed demands for grants” of the ministries, which are clearly shown as meant for SCs or STs, add up to a meagre 1.3% of the total Plan budget for SCs and 1.2% of the total plan budget for STs.

Statement 21 of Union Budget 2010-11 shows that out of the more than 50 ministries, only 17 report outlays earmarked for SCs or STs. Of these 17 ministries, only a few show any sizeable budget allocations for SCs or STs; these are: the social justice and empowerment, tribal affairs, rural development, women and child development, human resource development, and health and family welfare ministries. Thus, out of the total budgetary allocations earmarked for SCs or STs (according to statement 21), a large chunk is meant for basic social services and employment generation programmes with little emphasis towards financing their long-term development and empowerment. However, a scrutiny of the

“detailed demand for grants” shows that in 2010-11, only six ministries have earmarked budgetary allocation for SCs or STs, which are the ministries of social justice and empowerment, tribal affairs, labour and employment, home affairs (for Union territories without legislature), and micro, small and medium enterprises.

The Union Budget 2011-12 would reveal both the “perspective” and the “sense of urgency” of the government towards addressing the major gaps in the implementation of SCSP and TSP.

Graphic by Sandeep Bhatnagar/Mint.

The author is a research officer at the Centre for Budget Governance and Accountability.

Respond to this column at feedback@livemint.com

Demystifying the budget: MP, Gujarat score highest [India]

by Varma, Subodh

In the national capital Delhi, and in 28 state capitals across the country, hundreds of government employees, officials and ministers have been burning the midnight oil to prepare the central and state governments' budgets.

Governments are big spenders - in 2009-10, the combined expenditure at central and state levels was Rs 17.88 lakh crore. Of this, state and Union territory governments spent over 61% - about Rs 10.83 lakh crore. The aam admi has practically no idea of how the governments earn and spend these sums. Do the governments try to make the budget process transparent and understandable to lay people?

A study carried out by the Centre for Budget and Governance Accountability (CBGA), a New Delhi-based think tank, analysed the budget-making processes of 10 state governments to find out. The results show that on a scale of 0 to 100, the state governments of Madhya Pradesh and Gujarat scored the most, while Uttar Pradesh and Rajasthan were the laggards.

How did the researchers translate a complex process into simple scores? CBGA led a team of NGOs from the 10 states in a detailed study of the budget-formulating process of each state by meeting officials and legislators, as also studying all budget-related documents. A checklist of eight parameters was used to give scores. These were: availability of budget documents, completeness of information, facilitating its understanding, timeliness, audit and performance assessment, scope for legislative scrutiny, budgeting for disadvantaged sections and fiscal decentralization.

The results show that most of the studied states score well in making available budget-related documents and in completeness of information. However, on other parameters wide divergence was observed. Most states had low scores on practices relating to fiscal decentralization - the average was just 23%, with Assam scoring the maximum (31%) and MP scoring the least (14%).

On the issue of availability of budget documents, most states had high scores with Gujarat getting 87% and Rajasthan 80%. Even the least scoring state, UP, had 64%. On completeness of information, Gujarat, Chhattisgarh and Maharashtra had high scores while Rajasthan fell behind with the lowest score of 56%.

How much effort do the state governments make in helping common people understand the budget documents? Rajasthan and Maharashtra put out easy to understand documents

which included discussion and comments. So they got about 70% on this count. MP and Chhattisgarh scored less than 40% on this parameter.

Surprisingly, most states had below-par scores on audit and performance review. Only MP with a score of 67%, followed by Chhattisgarh (55%), had respectable scores. Jharkhand had the lowest score at 23%. This parameter reviewed timely audit of accounts, performance reviews including five-year Plan reviews and publication of these documents.

The widest difference was observed in practices relating to budgeting for disadvantaged sections like SC/ST and women. While Chhattisgarh and MP, with the most elaborate documentation of allocation and expenditure on disadvantaged sections, scored about 70% each, Maharashtra and Rajasthan brought up the rear with just about 30%.

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Business Standard

Gujarat Scores Highest on Budget Transparency: Survey

BS Reporter / Mumbai/ New Delhi February 24, 2011, 0:03 IST

Gujarat may have been accused by many of hiding information on many counts during post-Godhra riots, but when it comes to transparency in revealing information about Budget, it has emerged as the highest ranking states among 10 surveyed by a body that works for participatory governance and analyses budgets for its pro-people stance.

However, the ranking should be read with riders that even Gujarat did not get 100 per cent on any of the 8 parameters selected by the Centre for Budget and Governance Accountability (CBGA) for its survey and is not the top ranking state among all the yardsticks. This means that all states need to improve upon the transparency in making various information about the Budget to the public.

On all parameters combined, Gujarat got the highest 61.7 per cent marks against average of 51.6 per cent for all states. In parameters like availability of budget documents, completeness of the information, timeliness of information, the state got the maximum marks. However, it fared badly in audit and performance assessment, practices relating to fiscal decentralisation.

In yardsticks like facilitating understanding and interpretation of the information, scope for legislative scrutiny, its marks were average. In a parameter practices relating to budgeting for disadvantaged sections, Gujarat scored 63 per cent, behind 71 per cent got by Chhatisgarh, and 70 per cent received by Madhya Pradesh.

Overall, Madhya Pradesh followed Gujarat closely with 60.2 per cent score. Uttar Pradesh got the least 43.5 per cent. Other states surveyed are Andhra Pradesh, Assam, Chhatisgarh, Jharkhand, Maharashtra Orissa and Rajasthan.

However, all states need to improve transparency and should come out with a separate statement on the estimated revenue foregone for reasons such as tax exemptions like given to SEZs, should bring out action taken report on the observations of the Comptroller and Auditor General of India on the state budget etc, CBGA observed. When asked as to why the body has come out with a survey on state budgets, when all eyes are focused on the Centre's budget on February 28, CBGA Director Subrat Das said most states present budgets during February 15 and March 15.

So far as the Centre is concerned, CBGA does not have any survey, said Das, but added that their analyses of various budgets by the Union Government showed that the Centre fares over states in terms of availability of budget documents, timeliness of information, audit and performance assessment, scope for legislative scrutiny. But it scores worse than states in terms of practices relating to fiscal decentralisation etc.

Das said the proposed Direct Taxes Code is likely to improve transparency of the Union Budget, but much depends on the way the Act is rolled out.

Ready for guillotining?

Author(s): Richard Mahapatra; 28 February, 2011

How transparent and participatory is Pranab Babu's budget



Source: PIB For six months it evolves under a veil of secrecy. The Cabinet gets to see it just a few hours before it is tabled in the Lok Sabha. Such is the covert nature of the Union budget that accounts for about 50 per cent of all budgets in the country.

Finance Minister Pranab Mukherjee wants to make the budget what such a public affair ought to be: transparent and participatory. In the past two years he has taken pride in “reforming” the budget-making exercise. He has been speaking to civil society groups to get public inputs into the budget. In January this year, [the Open Budget Survey of the International Budget Partnership](#) [1], a coalition of organisations in 94 countries that surveys national budgets across the globe, rated India's budget as “significant” in terms of

transparency and public participation. The survey comes every second year.

Going by its ratings, India's openness in making a budget has improved from a score of 53 per cent in 2006 to 67 per cent last year. It is, thus, prudent to understand these “significant” changes in the country's budget-making exercise.

One tends to raise a few pertinent questions: why does the finance minister meet civil society groups? Do these meetings really influence the budget? Answers challenge both the finance minister's claim and the survey finding on India's openness in making a budget. Let us analyse why it is so. A budget cycle involves four stages: formulation, enactment, implementation and audit.

Subrat Das, the executive director of the Centre for Budget and Governance Accountability, a non-profit in Delhi that tracks the Union budget process, says, “There is hardly any scope for public influence in the first two and the last stages. It is only in the implementation stage that there are options for influencing but very few.” The finance minister's consultation with civil society groups is supposed to get feedback for the most secretive stage—formulation of budget.

The budget cycle starts in September with the finance minister issuing the budget circular. This asks for revenue and expenditure estimates from different departments. This is the stage where one can effectively influence the budget. But no consultation happens at this stage. Usually, the finance minister meets civil society groups in January. By the time, it has already prepared the expenditure estimates.

It just has to work on the revenues, taxation for example. Hence, this is the best time for industry representatives to meet the minister and influence the budget. Their concern, as we know, is tax cut. All other groups trying to influence the ministry for changes in budgets do not get much scope or time because by February the finance ministry and the Planning Commission start allocating money for various schemes suggested. At this stage, even the line ministries are not kept in the loop. So the finance minister's consultation with civil society groups at this stage yields hardly any input. This is a mere cosmetic exercise.

Cut to India's "significant" rating in the open budget survey. It is a skewed calculation. Parameters for the survey are: availability and production of budget documents, legislative scrutiny and audit mechanism. India scores very high on the first parameter. This is because the government does prepare and produce budget documents. And a piece of legislation, called the Fiscal Responsibility and Budget Management Act, in implementation since 2004, makes sure that many budget documents and statements are in the public domain. This, though, does not mean people have a say in the budget.

The survey, however, rates India as "moderate" in legislative scrutiny of the budget, putting the country on a par with Rwanda and Afghanistan. This is ironical given our tag of "the largest and thriving democracy". Remember, Parliament can only approve the budget. It does not get much time or scope to influence the budget.

Ideally, in a democratic setup, legislative scrutiny of budget is considered equal to public scrutiny. But looking at budget sessions, Parliament gets just 30-35 days to discuss the budget with 105 demands for grants. Each of them should have been discussed threadbare. Often the Lok Sabha gets to discuss four to five such demands. The rest are just bundled together for voting in a Parliamentary practice, called guillotined.

In Union Budget 2010-11, the Cabinet discussed demands for grants of three ministries, accounting 16 per cent of total funds to be voted by Parliament. The rest—84 per cent—were guillotined.

Source URL: <http://www.downtoearth.org.in/content/ready-guillotining>

Evading challenges in social sectors and food security

Posted: Mon, Feb 28 2011. 8:08 PM IST

The brunt of conservative fiscal policy--reducing the scope of the budget--will be borne by the poor of India

Subrat Das

The government wants to reduce the scope of its budget (as measured by total budgetary expenditure) compared with the size of India's economy. So, total expenditure from the budget would shrink from 15.4% of gross domestic product (GDP) in 2010-11 (revised estimate, or RE) to 14% of GDP in 2011-12 (budget estimate, or BE). The brunt of this conservative fiscal policy is going to be borne by the poor.

Despite a growing recognition of the need for significantly expanding the coverage of the public distribution system for foodgrains, and the persistence of inflation in food articles, the food subsidy outlay has been curtailed from Rs60,600 crore in 2010-11 (RE) to Rs60,573 crore in 2011-12 (BE). Further, the budget outlay for the petroleum subsidy has been reduced significantly—from Rs38,386 crore in 2010-11 (RE) to Rs23,640 crore in 2011-12 (BE). Given the predictions that crude oil prices will rise further in coming months, a reduced subsidy in 2011-12 could cause a further increase in prices of petroleum products, and hence a persistence of the inflation problem.

The total budget outlay for social sectors (excluding non-Plan capital expenditure on such sectors, which is usually small and sporadic) had gone up from 1.86% of GDP in 2009-10 to 2.06% of GDP in 2010-11 (RE). But it has now fallen to 1.96% of GDP in 2011-12 (BE). The outlay for Plan expenditure on these sectors shows a 14% increase over 2010-11 (RE), but the outlay for non-Plan revenue expenditure on these sectors has registered a sharp decline, from Rs35,085 crore to Rs20,862 crore. This kind of lopsided policy for social sector spending has already given rise to acute staff shortages in most states.

Moreover, with the Centre's budget contributing funds worth only 2% of GDP to the social sectors (i.e. education, health, water and sanitation, and so on), the total budgetary spending on these will continue to be less than 7% of GDP in 2011-12. The average figure for social sector spending by governments in OECD countries is as high as 14% of GDP.

While the budget outlay for Sarva Shiksha Abhiyan (SSA) has been increased from Rs15,000 crore in 2010-11 (BE) to Rs21,000 crore in 2011-12 (BE), the scheme can hardly succeed in operationalizing the Right to Education Act with this magnitude of funds. The Centre's estimation, a modest one from the point of view of quality, has indicated that additional budget outlays for elementary education required for operationalizing the Act would be Rs1.82 trillion over a period of five years. Hence, if just one-fifth of this had to be allocated in 2011-12, with the budget contributing only half of it, the outlay for SSA should have been increased at least to Rs33,000 crore.

In the health sector, while the finance minister has announced that the Rashtriya Swasthya Bima Yojana would be extended to include unorganized sector workers in hazardous occupations, the budget outlay for the scheme has been brought down from Rs446 crore in 2010-11 (RE) to Rs280 crore in 2011-12 (BE). In Integrated Child Development Services (ICDS), the long overdue demand for increasing the remuneration of *anganwadi* workers and helpers has been recognized, with remuneration per month being doubled from Rs1,500 to Rs3,000 for workers, and from Rs750 to Rs1500 for helpers. However, what is worrying here is that the budget outlay for ICDS shows a much smaller increase from Rs9,280 crore in 2010-11 (RE) to Rs10,000 crore in 2011-12 (BE).

Thus, in terms of the priority given to social sectors and food security, Budget 2011-12 defies our expectations.

Subrat Das, executive director, Centre for Budget and Governance Accountability

Comment at theirview@livemint.com

Overall gender budget poor

Posted: Mon, Feb 28 2011. 11:52 PM IST

The Budget has also fallen short in terms of allocations for women's development. The assessment of the gender budgeting statement brought out by the government shows that the total quantum of Union budget allocations earmarked for women as a proportion of the total Union budget outlay has gone up marginally from 6.1% in 2010-11 (BE) to 6.2% in 2011-12 (BE)

Bhumika Jhamb

Finance minister Pranab Mukherjee's announcement in Budget 2011 hiking the monthly remuneration of 'anganwadi' workers and helpers to Rs 3,000 and Rs. 1,500, respectively, in response to the long-standing demand for minimum wages, gave many women's groups a reason to cheer but the overall allocation when viewed through the gender lens appears grim.

An increase in the monthly remuneration of anganwadi workers and helpers would at least ensure minimum wages to the front-line service providers of the United Progressive Alliance (UPA) government's largest nutritional programme. However, there are more negatives than positives. While there has been an increase in the remuneration of 'anganwadi' workers and helpers, health workers under the Centre's flagship National Rural Health Mission and cooks-cum-helpers under the Mid-Day Meal Scheme, who are predominantly women, continue to suffer.

The Budget has also fallen short in terms of allocations for women's development. The assessment of the gender budgeting statement brought out by the government shows that the total quantum of Union budget allocations earmarked for women as a proportion of the total Union budget outlay has gone up marginally from 6.1% in 2010-11 (budget estimate or BE) to 6.2% in 2011-12 (BE). This by no means can be considered adequate for women who constitute half the population. Furthermore, sectoral analysis shows that as of last year, education and health accounted for half the total resources earmarked for women. Crucial issues such as institutional mechanisms, support services for women and their political participation have not received attention. The share of allocations meant for promoting women's economic participation reflects an increase from 0.5% to 20% mainly on account of more schemes of a few ministries reporting in this year's gender budgeting statement. No new interventions have been introduced for women from the most marginalized sections, as reflected in the proportion of schemes targeting the most marginalized women (3.5%) vis-à-vis women in general (96.5%). Many critical schemes meant for women such as hostels for working women, support to training and employment programme, Swadhar, gender budgeting and Priyadarshini have all registered a decline in allocations from last year. This is despite almost 70% of utilization of funds in the case of Swadhar as reflected in the summary of expenditure of the ministry of women and child development.

It is also imperative to compare the funds allocated from 2007-08 to 2011-12 with the outlay proposed in the 11th Five-Year Plan since the year 2011-12 marks the end of the Plan period. The comparison reveals that the proportion of funds allocated in the five years is less than 50% in the case of gender budgeting and conditional cash transfer for the girl child with insurance cover. This proportion is lowest for Swayamsidha (15%), which was supposed to be the main vehicle for women's empowerment in the 11th Plan. Moreover, there were hopes for a scheme to implement the Protection of Women from Domestic Violence Act which has not received any Central funding since its enactment in 2005.

In addition to the low allocations that persist, the methodology of the gender budgeting statement has also not seen any change over the past four years. Except for rectification of a reporting error by the ministry of youth affairs and sports till last year, assumptions behind reporting allocations under Part B of the gender budgeting statement remain questionable. For instance, all schemes of the ministry of minority affairs under part B of the statement report 100% of their allocations. This is incorrect, since Part B of the statement enlists schemes with 30–99% provisions meant for women and girls. Similarly, Improvement in Working Conditions of Child/Women Labour— a scheme of the ministry of labour and employment— is also reporting 100% of its provisions under part B of the statement. The fact that the number of ministries/departments reporting in the gender budgeting statement remains stagnant at 33 for the fifth consecutive year is a matter of serious concern. This reflects the larger perspective of not recognizing the gender-based disadvantages that prevail in all sectors and calls for concerted efforts on the part of all ministries and departments towards making their interventions more gender sensitive.

Bhumika Jhamb, programme officer Centre for Budget and Governance Accountability

Business Standard

Pooja Parvati: Marginalising the marginalised

Pooja Parvati / March 1, 2011, 0:09 IST

Poor allocation of funds to key social sectors shows the government's lacklustre approach to inclusive growth.

We are reaching the end of a remarkable fiscal year," said the finance minister as he rose to present the Union Budget 2011-12. Agreeing with the government that the year gone by presented us with several opportunities and challenges to address critical concerns pertaining to the social sector, the overall sense is that this Budget, too, did precious little in terms of firming up the government's intent of ensuring "inclusive" growth. Let us look at the provisions made by the Union Budget 2011-12 for key social sectors and, more specifically, the outlays for the marginalised sections of the population.

With regard to the overall outlay for the social sector, the Union Budget 2011-12 has allocated Rs 17,5975 crore (2011-12 Budget Estimate or BE), which is a marginal increase over the previous years' outlays (Rs 16,2501 crore in 2010-11 Revised Estimate or RE and Rs 1,22,345 crore in 2009-10). When seen as a proportion of GDP, outlays for the social sector works out to about 1.96 per cent; and as a share of the total government Budget, the social sector accounts for 14 per cent (a minor improvement over 13.36 per cent in the 2010-11 RE). Thus, this clearly reveals that increases in the social sector are hardly substantial.

To look at the numbers pertaining to education, it becomes clear that we are nowhere near the Kothari Commission recommendations of 1966, which sought six per cent of the country's GDP for education. While this was reiterated by the UPA I, the present total public spending on education (taking the spending by not just Education Departments in the Centre and states but also the other departments) works out to a mere 3.39 per cent of the GDP (2008-09). While the government has enacted the Right to Education for children in the age group of six to 14 years, the increase in the Budget for the Sarva Shiksha Abhiyan or SSA (10.5 per cent increase in allocations for SSA in 2011-12 BE compared to 2010-11 RE) is hardly sufficient to foot the cost of universalising quality education.

The Union government's total allocation for education in 2011-12 (BE) stands at 0.71 per cent of GDP, which is slightly better than the 0.69 per cent of GDP recorded for 2010-11 (RE). As a proportion of its total budget outlay, there is an increase in outlays for education by 16.1 per cent from 2010-11 (RE) to 2011-12 (BE). A welcome measure is the introduction of a scheme for students belonging to the scheduled caste community — Pre-Matric Scholarship for SC Students for Classes IX and X with an outlay of Rs 196 crore. The outlays for the Rashtriya Madhyamik Shiksha Abhiyan have been stepped up from Rs 1,500 crore in 2010-11 (RE) to Rs 2,423 crore in 2010-11 (BE). Schemes showing increases in their outlay include the Scheme for Providing Quality Education in Madrassas (SPQEM), Scheme for Infrastructure Development in Minority Institutions (IDMI), Information and Communication Technology in Schools, Scheme for Construction and Running of Girls Hostels for Students of Secondary & Higher Secondary Schools.

Outlays for National Means-cum-Merit Scholarship Scheme have been reduced from Rs 81.45 crore in 2010-11 (BE) to Rs 54 crore in 2011-12 (BE). When comparing the outlays in the Union Budget for the five years of the 11th Plan (2007-08 to 2011-12), the outlays fall far short of what was proposed by the Planning Commission. This is true for Rashtriya Madhyamik Shiksha Abhiyan that has been allocated a mere 22 per cent of the total recommended 11th Plan outlays. Some other instances are Teacher Training (45 per cent) and University Grants Commission (68 per cent).

In health, too, the overall outlays have hardly increased. When seen as a proportion of the country's GDP, public spending on health has increased from 0.32 per cent in 2010-11 (RE) to 0.34 per cent in 2011-12 (BE). This, when seen as a share of the total Union government's expenditure comprises a mere 2.42 per cent. In rural water supply and sanitation, the allocations have hardly shown any increase. Allocations for National Rural Health Mission have shown a slight increase from Rs 15,037 crore in 2010-11 (RE) to Rs 17,924.76 crore in 2011-12 (BE). Critical human resource and infrastructural gaps in health warranted much greater focus in terms of outlays. For District Hospitals, allocations have been marginally increased from Rs 200 crore in 2010-11 (RE) to Rs 260 crore in 2011-12 (BE). Albeit some increase has been made for the scheme on Human Resources for Health (outlays have increased from Rs 187 crore in 2010-11 RE to Rs 348 crore in 2011-12 BE).

Given the rising food prices, it was hoped that there would be substantial increases in food subsidies. The allocation for food subsidy in the Union Budget 2011-12 does not reflect the government's intent to ensure food for all. Though there has been an increase in food subsidy in 2011-12 BE of around Rs 5,000 crore compared to last year, the share of food subsidy in the total Union Budget has been falling since 2004-05. When seen in the light of the proposed National Food Security legislation this clearly falls way short of what is required. An alternative cost estimation of the universal distribution of rice and wheat in the country under the Public Distribution System (PDS) by Nilachala Acharya of Centre for Budget Governance and Accountability (CBGA) calls for an additional outlay of Rs 98,355 crore from the Union Budget 2011-12, over and above the present food subsidy bill of Rs 60,573 crore in 2011-12 (BE).

With regard to provisions for the marginalised sections of population, some encouraging steps have been taken by this Budget. Ministries and departments like animal husbandry, dairy and fisheries, and new and renewable energy are allocating funds for the welfare of scheduled castes. Similarly, ministries and departments like industrial policy and promotion, environment and forest, aids control, housing and urban poverty alleviation, land resources and drinking water and sanitation have begun to report outlays for the welfare of scheduled tribes in the country. As per the statement 21 and 21 A, allocations under Scheduled Caste Sub Plan have increased to Rs 30, 551 crore in 2011-12 BE from Rs 23,795 crore in 2010-11; while under Tribal Sub Plan, the allocation has increased to Rs 17,371 crore in 2011-12 BE from Rs 5,445 crore in 2010-11. There is increase in outlays for primitive tribal groups from Rs 185 crore in 2010-11 (BE) to Rs 244 crore in 2011-12 (BE).

Pooja Parvati, *Research Coordinator, Centre for Budget and Governance Accountability*

Budget has little for the common man: CBGA

Government's effort on key social sector failed to meet common man's agenda.

[Trithesh Nandan](#) | New Delhi | March 01 2011

While offering some populist sops to the social sector, the union budget for the next fiscal year has failed the aspirations and concerns of the citizens, says the New Delhi-based think tank Centre for Budget and Government Accountability (CBGA). The budget fails to address the price rise and inflation issues, and promise only marginal hike in spending on key development sectors, the think tank maintained on Monday.

“Several key areas have been given scant attention even though the country has made a fairly encouraging recovery after the economic recession,” CBGA said.

Holding budget allocations for the social sector as insufficient, the CBGA said, “The outlay for plan expenditure on social sectors shows an increase from Rs. 127,416 crore in 2010-11 (Revised Estimates) to Rs. 145,113 crore in 2011-12 (Budget Estimates), but that for non-plan revenue expenditure on social sectors registers a sharp decline from Rs. 35,085 crore to Rs. 20,862 crore.”

The CBGA said that the government should have given more emphasis four key areas of the social sector - education, health, water and sanitation. The education sector has seen a marginal increase from the last year. The total allocation for education in 2011-12 (BE) stands at 0.71 percent of GDP, which is slightly better than the 0.69 percent for 2010-11 (RE). “Despite its promises, it seems the government has hardly addressed concerns relating to financing the Right to Education Act,” said Pooja Parvati, research coordinator of CBGA.

Even the health sector has not cornered much in this budget. “Allocations for the flagship National Rural Health Mission have shown a slight increase from Rs. 15,037 crore, 2010-11 (RE) to Rs. 17,924.76 crore, 2011-12 (BE) which is an increase of 19 percentage points.”

The positive step by the finance minister, according to the CBGA is on the Rashtriya Swasthya Bima Yojana (RSBY), which has been extended to include unorganised sector

workers in hazardous mining and associated industries like slate and slate pencil, dolomite, mica and asbestos etc

India lags in rural water supply and sanitation, which is a major area of concern in the health sector. “An increase of less than 5 percent in the budget for rural water and sanitation is perhaps a reflection of the waning commitment of the government for this sector”, commented Subrat Das, executive director of CBGA.

The one hundred percent increase of remuneration of anganwadi workers and anganwadi helpers, however, a laudable step by the government, he added.

The budget was poor on gender responsiveness, the think tank held. “Allocations for many important women specific schemes such as Swadhar, Priyadarshini, support for training and employment programme etc. have declined from the previous year, while allocation for the National Mission for Empowerment of Women remains stagnant. The overall allocation for ministry of women and child development has registered an increase of only 13 percent,” CBGA added.

The ‘inclusive growth’ agenda by the UPA government has not been properly covered in the budget. “The minorities in particular have not been given due attention in this budget, with the ministry of minority affairs (MMA) getting Rs. 2850 crore in 2011-12 (BE) as compared to Rs. 2600 crore in 2010-11 (BE),” CBGA noted.

The think tank commented that the budget promotes UPA’s conservative fiscal policy. However, it also welcomed government’s initiative on paying attention to the problems of the ‘black money.’

Source URL: <http://www.governancenow.com/news/regular-story/budget-has-little-common-man-cbga>

Budget 'fails' fairer sex test: Experts

Posted: Fri Mar 04 2011, 19:45 hrs New Delhi: INDIAN EXPRESS

The Union Budget 2011-12 fell short of expectation in respect of women-specific initiatives, experts said today with a National Advisory Council member maintaining that it "failed the test" in regard to both social sector and gender perspectives.

The "relatively inadequate" increase in Integrated Child Development Scheme (ICDS) outlay and decline in food subsidy received the most criticism as experts and activists took part in a panel discussion on gender-responsive budgeting here.

"Budgets can be visionary or inspirational. This one is certainly not. It fails the test in social sector and gender perspectives. How the ICDS allocation will accommodate the increased remuneration for anganwadi workers," NAC member and development economist A K Shiva Kumar said at an interactive session after the discussion at the UN office here.

Noting that the Prime Minister will soon hold National Nutrition Council meet and the Women and Child Development Ministry has prepared a blueprint for accelerating ICDS and other schemes, he asked, "Where is the money for that?"

He pointed out that there will be need for additional subsidy after the food security bill is brought and said there is no provision for it in the budget. Kumar also talked about the "complete neglect" of the health expenditure issue.

Calling the budget "anti-women", Jayati Ghosh, professor of economics at JNU, said the inflationary implications will hit women and children and "erode" the value of public spending. She also raised the issues of bringing under tax net some essential consumer goods which were "zero-duty" and the government's "windfall" tax gain from global oil price hike.

She said there is lack of focus on rural sanitation and low allocation for strengthening public distribution system.

BJD MP Kalikesh Narayan Singh Deo and Kerala State Planning Board member Mridul Eapen also took part in the panel discussion on "Union Budget 2011-12: What Does it Mean for Women", organised by UN Information Centre and NGO Centre for Budget and Governance Accountability (CBGA) on the occasion of the launch of UN Women.

Elaborating on a report on the issue prepared by CBGA, its executive director Subrat Das said the budget outlay for ICDS shows a "relatively inadequate increase" from Rs 9370 crore in 2010-11 to Rs 10330 crore in 2011-12 which may not be enough to absorb the hike in anganwadi workers' remuneration.

In the gender-budgeting (GB) statement, only 11 of the 60 women-specific schemes have allocation exceeding Rs 100 crore, he said adding, the total quantum of funds reported in the GB statement as a proportion of total Budget has shown "less than expected" increase -- from 5.5 per cent in 2010-11 (revised estimates) to 6.2 per cent in 2011-12.

A function was later held to mark the launch of UN Women, formally known as the United Nations Entity for Gender Equality and the Empowerment of Women.

Posted on: 05 Mar 2011, 05:09 PM

A Case of Unclear Priorities

Praveen Jha and Pooja Parvati

'Double-digit growth' has been one refrain that has dominated the present government's fancy for long now. Another favoured mantra that has been doing the rounds is 'inclusive' development. It was hoped that the Union Budget 2011-12 would go beyond the rhetoric and address some of the key concerns with regard to the social sectors and, more specifically, related to the welfare of the poor and the marginalised. Sadly, this hope has not translated into numbers!

The Union Government's Total Expenditure as a proportion of GDP is projected to fall from 15.4 % in 2010-11 (Revised Estimates or RE) to 14% in 2011-12 (Budget Estimates or BE), which reflects that expenditure compression for reducing deficits is the overarching feature of this budget. Not much has changed since last year with the Union Government's expenditure priorities remaining skewed against the social sectors. In fact the brunt of the conservative fiscal policy of the government is going to be borne mainly by the poor.

Priority for Social Services in the Union Budget

Expenditure from the Union Budget on Social Services* (in Rs. Crore)	Expenditure from the Union Budget on Social Services* as % of Total Expenditure	
	from the Union Budget	as % of GDP
39123	7.9	1.2
49535	9.8	1.3
55246	9.5	1.3
78818	11.1	1.6
110542	12.5	2.0
122345	11.9	1.9
162501	13.4	2.1
165975	13.2	1.8

Notes:

* (1) This includes the Plan Expenditure and Non-Plan Revenue Expenditure from the Union Budget on the

following services: Education, Youth Affairs and Sports, Art & Culture; Health & Family Welfare: Water Supply & Sanitation; Housing & Urban Development; Information & Broadcasting; Welfare of SCs, STs and OBCs; Labour & Labour Welfare: Social Welfare & Nutrition; and Other Social Services.

(2) This does not include Non-Plan Capital Expenditure from Union Budget on Social Services, if any. Non-Plan Capital Expenditure on Social Services is sporadic and usually of a very small magnitude. Hence, this figure captures almost the entire magnitude of expenditure on Social Services from the Union Budget. Source: Compiled by Centre for Budget and Governance Accountability from Expenditure Budget Vol. I, Union Budget 2011-12, Govt. of India

While the Union Budget 2011-12 pays some attention to a few important concerns pertaining to agriculture, infrastructure and climate change, allocations for social sector do not give any cause for cheer. Total Union Budget outlay for social sectors (excluding only Non-Plan Capital Expenditure on such sectors, which is usually very small and sporadic), has gone down from 1.9 % of GDP in 2009-10 to 1.8 % of GDP in 2011-12 (BE). Moreover, with the Union Budget contributing funds worth only 2 % of GDP for social sectors (such as education, health, water and sanitation), the country's total budgetary spending on these sectors would continue to be less than 7 % of GDP in 2009-10, whereas the average figure for social sector spending by the OECD countries is as high as 14 % of GDP.

Before scrutinising spending in the social sectors, important economic sectors and interventions for the disadvantaged sections of population, it would be useful to highlight specific concerns emerging in the sphere of mobilisation of resources by the Union Government. The tax-GDP ratio (which is the gross tax revenues for the Centre as a proportion of the GDP) shows a small increase from 10 % in 2010-11 (RE) to 10.4 % 2011-12 (BE). The tax-GDP ratio for the Centre had reached the level of 12 % of GDP by 2007-08. It was a welcome trend given that India's total tax-GDP ratio (i.e. combined for Centre and States) has been hovering around 16%, which is significantly lower than that for several other countries. Moreover, the Medium Term Fiscal Policy Statement presented with this Budget indicates that the tax-GDP ratio for the Centre would increase only up to 11.3 % by the year 2013-14, which implies that the tax base of the economy is expected to be stagnant over the next three years. This raises serious concerns.

Although Income Tax exemption limit for the general category of individual tax payers has been raised, the exemption limit for women tax payers has been retained at the earlier level of Rs. 1,90,000. The government should have made an effort towards improving the gender responsiveness of the tax system by increasing the exemption limit for women tax payers as well. Several steps have been proposed both for the Central Board of Direct Taxes (CBDT) and the Central Board of Excise and Customs (CBEC) to improve tax administration under the Central Government Tax System. The government has paid attention to the problem of 'black money'; a five-fold strategy has been put forward to deal with this problem. The government has also paid attention to the issues relating to tax avoidance that are affecting the mobilisation of tax revenue; the steps taken, according to the Finance Minister, include discussions for 11 Tax Information Exchange Agreements, 13 new Double Taxation Avoidance Agreements (DTAAs) along with revision of 10 existing DTAAs, and steps to improve the effectiveness of Foreign Tax Division of CBDT to handle effectively the increase in tax information exchange and 'transfer pricing' issues.

Reviewing the outlays for some of the critical social sectors, it becomes clear that the overall thrust of the government remains largely to compress expenditure and presenting the existing schemes' and interventions as 'new and improved' versions of the same, with, at times, lesser allocations!

In Education, the Union government announced that the outlays for Sarva Shiksha Abhiyan

(SSA) have been increased from Rs. 15,000 crore in 2010-11 (BE) to Rs. 21,000 crore in 2011-12 (BE). However, when the outlays for 2011-12 (BE) are compared with the figures for 2010-11 (RE) that was Rs.19,000 crore, the increase hardly seems as magical as it was made out to be. More so, the scheme can hardly succeed in operationalising Right to Education Act with this size of allocations. The Union government's own estimation - a modest one from the point of view of quality - indicated that additional budget outlays for elementary education required for operationalising Right to Education Act would be Rs. 1.82 lakh crore over a period of five years. Hence, if just one-fifth of this had to be allocated in 2011-12 with the Union Budget contributing only half of it, the outlay for SSA should have been increased at least to a level of Rs. 33,000 crore.

The outlays for Health have hardly increased since the last few years'. When seen as a proportion of the country's GDP, public spending on health has increased from 0.32 % in 2010-11 (RE) to 0.34 % in 2011-12 (BE). This, when seen as a share of the total Union Government's expenditure comprises a mere 2.42 %. Allocations for National Rural Health Mission (NRHM) have shown a slight increase from Rs.15,037 crore in 2010-11 (RE) to Rs.17,924.76 crore in 2011-12 (BE). Critical human resource and infrastructural gaps in health warranted much greater focus in terms of outlays. For District Hospitals, allocations have been marginally increased from Rs. 200 crore in 2010-11 (RE) to Rs.260 crore in 2011-12 (BE). Albeit some increase has been made for the scheme on Human Resources for Health (outlays have increased from Rs.187 crore in 2010-11 RE to Rs.348 crore in 2011-12 BE).

Although the total budget for Department of Rural Development shows an increase from Rs. 66,138 crore in 2010-11 (BE) to Rs. 76,378 crore in 2010-11 (RE), the allocations have been brought down to Rs. 74,144 crore in 2011-12 (BE). Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been provided Rs.40,000 crore in 2011-12 (BE). Outlay for Swarnjayanti Gram Swarozgar Yojana (SGSY) (renamed the National Rural Livelihood Mission) has been brought down to Rs. 2,621 crore in 2011-12 (BE) from Rs. 2,683 crore in 2010-11 (RE). Allocations for Indira Awas Yojana (IAY) has declined from Rs. 9,333.5 crore in 2010-11 (RE) to Rs. 8,996 crore in 2011-12 (BE).

In Agriculture, annual average combined (Centre and States) expenditure towards agrarian sector (which includes expenditure on food subsidy, cooperation, fertiliser subsidy, agriculture and allied activities, rural development and irrigation) declined from 15.8 % in 1990-91 to 14.8 % during 2000-01 to 2009-10. Union Government's total expenditure on the rural economy (which includes expenditure on Agriculture and Allied Activities, Rural Development, Special Area Programmes, Irrigation and Flood Control and Village and Small Industries) dropped from 3.3 % of GDP in 2008-09 (Actuals) to 2.3 % of the Gross Domestic Product (GDP) in 2011-12 (BE). Allocations for extending the "Green Revolution" to the eastern region of the country comprising six states and the eastern part of Uttar Pradesh, providing high yielding variety seeds, technology and irrigation to the farmers, and for pulses and oilseeds in 60,000 rain-fed villages have been made.

With regard to Food Security, despite a growing recognition of the need for significantly expanding the coverage of Public Distribution System for foodgrains and the persistence of price rise in food articles, Union Budget outlay for Food Subsidy has been curtailed from Rs. 60,600 crore in 2010-11 (RE) to Rs. 60,573 crore in 2011-12 (BE). Further, the Union Budget outlay for Petroleum Subsidy has been reduced significantly from Rs. 38,386 crore in 2010-11 (RE) to Rs. 23,640 crore in 2011-12 (BE). Given the predictions that international crude oil prices are going to rise further in the coming months, reduced subsidy in 2011-12 could result in further rise in prices of petroleum products and hence a persistence of the problem of price rise.

Specific to Climate Change, customs duty and certain concessional excise duty for imported batteries for electrical vehicle to promote clean and green technologies in the existing public transportation system have been fully exempted. Concessional excise duty of 10 % has been waived for vehicles using fuel cell technology. Rs 200 crore has been allocated for Green India Mission from the corpus of National Clean Energy Fund (NCEF) towards enhancing forest coverage. Besides, National Water Mission has been provided Rs. 200 crore from NCEF for arresting and cleaning up pollution in rivers and lakes other than river Ganga. The budget, however, neglects key climate sensitive sectors such as protection and conservation of wildlife, biospheres, mangroves and coral reefs in the country. Allocations for Centrally Social Sectors (CSS) such as Project Tiger and Project Elephant have registered a downward slump as compared to last year's budget.

This apart, interrogating the allocations from the perspective of what the Union Budget offers to the disadvantaged and the marginalised reveals the stark mismatch in terms of the professed focus on 'inclusive' development. It is felt that the Union government continues to do lip service to the welfare of the poor and the marginalised without actually attending to the gaps in terms of the development deficits through sustained budgetary focus.

Specific to Women, while the total size of the Gender Budget has marginally increased from 6.1 % (2010-11 BE) to 6.2 % this year, there have been no significant revisions made in the methodology of preparation of the Gender Budgeting Statement. Further, the number of Ministries/departments reporting in the Gender Budgeting Statement has remained 33 since the last five years. Allocations for several women-specific schemes such as Swadhar, Priyadarshini, Support for Training and Employment Programme have declined as compared to the previous year's outlays. Another serious concern is that critical sectors such as Water Supply and Sanitation that impact women significantly are not part of the Gender Budgeting Statement.

Although the government has announced an increase in the remuneration of Anganwadi Workers and Anganwadi Helpers within Integrated Child Development Services (ICDS) that has been doubled to Rs.3000 and Rs.1500 respectively, it remains to be seen how this can be materialised as the overall outlays for ICDS have not been increased substantially (from Rs.9370 crore in 2010-11 RE to Rs.10330 crore in 2011-12 BE). A Women's SHG Development Fund with an initial allocation of Rs. 500 crore has been introduced. This is in keeping with the rather narrow interpretation of what constitutes as gender-responsive budgeting.

Union Government's total allocation earmarked for Children has registered a small increase from 4.1 % of the total Union Budget in 2010-11 (RE) to 4.5 % in 2011-12 (BE). In the 'Child Budget' (i.e. the total allocation for all child-specific schemes) in 2011-12 (BE), which stands at Rs. 56748.6 crore, the share of Child Education is 76.4 %, the share of Child Development 18.6 %, interventions in Child Health account for 3.6 % and those pertaining to Child Protection account for 1.33 %. The increase in the share of interventions pertaining to Child Protection in the total 'Child Budget' from 0.60 % in 2010-11 (RE) to 1.33 % in 2011-12 (BE) is a welcome development. However, outlays for Integrated Child Protection Scheme (ICPS) witness a sharp cut from Rs.300 crore in 2010-11 (BE) to Rs.100 crore in 2010-11 (RE).

In the context of Scheduled Castes (SCs) and Scheduled Tribes (STs), some encouraging steps have been taken by this Budget. Thanks to the concerted activism by various civil society organisations, the Union government has begun to report budgetary provisions that benefit SCs and STs in two separate Statements. Further, Union Government Ministries/departments like Animal Husbandry, Dairying and Fisheries, New and Renewable Energy are now allocating funds

for the welfare of SCs while Ministries/departments like Industrial Policy and Promotion, Environment and Forest, AIDS Control, Housing and Urban Poverty Alleviation, Land Resources and Drinking Water and Sanitation have begun to report outlays for the welfare of STs.

As per the statement 21 (that reports provisions for the welfare of SCs) and 21 A (that reports provisions for the welfare of STs), allocations under Scheduled Caste Sub Plan have increased to Rs. 30551 crore in 2011-12 BE from Rs. 23795 crore in 2010-11; while under Tribal Sub Plan, the allocation has increased to Rs. 17371 crore in 2011-12 BE from Rs. 5445 crore in 2010-11. Scheduled Caste Sub Plan (introduced during the Sixth Five Year Plan) and Tribal Sub Plan (in the Fifth Plan) are strategies adopted by the government where Plan allocations for SCs and STs are set aside in proportion to the size of their population in the country, which is currently 16 % and 8 % respectively. There is increase in outlays for primitive tribal groups from Rs.185 crore in 2010-11 (BE) to Rs.244 crore in 2011-12 (BE). Minorities have not given much attention in this year's Union Budget except with regard to the achieving 15 % target under Priority Sector Lending and increase in allocation of Maulana Azad Education Foundation.

The Finance Minister in his Budget Speech rightly noted that, "at times the biggest reforms are not the ones that make headline, but the ones concerned with the details of governance, which affect the everyday life of aam aadmi." Sadly, the Union Budget 2011-12 that could have fortified several provisions made in the last few years and given a thrust to social sector spending has missed the mark yet again. While the Budget outlines "a chosen path of fiscal consolidation and high economic growth", it disregards the persistent development deficits in the social sector, more specifically for the poor and the marginalised. Despite having made note of the fact that "India stands at the threshold of a decade which presents immense possibilities", the Union Government seems to have turned a blind eye to most of these critical concerns.

(Praveen Jha* is faculty in the Centre for Economic Studies and Planning, Jawaharlal Nehru University and Economic Advisor with the Centre for Budget and Governance Accountability. **Pooja Parvati** works as Research Coordinator at the Centre for Budget and Governance Accountability. The authors draw substantially from the analysis done by CBGA, a think-tank based in New Delhi.)

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State's budget transparency average: study

Staff Reporter

BHUBANESWAR: Orissa fared averagely on budget transparency – level of public access to information relating to budgets, reveals a study here on Tuesday.

According to the study conducted by city-based Centre for Youth and Social Development (CYSD) in collaboration with Centre for Budget and Governance Accountability (CBGA), New Delhi, the State's overall position was fourth among 10 selected States on eight parameters of budget transparency taken up for the study.

While Gujarat scored highest 61.7 per cent in the transparency in budget, Uttar Pradesh found itself at bottom with 43.5 per cent. Orissa scored average 52.6 per cent on different parameters.

The study focused on the extent and quality of access to budget information that shapes public understanding of the government decisions pertaining to budgets and the scope for public participation in budget processes, the two organizations said.

“A structured questionnaire was circulated among different stakeholders such as legislators, media persons, finance department officials and general publics during August to December 2010 on the State Budget for 2009-10,” said Nilachal Acharya of CBGA addressing a press conference. The questions were asked on availability of budget documents, completeness of the information, facilitating understanding and interpretation of information, timeliness of information and audit and performance assessment.

Researchers found several good practices in the State such as hosting of documents on government websites, separate report on State's fiscal situation prepared by Comptroller and Auditor General of India and production of all statements those are required under the disclosure of norms of the State's Fiscal Responsibility and Budget Management Act. The study also pointed out a few gaps in budget transparency such as non-availability of budget highlights, memorandum submitted to Planning Commission or Mid-term appraisal in public domain, no separate budget document on women's component plan or gender budgeting and non-explaining of allocation for Scheduled Caste and Tribal Sub-Plan.



● POOJA PARVATI

Union Budget 2011-12: Whither the Aam Aurat?



AGREING WITH the government that the year gone by presented us with several opportunities and challenges to address critical concerns pertaining to the social sector, the overall sense is that this Budget too did precious little in terms of firming up the intent of the government to ensure 'inclusive' growth. Let us look at the provisions made in the Union Budget 2011-12 with regard to the outlays for women.

The government seems to have stuck to the path of fiscal conservatism this year too, with Finance minister Pranab Mukherjee announcing in his Budget speech that it has reduced "outstanding debt" to a level much below that was recommended by the 13th Finance Commission. But the poor have to bear the brunt of this conservative policy and notwithstanding

the growing recognition of the need for expanding coverage of the Public Distribution System; the outlay for food subsidy has been slashed from ₹60,600 crore in 2010-11 (Revised Estimates) to ₹60,573 crore in 2011-12 (Budget estimates). When seen in the light of the fact that women constitute about 48 per cent of the poor in the country, the impact of this reduction in as basic an entitlement as food on women cannot be overstated. Taking the Tendulkar Committee estimates of percentage of population in rural areas below poverty line of 41.8 per cent of total population, the absolute rural poor would be about 488 million persons of which women would be about 234 million.

Further, the total outlay for the social sector (education, health, water and sanitation) – excluding Non-Plan Capital

Expenditure that is usually very small and sporadic – which went up from 1.86 per cent of GDP in 2009-10 to 2.06 per cent of GDP in 2010-11 (RE) has slumped to 1.8 per cent of GDP in 2011-12 (BE). The outlay for Plan Expenditure on social sectors shows an increase from ₹127,416 crore in 2010-11 (RE) to ₹145,113 crore in 2011-12 (BE), but that for Non-Plan Revenue Expenditure on social sectors registers a sharp decline from ₹35,085 crore to ₹20,862 crore. This kind of a lopsided policy for social sector spending has already given rise to acute staff shortage in most states. In this regard, the impact on women in the government sector is immense. We may note here that women's share in the workforce accounts for 16 per cent in urban areas and 32 per cent in rural areas as per NSSO 61st Round, 2005.

With regard to the overall outlay for the social sector, the Union Budget 2011-12 has allocated ₹1, 75, 975 crore (2011-12 BE) which is only a marginal increase as compared to the previous years' outlays (₹1, 62, 501 crore in 2010-11 RE and ₹1, 22, 345 crore in 2009-10). When seen as a proportion of the GDP, outlays for the social sector work out to about 1.8 per cent; and as a share of the total government budget, social sector accounts for 14 per cent (which is only a minor improvement since last year's 13.36 per cent in 2010 -11 RE). Thus, this clearly reveals that increases in the social sector are hardly substantial.

Although the government has announced an increase in the remuneration of Anganwadi workers and Anganwadi helpers within Integrated Child Development Services (ICDS) that has been doubled to ₹3, 000 and ₹1, 500 respectively, it remains to be seen how this can be materialised as the overall outlays for ICDS have not been increased substantially (from ₹9, 370 crore in 2010-11 RE to ₹10, 330 crore in 2011-12 BE). A Women's SHG Development Fund with an initial allocation of ₹500 crore has been introduced. This is in keeping with the rather narrow interpretation of what constitutes as gender-responsive budgeting.

Centre for Budget and Governance Accountability's analysis of the Union Budget 2011-12 reveals that while the total size of the Gender Budget has marginally increased from 6.1 per cent (2010-11 BE) to 6.2 per cent this year, there have been no significant revisions made in the methodology of preparation of the Gender Budgeting Statement. Further, the number of Ministries/departments reporting in the Gender Budgeting Statement has remained 33 since the last five years. Allocation for several women-specific schemes such as Swadhar, Priyadarshini, Support for Training and Employment



THE OUTLAYS FOR EDUCATION, HEALTH AND FOOD SECURITY ARE INADEQUATE WHEN SEEN IN THE LIGHT OF THE DEFICITS IN DEVELOPMENT OUTCOMES

Programme have declined as compared to the previous year's outlays. Another serious concern is that critical sectors such as Water Supply and Sanitation that impact women significantly, are not part of the Gender Budgeting Statement. The overall allocation for ministry of Women and Child Development has registered an increase of only 13 per cent.

With regard to the government's taxation policy, while the Income Tax exemption limit for men would be raised from ₹1,60,000 to ₹1,80,000 in the fiscal year 2011-12, the exemption limit for women tax payers has been retained at ₹1,90,000. The government should have made an effort towards improving the gender responsiveness of the tax system by increasing the exemption limit of women tax payers as well.

Clearly, the Union Budget 2011-12 that could have fortified several provisions made in the last few years and given a thrust to social sector spending has missed the mark yet again. While the Budget has some positives for the social sector, critical shortfalls persist. The outlays for education, health and food security are inadequate when seen in the light of the deficits in development outcomes. Outlays for the marginalised sections of population hardly reflect the intent of the government to ensure 'inclusive' growth. While the Budget outlines "a chosen path of fiscal consolidation and high economic growth", it disregards the persistent development deficits in the social sector, more specifically for the poor and the marginalised. Despite having made note of the fact that "India stands at the threshold of a decade which presents immense possibilities", the Union government seems to have turned a blind eye to most of these critical concerns. ■

(The author works with Centre for Budget and Governance Accountability (CBGA), New Delhi. The article draws substantially from the analysis of the Union Budget 2011-12 done by CBGA; the views expressed here are personal)

Business Standard

Orissa comes fourth in budget transparency

BS Reporter / Kolkata/ Bhubaneswar March 15, 2011, 0:50 IST

The state has got fourth rank in a budget transparency study conducted among ten major states by Center for Budget and Governance Accountability, a Delhi based independent organisation engaged in tracking public policies and budget.

Gujarat, Madhya Pradesh and Chhattishgarh emerged as top three states in the study, which looked at clarity and availability of budget information to public.

Orissa fared well and scored above 60 per cent in parameters such as timeliness of information, availability of budget documents and scope for legislative scrutiny.

The study praised the state government for being the only government among the selected states having Departmentally Related Standing Committees to look into the details of the budgetary provisions for various departments.

It also lauded the state government for providing information about public debt and central fund allocation in details.

"Except for Madhya Pradesh and Orissa, the budget documents in none of the other selected states provide detailed information on funds received by the state from the Union Government or external agencies, which are routed outside the state treasury and hence not reflected in the state budget," the study said.

But in areas like performance assessment and in allocation of funds to city and village authorities, the state managed to gain only 30 per cent.

"It (the Orissa government) does not prepare any separate document outlining allocation for rural local bodies and urban local bodies. It does not produce internal assessment reports on the budget during the course of the fiscal year," the survey concluded.

Farmers feel left out

Author(s):
Latha Jishnu
Jyotika Sood
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The budget is more concerned about the consumer than the grower



Photo: Reuters
A LOOMING food crisis in the world and high food inflation rates at home made Pranab Mukherjee's proposals to boost agriculture in his 2011 budget more keenly watched than usual. These are factors that clearly weighed with the finance minister who repeatedly said that his principal concern this year has been the continuing high food prices. The squeeze on the consumer who did not benefit from the seasonal fall in prices was a recurring theme in his speech.

But did the deepening agrarian crisis in the country which has seen no let-up in the number of distressed farmers taking their own lives determine his allocations? Going by the reactions of farmers' organisations and agriculture analysts to his proposals, the finance minister, it seems, has not kept the farmer at the centre of his formulations. The domestic landscape has been darkened by freak weather in several parts of the country where frost and unseasonal and heavy rains have laid waste farmlands in half a dozen states. According to one estimate, crops in 7.5 million hectares have been destroyed in Andhra Pradesh, Odisha and Tamil Nadu. In past weeks, farmers in Madhya Pradesh, normally not high on the suicide index, too took their own lives after frost destroyed their crops.

So although Mukherjee announced a range of measures to keep up the momentum in agriculture, which has grown at an estimated 5.4 per cent during 2010-11 after two successive years of dismal growth (1.6 per cent in 2008-09 and 0.2 per cent in 2009-10), no one is cheering. Yudhvir Singh, general secretary of the Bhartiya Kisan Union, says the budget has completely upset farmers. "There is nothing for the Indian farmer in the budget," he declares, dismissing even the increase in interest subvention from 2 per cent to 3 per cent as of no significance.

The other big farmers' organisation, the Bharat Krishak Samaj (BKS), is unhappy, too. "The budget misleads more than it reveals. The allocation for the agriculture sector is far below our expectations," is the terse comment of its chairperson Ajay Jakhar.

But first, a look at the main incentives that Mukherjee is offering the sector. The eye-popping number is the huge step-up in agricultural credit. The budget raises the target of credit flow to farmers from Rs 3,75,000 crore this fiscal to Rs 4,75,000 crore in 2011-12, and the minister says banks have been asked to step up direct lending to small and marginal farmers. This is an almost 25 per cent jump in credit. The other is the allocation from the Rashtriya Krishi Vikas Yojana (RKVY), which is being increased from Rs 6,755 crore to Rs 7,860 crore. RKVY is intended to maximise returns to farmers by getting states to increase their investment in this sector.

Yet, "the budget lacks a vision and a strategy for keeping farmers on the farm," laments eminent agriculture scientist M S Swaminathan who has been campaigning for long to provide income security to India's poor and marginal farmers. "While the finance minister has emphasised the need for reaping a demographic dividend from our youthful population there is no strategy or programme for attracting youth to farming." The various reports produced by the National Commission on Farmers that he headed, including a National Policy on Farmers, has been gathering dust.



An immediate concern of the farmers is credit. Jakhar says the credit policy is misleading because "it is generally believed that this humungous amount (Rs 4,75,000 crore) will be dispersed to farmers at a subvention inclusive rate of 4 per cent. This is incorrect." Increasingly, loans to farmers constitute a very small part of what is shown as agricultural credit. Since 1993, indirect loans have been treated as agricultural loans as the definition has been broadened to include even the loans given to the state electricity boards for putting up wires and to dealers of companies selling agriculture-related products to farmers. Banks have thus been claiming a huge proportion of farm loans is a write-off. "Thorough verification of bank records is needed to check if the banks are showing non-agriculture loans as agriculture loans. Details of how much money is being dispersed as cash loans to the farmers at a reduced rate must be revealed in the Budget. Only then will the true picture emerge," insists the BKS chief.

Similarly, Yudhvir Singh points out that the higher interest subvention announced by finance minister is only for short-term crop loans. "If you take agriculture inputs like tractor and tubewells, the financial institutions charge rate of interest of 11 per cent."

So, overall is the budget a washout for the agriculture sector? Nilachala Acharya, analyst with the Centre for Budget and Governance Accountability (CBGA) in Delhi, worries that the expenditure on agriculture as a percentage of the total budget is showing a marked decline. From a high of 15.7 per cent in 2008-09, allocations have come down to 10.3 per cent and as a percentage of GDP (current market price) it has slumped from 2.5 to 1.4 per cent.

In fact, the hike in RKVY is not all that significant considering that the government had intended to disburse a total of Rs 25,000 crore under the scheme during the 11th Plan which ends this fiscal. The total allocation even with the current hike takes it to just 90 per cent. Acharya's complaint is that the so-called new schemes, such as the Rs 300 crore for millets, are all part of RKVY.

Besides, the allocations for many of the programmes which should have received a huge boost are woefully inadequate, specially the funds for ushering in the new Green Revolution.

CBGA's calculations show that the Rs 300 crore earmarked for 60,000 pulses villages in rainfed areas would mean an average allocation of just Rs 50,000 per village. However, the Rs 300-crore millet programme in 25,000 villages (covering one million farmers in 1,000 compact blocks) may fare better with each village getting Rs 1.2 lakh annually.

The general verdict is that a trickle of funds is unlikely to result in a bumper harvest, either for the farmer or for the country.

Allocations to the Ministry of Agriculture

Funds received by the three departments since 2009-10 (in ₹ crore)

Ministry of Agriculture	2009-10 actuals	2010-11 revised estimates*	2011-12 budget outlay
Department of agriculture and cooperation	11,675	17,695	17,523
Department of agricultural research and education	3,210	5,165	4,958
Department of animal husbandry dairying and fisheries	971	1,356	1,696
Total allocation	15,856	24,216	24,177
Total allocation as proportion of the budget	1.55%	1.99%	1.92%
Total allocation as proportion of GDP	0.24%	0.31%	0.27%

*Actuals up to

November 2010 + 4 month projections Source: Compiled by Centre for Budget and Governance Accountability from Expenditure Budget Vol. II, Union Budget 2011-12, Government of India

Source URL: <http://www.downtoearth.org.in/content/farmers-feel-left-out>

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Maharashtra way behind in budget transparency

Meena Menon

Maharashtra ranks seventh among 10 States in a study of transparency in State budgets released in February.

The State plan does not provide much information on the Scheduled Caste sub-plan and does not share details of government strategies and programmes for the development of the Scheduled Castes.

The study was conducted by the Centre for Budget and Governance Accountability (CBGA), New Delhi, and Samarthan, Maharashtra, in collaboration with other organisations. Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Uttar Pradesh were selected for the study, an attempt at gauging government practices and processes. The scope for budget transparency refers to the openness of the budget process and the scope for public involvement in this process, the report said.

Researchers looked at reports of various types since 2007-08 and circulated questionnaires to the government and people's representatives. Gujarat comes first in the overall budget transparency, followed by Madhya Pradesh, Chhattisgarh, Odisha, Andhra Pradesh, Assam, Maharashtra, Jharkhand, Rajasthan and Uttar Pradesh. The study has ranked States on the basis of the availability of budget documents, completeness of the information, facilitating understanding of this information, timeliness of information, audit and performance assessment, scope for legislative scrutiny, practices relating to budgeting for disadvantaged sections and fiscal decentralisation.

The report concludes that all State governments need to adopt a wide range of practices and processes to improve public access to budget information and develop strategies to make these documents available to the public. They should also bring out a key to budget documents, a separate statement on funds received from the Centre or external agencies, a statement on revenue foregone due to tax concessions and an action taken report on the observations of the Comptroller and Auditor-General on the budget.

The report also advises governments to hold consultations with legislators on the demands submitted by the State to the Finance Commission and the Planning Commission and present detailed information on fund allocations to the Scheduled Caste sub-plan, tribal sub-plan, women's component plan, besides presenting disaggregated

information on devolution of funds from the State budget to the local bodies and a district-wise breakup of allocations and expenditures in the budget.

While Maharashtra has constituted a State Finance Commission (SFC) at regular intervals, it does not make public the memoranda submitted by the State to the Finance Commission or the Planning Commission, the report says.

It also provides for a district-wise break-up of allocations and expenditures of the plan budget.

However, it does not present the action taken report or the recommendations of the SFC to the legislature; when it does, it is delayed. The executive does not hold consultations with representatives of the rural and urban local bodies while formulating the budget.

Maharashtra's budget documents do not provide information on the district-wise break-up of the non-plan allocations and expenditures. There is no information on women's component plan or gender budgeting, and there is no separate statement for the Scheduled Caste sub-plan.

Furthermore, it does not share complete information on funds received by the State from the Central government or external agencies which are routed outside the State treasury and not reflected in the budget.

The State government does not release to the public any report on the steps taken to address audit observations, for example, in the CAG reports, or give information on revenues foregone due to tax concessions.

The positives, the report says, are that Maharashtra's treasury is linked to the Internet and detailed information on receipts and disbursements are provided on a monthly basis.

All CAG reports are made public in a timely manner, and there is a district-specific economic survey and separate documents with district-wise allocations and information on the tribal sub-plan.

Keywords: [State budgets](#), [Maharashtra Budget](#)

SENTINEL

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‘Assam scores 50.1 per cent in State Budget transparency’

By our Staff Reporter

GUWAHATI, March 8: The Centre for Budget and Governance Accountability (CBGA) had carried out a survey, in collaboration with various other organizations, during August-December last year in various States across the country to collect relevant information on the State Budget pertaining to the fiscal year 2009-10. As per the report of the survey, Assam scored 50.1 per cent so far as transparency in the State budget is concerned.

Announcing the findings of the survey, CBGA director Subrata Das said, “Transparency in budgets can be intercepted as public access to information on budgets. The extent and quality of such access to information shapes public understanding of government decisions pertaining to budgets, determines the scope for public participation in budget processes and forms the foundation on which the government can be held answerable for budgets.”

As far as availability of budget documents in Assam is concerned, the report says that the Assam Government brings out most of the relevant documents related to the State budget. It also ensures that all budget-related documents are available to legislators. But many of these budget documents are not made available on the government website.

Regarding completeness of information, the report says that the budget documents provide complete information on government expenditures and receipts during the fiscal year 2009-10 but the documents do not provide complete details of the liabilities of the State Government and a detailed account of the physical assets held by the State Government.

The report also lists the following gaps in budget transparency in Assam – the State Treasury is not linked to the internet, the reports of the Comptroller and Auditor General of India are not made available in a timely manner, the State Government does not bring out any document outlining information on the MoUs which are signed and the State Government does not provide extensive information on Women’s Component Plan/Gender Budgeting.

While doing the survey in Assam, CBGA collaborated with the North East Network. Chairman of the North East Network, Manish Behl said, “It has been found that most of the legislators do not understand the State budget completely. They just try to find the points that suit their political motives and keep discussing those points. They do not do a detailed analysis of the budget.” Network researcher Yasmin Banu Laskar was also present at the discussion.