

# **Background Note**

## **NATIONAL CONVENTION ON UNION BUDGET 2008-09**

**14 and 15 November 2007  
WWF-India Auditorium, New Delhi**

*organised by*

**People's Budget Initiative**

*Secretariat*

**Centre for Budget and Governance Accountability**

### ***Organising Committee***

**ActionAid ❖ Amnesty International - India ❖ BARC ❖ CBGA ❖ CDSA ❖ Charkha  
CLRA ❖ CYSD ❖ ISST ❖ NACDOR ❖ National Social Watch Coalition ❖ NCAS ❖ NCDHR  
North East Network ❖ OLS ❖ Oxfam (India) Trust ❖ PWESCR ❖ Social Watch - Tamilnadu  
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# Agriculture

Anurag Srivastava

## Background

Most of the civic and political conjectures on social development have overlooked the importance of agriculture as the mainstay of agrarian transition on which successful industrial and services economy can be based. Hence, we have a hazy scenario of lobbies for particular groups and sectors with no substantial and grounded arguments for a just agrarian order. This brief note seeks to document the major bottlenecks in the economy and agriculture and their linkages and presents a case for more attention to the sector. It has been organized as under.

**SECTION 1** briefly looks at the statistics and trends related to Agriculture and Rural development in India

**SECTION 2** looks at the allocations to Agriculture and Rural development in the Budget 2007-08

**SECTION 3** brings to attention some policy aspects in line with the framework and facts. These are also presented finally in bulleted form as concrete demands.

## SECTION 1

How many people in India live off agriculture and what is their per capita productivity, income, average levels of education and health is a question that will determine the quantum potential of the agriculture sector. Let us look at the recent statistics beginning in the 90s.

According to the NSS 59<sup>th</sup> round survey (concerned with the year 2003), about 71 per cent of male workers and 85 per cent of female workers, as identified by the usual status approach (considering both principal and subsidiary activity together), were found engaged in agricultural activities. If we try to look at the quality of life of this population, the NSS consumption data for 2004 showed that the population reporting a calorie intake level of “less than 100%” of the norm of 2700 kcal, formed 66 percent of the total in rural areas and 70 percent of the total in urban areas<sup>1</sup>.

The share of food was 54% in rural areas compared to 64% in 1987-88 and 42% in urban areas compared to 56% during 1987-88. This population will not be able to sustain itself because the growth rate of population outruns growth in agriculture. It is hardly surprising

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<sup>1</sup> Nutritional Intake in India, 2004-05. NSSO. 2004-05

that the rate of agricultural growth has slowed drastically in the 1990s and has fallen below population growth for the first time in 30 years.

There has been a persistent decline in the growth in the agriculture sector since 1990 onwards as compared to the 1980s. From an average of 4 percent per annum during the 1980s, it came down to 3.2 percent during the 1990s and 2 percent until 2006. The growth in real value of foodgrain production has been an abysmal (-) 3 percent during the 1990s and (-) 5 percent during 1999-2000 to 2002-03, with minor improvements estimated during 2003-04. This has serious implications on the nutritional status and food security of our country.

At an all India level, there has been a decline in the share of the agricultural sector in the overall gross domestic product (GDP), mainly on account of the high growth rate in the services sector. In the last decade, the share of agriculture in GDP was 29.76 percent during 1993-94 to 1995-96 and this fell to 23.15 percent during the period 2000-01 to 2002-03. The compound average per annum growth rate of agriculture and allied sector was around 4 percent during the 1980s. During the 1990s this has come down to 3.5 percent during the first half and further to 3 percent during the latter half.

If we look at the relation between the GDP and agriculture during 1993-94 to 2002-03, it is observed that with 1 unit increase in GDP, agriculture grows by only 0.1 units (bivariate regression coefficient). The GDP elasticity of agriculture is only 0.43 during 2000-01 to 2002-03. This means that agriculture is not having any significant share in the overall growth in the national product.

This can be seen in light of the overall trend in the real value of foodgrains. It has been observed in a study that the real value of foodgrain came down consistently from Rs. 88,081 Crore in 1990-91 to Rs. 51,565 Crore in 2002-03<sup>2</sup>.

The key to this discrepancy in the overall growth and low agricultural growth is the sharp decline in the public capital formation in agriculture which declined sharply in the 90s.

The NSS employment and unemployment surveys show an alarming collapse of rural employment growth to below 0.6 per cent annually from 1993-94 to 1999-2000 compared to 2 per cent annually during 1987-88 to 1993-94. Rural job losses are reflected in a lower participation rate, higher open unemployment, and an absolute decline in the number of people employed in agriculture. There is an increasing feminization of agriculture as well. Over 85 percent of women workers are engaged in agriculture and more than 20 percent of the rural households are female headed. As men are moving to non-farm, women are left behind. These women are producers in all activities such as crop cultivation, animal husbandry, fisheries, forestry etc.

During the 1980s the growth rates of both foodgrains as well as non-food crops were 3.54 percent and 4.84 percent per annum respectively, which came down to 1.66 percent and 2.36 percent during the 1990s.

The yields per hectare for foodgrain, non foodgrain and crops taken together, we find that the growth rates have come down during the 1990s and the first half of the current decade

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<sup>2</sup> Calculated by taking the WPI based inflation in food grains and taking 1993-94 as the base year. Mathur, Das and Sircar. Dec 30,2006. EPW.

as compared to the 1980s. During the second half of the 1990s, the growth in foodgrain yield revived but, again came down in the recent past. The growth of yield of non-food crops came down during the second half of the 1990s because of which the growth in the overall agricultural yield fell down. However, there have been some improvements in the yield of non-food crops in the recent period with impact on overall agricultural yield. There is scope to improve productivity in yield in India because barring wheat and sugarcane, the yield of different crops in our country is below the world average.

Given this impasse, it is important to understand the factors that may lead to a higher growth and to find a case for increased investments in those areas. Some of the studies which link growth in agriculture to various factors are as:

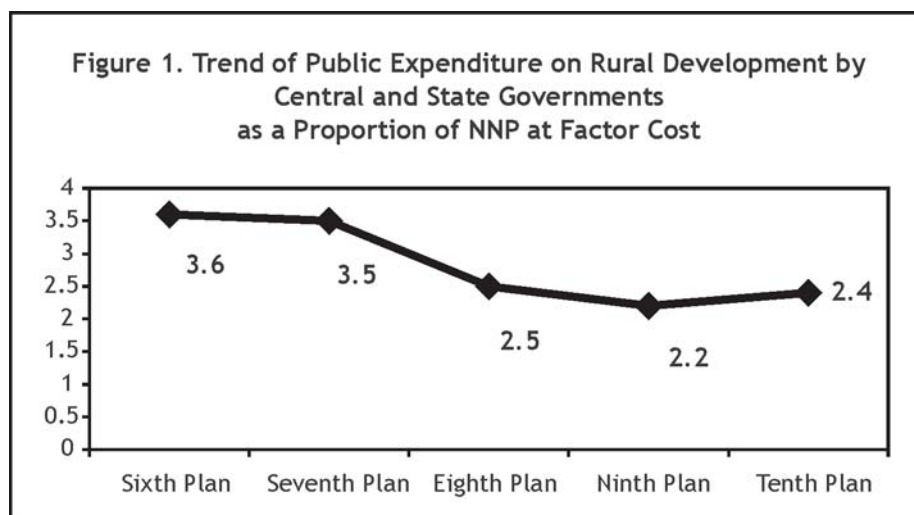
- 1) There is direct relationship between rural infrastructural development and level of per hectare yield of food grains as also of the value of output from agriculture. This hence, amounts to the role of infrastructure in contributing to productivity and capital formation. The larger focus of infrastructure in the urban areas has taken its toll on agricultural productivity.
- 2) It has been shown that improvement in irrigation and rural literacy are the two most important factors for agricultural growth in India. We can therefore conclude that technical and social investments are paramount for agricultural growth. For integration of agricultural markets, it is argued that there is a greater need for public investment in agriculture, irrigation, credit availability, better marketing of agricultural products, research and development.
- 3) It is emphasized that the importance of administered allocation of credit to the priority sector at concessional interest rates for agriculture, mostly the targeted credit bypasses the poor. There is a need for devolution of powers to Water Users Associations (WUAs) for important functions like assessment, collection of water charges, sanctioning of work etc.
- 4) Low capital formation in agriculture through the 90s as well as decline in public sector capita formation have been identified as one of the key factors. Hence, there is a conscious neglect of the sector and beginning in the 90s, this process has accentuated.

All the above contentions have been made by scholars of agriculture and rural development and they outline the key factors which can invigorate the depressed sector. The key argument however lies in the critical fact that it is liberalization which is the root cause of fundamental shifts in the policy priorities of the government. As we have shown in the paper earlier, there has been a downward trend in most the indicators related to agriculture beginning in the 1990s. This has a strong co-relation with the government opening up the economy at the behest of the International Financial Institutions wherein the policies have taken a nosedive with adverse effects on agriculture.

Recently the government has decided to import wheat. This is because there is shortage of wheat for the Public Distribution System (PDS) as the farmers are selling to the private buyers who are paying more than the Minimum Support Price (MSP) offered by the government. In order to raise the MSP by the government, investments are needed. But the argument is basically linked to buying 'foreign' wheat which is actually dumping for over producing, over subsidised agriculture in the North. Further commodity trading with foreign players implies that we must become markets for foreign corporate houses dealing with agriculture.

Clearly these developments need to be linked to investments in agriculture. First we look at the broad trend over the years and then link it to the Union Budget 2007-08. Subsequently some suggestions are provided on the allocations and specific demands in the final section.

The overall public expenditure on rural development has considerably declined over the last couple of plan periods. See Figure 1 below. Rural Development here includes (a) Agriculture and Allied Activities, (b) Rural Development, (c) Special Area Programme, (d) Irrigation and Flood Control and (e) Village industries



A look at table 1 below shows that the total investment in agriculture has also gone down.

**Table 1: Investment in Agriculture (in Rs Crore)**

Year	Investment in Agriculture (in Rs. crore)			Total Investment in Agriculture as a per cent of GDP at constant 1999-00 prices
	Total	Public	Private	
1999-00	43473	7716	35757	2.2
2000-01	38735	7155	31580	1.9
2001-02	47043	8746	38297	2.2
2002-03	46823	7962	38861	2.1
2003-04	45132	9376	35756	1.9
2004-05	48576	10267	38309	1.9
2005-06*	54539	13219	41320	1.9

Source: Economic Survey 2006-07

During the last 10 years, the Central Govt. allocations in agriculture and allied activities has hovered between 0.8 to 1 percent of the GDP. This may be related to roughly 2/3<sup>rd</sup> of the population dependent on agriculture. Please look at the table below.

**Table 2: Trend of Central Government Allocation in Agriculture and Allied Activities  
(in Rs. Crore)**

Year	Revenue Account	Capital Account	Loan Account	Total Agriculture and Allied Activities	As per cent of Total Central Government Expenditure	As per cent of GDP
1996-97 RE	10,527.40	342.08	344.45	11,213.93	5.6	0.82
1997-98 RE	12,939.55	343.92	276.29	13,559.76	5.8	0.89
1998-99 RE	15,115.35	333.35	269.31	15,718.01	5.6	0.90
1999-00 RE	16,624.84	223.89	254.77	17,103.50	5.7	0.88
2000-01 RE	19,305.81	48.09	150.47	19,504.37	6.0	0.93
2001-02 RE	25,363.16	50.19	220.86	25,634.21	7.1	1.13
2002-03 RE	31,198.32	-323.69	205.74	31,080.37	7.5	1.26
2003-04 RE	32,882.41	66.11	85.82	33,034.34	7.0	1.20
2004-05 RE	36,127.98	78.75	100.09	36,306.82	7.3	1.16
2005-06 RE	36,490.86	47.75	102.55	36,641.16	7.2	1.04
2006-07 RE	45439.8	73.35	60.49	45,573.64	7.8	1.11
2007-08 BE	48041.36	98.28	71.01	48,210.65	7.5	1.05

Source: Expenditure Budget Vol-I, Annexure-1

**Table 3: Allocations for Rural Development (in Rs. Crore)**

Year	Plan	Non-Plan	Total	As per cent of Total Expenditure	As per cent of GDP
1999-00 RE	7220	17.72	7237.72	2.43	0.37
2000-01 RE	8869.55	18.84	8888.39	2.73	0.43
2001-02 RE	10606.5	19.12	10625.62	2.93	0.47
2002-03 RE	15176	19.13	15195.13	3.68	0.62
2003-04 RE	15500	18.76	15518.76	3.29	0.56
2004-05 RE	13866.4	19.00	13885.4	2.79	0.44

The overall trend in expenditures on agriculture and rural development are not only progressively meager, they are dismal. Low capital formation leads to low productivity, low incomes and a poverty trap. It instigates migration, market exploitation and distortion in national sectors overall by creating unbalanced development. Let us remember that rural development expenditures include all employment generation programmes, special areas programmes, village industry, irrigation and flood control, energy and transport, apart from agriculture and rural development.

## **SECTION 2 : AGRICULTURE AND RURAL DEVELOPMENT IN THE UNION BUDGET 2007-08.**

We now turn our attention to the allocation to Agriculture and Rural development in the union budget 2007-08.

The total central plan outlay and central plan expenditures increased, respectively by 31 percent and 19 percent between 2006-07 (RE) and 2007-08 (BE). On the other hand, the

expenditure on agriculture, rural development and irrigation rose by 15.8 percent, 11.45 percent and 9.7 percent respectively, during the same period.

As a result, the shares of these sectors declined in central plan outlay and central plan expenditure. The share of agriculture in central plan expenditure declined marginally from 4.28 percent in 2006-07 to 4.17 percent in 2007-08 while its share in central plan outlay declined from 3.03 percent to 2.67 percent during the same period. Similar declines can be seen for rural development and irrigation. In addition to the expenditures mentioned, the outlay under AIBP (Accelerated Irrigation Benefits Programme) has been increased from Rs 7121 Crore in 2006-07 to Rs. 11,000 Crore.

As stated earlier, the importance of water and land use is vital. The investment in irrigation has been stagnant for several years. The outlay of Rs 11,000 Crore is too meager to make any significant impact on irrigation potential. Under *Bharat Nirman*, 2.4 million ha including 9 lakh under AIBP was to be created during 2006-07. At this rate, the target of 10 million hectares to be brought under irrigation under *Bharat Nirman* by 2008-09 may not be achieved. The rate of investment has to be doubled even if the pending major and medium irrigation projects, particularly in the poorer states are to be completed.

The other two proposals on water related to restoration of water bodies and recharge of groundwater. The training of framers on water harvesting was another proposal. There was no expenditure of these two issues. Loan agreement has been signed with the World Bank for restoration of water bodies in Tamil Nadu. The FM expects other states also to sign such agreements. Groundwater recharge is very important and it must be focused with budgetary allocation for the relevance it has for sustainability of water resources.

Give that the agricultural extension system in the country has collapsed; it is doubtful if the provision of Rs. 230 core for the Agricultural technology Management Agency (ATMA) as was made would address the massive challenge spreading extension services to farmers all over India. As mentioned in the NCF, there is a large knowledge gap between the yields in research stations and actual yields in farmers' fields. Agricultural Extension plays a crucial role in this regard. Further, such gaps can be filled with adequate research and extension. It is a known fact that India spends only 0.5 percent of the GDP on agricultural research. The Budgetary increase to the tune of 2460 Crore in 2006-07 ( BE) from Rs. 2,276 Crore in 2006-07 ( RE) is hardly anything of significance in this regard.

The second green revolution has the challenge of focusing on dryland areas apart from the problem faced in the irrigation sector. Crop failures and distress sales are increasing. Crop insurance is supposed to take care of risk. The coverage of the NAIS (National Agriculture Insurance Scheme) is very small. The budget also mentioned the government will ask the AIC (Agriculture Insurance Corporation) to start a weather based crop insurance scheme on a pilot basis in one or two states. Some development has taken place with the ICICI Lombard General Insurance Company having begun a pilot insurance programme but it is yet to generate any interest among farmers. The basic infrastructure for risk mitigation measures has been missing and does not find any planning in the budget documents.

We have to look at the picture in terms of a proper supply of inputs and remunerative prices for their inputs such as seeds and fertilizers. The supply of inputs as seeds and direct delivery of fertilizers to the farmers is a key challenge. The most important problem for the

farmers is output price fluctuation. Apart from non-price factors, farmers take decisions on the crops to sow based on prices at the time of sowing. Prices come down drastically by the time they are ready to sell in the market. This has happened with cotton and many other crops. Similarly, there is a big gap between producer and consumer prices. The National Commission on Farmers has suggested a market stabilization fund and an agricultural risk fund to take care of respectively, price fluctuations and risk arising from drought and weather aberrations. There should be a way to address the issue of price fluctuations in the budget.

The shift to non farm activities has been clearly demonstrated in recent literature. The National Commission on Farmers has advocated the Rural Non-Farm Livelihood Initiative to improve employment and income in rural areas. The budget is silent on food processing sector and the rural non-farm livelihoods.

The allocations to the NREGS and the ICDS did not increase much. Similarly, little contribution to the social sectors will mean benefits being inadequate to the poor rural families. There is an urgent need to strengthen the PDS. The budget has a vague statement on a plan scheme for monitoring and evaluation, management and strengthening of the targeted PDS but it is as much. There are no details provided.

The Agricultural labourers constitute 70 percent of the unorganized workers and the National Commission on Enterprises for Unorganized Sector (NCEUS) had proposed a national minimum social security in the form of health benefits, life insurance and old age pensions. But only death and disability insurance is provided to the poor in the rural areas under the *Aam Aadmi Bima Yojna*. This is less than insufficient!

### **SECTION 3: HOW CAN THIS BE ADDRESSED?**

Solutions to these problems have to be identified and we have to demand corrections in the fiscal management of agriculture to deal with the severe constraints on productivity and distributional efficiency.

First we look at the policy imperatives.

Beginning with Public Distribution System (PDS), the current system of PDS “targeted” at families living below the poverty line should be replaced by a “universal” PDS. According to some basic calculations made by Dr Madhura Swaminathan of the Indian Statistical Institute, Kolkata, the annual cost of a universal PDS would be around Rs 35,900 Crore. This should be provided for in the budget.

Dr M.S. Swaminathan has noted that “If we want to abolish hunger, there is no way except to promote a universal PDS with a wide range of staple crops,” he insists. Industrialised countries, he points out, give enormous support to farmers and consumers. “They don’t call it subsidy. Only we call all life-saving support of a very minimal nature, a subsidy. This mindset should change. The first and foremost responsibility of government is to provide every child, woman and man an opportunity for a healthy and productive life.”

The total cost to make India hunger-free would be less than 2% of our GDP, he argues. And the returns are incomparably higher, in terms of more productivity and better human resources. As regards the inefficient PDS, he says: “We should not work for failure. Panchayati

raj institutions, particularly gram sabhas, should provide oversight to an integrated universal PDS and Food Guarantee Act Programme so that corruption can be eliminated.”

The MSP should be expanded to cover more crops, and to make it more remunerative to producers. The procurement price should be fixed according to market rates at the time of harvest, and should take into account increases in the price of diesel, etc. Farmers who avail of the MSP should be given discounts for purchase of seeds, fertiliser, etc. This will prevent import of wheat as well.

There should be focus on completion of unfinished land reforms, to ensure distribution of all ceiling surplus land.

Further, importing wheat or any other food commodity should be banned as a policy. The retail sector should be strengthened not for the corporate houses but should be part of market integration for the poor farmers.

There were some specific demands that we have from the Union Budget 2007-08 which are as:

1. There should be budgetary provisions for developing a proper market mechanism for agricultural produce in India either through direct intervention by Gol or through some special grants to State Governments.
2. Government should make a consistent effort to develop agricultural infrastructure including cold chains, transport etc., and these should have a clear reflection in the Budget 2008-09.
3. Village panchayat level agro service centres across the country are needed and the Union Budget should have clear provisions regarding the same. Such service centres may have necessary agro equipments as well as human resources to provide extension service.
4. A clear and time bound approach is needed for extending irrigation facilities to all the lands across the country. This should be adequately funded in the Union Budget 2008-09.
5. Suitable provision for farmers’ insurance, crop insurance, institutional credits should be made in Budget 2008-09. Debts incurred for agricultural purposes may be written off especially for small and marginal farmers. Unorganized sector workers’ social security legislation (for agricultural workers) should be enacted without delay.

# A Note on Financial Aspects of Public Provisioning for Education in India

- Pooja Parvati

## Introduction

Education holds the key to progress for any inclusive society and the government, acting as an instrument in providing education, bears an important responsibility. Through the National Policy on Education and several measures subsequently taken by the Government especially through the 83rd and 86th amendments of the constitution, now education has been declared as a fundamental right. The primary objective of the National Policy is to obtain universalisation of elementary education through programmes like District Primary Education Programme (DPEP)<sup>1</sup> 1997, Sarva Shiksha Abhiyan (SSA) launched in 2001 and several others as will be discussed in the note. It becomes essential to understand financing aspects of public provisioning for education, simply to know whether the government puts the money where its mouth is! To put it less crudely, it will be useful for budgetary policy advocates at the grassroots, state and central level to engage governments more constructively by staying informed about the 'actual' implementation vis-à-vis 'promises' made.

## Timeless Goals in Education

In the Education Policy of 1968, it was envisaged that public expenditure on education as a proportion of GDP will increase to 6% over time. During 1990s, after the economic reform policies were introduced, public expenditure on education declined from above 4% in 1990-91 to about 3.66% in 2005-06. **Thus, raising public expenditure on education to a level of 6% of GDP has remained a national commitment for nearly forty years now!** A brief overview of the major policies and programmes in education in the country highlight the crucial issues and concerns in the sector since the past few years.

## Major Policy Announcements on Education in India

The following is a chronological overview of the most crucial policies and initiatives in the field of education in the country:

The National Policy of Education (NPE) 1986, as revised in 1992, indicated three thrust areas in elementary education:

- (i) Universal access enrolment;
- (ii) Universal retention of children upto 14 years of age; and

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<sup>1</sup> DPEP, initiated in November 1994 in 7 states (42 districts), moved to its second phase (DPEP II) in May 1996 covering 6 additional states and a total of 80 districts. Currently it is being implemented in just 2 states.

- (iii) A substantial improvement in the quality of education to enable all children to achieve essential levels of learning.

Launched in 1987, Operation Blackboard was aimed at improving the school environment and enhancing retention and learning achievement of children by providing minimum essential facilities in all primary schools. In all, 523,000 primary schools were covered as originally envisaged.

The 10<sup>th</sup> Five Year Plan (2002-07) looked at the issues pertaining to elementary education mainly through the SSA. It also recognized that vocational education and skill development is a crucial sector of education and decided to give it importance at all levels. Further, the 86<sup>th</sup> Constitutional Amendment Act, 2002 made education a Fundamental Right for children in the age group of 6-14 years by providing that “*the State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine*”. Although several states have also put in place the legal provisions required for ensuring free and compulsory education, (Table 2) it is still a matter of legalese vs. actual implementation and monitoring of the service delivery.

**Table 1: State Level Legislations on Education in India**

State	Title of Act and Year Enacted
Andaman & Nicobar Islands	-
Andhra Pradesh	The Andhra Pradesh Education Act, 1982
Assam	The Assam Elementary Education Act, 1974
Chandigarh	
Delhi	Delhi Primary Education Act, 1960
Himachal Pradesh	The Himachal Pradesh Compulsory Primary Education Act, 1997
Jammu and Kashmir	The Jammu and Kashmir School Education Act, 2002
Karnataka	The Karnataka Education Act, 1983
Kerala	Kerala Education Act, 1958
Madhya Pradesh	Madhya Pradesh Jan Shiksha Adhinyam, 2002
Maharashtra	Bombay Primary Education Act, 1947
Meghalaya	Meghalaya School Education Act, 1981
Pondicherry	Pondicherry School Education Act, 1987
Punjab	Punjab Primary Education Act, 1960
Rajasthan	The Rajasthan Primary Education Act, 1964
Sikkim	Sikkim Primary Education Act, 2000
Tamil Nadu	The Tamil Nadu Compulsory Primary Education Act, 1994
West Bengal	The West Bengal Primary Education Act, 1973

**Note:** States’ Education Acts in shaded boxes represent states that do not guarantee compulsory education to children but merely permit states to develop mechanisms to enforce compulsory Right to Education. These require immediate amendments to bring them in line with the provisions of Free and Compulsory Education, although with ‘explicit’ and ‘implicit’ bottlenecks as there is no record of convictions made under these laws. The rest of the states mentioned, through the legal provisions, make primary education compulsory.

**Source:** 1. Niranjana Radhya & Aruna Kashyap, The ‘Fundamentals’ of the Fundamental Right to Education in India, Centre for Child and the Law, National Law School of India University, ActionAid India, 2006, p.17-18

2. <http://education.nic.in/cd50years/x/7C/HA/7CHA0601.htm>

3. <http://megassembly.gov.in/business/1991/01-04-1991.htm>

4. [cag.nic.in/cag\\_reports/pondicherry/rep\\_2003/OVERVIEW.pdf](http://cag.nic.in/cag_reports/pondicherry/rep_2003/OVERVIEW.pdf)

The **National Common Minimum Programme** (NCMP) of the United Progressive Alliance (UPA) government, pronounced in May 2004 also reiterated this commitment. To fulfill this commitment, in addition to augmenting budgetary support, the Government imposed an education cess of 2% on direct and indirect taxes in the Finance Act 2004-05 (No.2). The Union Budget 2006-07 has since increased the contribution towards the education cess by 1%.

**Sarva Shiksha Abhiyan** (SSA) which has been a major flagship programme of the present UPA Government addresses the needs of 195 million children in the age group of 6-14 years. Another recent development is the proposal to tag on early childhood education to the SSA programme. Given that the SSA is focusing on quality now rather than quantity, the Planning Commission's proposal to attach "at least one year" of the Early Childhood Care and Education (ECCE) or the pre-school component to the programme could mean that the SSA loses its focus. The proposal initiated by the Planning Commission suggests that, in principle, the **Integrated Child Development Scheme** (ICDS), a programme administered by the Ministry for Women and Child Development, be bifurcated and the early child education or pre-school component be attached to the SSA. The move will spell the death knell for the ICDS as well as impact the SSA that is currently changing tack from a quantity focus to quality focus. Pre-primary care and education, that is, for children in the age group of three to six years, is provided by the anganwadi component of the ICDS.

The ICDS, which has traditionally included the pre-school component, is being revamped and universalised. Part of this effort is to revamp criteria to make the anganwadis co-terminus with schools. Besides which both ministries have worked out a convergent strategy, where anganwadis are located either within the school premises or close to the school. This helps a smoother transition as well as placing the child, depending on the age, in the right institution. At present, the argument against such a move could be that the pre-primary schooling is not part of the formal schooling; hence lumping two programmes may impact the end result of both, a fact that the joint training programmes for anganwadi workers and primary teachers has revealed. The two segments have separate needs and combining them will have disastrous effects. The **National Council for Teacher Education** (NCTE) was established by an Act of Parliament in August, 1995. This scheme stands merged with Sarva Shiksha Abhiyan from 2007-08.

With regard to the controversial resource share for SSA, the Centre has worked out a new funding pattern for SSA in the XIth Five Year Plan in view of the stiff opposition from State Governments to footing half the bill incurred on universalising elementary education, pending approval by the Union Cabinet. As per the new pattern, the Centre will pick up 65 per cent of the cost incurred on SSA for the two fiscals beginning 2007 - the first two years of the 11<sup>th</sup> Five Year Plan. States will have to chip in the remaining 35 per cent. In 2009-2010, the Centre will scale its contribution down to 60 per cent with the States footing 40 per cent of the bill.

The fourth year of the Plan will see a further reduction in the Centre's contribution to 55 per cent. States will have to provide the rest and in the last year of the Plan, the funding pattern will be 50:50 as had been envisaged for the entire duration of the XIth Plan when SSA was launched in 2001. As per the initial programme, the funding pattern had switched to 50:50 from the start of this fiscal despite protests from all State Governments. In view of the opposition from State Governments, the HRD Ministry had prepared a Cabinet note

proposing that funding for SSA in the 11<sup>th</sup> Plan continue as per the ratio followed in the 10<sup>th</sup> Plan period. Nevertheless, it continues to be a contentious issue. The MHRD contends that lower level of funding for SSA would delay the programme, while the Ministry of Finance and Planning Commission argue that states have ample funds and need no further assistance.

About 12 Crore children studying at the primary stage in over 9.50 lakh government and government-aided schools including EGS and AIE Centres are being covered under the **Mid-Day Meal Programme**<sup>2</sup>. The norms under the scheme have been revised in September, 2006 to upgrade the nutrition norms. In the year 2007-08, provision has been made in the Union Budget to extend the scheme to the upper primary level in educationally backward blocks in the country (Department of Elementary Education and Literacy). Table 2 presents an overview of the MDM scheme.

**Table 2: Mid-Day Meal Programme : An Overview**

Coverage of schools	9.53 lakh primary schools/sections and EGS/AIE Centres
Coverage of children	11.94 crore
Foodgrains allocated and percentage lifted	22.50 lakh MTs (64%) up to 3.3.2006
Central assistance provided towards -	
I. Cooking costs	Rs.1781 crore
II. Management, Monitoring and Evaluation	Rs.21.30 crore
Total expenditure incurred against BE of Rs.3010.76 crore	Rs.3077.59 crore (as on 3.3.2006)

Source: Department of Elementary Education and Literacy, Annual Report 2005-06

The MDM scheme was last revised in June, 2006 with modifications made in the norms governing the scheme. However, evaluation studies conducted point to issues of management, administration and fund utilization as the problem areas.

All States/UTs are implementing the programme and are also contributing their resources to add value and variety to the mid-day meal. In addition to the recurring assistance, funds for construction of 94,500 kitchen sheds and kitchen devices for 2.60 lakh schools have been sanctioned in 2006-07. It is proposed to extend the programme to upper primary stage in 3247 Educationally Backward Blocks (EBB) from 2007-08.

**Prarambhik Shiksha Kosh:** Following the imposition of the education cess @ 2% on all major Central Taxes through the Finance (No.2) Act, 2004, Prarambhik Shiksha Kosh (PSK) was established with effect from 14.11.2005 as a dedicated non-lapsable fund to receive the proceeds of the Education Cess. An amount of Rs.10,393 Crore is to be transferred to the Kosh during 2007-08. The amount will be used mainly to fund SSA/MDM.

<sup>2</sup> The MDM Scheme is officially known as The National Programme of Nutritional Support to Primary Education

## DPEP

The following table (Table 3) highlights the status of DPEP in March 2007:

**Table 3: Status of DPEP – March 2007**

State/UT	Gol Releases	State Releases	Total Funds Available	Expenditure till 31 <sup>st</sup> March 2007		Unspent Balance	
Orissa	6601.14	1447.35	8934.49	6487.81	72.62%	2446.68	27.38%
Rajasthan	3189.86	431.00	5208.04	5295.16	101.67%	-87.12	-1.67%
Total	9791.00	1878.35	14142.53	11782.97	83.32%	2359.56	16.68%

Source: <http://ssa.nic.in/finmanagement/13JRM/Annex%20J-DPEP.pdf>

The schemes-*Information and Communication Technology in Schools* (ICT in Schools) and *Integrated Education for Disabled Children* (IEDC) are presently under revision. **Access and Equity**, a scheme launched in the year 1993-94, under which financial assistance is provided to the societies and NGOs to provide boarding and hostel facilities to the girls pursuing education at Secondary and Higher Secondary stage predominantly belonging to the rural, desert and hilly areas, particularly those belonging to Scheduled Castes, Scheduled Tribes and educationally backward minorities. The scheme is proposed to be merged in the scheme for Universal Access and Quality at the Secondary Stage (SUCCESS) which is under formulation.

**Scheme for Universal Access and Quality at Secondary Stage (SUCCESS):** As a follow-up to the implementation of the SSA, a new programme is proposed to be launched in the 11<sup>th</sup> Plan leading to a massive increase in the number of students completing upper primary level, it has been felt necessary to meet the increased demand for access to Secondary Education. A provision of Rs. 1305 Crore (inclusive of allocation for North-Eastern Region) has been made for 2007-08.

**National Scheme for Incentive to the Girl child for Secondary Education (SUCCESS):** Pursuant to the announcement made by the Finance Minister while presenting the budget for 2006-07, a scheme is under formulation for providing incentives to girls for secondary education. Accordingly, a token provision of Rs. 1.00 Crore inclusive of allocation for NER has been made for the year 2007-08.

**Adult Education & Skill Development Scheme:** The existing schemes of Literacy Campaigns & Operation Restoration and Continuing Education for Neo-Literates have been merged into one single scheme of Adult Education & Skill Development that will cover both the existing schemes with an outlay of Rs. 322 Crore inclusive of allocation for NER.

However, much remains to be done. The Right to Education is yet to become justiciable. Financial allocation to all tiers of education continues are woefully inadequate to meet the requirements. Goals that were relevant in 1968 continue to prevail even in 2007; a matter grave in itself! At this juncture, it is instructive to understand the trends in public spending in education in the country.

## HRD ministry keen on analysing NKC advice on educational reforms

AS THE government plans a massive expansion of the university system, the ministry of human resource development has decided to go in for wide-ranging consultations to examine the feasibility of introducing systemic reforms in the higher education system as suggested by the National Knowledge Commission (NKC).

The consultations, which are being spearheaded by the University Grants Commission, will comprise a series of regional conferences with all stake holders. This would be followed by a meeting of the vice-chancellors of all universities, which is likely to be held in October. The issue of university reforms will also be put before the Central Advisory Board of Education (CABE).

These consultations are in keeping with the Prime Minister's directive that a nation-wide debate be held on the recommendations made by the NKC before any view is taken on adopting them.

Interestingly, the "systemic reforms" that the Planning Commission has suggested for implementing in the 11th-Plan period mirror NKC's recommendations. In its agenda note for the full commission meeting on education to be held on Tuesday, the Planning Commission has suggested that while semester system would be instituted right from the beginning in the 16 new central universities, it would eventually be extended to all central universities.

Other "systemic reforms" envisaged by the Planning Commission includes a common admission system for all central universities, continuous internal evaluation and assessment as against annual examinations. A credit system that would provide students the opportunity to move from one university to another as well as make a break in their studies without losing out has also been suggested.

Source: The Economic Times, 3 September, 2007

## Trends in Spending in Education Sector in India

Ever since the commencement of economic planning in 1951-52, the education sector has remained the priority sector of the central as well as the state governments. The inter-se priorities on and off have been changed as reflected in the expenditure pattern of the last fifty years. The following table (Table 4) highlights the trend within education in the Five Year Plans.

**Table 4: Plan-wise Priorities within Education Sector**

Plan Period	Priority within Education Sector
First Plan (1951-56)	Elementary
Second Plan (1956-61)	Higher and Technical
Third Plan (1961-66)	Higher and Technical
Fourth Plan (1969-74)	Higher and Technical
Fifth Plan (1974-78)	Higher and Technical
Sixth Plan (1980-85)	Higher and Technical
Seventh Plan (1985-90)	Higher and Technical
Eighth Plan (1992-97)	Elementary
Ninth Plan (1997-2002)	Elementary
Tenth Plan (2002-07)	Vocational Education and Skill Development

**Table 5: Total Outlays on Education by the  
Central Government Ministry of Human Resource Development**  
(in Crore of Rupees)

Ministry/ Department	Actuals 2005-06			Revised 2006-07			Budget 2007-08		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
<b>School Education and Literacy</b>	11979.55	4.56	11984.11	17128.00	5.00	17133.00	22191.00	951.22	23142.22
Revenue	11979.55	4.56	11984.11	17128.00	5.00	17133.00	22191.00	951.22	23142.22
Capital	-	-	-	-	-	-	-	-	-
<b>Higher Education</b>	2558.68	3266.78	5825.46	3616.00	3500.00	7116.00	6480.50	2729.00	9209.50
Revenue	2558.68	3266.78	5825.46	3615.99	3500.00	7115.99	6479.50	2729.00	9208.50
Capital	-	-	-	0.01	-	0.01	1.00	-	1.00

Source: Union Budget 2007-08, Government of India  
<http://www.indiabudget.nic.in/ub2007-08/eb/stat02.pdf>

**Table 6: Total Outlays on Education, Sports, Art & Culture by the  
Central Government**  
(in Crore of Rupees)

	Major Head	Actuals 2005-06	Budget 2006-07	Revised 2006-07	Budget 2007-08
<b>Revenue Expenditure</b>					
General Education	2202	13882.82	18670.26	18795.49	21047.79
Technical Education	2203	1508.49	1681.39	1703.42	3858.44
Sports and Youth Services	2204	396.57	551.02	479.56	625.70
Art and Culture	2205	632.67	712.08	681.22	811.50
<b>Capital Outlay</b>					
Education, Sports, Art and Culture	4202	28.48	55.54	30.58	54.54
<b>Loans &amp; Advances</b>					
Education, Sports, Art and Culture	6202	-	-	-	25.00

Source: Union Budget 2007-08, Government of India  
<http://www.indiabudget.nic.in/ub2007-08/afs/afs2.pdf>  
<http://www.indiabudget.nic.in/ub2007-08/afs/afs4.pdf>

**Table 7: Total Outlays on Education, Sports, Art & Culture from the Budgets of all States & UTs (1990-91 to 2006-07)**

Items	1990-91	1995-96	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 (RE)	2006-07 (BE)
<b>Revenue Expenditure</b>	32,826	61,016	1,15,491	1,18,643	1,24,324	1,34,719	1,49,022	1,85,477	2,03,390
Education, Sports, Art and Culture	15,528	28,911	59,826	60,177	62,407	65,438	70,937	84,776	93,767
<b>Capital Outlay</b>	1,566	2,622	8,929	9,862	9,412	11,472	15,981	21,437	23,794
Education, Sports, Art and Culture	284	454	442	616	576	761	1,100	2,015	2,355
<b>Loans and Advances by State Governments</b>	741	1,702	3,500	3,737	3,404	3,439	3,340	5,112	6,032
Education, Sports, Art and Culture	-	21	0.2	3	34	49	128	45	20
<b>Total Social Sector Expenditure</b>	35,132	65,341	1,27,920	1,32,242	1,37,140	1,49,629	1,68,344	2,12,026	2,33,217

Source: Budget Documents of State Governments  
<http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/74898.pdf>

With regard to the budgeted public spending by the Central government Education Department (MHRD), the figures reveal that (Table 5) compared to 2005-06 (actuals), the allocation made in 2007-08 is twice over. However, it is almost entirely composed of revenue expenditure - a feature that has remained unchanged!

Spending by the other departments of the Central government also comprise mainly of revenue expenditure (Table 6). Further, looking at the combined picture presented by the states and UTs on education outlays (Table 7), it becomes clear that consistent to the increase in the overall social sector spending in the states and UTs, there has been a rise in the spending on education since 1990-91 of about 16%. However, as has been the case at the Central level, apportioning for education has focused primarily on revenue expenditure with scant attention being paid to capital outlays - a matter of concern when seen in terms of physical infrastructural indicators.

### **Shifting the Burden to the People?**

The government had introduced education cess in 2004-05 to mop up resources for funding education programmes. The cess was increased from 2 per cent to 3 per cent in the 2007-08 annual financial statement presented by Finance Minister P Chidambaram. While this is expected to step up public investment not only in elementary, but also secondary and higher education as well, it also conveniently shifts the burden of increased expenditure on to the taxpayers: an undesirable and discomfoting feature! The one per cent hike in education cess is expected to yield the government additional revenue of Rs 5,300 Crore in 2007-08.

The proceeds from the two per cent education cess being levied since 2004-05 is to be injected into the other key programme Mid-Day Meal (MDM) aimed at drawing children to school.

### Some Startling Facts?<sup>3</sup>

- Per capita public expenditure on elementary education from all sources accounted for around Rs.7255 in 2004-05.
- Of this, a large chunk goes towards salaries of the teachers and other services.
- 36.1% children's (32.7% males and 39% females) response to reason for non-enrolment was 'cannot afford school'. (The other responses included 'do not like going to school' - 16.9%; 'too young to go to school' - 14.1%; 'have to work' - 2.9% and 'other reasons' - 30%). Thus, contrary to popular belief, maximum number of children were not enrolled owing to the school education seemingly 'too expensive' and not due to being out for work - clearly shattering the myth propagated by the government on school education being 'free'! (CAG Report No.15, 2006)
- Similarly, leaving aside 'other reasons', the second-most highest rated reason for children not attending school was again non-affordability of the school education! (CAG Report No.15, 2006)
- In a year, an average Indian parent spends Rs.701 for primary education and Rs.1281 for upper primary education of their children out of his pocket in 2005-06 (NSS 52<sup>nd</sup> Round Data).
- The total cost of availing elementary education in India in 2005-06 was Rs.126318 Crore, of which, government paid around 89 per cent and the parents paid around 11 per cent.
- Since 1986, there has been observed, a steady growth in private schools in the country (from 7.9% of private schools to total in 1979, it suddenly shot to 13.8% in 1986, growing steadily to 15.2% private schools in 2005) - a throwback to the early 20<sup>th</sup> century (1903), revealing influence of the policies adopted by the government (withdrawal of the State from provisioning for basic social services).

### Snippets of Educational Outcomes and Infrastructure

Physical attainments can be gauged in terms of three principles of educational development consistent with the objectives of educational policy and planning: **access, equity and quality**. The following set of four tables (Table 7a to 7d) mirror the reality with regard to elementary education:

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<sup>3</sup> Mohanty, Siba Sankar et al, A Training Manual on *Monitoring Right to Education* in India with a focus on Budget Analysis and Advocacy, (unpublished), Centre for Budget and Governance Accountability, 2007

**Table 7 (a): Indicators of Access Improvement: Supply side Interventions**

Items		2003	2005
<b>1.1 Class rooms:</b>			
(a)	Ratio of Primary to Upper Primary School	3.70 (1990-91)	2.68
(b)	Average No. of Class rooms per school	T	3.50
		R	3.20
		U	6.50
(c)	Conditions of Classrooms		
(i)	Good Condition	55.50	63.36
(ii)	Need Major Repair	27.30	12.18
<b>1.2. Enrolments:</b>			
(a)	Gross Enrolment Ratio	89.4	97.82
(b)	Drop-out Rate: Cohort 2003-04	31.5	20.64
(c)	Promotion Ratio: Cohort 2003-04	82	84
(d)	Repetition Rate: Cohort 2003-04	5	4
(e)	Retention Rate at the Primary level (Average Of 16 major states considered)	53.43 (2003-04)	58.11 (2004-05)
<b>1.3. Teachers:</b>			
(a)	Average No. of Teachers per School	T	3.71
		R	3.41
		U	6.61
(b)	Percentage of Schools having Female Teacher	T	36.60
		R	30.53
		U	63.18
(c)	Percentage of Schools without Female Teacher	T	37.52
		R	40.93
		U	14.57
<b>1.4. Infrastructure:</b>			
(a)	Percentage of Schools having Drinking water facility	T	73.28
(b)	Percentage of Schools having Electricity connection in School	T	21.64
(c)	Percentage of Schools having Book-Bank	T	41.04
(d)	Percentage of Schools having Computer	T	7.02
(e)	Percentage of Schools without Black board	T	9.94
(f)	Percentage of Schools without Building	T	—

- Notes:** 1. The indicators presented above are representative of All Management (Govt. & Private) and All Schools (Primary, Upper Primary, Secondary/Hr. Secondary) unless otherwise specified.  
2. T = Total, R = Rural and U = Urban.

- Source:** 1. Mehta, A.C. (July 2006), Elementary Education in India, (Analytical Report 2004-05), National University of Education Planning and Administration, New Delhi.  
2. Sinha, Shabnam (2004), Elementary Education in India, in J. S. Rajput (Ed.) Encyclopedia of Indian Education, Vol-I (A-K), National Council of Educational Research and Training, New Delhi for Sl. No. 1.1(a) and 1.2(a); last but one column.  
3. MHRD (1994), Selected Educational Statistics, 1993-94, Department of Education, Govt. of India, New Delhi for Sl. No. 1.2. (b); last but one column.

**Table 7 (b): Indicators of Access Improvement: Demand side Interventions**

Items			2002	2004
01.	Percentage of Schools visited/Inspected			
	(a) Visited by C.R.C. (Cluster Resource Centre)	T	53.31	63.01
		R	56.30	66.39
		U	36.45	43.25
	(b) Inspected	T	58.44	56.71
		R	59.60	57.87
		U	57.43	52.47
02.	Percentage of Schools having Regular Head Master	T	<b>64.64</b>	<b>47.18</b>
		R	49.95	46.68
		U	58.56	53.79

Source: Mehta (July 2006).

**Table 7 (c): Indicators of Equity in School Education**

Items			2003	2005
01.	Percentage of Girls Enrolment to Total Enrolment (Elementary Class I -VIII)	T	46.56	46.99
		R	46.15	46.79
		U	48.28	47.84
02.	Percentage of ST/SC Enrolment to Total Enrolment (Elementary Class I - VIII)	ST	19.22	20.58
		SC	11.04	10.18
03.	Enrolment of Children with Dsability (Elementary Class I - VIII)	Girls	386579	569460
		Total	981164	1399343
		GPI	0.65	0.69

**Note** : GPI = Gender Parity Index.

Source: Mehta (July 2006).

**Table 7 (d) : Indicators of Quality in School Education**

Items			2003	2005
01.	Percentage of Teachers provided in-service Training	T	32.19	37.37
		R	35.48	42.07
		U	16.93	21.12
02.	Percentage of Schools that received and utilized Teaching Learning Material (TLM) grant	T	33.70	61.81
		R	36.50	65.11
		U	16.44	42.50

Source: Mehta (July 2006).

According to official estimates, the proportion of out-of-school children in 2006 is 17.9%<sup>4</sup>. The HRD ministry is claiming that 3 Crore out of the nearly 5 Crore out-of-school children have been brought back to school after spending Rs 16,000 Crore under the SSA. However, such claims need to be reviewed carefully. Before presenting the Demands to the Government for 2007-08, let us evaluate the progress made of Charter of Demands 2006-07.

## **Evaluation of Previous Charter of Demands for Education**

With this background, it is in order to assess the progress made on the previous charter of demands that was presented on education by the People's Budget Initiative. Five specific demands had been made:

1. **NCMP promise of 6 per cent allocation of GDP to education - a key bottleneck coming in the way of achieving this goal being adherence to FRBM. Scrapping FRBM or keeping education out of its purview.**

*There has been no change in the stance of the government on this critical area of concern. Not only is the Finance Minister insisting on stringently adhering to achieving targets set by the FRBM Act but also continues to have education within its purview.*

2. **Existing Centrally Sponsored Schemes (CSS) overlook institutional autonomy. Maintain a formal structure for educational administration and resource flow through single institutional framework.**

*In fact, most recent developments point to the contrary. The Report of the Sub-Group for the XI Plan for SSA 2007 reveals that greater centralization of institutional autonomy is imminent with a focus towards making norms more stringent and having multiple frameworks for resource flow.*

3. **Adhere to the budget calendar and timely flow of funds**

*Again something that has not happened and several independent studies point to a total lack of maintenance of budget calendar, even absence of budget making at the sub state levels, with concomitant delay in fund flow.*

4. **Plan separately for achieving targets in enrolment, universalisation of basic education**

*Another recent development points to the converse. With the Planning Commission proposing to integrate ECCE (a component of ICDS) with SSA, the scope for dilution of the goal of UEE is increased. Also, with newer schemes being announced in almost every budget (SUCCESS focusing on secondary education), we can only be skeptical about the clarity and focus that the government may have regarding the matter.*

5. **Elementary education funding not at the cost of higher education**

*Although the Union Budget 2007-08 outlays for elementary and higher education reveal considerable increments, it is worth noting that increases made in elementary education have been via additional outlay on MDM - an increase still very little in comparison to what is needed. On the other hand, criticism from several quarters point to a pervading sense of crisis in the higher education sector since long. There has been stagnant, in*

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<sup>4</sup> [http://nceus.gov.in/Draft\\_Conditions\\_%20of\\_%20Work%20\\_NCEUS\\_April\\_2007.pdf](http://nceus.gov.in/Draft_Conditions_%20of_%20Work%20_NCEUS_April_2007.pdf)

*fact, diminishing infrastructure with increasingly greater pressure on it. For decades, library and laboratory grants have not been increased although there has been a manifold rise in the cost of books, laboratory equipment and other materials essential for scientific experiments. Maintenance and development grants have been inadequate; Universities and Colleges are being forced to raise funds privately. On the one hand, all this has meant increasingly greater burden on students through Colleges levying fees under multiple heads and on the other hand, it has adversely affected the quality of education that is being imparted. Instead of addressing themselves to the crisis of higher education in the larger social interest, successive governments have been advocating the Universities and Colleges should raise funds through private sources and by raising fees. Both these proposals are fraught with serious consequences for the nature of higher education as also its availability to different sections of society.*

## **Charter of Demands 2007-08**

1. Fundamental Right to Education - Having provided the Constitutional tool for providing free and compulsory education to children, it is now imminent to make the Right justiciable as well. While several states have made legal arrangements to ensure that education is made free and compulsory, there is still no component of 'enforceability' attached to the law in any state, making it merely another legal proviso without any teeth. Having a Central legislation followed by strong ('rights'- based) and enforceable provisions at the state level is a minimum requirement now.
2. 6% of GDP for Education: a demand that has been made for over forty years now remains and the government must come up with a specific road map and fixed plan of action for delivering this promise.
3. To reiterate the recommendation made by the National Advisory Committee (2006), performance measurement in education (in terms of measurable quantitative and qualitative goals) must be seen in terms of per-child expenditure in schools and expenditure on various academic support and administrative structures. Related to this is the issue of facilitating easier access to information on expenditure break-up in education, something that needs to be collated using several official documents.
4. Decentralization and delegation of powers of autonomous management through school management committees (comprising parents, PRI representatives, and other stakeholders) including finance and accounting at the school level based on per child grants.
5. Although the government has recently announced new schemes looking at higher education, it must not be a case of side-stepping one to focus on the other aspect. Also, shifting parts of one scheme into another must also be examined closely before implementation to ensure focus is not lost. (A case in point being the proposal mooted to bring in the ECCE part of ICDS under SSA)
6. There is also the challenge of quality in Indian education, which has many dimensions, such as providing adequate physical facilities and infrastructure, making available adequate teachers of requisite quality, effectiveness of teaching-learning processes, attainment levels of students, etc.

# Health Scenario: Forbidding Reality and Unfulfilled Promises

Indranil and Bhumika Jhamb

Health scenario in India is full of contrasts. Majority of Indians are burdened with diseases which are easily curable, yet the threats of incurable diseases get more attention. A huge section of the society is succumbing to deaths which could be avoided to a great extent with safe drinking water, proper sanitation, and may be some very elementary medicines. Yet the policymakers are more interested in bringing sophisticated technologies; funds are pouring in to areas like promotion of health tourism, subsidizing import of sophisticated equipments and development of private health care. Rural health services which form the backbone of public health system have almost collapsed; they lack basic infrastructure,

## Some FACTS on the Health Scenario in India

### Child Health

- IMR is as high as 58 per 1000 live births (SRS- 2005)
- About 35% of the districts registered child sex ratios below the national average of 927 females per 1000 males
- Three completely avoidable child deaths occur every minute; 18 lakh deaths of under-five children could be avoided every year (Planning Commission Tenth plan Document).
- 60% of deaths under five years of age are entirely preventable
- Every third malnourished child in the world lives in India (MWCD Report, 2007)
- Every second Indian child is underweight (MWCD Report, 2007)
- Children born with low birth weight are 46% (NFHS-III)
- Four out of every five children are anemic (NFHS-III)

### Maternal Health

- MMR is equally high at 301 per 100,000 live births (SRS, 2001-03)
- Delivery of mother from the poorest quintile is over less six times likely to be attended by a medically trained person than her well of counterpart. (NFHS II)

### Diseases

- Communicable, maternal and perinatal, nutritional deficiencies contribute to the largest number of deaths in India (30%) (MoHFW Annual Report 2006-07)
- Resurgence of various communicable diseases. Outbreak of Dengue during the year 2005, claimed 215 and 157 deaths of 12754 and 11985 cases respectively
- 8.5 million people are suffering from TB in India, every year 1.8million new cases are found and almost 0.37 million die out of TB (MoHFW Annual Report 2006-07)
- The latest estimate of HIV prevalence is as high as 0.28% (NFHS III).
- 0.8 million malaria cases and 0.3 million pf cases with 819 deaths were reported till 17.11.2006
- 1689 confirmed cases of Chikungunya reported from 12 states/UTs till 2006.

staffs and essential medicines. Instead of strengthening them, subsidies are being given to the private players to establish super specialty hospitals to attract tourists from abroad. Health system in India still remains the most privatized in the world, digging peoples' pocket heavily, causing indebtedness. All these clearly mean that the interests of certain section of the society are being taken care off, while the vast majority remains neglected.

India has worse health indices than a number of comparable countries in the world. It has the world's highest proportion of malnourished children and women. It also has the highest load of preventable and communicable diseases. Given the bleak health scenario, it is very important to understand what the Government is doing to change this. As it is the case with other sectors, health policies are also subject to political changes, and depend very much on the class character of the ruling combination. After the outright rejection of the neo-liberal policies of the NDA government in the general elections in 2004, when UPA came to power, it started with a cautious note. The Common Minimum Program of the UPA, which lays out the broad policy direction of the government, recognized the urgency of health crisis and committed to increase public expenditure to 2-3 % of GDP from current level of less than one percent. This is the minimum that the government needs to spend in order to provide basic minimum health care to the entire population but in actual terms this means huge increase in expenditure and if this is realized it can bring radical changes in the health of the entire population. In this given context, it is crucial that the UPA fulfills its commitment and also spends on areas which cater to the largest section of the population. How much of it is really done depends on how well the government mobilizes and spends it's resources and also how much pressure the people of India put on the government to fulfill its commitments.

### **Health Infrastructure**

- There is a shortage of 21983 Sub-Centre, 4436 PHCs and 3332 CHCs as per 2001 population norm. 50% of health infrastructure is in rented buildings
- Ratio of hospital beds to population in rural areas is almost fifteen times lower than that for urban areas
- Ratio of doctors to population in rural areas is almost six times lower than the availability of doctors for urban population

Source: (Health Information of India, 2000-01)

### **Policy Issues: Some reflections**

In the last few years certain very important policy decisions have been taken which have severe bearing on the development of health sector in India. In 2002, National Health Policy has been formulated; in 2005 the 3<sup>rd</sup> Patent Amendment Act has been passed; the National Drug Policy has been drafted in 2006; the National Rural Health Mission has been launched in 2005; and the negotiations on services has started in the WTO to formalise the General Agreements in Trade in Services. In this note we would like to discuss these policies to understand the basic direction of health policy making in India and try to link it with the commitments of the UPA government.

### **National Health Policy 2002<sup>1</sup>**

- ‘Attempt to maximize the broad-based availability of health services to the citizens of the country on the basis of realistic considerations of capacity’ instead of ‘universal and comprehensive primary health’.
- No concrete direction towards augmenting public investment in health rather dismantling of public services; emphasis on user charges.
- Dependence on Private health care with greater ‘regulation’
- Completely silent on issues of food security
- Dismantling of population control programme
- Silent on drug prices and manufacturing
- High priority on the creation of super speciality health facilities to attract foreign exchange and promotion of health tourism

### **National Pharmaceuticals Policy, 2002<sup>2</sup>**

- NPP 2002 proposed gradual dismantling of Drug Price Control Order.
- Only 25 drugs under control
- 100% FDI in drug manufacturing
- Withdrawal of all licensing regulations
- Changed criteria for control: more emphasis on monopolization rather than its essentiality

### **National Pharmaceutical Policy in 2006**

- Introduction of control over all 354 essential medicines and 74 life saving drugs.

### **The Patents (Amendment) Act, 2005<sup>3</sup>**

- Third amendments to 1970 Patent Act
- Replacement of Process Patent regime with Product Patents
- Strengthen the monopolistic powers of the big pharmaceutical companies and heavily curtail Indian government’s ability to regulate them.
- Changes in the initial act: software patenting denied; restoration of pre-grant oppositions to patents; options of export open to countries without manufacturing abilities

### **National Rural Health Mission 2005**

- Improve the availability of and access to quality health care by people, especially those residing in rural areas, the poor, women and children
- Mainly focuses on 18 states only
- Omnibus of the existing programs like RCH II, Integrated Disease Surveillance Project and AYUSH
- Introduction of ASHA scheme.

### **General Agreement on Trade in Services<sup>4</sup>**

- Framework for progressive liberalisation of services
- Treating foreign companies at par with domestic companies
- Restrictions in state interventions in essential social services once agreed to open up.

At a time when influence of neo-liberal policies can be seen in every aspect of our life, it is quite unlikely that health as a social sector will remain insulated from the consequences of rampant liberalization. Let us discuss some aspects of recent policy developments to get a sense of what these actually mean for the marginalized sections of our country.

The most significant development is the introduction of National Health Policy in 2002, which came up after two decades. The central goal of the first National Health Policy 1983 was 'universal and comprehensive primary health', unfortunately the 2002 NHP dropped this idea and introduced the concept of 'maximizing the broad-based availability of health services'. Further this policy has some apparent contradictions. While on one hand, it does not hesitate to acknowledge the unacceptably high prevalence of many curable diseases; it expresses dissatisfaction over the morbid state of public health system; it also recognises the insufficiency of public government resources in health, on the other hand it does not lay down concrete plans to generate resources for public provisioning and emphasises on greater role of private health care as the panacea of all these problems. Though there is a mention of greater regulation of private health system, it hardly recognises the problems of regulation per se, especially in the context of India, where the private health care is among the least regulated in the world. Access to essential medicines is also neglected in the NHP 2002. The different rounds of NFHS show that malnourishment is very high and it is increasing over time. Though the NHP recognises this, there is nothing very concrete on the issue of food security. Thus the NHP 2002 remains a testimony of empty rhetoric and misplaced priorities.

In India, about 80 percent of the population does not have access to essential medicines and purchase of drugs constitutes a major portion of out of pocket expenditure. It is important in this context that access of essential medicines be given enormous priority. But the National Drug Policy drafted in 2002 came as a major setback for the people as it proposed to dismantle all control over prices of essential drugs, and 100% FDI in drug manufacturing. The draft was opposed by various sections of the society; later on the UPA government proposed re-drafted National Pharmaceutical Policy in 2006, which proposed control over all 354 essential drugs and 74 life saving drugs. Though there were some problems with the new draft, it was undoubtedly a progressive initiative. But the industry, especially the MNCs, came up with venomous criticism against this Policy and ultimately the UPA had to succumb to the pressure and shelved the bill. This clearly shows that the UPA government is more interested in keeping the interest of the domestic industry and the MNCs and least interested in establishing an effective price control mechanism which benefits the entire nation on a whole.

Another very important policy change that will entirely transform the ways drugs are being produced in India is the Third Patents (Amendment) Act, 2005. India was already committed to the WTO that it will gradually shift to a product patent regime and withdraw process patents. The bill was introduced as a form of referendum, precisely to bypass the Parliament. It did not even try to explore the special safeguards offered under WTO. The bill was vehemently criticized by left parties and other progressive sections of the society. Ultimately some safeguards like provision of parallel import and compulsory licensing were introduced in the bill. Though these changes are welcome, we have to understand that the product patent regime itself is very harmful for the small domestic manufacturers, not to talk of the millions Indians. Most of the Indian MNCs who capitalized the benefit of process patents are now in a position to do well under product patent. Since they are the ones who determine the direction of pharmaceutical policy in India, they are voicing in favour of

product patient. But, the small and medium producers who are the majority going to suffer in the long run. It is extremely important in this context that the amendments are thrown out in its entirety, but this is not possible unless India, along with other developing countries do not take the fight to the WTO.

General Agreement on Trade in Services (GATS) is being discussed in the WTO and if it is accepted in the present form, it can bring enormous misfortune to the people of India. Different ministries like Ministry of Health and Ministry of Commerce and Industries are surprisingly very delighted over the prospect of its introduction. Unfortunately their enthusiasm is greatly misplaced because of following reasons. GATS essentially means progressive liberalization of services and treatment of domestic companies with those of their foreign counter parts at par; more over it will leave restricted opportunity for the state to intervene once agreed to open up the sector. Limited scope for state intervention can leave millions of poor without any health care and virtually at the mercy of private care providers. Progressive sections of the world, along with overwhelming majority of developing countries have expressed reservations on the agreement on services; strong voice has been raised against inclusion of essential services like health, education, water out of GATS. It is expected that India, given its importance among developed nations should play exemplary role in providing leadership to this opposition. Instead, Indian delegates at the Cancun round in WTO played instrumental role in weakening the resistance of the developing countries<sup>A</sup>.

The flagship program of the UPA on health is the National Rural Health Mission, launched in 2005. It's goal is to 'improve the availability of and access to quality health care by people, especially those residing in rural areas, the poor, women and children'. Though it talks about comprehensive care, NRHM is merely a conglomeration of some existing schemes and programs, apart from ASHA there is hardly any new initiative. Further the success of this program can be ensured only through sustained monitoring of the Mission. Some independent reviews of NRHM show that though there are slight improvements in the functioning, a lot more needs to be done<sup>B</sup>. There are problems of monitoring of the schemes and benefits are

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<sup>A</sup> In the latest round of WTO Ministerial, held in Hong Kong during December 13-18, 2005 significant developments have taken place. The Draft Text that went to Hong Kong had the entire Annex C, which basically argued for accelerated liberalisation of Services, as bracketed, signifying lack of any agreement on the entire text. In the final Declaration the bracket has been removed and the whole of Annex C has been accepted. The current form of the deal seeks to subvert the basic structure of the GATS. Initially GATS was conceptualized as framework agreement where countries were allowed to make voluntary commitments to liberalise their services sectors in accordance with the level of their economic development and national requirements. Para 7 of Annex C emphasises request-offer negotiations on a 'plurilateral basis', which would undermine that flexibility. A large number of countries under G-90 were opposed the Draft on Services in the Ministerial Text (Annex C) and the G90 had also submitted an alternative draft. Unfortunately, the Indian delegation headed by the union commerce minister, Kamal Nath, took cudgels on behalf of the developed countries, and forced the developing countries to abandon the G90 proposal and accept Annex C.

Shamelessly, the Kamal Nath & Co. started their propaganda on supposed gains in Mode 1 & Mode 4, which essentially mean concessions for BPOs and more H1B visas. However they maintain complete silence on the agreed objectives to Mode 3, where by FDIs have to be allowed to services like health, higher education. The deadline for finalizing the agreement, October 2006, is over and there is almost a deadlock in WTO on the issue of agricultural subsidy. But there is hardly any room for complacency, and once the negotiations starts India might have to face severe consequences. Especially after the proven eagerness of the Government to trade-off opening up of social sectors like health and education and sensitive financial sectors like insurance and banking, which would adversely affect millions of common people, against the benefits accruing to only a few thousand skilled professionals and the BPO sector.

<sup>B</sup> Case studies done by SAHAYOG and partners on Janani Surakshya Yojana in UP shows that though families know about their entitlements and they decide to take women for institutional deliveries, even the ASHA workers are present in some areas, the maternal health services have not improved significantly.

not reaching adequately to the people. In principle, the NRHM talks about devolving power to the PRIs and at the district level, but little has been done in this regard. The policy makers, influenced by the logic of limited absorptive capacity of the rural sector, do nothing to devolve power to the villages. Fact of the matter is a lot of innovations can be seen in setting up of rural health care delivery system if the local level governments are empowered to plan and given autonomy to allocate fund in accordance to the needs of the locality. It is also very important to note that the lack of absorptive capacity of the state is an outcome of chronic lack of investment on fundamental issues of infrastructure, availability of drugs, skilled manpower etc. Improving absorptive capacity is a long term process and will require sustained efforts towards strengthening management and institutional capacities, filling up of vacant posts, higher salaries, much greater expenditure on drugs and other consumables etc. Knee jerk responses like PPP may not be the solution and rather it can aggravate the problem. It can be safely said that in its current form, NRHM is going to remain only a half hearted and scanty effort towards provision of basic health services for the country.

The above review suggests that the recent policy initiatives are full of empty rhetoric and lack concrete policy directions to develop a working well functioning public health system in place. It is also clear that the over all direction of these policies is to promote a private based health care system, knowing well the fallacies of the private health care and their inability to cater to the needs of the vulnerable sections. It is also unfortunate that the multinationals have enormous influence on the domestic policies and the government is totally unwilling to do anything which can be detrimental to their business. Unless there is major shift in the attitude of the government towards the needs of the majority of the population universal access to public health services and essential medicines will remain a far cry.

## Issues of Finance

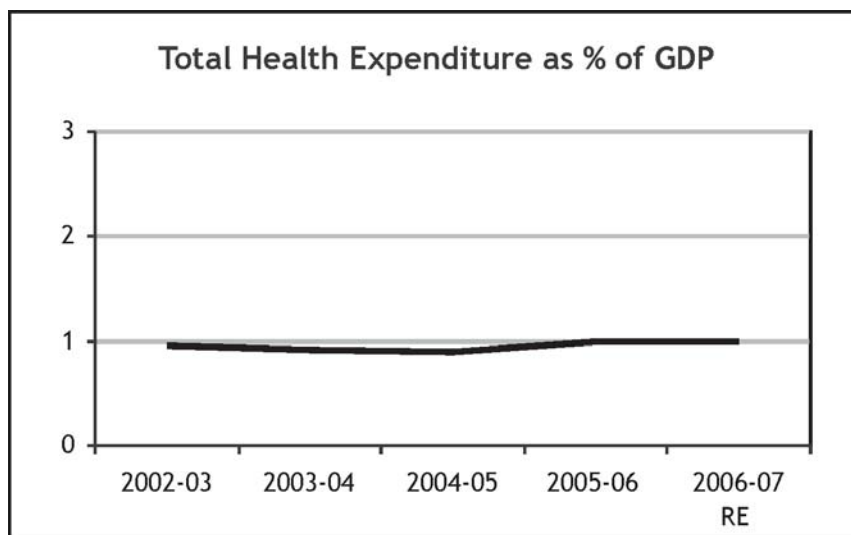
Recognizing the dire state of public health services in the country and sorry state of health of the underprivileged sections of the India, the National Common Minimum Programme (NCMP) of the present United Progressive Alliance (UPA) Government at the Centre seeks to increase public spending on health to at least 2-3% of GDP over the five years, with focus on primary healthcare. This was a major promise which helped it mobilize support from different progressive groups. Unfortunately in the fourth year of the UPA, this commitment is far from being realized. Though in absolute terms there is some increase in expenditure of the Central Government, in real terms the increase is meager, when adjusted to growth rate of GDP and inflation. According to National Health Accounts in 2003-04, public expenditure in health as a proportion of GDP was only 0.9% of GDP. To augment this level to 2-3% of GDP means stepping up not only central expenditure but a greater support to states to increase their own spending.

### Expenditure on Health

- India spends only 0.9% of GDP on public health, merely one-third of the less developed countries' average (WHO Report, 2003)
- 84 per cent of healthcare is out-of-pocket expense
- 40% of hospitalized people are forced to borrow money or sell assets to cover health expenses (NSS 42<sup>nd</sup> and 52<sup>nd</sup>).
- Only 20% of population has access to essential drugs (Jan Swasthya Abhiyan, 2004)

Though there is some increase in budget allocations since 2004-05, this is far from being adequate. The Total Expenditure of the Union Government on Health and Family Welfare went up from Rs. 9649.24 Crore in 2005-06 to Rs. 11757.74 Crore in 2006-07 RE, which has further been increased to Rs. 15854.88 Crore in 2007-08 BE (Table 1). However, it is still hovering around 1 % of GDP at the national level. Allocations by the Central Government in 2007-08 register significant increase over the previous years, which may provide some respite to the common people of this country. Now, with only one more budget (for 2008-09) to go before the set deadline in NCMP, meeting this noble goal would definitely remain elusive.

**Figure 1**

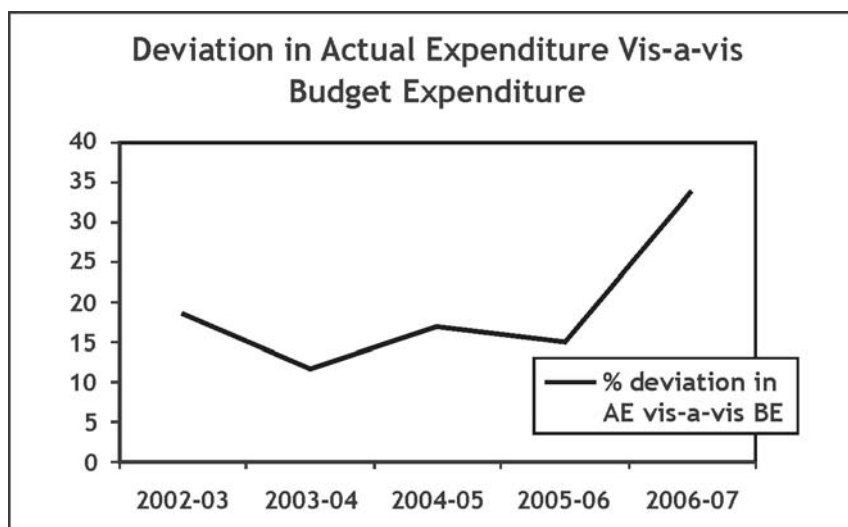


The Parliamentary Standing Committee of Department of Health and Family Welfare on its report acknowledge that the trend in allocation and expenditure shows a steady increase over the 9<sup>th</sup> and the 10<sup>th</sup> plan periods. But it also expresses dissatisfaction over the fact that every year for plan expenditure, the actual expenditure reduces substantially from the Budget Estimate. The report notes that in 2005-06, Plan allocation of Rs. 9332.00 Crore was brought down by almost Rs.1000.00 Crore (Rs.8500.00 Crore) at the Revised Estimates stage and the actual expenditure reported was only Rs. 8076.76 Crore. Whereas, every year utilisation of non-plan fund is more than the BE allocation. This clearly depicts that plan funds under health schemes are being diverted to non-plan expenditures; as a result there remains a dearth of plan fund in Central government institutions and schemes on health<sup>c</sup>. Moreover, the capital expenditure of the centre and state taken together on health has remained alarmingly low over the last two decades. It is also to be noted that over all the actual expenditure of Ministry of Health and Family Welfare is much less than that of the BE and over time the gap is widening.

The Standing committee further registered it's strong objection over the practice of including external assistance in the gross Budget of the Department. It notes that the domestic Budget

<sup>c</sup> It is to be noted that for the health sector plan and non-plan division is little misleading. Because plan expenditures, which should actually be new investments, in the health sector do not necessarily mean that since a large part of plan budgets, for example the entire RCH and Family Welfare budget, include routine line item expenditures like salaries, transport, office expenses etc.. and very little new investments. At the same time if we consider capital and revenue expenditures deviations, at least at the union level there remain gross under estimations. This is because the grant in aid to states from the centre is a revenue expenditure for the centre but it may be a capital if the state spends it to create new facilities and it will be shown at state's budget as capital expenditure. Thus analysis of Union Budget for capital expenditure will lead to underestimations.

**Figure 2**

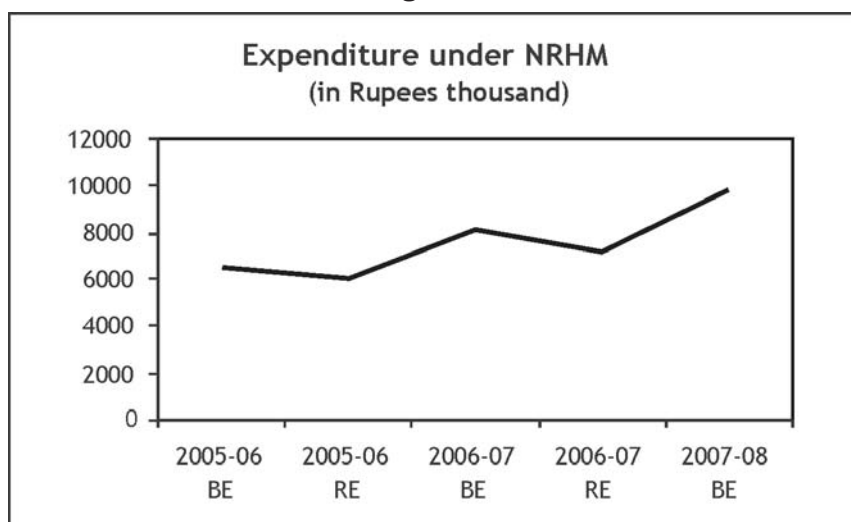


for the year 2006-07, an external aid component of Rs.1299.07 Crore has been included. The Committee observed that if the practice of including external aid in domestic Budget continues, then the commitment of the Government to raise the allocation in the health sector to 2-3% of GDP will remain only on paper and not be realized in actual practice. Moreover, the Committee also felt that financing the non-plan expenditure by external aid is not a healthy practice. Further, it should be noted that the total contribution of external aid in health is merely 2% (Report of National Commission on Macroeconomics and Health, 2005) and there is no reason to believe that we desperately need such meager amounts. Given that there is enormous influence of these foreign agencies on our health policies and very little contribution they make to our finances, India should completely do away with these funds and develop health services according to the national requirements. Unfortunately, there is no such effort in this direction and further there is the gradual tendency to fall in prey of whims of these donors.

The financing of NRHM so far reveals that it is focused more on selective interventions and the aspect of universalisation is neglected. According to the mission document, the initial allocation for NRHM for the 2005-06 would be Rs.6700 Crore, and in subsequent years 30% increase will take place. But for 2005-06, no separate head for NRHM was created and funds for the existing programmes were used. For 2005-06, Plan outlay on NRHM was Rs.6075.17 Crore. It received an increased outlay of Rs.7155.97 Crore (RE) as Plan funds in 2006-07. This has further been increased to Rs.9801 Crore (BE) in 2007-08. The Non-Plan outlays for these years remained almost stagnant at Rs.32.29 Crore (2005-06 RE), Rs.34.40 Crore (2006-07 RE) and Rs.38 Crore (2007-08 BE). The following table clearly shows that for the two years the Revised Estimates (RE) are substantially less than the Budget Estimates (BE). Even the commitment of increasing allocations by 30% every year has been violated, the increase has been 18-20 % in nominal terms where as the real increase is much lesser. Further, around 80% of the increase in allocations took place in four components: HIV/AIDS program, RCH, medical education and AYUSH; where as strengthening of the PHC infrastructure remains grossly neglected.

The Union Government took some positive steps in 2007-08 Budget. One of them is to bring down the prices of 10 anti-AIDS and 14 anti cancer drugs by slashing the customs duty to 5 percent. Duty on certain life saving drugs, kits and equipment were also brought down to 5

**Figure 3**



percent from the level of 15 percent in the Budget proposals for 2006-07. These drugs were also exempted from excise duty and countervailing duty (CVD). This year, the Finance Minister has exempted clinical trial of new drugs from any service tax obligation with the stated goal of making India as a preferred destination for drug testing. This step may have adverse implications for the poor people of this country. The obvious vulnerability imposed due to poverty may drive people to become guinea pigs and this may adversely affect the social fabric of our country.

Another important step, that merits mention here, is the reduction of import duty on medical equipment from as high as 12.5 % to 7.5 %. Although, modern medical equipments are necessary for accurate medical aid, this step may further the interests of the private sector in the health sector and hardly any benefit the common masses.

Another significant development in this sector was the proposal for setting up six AIIMS-like institutions in Union Budget 2005-06 to augment medical education in deficient States. In 2005-06 Budget, Rs.250 Crore (BE) had been provided for this purpose (Expenditure Budget Volume 2). The revised allocations for 2005-06 have been reduced drastically to a meagre Rs.6 Crore. In 2006-07 Budget, the allocations for this purpose has been pegged at Rs.75 Crore only, which has been revised and stood at Rs. 10 Crore only. This means that the Central Government has been going back and forth on this issue, which clearly shows the lack of commitment on the part of the Centre to carry forward its promise in this regard. For the year 2007-08, Rs.150 Crore has been set aside for this purpose.

The Prime Minister has shown enormous enthusiasm in proposing the establishment of Public Health Foundation of India, wherein 5-7 institutes for training in Public Health will be set up throughout the country. The Foundation is being envisioned as 'world class' institute for teaching in Public Health built on Public-Private Partnership model, where academicians throughout the world will be roped in and around 10000 public health professionals will be created everywhere. Apparently the proposal looks interesting given the dearth of public health manpower in the country, but a deeper scrutiny into the overall structure of the Foundation suggests that it has problems. Given that it is PPP initiative, there is every chance that exorbitantly high fees will be charged and in that case, it will cater to the students from the upper strata. This will clearly defeat the very purpose of the initiative.

Like it is the case with other private professional courses, graduates from the foundation may not find it lucrative to work in the rural areas and end up joining the labour force in developing countries. It is also interesting to note that the syllabus for these institutions are also being developed at Institutions in US, which may ultimately lead to percolation of ideas of public health which are dominant in US.

To sum up, it can be argued that in terms of expenditure of the central government there is some increase, but the same is far from being adequate to meet up the target. Further, given that expenditures at the state level have not increased significantly also, it seems impossible to reach the level of 3% of GDP within just one year. If there is no effort in improving the debt position of the states and alternative ways of revenue generation are not evolved, there is hardly any possibility that the target will be achieved. Countries which have universal access to health care system has tax-GDP ratio of the level of 30-40 per cent, and in contrast to that currently tax-GDP ratio is hovering around 10-15 per cent,<sup>8</sup> which is highly inadequate to meet the health care needs of the people.

## **Unfulfilled Demands**

If we compare the Union Budget with our demands in last year's charter, we find most of the demands are far from being fulfilled. As we have seen, UPA's commitment of spending 2-3% of GDP on health remains a far cry. Though in absolute terms there is some increase in spending, in terms of GDP it has increased marginally in the last three years- from 0.89 per cent of GDP in 2004-05, it has gone up to mere 0.99 per cent in 2006-07. In 2007-08 increase is not substantial in real terms, and only one more budget to go, it is not going to reach anywhere near to the target. Further, government had committed that under NRHM every year 30% more fund will be allocated. We had observed that mere 30% increase in NRHM fund will not help to fulfill NCMP target. Further analysis suggests that even government has failed to fulfill its own commitment and funding under NRHM has increased only around 18-20%. We had also demanded that matching grant requirement under the CSS be relaxed for the poorer states. Unfortunately Union Budget 2007-08 has not made any commitment to help poorer states to enhance their funding capacity.

## **Agenda for the Future: our Demands**

As we have seen most of the demands in last year's charter remained unfulfilled. This year's charter should re-emphasise on those issues again.

- First of all, UPA's commitment to spend 3% of GDP in health is far from being realized. Union Government needs to take serious measures in this regard. The same cannot happen until the financial conditions of the states do not improve, because major responsibilities are lying with the states. In order to step up states' spending capacity, more grant-in-aid should be provided to the states.
- There is urgent need to generate additional resources for health sector. Several options can be thought off. To start with, a direct health tax in the line of professional tax can be imposed; additional levies can be imposed on consumption of health hazardous substances.

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<sup>D</sup> In the eighties our tax :GDP ratio was over 20% and public health was doing well grossing 1.4% of GDP by 1987. Subsequently there was a declining tren with SAP expediting this by bringing TAX:GDP ratio down to 10% by mid nineties with so called tax reforms. Today tax:gdp ratio is around 15%

- Last year, we had demanded that the Centre should increase spending under NRHM more than the committed 30%. As we have seen even that 30% is not being increased. A huge increase under NRHM is extremely important.
- There is marginal increase in capital expenditure. In a situation where rural health services are at the blink of collapse, extra initiative should be given in this regard. Additional resources need to be put in form both the centre and the states to augment rural health services.
- Communicable diseases like TB are still the major killers. Though these have been given special attention under NRHM, but spending has not increased significantly. There is urgent need to step up spending to curb communicable diseases.
- As we have discussed, poorer states find it difficult to provide matching grants, due to their limited resource mobilization capacity. This hampers the utilisation of central grants and funds remain unspent. The provision of matching grants in centrally sponsored schemes should be abolished with immediate effect.
- Establishment of AIIMS like institutions or the PFI should not be at the cost of primary health services.
- The government should make every effort to bring essential services like health, education, water out of the ambit of GATS.
- All the 354 essential drugs should be brought under price control.
- Government should not take any initiative to promote clinical trials and should revert back its subsidy from clinical trails.

The above measures are very elementary and may not be adequate for developing comprehensive public health system for all. The need for a radical transformation of entire health care system and the way it is financed today is imminent, if we really want to change this regressive system of finance where people have to pay heavily, borrow and sell their assets in order to tide over their health emergencies to one where every Indian has access to comprehensive health care services. Unfortunately as off now there is hardly any positive step on the desired direction, radical transformation remains a far cry.

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## Annexure

**Table 1: Public Expenditure on Health and Family Welfare**  
(in Rs. Crore)

Year	Revenue Account (Centre) 1	Capital Account (Centre) 2	Total (Centre) (1+2) 3	States' Expenditure 4	Total National Expenditure 5	GDP at current market prices 6	3 as % of 6	5 as % of 6
1997-98	3176.60	14.05	3190.65			1522547	0.21	
1998-99	3990.68	46.94	4037.62			1740985	0.23	
1999-2000	5014.16	44.21	5058.37			1936831	0.26	
2000-01	5289.73	-34.89	5254.84			2089500	0.25	
2001-02	5928.23	8.66	5936.89			2271984	0.26	
2002-03	6493.81	10.00	6503.81	17094	23597.81	2463324	0.26	0.96
2003-04	7180.60	68.54	7249.14	18235	25484.14	2760224	0.26	0.92
2004-05	8065.39	20.56	8085.95	19617	27702.95	3121414	0.26	0.89
2005-06	9578.54	71.70	9649.24	25418 (RE)	35067.24	3529240	0.27	0.99
2006-07 RE	11681.28	76.46	11757.74	29137 (BE)	40894.74	4116972.9	0.29	0.99
2007-08 BE	15499.03	355.85	15854.88			4574181.8	0.35	

Notes: Figures for 1997-98 to 2005-06 are Actuals, those for 2006-07 are Revised Estimates (RE), and those for 2007-08 are Budget Estimates (BE), and for States's Expenditure, 2005-06 data is Revised Estimates and 2006-07 data is Budget Estimates.

Source: Expenditure Budget Volume I for various years and RBI: State Finances - A Study of Budgets for various years. Reproduced from the Response to Union Budget, CBGA, 2007-8

**Table 2: Expenditure Incurred vis-à-vis the Budget Estimates during the Tenth Plan, Ministry of Health and Family Welfare**

Xth Plan Period	Budget Estimates	Actual Expenditures	% Deviation
2002-03	6480	5276.45	18.6
2003-04	6480	5735.08	11.5
2004-05	7988	6634.45	16.9
2005-06	9332	7926.25	15.1
2006-07	11305	7484.17	33.8

Source: Outcome Budget, Ministry of Health and Family Welfare, 2007-08

**Table 3: Budget Allocations under NRHM (in Rs. Crore)**

	2005-06 BE	2005-06 RE	2006-07 BE	2006-07 RE	2007-08 BE
Plan	6477.01	6042.88	8108.47	7155.97	9801.00
Non-Plan	31.04	32.29	33.43	34.40	38.00
Total	6508.05	6075.17	8141.90	7190.37	9839.00

Source: Expenditure Budget Vol. 2, Union Budgets 2006-07, 2007-08, Gol.

## Endnote

### <sup>1</sup> National Health Policy 2002:

The National Health Policy adopted in 2002 by the NDA regime exposed the insensitivity of the current ruling class towards the dire need to strengthen and expand the public health system in India. It conveniently abandoned the idea of 'universal and comprehensive primary health', which was the goal of the first National Health Policy adopted in 1983. At the level of rhetoric it is quite impressive- it does not hesitate to acknowledge the unacceptably high level of prevalence of many curable diseases; it expresses dissatisfaction over the morbid state of public health system; it also recognises the insufficiency of public government resources in health. But when it comes to providing concrete direction to address these problems on the ground it ends up creating confusions, with many contradictions. It does not propose any concrete direction towards augmenting public investment in health, but the entire effort seems to be towards legitimising the ongoing privatisation of the health care system of the country. As a positive sign the NHP 2002 has expressed concern for regulating the private health sector through statutory licensing and monitoring of minimum standards by creating a regulatory mechanism, but how far it can be realised is to be seen. While remaining silent on the need to review the ill-conceived population control programme, which has proved to be a massive failure causing a huge drain on primary health care, the NHP 2002 instead argues for the virtual dismantling of the latter. The NHP also remains silent on drug prices and manufacturing with the ministry of industries taking over the decisions about Drug Policy. The NHP is vociferous in arguing for creation of health facilities to attract foreign exchange and promotion of health tourism. NHP proposes the introduction of user charges for public health facilities in order to bring greater financial autonomy. Experiences in some Indian states clearly suggest that user charges can at the maximum contribute to only 1-2% of the total expenditure and the goal of financial autonomy can hardly be achieved. Further it has been seen world wide that user fees are regressive and can drive away a large section of potential beneficiaries. Over all it is an insincere effort towards developing comprehensive health care system which is accessible to every Indian.

### <sup>2</sup> Access to Essential Medicines:

According to WHO estimates (*The World Medicines Situation* (WHO 2004)) 56% of Indians do not have access to modern medicines. In this context it is very important that cheap if not free drugs are made available to the entire population. In 1970 prices of all drugs were brought under control, but gradually over the years number of drugs under control got reduced. The Drug Price Control Order of 1979 brought 378 drugs under control and in 1994 the number went down to 74. The policy also recommended for total abolition of the Drug Price Control Order (DPCO) in stages. This 2002 policy abolished all licensing restrictions and allowed 100% foreign share on investment. The Govt had doubled the excise duty from 8% to 16% for medicines, which enhanced the prices of domestic production. At the same time it liberalised imports and cut import duties - thus making it more lucrative to import medicines. Thus all control over the medicine sector was virtually withdrawn. Repercussion of such wholesale withdrawal of regulatory control in this sector led to increase of import, spiralling rise of drug prices and flooding of the market by high priced imported medicines.

In July 2006 draft National Pharmaceuticals Policy, 2006, was announced which proposed to include 354 essential drugs under price control along with 74 life saving drugs. The domestic pharmaceutical industry with their MNC counterparts severely opposed this move. Even different ministries including Ministry of Commerce and MoHFW opposed the increase in the width of price control. Union Minister of Health and Family Welfare criticized such a move with the logic that this may affect the supply of these drugs because many of the producers may pull out from production not finding it remunerative to produce. They vouched for adopting non-price control mechanisms to make prices affordable. Fact of the matter is the span of price control will go up only by 8% and 675 drugs which is only two thirds of the drugs available in the market will remain out of control. Ultimately the PMO has asked the chemicals ministry to prepare a separate cabinet note explaining how the issue of price control can be dealt with without increasing the span of control, which essentially means almost withholding this progressive regulation. In this context it is important to note that drug prices are controlled through out the world, in various forms. In a context where India has entered into a stricter patent regime which can lead to great monopolistic practice, it is imperative for a developing country like ours to take stronger price control mechanisms, in order to ensure greater access to essential medicines. Unfortunately, the UPA government, which is more interested in keeping the interest of the domestic industry and the MNCs seems to be least interested in establishing an effective price control mechanism which benefits the entire nation on a whole.

### <sup>3</sup> The Patents (Amendment) Act, 2005

In March 2005 the Patent (Amendment) Act was passed in the parliament to bring about the third set of amendments to 1970 Patent Act, in order to comply with the Trade Related Aspects of Intellectual Property

Rights (TRIPS). From 1970s India had a patent law which was seen as a model for the developing countries. It exempted food, drugs and chemicals from product patent. As a result Indian drug industry grew into one of the strongest and self-reliant industries in the world. In 1986, under Uruguay Round of negotiations, TRIPS was proposed to be included in to General Agreement of Trade and Tariff (GATT). The agreement on TRIPS was one of the most bitterly fought negotiations of WTO which essential required countries to follow a Product Patent Regime. Unfortunately, India agreed to this inclusion in 1989-90, despite some initial opposition. The TRIPS agreement was signed in 1995 (as part of the WTO agreement) and countries like India were provided a transition period of ten years till 2005, to enact laws that were compliant with the provisions of TRIPS. In 1999 and 2003 some transitional amendments were made into the Patent Act. In 2004 December the UPA government promulgated an ordinance to pave the way for the amendments.

There are a whole range of issues connected to TRIPS agreements which are meant for safeguarding of national interests. The Indian ordinance went beyond of TRIPS requirements and ignored safeguards like compulsory licensing and pre-grant oppositions. In a product patent regime, a proper compulsory licensing system is of fundamental importance to ensure competition and competitive prices. The ordinance provides enough opportunities to the powerful patent holders to manipulate the process by litigation to prevent others from producing their patented products. Over this ordinance was meant to strengthen the monopolistic powers of the big pharmaceutical companies and heavily curtail Indian government's ability to regulate them.

The ordinance was met with enormous criticism from left parties, trade unions and progressive movements and intelligentsia around the country. Finally the UPA government tabled the amendments addressing some of the key concerns of the opposition. The new Bill included some restricts on patentability; it denied the option of software patenting; it restored pre-grant oppositions to patents; it kept options of export open to countries without manufacturing abilities; further it allowed Indian companies to produce drugs for which patent applications are pending in the mailbox, even after the patent was allowed, given they pay a royalty. Introduction of these amendments may safeguard the interest of millions of Indian to some extent, but it should be remembered that ultimately the TRIPS agreement itself is very controversial as it is a major sacrifice in interests of developing countries and has met with enormous criticism throughout the world. It is important in this regard to take the fight to the WTO and throw the TRIPS out of it.

#### **<sup>4</sup> General Agreement on Trade in Services:**

General Agreement on Trade in Services is one area of WTO which can transform the way services are being provided in the developing world. GATS lays out the framework for progressive liberalisation of services. Though all the services are included in GATS, currently 19 services including health have been identified. Services where there is partial involvement of the government or there is some user charges will fall under GATS purview. There are four modes of service which are identified: mode one includes services those are offered from a remote distance, services like telemedicine are relevant in this context; services which are consumed abroad falls under mode two- health tourism falls under this category; another important form and the most significant one is the presence of foreign commercial entities like super-speciality hospitals set up by multinationals fall under mode three; mode four includes presence of natural persons like doctors and nurses in other lands. Progressive sections of the world, along with overwhelming majority of developing countries have expressed reservations on the agreement on services; strong voice have been raised against inclusion of essential services like health, education, water out of GATS.

# **Gender Budgeting and Beyond: Emerging issues for the Budget 2008-09**

**Yamini Mishra and Bhumika Jhamb**

The budget is not just an aggregation of sub-totals and totals. To the extent it is a political tool, it is as much a tool for gender justice. A lot of energies have been put in the previous decades to hammer in that public policies also need to address gender inequalities in a concerted, direct and focused manner, rather than being “gender neutral”.

Recently India celebrated 60 years of its independence. And although equality to women has been guaranteed by our constitution and by several other national and international instruments and conventions that India has signed and ratified, non-discrimination against women continues to be a promise on paper that is yet to be translated. In every sphere—social, economic and political - discrimination is widely witnessed.

The paper is divided into four sections. Section I gives a quick snapshot of women’s realities. Section II is a brief on WCP Implementation and the positive steps taken in Budget 2007-08 and also some concerns emerging from the Budget, followed by Section III which gives the status of the promises made by the NCMP. The last section covers the stock taking of the demands raised in the last year and a charter for Budget 2008-09.

## **Section I: Snapshot of where women stand today**

### **a. Discrimination at Birth**

The skewed and declining child sex ratio presents one of the most gruesome forms of discrimination women face. Over the decades, the child sex ratio has declined from 962 in 1981 to 945 and 927 in 1991 and 2001 respectively (Census of India). The 2003-05 sex ratio at birth is even lower at 880. The child sex ratio for Muslims is much higher at 986, compared to 931 among SC/STs at 914 among other Hindus. It continues to fall and is below 900 in economically prosperous states like Punjab (793), Delhi (865), Haryana (820) and Gujarat (878). During the decade 1991-2001, 70 districts in 16 States and Union Territories have recorded more than 50 points decline in sex ratio. The lowest ratio recorded is 754 in Fatehgarh Sahib District in Punjab (2003, RGI Census Commissioner, India-missing-Mapping the Adverse Child Sex Ratio in India).

### **b. Women and Health**

Although the Maternal Mortality Rate has declined from 398 in 1997-98 to 301 in 2001-2003 (Sample Registration System, 1997-2003), India still accounts for almost a quarter of maternal deaths in the world. States like Uttar Pradesh & Uttaranchal and Assam have MMRs as high

as 517 and 490 respectively - figures comparable to sub Saharan Africa. Further, according to NFHS 3, anemia in pregnant women has risen from 49.7 per cent to 57.9 percent in pregnant women and from 51.8 per cent to 56.2 percent in ever-married women within a period of seven years (1998-99 to 2005-06). This disturbing trend has also exacerbated anemia in children by 5 percentage points to 79.2

There is also a growing feminization of the HIV/AIDS epidemic. NACO estimates that 1 in 3 persons living with HIV in India is a woman. The burden on women is also distressing - an NCAER survey shows that women account for more than 70 percent of the caregivers, 21 per cent of whom are HIV positive themselves. A more daunting finding is that nearly 60 per cent of HIV-positive widows are less than 30 years of age and live with their natal families as 91 per cent of them receive no financial support from their marital homes.

### c. Women and Work

Although there has been a slight increase in the female work participation rate, both in rural and urban areas as can be seen in table below, critical concerns regarding women's employment still remain.

**Table 1: Female Work Participation**  
(in per cent)

Year	Rural		Urban	
	Female	Male	Female	Male
1972-73	31.8	54.5	13.4	50.1
1987-88	32.3	53.9	15.2	50.6
1996-97	29.1	55.0	13.1	52.1
2001-01	28.7	54.4	14.0	53.1
2004-05	32.7	54.6	16.6	54.9

Source: National Sample Survey Organization

First, 97 per cent of the female workforce is involved in the unorganized sector, agriculture being the main employer. Second, around 57 per cent of women fall into the category of home-based work due to lack of adequate training and other constraints. There is a consistent under representation of women in higher level and higher paid jobs and representation in Parliament being as low as 9.1 per cent in 2004. Most importantly, women's unpaid work continues to go unrecognized.

### d. Women and Literacy

One of the rare statistics that gives a more comforting trend is the literacy rate. The 2001 Census recorded a significant increase in literacy rates (from 52.21 per cent in 1991 to 65.38 per cent in 2001) particularly female literacy rates which increased to 54.16 per cent (See table below). For the first time, the absolute numbers of illiterate women declined from 200.7 million in 1991 to 190 million in 2001. Similarly, the Gross Enrollment Ratio (GER) for girls in Classes I - VIII has increased to 89.87 per cent, compared to 96.91 per cent for boys. The number of women in higher education has also increased from 13.6 lakhs or 33 per cent of students in 1990-91 to 34.4 lakhs or 40 per cent of students in 2004-05.

**Table 2: Literacy Rates by Sex** (in per cent)

Census Year	Females	Males	Persons	Male-female gap in literacy rate
1981	29.76	56.38	43.57	26.62
1991	39.29	64.13	52.21	24.84
2001	54.16	75.85	65.38	21.70
2001 (SC)	41.90	66.64	54.69	24.74
2001 (ST)	34.76	59.17	47.10	24.41

Source: Census of India, 2001.

Drop-out rates have also followed the same encouraging trend and have reduced at all levels of education. Nevertheless, drop out rates remain high and the increase dramatically with level of education. While drop out rate for girls was 25.4 percent at the primary level in 2004-05, they are as high as 63.88 percent at the secondary level. The rates are substantially higher for categories like SC and ST girls at 75.5 percent and 81.2 percent. Nonetheless, disparities in terms of gender, social categories like SCs/STs, religions, rural-urban divide continue to be glaring.

### e. Women and Violence

Violence against Women continues to be one of the most vivid manifestations of the gender inequality in our society. Statistics show that almost every form of violence against women has been increasing, see table below. Worse still, the conviction rates for major crimes like abduction, dowry deaths, rape, molestation, cruelty by husband and relatives etc. remain abysmally low.

Rape statistics, for instance, reveal the true picture of women's vulnerability. Rape cases accounted for 22 percent of total crimes against women during 2005. In 84-89 percent of the rape cases in the years 2002-04, the victim knew the offenders. In 9 percent of the cases, the offenders included the father or another family member or close relatives. Thus, the very notion of a household as a safe haven, a homogenous unit, always working in the interest of its members, stands totally challenged. Domestic Violence continues to be rampant. NFHS 3 data reveals that the percentage of women is victims of spousal violence, stands at 37 percent.

**Table 3: Crime against women, 2001 – 2005**

Year	Rape	Molestation	Abduction	Trafficking	Dowry Death	Total
India (2001)	16075 (19.9)	34124 (42.3)	14645 (18.1)	8796 (10.9)	6851 (8.5)	80491 (100)
(2002)	16373 (20.9)	33943 (43.3)	14506 (18.5)	6598 (8.4)	6822 (8.7)	78242 (100)
(2003)	15847 (21.4)	32939 (44.6)	13296 (18)	5510 (7.4)	6208 (8.4)	73800 (100)
(2004)	18233 (22.4)	34567 (42.5)	15578 (19.1)	5748 (7.0)	7026 (8.6)	81152 (100)
(2005)	18359 (22.6)	34175 (42.2)	15750 (19.4)	5908 (7.2)	6787 (8.3)	80979 (100)

Source: NCRB Crime against women-2001, 02, 03, 04, 05

## SECTION II: CURRENT POLICY ENVIRONMENT/PRONOUNCEMENTS

Budget 2007-08 saw the third Gender Budgeting Statement. It is important to emphasize that Gender Budgeting is not a mere accounting exercise. The Mission statement - “*Budgeting for Gender Equity*”, adopted by the DWCD reinforces that Gender Budgeting is a process that involves maintaining a gender perspective at various stages - from planning, policy, programmes and schemes, and assessment of needs, to allocations and reprioritization of schemes. It is an initiative which leads to the larger goal of gender mainstreaming. Unless and until the implications of the so called ‘gender neutral’ sectors such as defence, power, transport etc. on women are recognized, the skewed public expenditure towards women will not be corrected.

Women’s Component Plan (WCP) as adopted in the Ninth Plan was envisaged as the precursor to a much broader and profound approach of Gender-Responsive Budgeting. The dismal development on WCP so far is clearly evident from the Mid Term Appraisal of the Tenth Plan. As envisioned, state governments had to draw up WCP, not limiting themselves to quantify and earmark funds and benefits for women, but also extending the exercise to devise special programmes which directly benefit women. It is also important to mention that some Ministries such as Education, Health, Family Welfare, Rural Development, Social Justice and Empowerment, Water Supply and Sanitation and many more have the potential to go beyond the figure of 30 percent in addition to devising and administering women related programmes.

The assessment indicated that the Ministry of Labour, which had earlier reported a flow of 33.5 percent of GBS to the WCP in the Ninth Plan, has now reported the same to be of a meager 5 percent in the Tenth Plan. What demands immediate attention is the fact that certain Ministries/Departments which were earlier reporting on the WCP such as Department of Agriculture and Cooperation, Urban Employment and Poverty Alleviation, Information and Broadcasting, Small scale and Agro related industries have now stopped the process. The tying up of Gender Budgeting and WCP to ensure both preventive and post facto action as envisaged, to enable women in getting their due share is impossible without effective implementation of either of the two.

Apart from setting up Gender Budgeting Cells and preparation of incidence analysis from 2005-06 and inclusion of the same in the Ministries’/Departments’ Annual Reports/Performance Budgets/checklist, an instruction was given specifically to eighteen Departments/Ministries to bring out scheme wise provisions and physical targets benefiting women in their Annual Reports/Performance Budgets for 2004-05 along with their Detailed Demands for Grants for 2005-06. The performance of various Ministries/Departments can be gauged from the tables given in the appendix.<sup>1</sup> Thus the analysis indicates that Ministry of Youth Affairs and Sports despite having various schemes targeting women, does not include a separate chapter on Gender Budgeting. The same holds for the Ministry of Urban Development and Poverty Alleviation which includes such an analysis only for SJSRY. The comprehensive analysis and coverage of issues in other Ministries/Departments (of which analysis has been done) is quite encouraging and should be followed in the long run.

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<sup>1</sup> **Note:** Performance of only those Ministries/Departments has been reported for which the documents were readily available. Detailed Demands for Grants have not been accessed.

## Budget 2007-08: Some Positive Trends and Emerging Concerns

When one looks at this year's Gender Budgeting statement, both the expansion of the statement in terms of its coverage to various ministries/departments as well as its magnitude captures attention.

- Gender Budget statement now covers 33 demands for grants under 27 ministries/departments and 5 Union Territories and 50 ministries/departments have set up Gender Budgeting cells. A charter has been issued outlining the role of these cells. The functions as specified in the charter include, identification a minimum of three and maximum of six largest programmes (in terms of budget allocation) of each Ministry, so as to conduct analysis of gender issues, analysis of which will be reported in the Ministry's outcome/performance budget; conducting/commissioning Performance Audit for tracking actual delivery of services; identification of possibility of undertaking initiatives to facilitate/improve access to services for women by gender neutral sectors; dissemination of best practices followed by a Department/Ministry and preparation of a chapter on Gender Perspective in the Ministry's Outcome/Performance budget related to the sector/services and the impact of programmes/policies benefiting women.
- The total magnitude of the Gender Budget has also gone up from Rs.22, 251.41 Crore for 2006-07 (RE) to Rs. 31,177 Crore in 2007-08 (BE). As a percentage of total Union Government Expenditure, this constitutes a rise from 3.8 percent to 4.8 percent.

**Table 4: Progress So Far**

Year	No. of Demands in Union Budget covered	Years	Total Allocations under Part A of the statement**	Total Allocations under Part B of the statement***	Total magnitude of Gender Budget
GB Statement presented in 2005-06	10	2005-06 BE	Rs. 14,378.68 Crore (Allocations were not divided in Part A and Part B that year)		Rs. 14,378.68 Crore (4.74%*)
GB Statement presented in 2006-07	24	2005-06 RE	Rs. 8,273.88 Crore	Rs. 15,966.63 Crore	Rs. 24,240.51 Crore (4.77%*)
	24	2006-07 BE	Rs. 9,575.82 Crore	Rs. 19,160.71 Crore	Rs. 28,736.53 Crore (5.10%*)
GB Statement presented in 2007-08	33	2006-07 RE	Rs. 4,618.95 Crore	Rs. 17,632.46 Crore	Rs. 22,251.41 Crore (3.8%)
	33	2007-08 BE	Rs.8,795.47 Crore	Rs.22,382.49 Crore	Rs. 31,177.96 Crore (4.8%*)

\* Proportion of Total Union Government Expenditure

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

\*\*\*Part B presents women specific provisions under schemes with at least 30% provisions for women.

Over the three year period, the number of Demands for Grants covered has grown and this could be an important factor in the increasing magnitude of the total allocation.

Source: Gender Budgeting Statement, Expenditure Budget Vol. I, Union Budget - various years

- Gender Budgeting has not remained confined to traditionally perceived ‘women related’ ministries, but has been able to extend its reach to departments such as science and technology, biotechnology and industrial policy and promotion.
- Several mistakes pointed out in the last year’s (2005-06) Gender Budgeting statement have been identified by the Ministry of Finance and also rectified. For instance, the ICDS previously in Part A of the statement has been moved to the relevant portion of the statement i.e. Part B.

Equally important though is to draw our attention to the flip side of the gender budget exercise.

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

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

Sectoral analysis from a gender lens reveals that still, allocations for sectors such as women’s protection, housing and awareness generation largely remain neglected with the major chunk

going to women's education, health, food security and nutrition and livelihood. This is not to say that the funds allocated to these sectors are sufficient in any way, taking into account drop out rates, maternal mortality, and women living in poverty. Meager allocations in the housing sector are despite the fact that women perform two-thirds of the world's total working hours and own less than one percent of the world's property (Centre for Housing Rights and Eviction).

**Table 5: Sectoral Analysis of Gender Budget Statement**

Sectors	2006-07 RE	Percentage	2007-08 BE	Percentage
Women's Education	7513.7	38	8439.99	31
Women's Health	3593.325	18	6483.03	24
Women's Food Security and Nutrition	4321.77	22	5906.4	22
Women's Livelihood	2444.35	12	3582.87	13
Women's Housing	1498.39	8	2067.55	8
Women's Protection	195.473	1	306.733	1
Women's Awareness Generation and Others	153.41	1	177.43	1
<b>Total</b>	<b>19720.418</b>	<b>100</b>	<b>26964.003</b>	<b>100</b>

**Note:** Totals do not match with totals in the Gender Budgeting Statements because these have been corrected for anomalies identified in the previous section.

**Source:** Compiled from the Gender Budgeting Statement, Union Budget, various years.

Similarly, although the Civil and Political Rights (CPR) as well as Economic, Social and Cultural Rights (ESCR) are indivisible and interrelated, it is important to ensure adequate budgetary provisions for both. It is surprising to note that 99 percent of allocations for women have gone to ESCR and a mere one percent to CPR. This is again not to disagree with the very significance of ESCR taking into account the astonishing number of women living below poverty, nevertheless the issue of almost negligible proportion for CPR is critical. With alarming numbers of crimes against women, registering nothing but increase over years and conversely no allocations still for implementation of the Domestic Violence Act, 2005 is a strong case in point. India became a signatory to CEDAW in 1993, whereby the government must fulfill its obligation towards women equality and non-discrimination, along with its commitments made on the ratification of the Convention. Civil society has a major role of reminding the state of its commitments based on India's national or country report submitted to the CEDAW committed every 4 years.

IDRC (2001) defines Gender Budget as: "*Gender budget statements initiatives analyze how ...The impact of government budgets on the most disadvantaged groups of women is a focus of special mention.*" Thus, it aptly recognizes that women are not a homogenous group; unfortunately the Union Budget 2007-08 does not. Various grids of power such as rural/urban divide, caste, race, disability etc. have far reaching implications if not acknowledged. For 2007-08 budget, a mere 7 percent of the total gender budget pool went to the most marginalized women.

Thus, on the whole, the budget 2007-08, although has extended to more Ministries/ Departments and has risen in magnitude, but does not do much in altering the status quo for women towards positive direction. Consistent low Revised Estimates as compared to the Budget Estimates raises the question of whether actually funds ever reach women.

### **SECTION III: PROMISES MADE IN THE NCMP: THE REALITY**

The National Common Minimum Programme (NCMP) as drafted by the UPA Government in 2004 is not just a policy document but lays down very clearly the six very basic principles to promote good governance. One of those principles mentioned in the charter of governance is: “*to fully empower women politically, educationally, economically and legally*”. It is indeed very important to look at where we stand today in terms of the meeting the commitments made.

As seen from Section I, astonishing percentage of the female workforce employed in the largely unregulated informal sector, and the formation of Export Promotion Zones (EPZs), a comprehensive Social Securities Bill is a strong case in point. The same has been highlighted by the recent report ‘*Conditions of Work and Promotion of Livelihoods in the Unorganised Sector*’ which clearly shows the increase in employment registered in the informal sector (17 percent) in contrary to nil increase in the formal sector employment.

Also with astounding numbers of farmers committing suicides in the present era of agrarian crisis, large numbers of women engaged in agriculture are facing hardships due to inadequate attention paid to their rehabilitation. Another issue to take note of is the privatization of water under JNNURM, taking into account the vital link of women and their accessibility to water.

The UPA Government promised 6 percent of the GDP to public spending on education which if actually implemented could have profound implications on women on too. However, the consistent high drop-out rates especially at the secondary level is a stark evidence of the failure of the Government to meet its commitment. Similar is the case for health with alarming numbers of maternal deaths.

Several progressive initiatives have been recently undertaken including the Domestic Violence Act was passed in 2005 (enactment of the act clearly stated in NCMP) taking cognizance of the rising numbers of crimes against women and also lately the Hindu Succession Amendment Act, 2005 (HSAA, 2005) marking a significant step towards advancing women’s rights, although Muslim and tribal women are outside the purview of this law. With the coming in of HSAA, the Hindu daughter would be borne with the same right to ancestral property which would include right to residence and right to partition. An amendment made in the discriminatory Hindu Succession Act of 1956, can have far reaching ramifications on the lives of women ranging from lowering the incidence of poverty amongst women, benefit to women acquiring small land holdings as much as to ones with large landholdings to dramatically lowering the incidence of both physical and psychological violence and both long-term and current<sup>2</sup>.

The evaluation of implementation of the Domestic Violence Act<sup>3</sup> after an year of its coming in the statute books suggests a mixed response. The number of cases filed vary from 3,440 in Rajasthan, 235 in Haryana to as low as 5 in some states. This variation reflects a combination of higher levels of violence coupled with greater awareness of the law. As envisaged, Protection Officers had to be appointed to record incidents and support women in distress. However, as it stands today, either some states such as Rajasthan continue to rely on police, neglecting the multi-agency response or others who have just passed the

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<sup>2</sup> Home and the world: Revisiting violence; Bina Agarwal & Pradeep Panda; Indian Express August 7, 2003

<sup>3</sup> ‘Staying Alive’, Lawyer’s Collective

new hat to the health workers. Disappointingly, middle and upper caste women continue to be the main users of the law.

Both the laws as comprehensive and effective as they may seem cannot and will not have the desired implications until and unless they are brought outside the law books and reach women they are actually meant to reach.

Several amendments from seeing it as ‘murder’ to enhancing the ‘glorification’ and extending the punishment of the act to minimum of three years and maximum of ten years have been proposed by the Ministry of Women and Child Development to strengthen the current Commission of Sati Prevention Act, 1987. Most importantly, the amendments seek to clearly include immediate family members of a Sati victim, onlookers as well as the priest who performs the rituals as culprits. However, amendments proposed are facing resistance by several ministers.

In addition, a very clear statement in the NCMP was the ‘UPA government to take the lead to introduce one-third reservations for women in Vidhan Sabha and Lok Sabha’. After four long years, the failure of tabling and passage of the much needed Women’s Reservation Bill, comes as a deep disappointment, especially taking into account the dismal representation of women in higher echelons.

## **SECTION IV: CHARTER OF DEMANDS: STOCK TAKING OF LAST YEARS’ DEMANDS**

Many of the demands that resonated from the civil society last year have not been fulfilled. Below is a brief on what has been done and what remains to be done.

Although this year the Finance Minister recognized the errors in the Gender Budgeting statement, yet this year again the same errors have been made. Secondly, increase in both magnitude and depth of Gender Budgeting is a positive step, however patriarchal assumptions, treatment of women as a homogenous group, absence of sex disaggregated data, still limit the scope of the exercise. It appears that largely the demands raised last year remain unmet.

### **Tentative Demands for the year 2008-09**

Concerns of women cannot be addressed through the Ministry of Women and Child Development alone. It is on the work of women that success of several sectors rest. The changing demographics of agriculture, with more than 75 percent of all women workers, 85 percent of rural women workers are in agriculture; women’s disproportionately large contribution to the export and services sector, in the unorganised sectors –all these need to be located in our policies. Each of these sectors needs to make concerted efforts to address women’s concerns through:

- a. Recognising women’s contributions, addressing their gender specific concerns and organising their voice;
- b. Investing in skills of women and upgrading their work spaces and providing common work facilities;
- c. Providing them access to new technologies and credit schemes;

- d. Paying special attention to caste and minority derived exclusion within gender.
- *Hence, it is important to prioritize universalisation of Gender budgeting (including gender audit) and Gender outcome assessment in all Ministries/Departments at Central and State levels.*
  - *The Gender Budget Cells located in the different ministries need to be strengthened so that women's concerns can be mainstreamed across different sectors.*
  - *Further, it needs to be ensured that each of such measures (as listed above) is backed with adequate resource allocation. Calling for implementation of the WCP across all ministries could ensure at least a minimum resource allocation targeted at women. The poor and even receding implementation of WCP as pointed by the Mid Term Appraisal of the Tenth Plan warrants special efforts at correction*
2. Considering the large numbers of women in unpaid work and women's central role to the care economy; to address women's concerns in these sectors, policies need to focus on social services to support women's care roles (old age, child care). With increasing women's role in the care economy (both paid and unpaid), *adequate resource allocations need to be made to support women's care roles.*
3. In the absence of sex disaggregated data, evaluation of schemes through a gender lens or any effort at strengthening gender dimensions of existing schemes poses a big question. So, provision of such data should be prioritized.
4. In the light of the present agrarian crisis and the changing face of agriculture being highly gendered, the vulnerability of women farmers in particular needs attention in the larger context of food security.
5. Considering the huge gender disparities in land ownership patterns, women's access to land needs to be strengthened immediately. This could be done by (a) improving women's claims to family land (by enhancing legal awareness on inheritance laws, provide legal support services, etc.); (b) improving access to public land by ensuring that all land transfers for poverty alleviation, resettlement schemes, etc., recognize women's claims; etc., (c) Improving women's access to land via market through provision of subsidized credit to poor, by encouraging group formation for land purchase or lease by poor women , etc.

## Appendix

**Table 1: Findings from the Annual Report 2006-07**

Ministry/Department	Schemes referred	Status	Remarks
Ministry of Youth Affairs and Sports	NSS, NYKS, Promotion of National Integration, Scouting & Guiding, National Service Volunteer Scheme, Rashtriya Sadbhavana Yojana, Rural Youth & Sports Clubs, Promotion of Adventure, Rajiv Gandhi National Institute of Youth Development, Scheme of Financial Assistance for the Development and Empowerment of Adolescent, Youth Hostel	No specific chapter devoted to Gender Budgeting One paragraph on formation of a Committee on Sexual Harassment of women employees	Had furnished two statements relating to Gender Budgeting (One on 100% component and the other with schemes with 30% component) in the annual report 2005-06 Has many schemes with significant proportion of men and women such as the centrally sponsored NSS and many others such as NYKS, National Service Volunteers Scheme, Scouting and Guiding etc.
Ministry of Rural Development 1. Department of Rural Development 2. Department of Land resources 3. Department of Drinking Water Supply	Swarnajayanti Gram Swarozgar Yojana (SGSY), Indira Awas Yojana (IAY), NREGA  Integrated Wastelands Development Programme, Drought Prone areas Programme, Desert Development Programme Rural Water Supply and Sanitation Programme (ARWSP, Swajaldhara, Total Sanitation Campaign)	Provides detailed account of physical targets benefiting women in terms of all the three schemes  Absence of reporting of achievement of physical targets benefiting women	Provides an excellent example of reporting of physical targets benefiting women
Ministry of Tribal Affairs	Support to National/State Scheduled Tribes Finance & Development Corporations, Scheme of PMS Book Bank and Upgradation of Merit of ST Student, Scheme of Hostel for ST Boys and Girls, Research Information and mass education on tribal festivals and others, Special Central Assistance to Tribal Sub-Plan	Provides a good reporting of targets achieved in terms benefits accrued to women. Disaggregated data reported relating to the mentioned schemes highlighted for gender budgeting.	Disaggregated data not available only in case of Research Information and mass education on tribal festivals and others, Special Central Assistance to Tribal Sub-Plan
Ministry of Social Justice & Empowerment	Various schemes	A separate chapter on Gender Budgeting providing account of physical and financial outlay specific to women	Provides Gender Based Profile of Public Expenditure in pursuance of the order issues of the Department of Women and Child Development in Oct. 2004
Ministry of Urban Development & Poverty Alleviation	SJSRY, Basic Services to the Urban Poor, Integrated Housing & Slum Development	No targets benefiting women mentioned	
Ministry of Health & Family Welfare	Many Schemes	No separate chapter on Gender Budgeting, however a chapter on gender issues giving a list of tables with their subject on gender issues.	
Ministry of Labour	Improvement in conditions of child/women labour, Indus Project, Welfare of SCs/STs and OBCs, Central Board for Workers Education	Contains a separate chapter on Gender Budgeting giving gender disaggregated beneficiaries	

**Table 2: Findings from the Outcome Budget 2007-08**

Ministry/Department	Schemes referred	Status	Remarks
Ministry of Youth Affairs and Sports	NSS, NYKS, Promotion of National Integration, Scouting & Guiding, National Service Volunteer Scheme, Rashtriya Sadbhavana Yojana, Rural Youth & Sports Clubs, Promotion of Adventure, Rajiv Gandhi National Institute of Youth Development, Scheme of Financial Assistance for the Development and Empowerment of Adolescent, Youth Hostel	Does not include scheme wise provisions and physical targets benefiting women	All the schemes mentioned are aimed at empowerment of both boys and girls. Neither the annual report nor the outcome budget give the account of physical targets benefiting women
Ministry of Rural Development 1. Department of Rural Development  2. Department of Land resources  3. Department of Drinking Water Supply	Swarnajayanti Gram Swarozgar Yojana (SGSY), Indira Awas Yojana (IAY), NREGA  Integrated Wastelands Development Programme, Drought Prone areas Programme, Desert  Development Programme Rural Water Supply and Sanitation Programme (ARWSP, Swajaldhara, Total Sanitation Campaign)	Provides a separate Gender Budget giving the Plan outlay, Financial outlay specific to women, Quantifiable deliverables/Physical outputs specific to women, Projected outcomes, processes/timelines  All three schemes report physical targets benefiting women  Total Sanitation Campaign mentions constitution of sanitary complex for women	Provides an excellent example of reporting of physical targets benefiting women  National Rehabilitation Policy drafted in 2006 recognising the absence of special mention of care for weaker segments of society especially members of SCs/STs, landless, women, destitute etc. Swajaldhara Programme Guidelines which covers ARWSP recognize the drudgery of women in collection of water. So, has reserved 1/3 <sup>rd</sup> of membership for women in Village Water & Sanitation Committees (VWSCs). However, no bifurcation in terms of physical targets till now.
Ministry of Tribal Affairs	Support to National/State Scheduled Tribes Finance & Development Corporations, Scheme of PMS Book Bank and Upgradation of Merit of ST Student, Scheme of Hostel for ST Boys and Girls, Research Information and mass education on tribal festivals and others, Special Central Assistance to Tribal Sub-Plan	Does not provide physical targets benefiting women	

Ministry of Social Justice & Empowerment	Various schemes	Contains a separate chapter on Gender Budgeting including a statement giving physical achievements specifically oriented towards women beneficiaries.	For Ministry of Social Justice & Empowerment, Performance Budget 2006-07 was consulted.
Ministry of Urban Development & Poverty Alleviation	SJSRY, Basic Services to the Urban Poor, Integrated Housing & Slum Development	Physical targets benefiting women available only for SJSRY	VAMBAY and National Slum Development Programme discontinued and subsumed under , Integrated Housing & Slum Development
Ministry of Health & Family Welfare	Many Schemes	Contains a separate portion on Gender Budgeting providing a financial review to assess the flow of budgetary resources towards benefit of women. Provides two statements - Women Specific and Pro-women schemes. Gender disaggregated data available on all major schemes	

# Investing for Children: A Perspective on Union Budget 2008-09

Subrat Das

The development trajectory taken by India over the last one and a half decades has resulted in impressive levels of economic growth, but this growth process has failed to improve the status of some of the disadvantaged sections of the population. The persistence of significant deficits in development of children in India is one of several such failures of the growth process witnessed over the last one and a half decades. Assessing Union and State Government budgets with the lens of resources earmarked for children can provide crucial insights on the deficiencies in public policy towards children in our country.

The present article tracks the outlays on child-specific programmes/schemes in the Union Budgets of last five years in order to build a case for increasing significantly the priority on funding of important programmes/schemes for children in the forthcoming Union Budget. This analysis of the recent Union Budgets from the perspective of child development has been located in a larger context of key promises made and key initiatives taken by the United Progressive Alliance (UPA) Government for child development after it came to power at the Centre in May 2004. The article also attempts to highlight the significance of Union Budget 2008-09 from the point of view of the measures for child development that have been proposed for the 11<sup>th</sup> Five Year Plan. The article, in the concluding section, presents a few pointers with regard to the expectations from Union Budget 2008-09 in terms of the priority to be accorded to investments for children.

## SECTION I: DEFICITS IN THE DEVELOPMENT OF CHILDREN IN INDIA

Over the last one and a half decades, India has succeeded in bringing the **Infant Mortality Rate (IMR)**, per 1000 live births, down from a level of 80 in 1990 to 58 in 2004. However, it is still much higher than the levels of IMR (per 1000 live births) not only in the developed countries but also in many developing countries, for instance Sri Lanka (15 in 2003) and China (37 in 2003). More importantly, the aggregate IMR for India hides a vast disparity persisting across the States. The level of IMR still varies widely across the States, with the six economically backward States, viz. Uttar Pradesh, Madhya Pradesh, Assam, Orissa, Rajasthan and Bihar recording very high levels of IMR (above 60 per 1000 live births in 2005-06 for each of these, according to National Family Health Survey- III). Hence, the problem of high infant mortality still continues to be alarming for the country.

At the national level, as has been revealed by the three rounds of National Family Health Survey (NFHS), the **vaccination coverage** (among children aged 12-23 months) in India has

improved very marginally from 42 % in 1998-99 to 44 % in 2005-06. While the vaccination coverage in 2005-06 is found to be the lowest in Uttar Pradesh, Rajasthan, Assam and Bihar, the progress in this regard between 1998-99 and 2005-06 (among the economically backward States) has been the slowest in case of Uttar Pradesh. With regard to **ante-natal care utilized by women** (i.e. the percentage of women who utilized any ante-natal care provided by skilled personnel for reasons related to pregnancy at least once during pregnancy), the States like Madhya Pradesh, Rajasthan and Uttar Pradesh have recorded significant progress between 1998-99 to 2005-06, although Bihar and Orissa are lagging behind in this respect. However, the progress in **coverage of institutional deliveries** has been slow with only 40.7 % coverage in the country in 2005-06 (NFHS-III). Again, the economically backward States like, U.P., Bihar, M.P., Rajasthan and Assam were lagging far behind other States in terms of coverage of institutional deliveries in 2005-06. **The NFHS-III figures pertaining to IMR, vaccination coverage, utilization of ante-natal care by women, and coverage of institutional deliveries in the country clearly point to the very slow progress recorded with regard to most of these by the country in general, and by the economically backward States like U.P., Bihar, Rajasthan, Assam and M.P., in particular.**

Child nutrition is regarded as very important because the nutritional status of children in their early childhood is known to have a strong bearing on their development later in life. The three rounds of NFHS point to the very disturbing fact that while the **proportion of underweight children** among all children under 3 years was 47 % in 1998-99, it still persisted at the level of 46 % in 2005-06. With regard to the percentage of children under 3 years who are underweight, the worst performers are Madhya Pradesh (60 % in 2005-06) and Bihar (58 % in 2005-06). Thus, the poor outcomes in nutritional status of children in India have persisted, and this problem has deteriorated in the States of M.P. and Bihar.

As regards educational attainments of children, although Gross Enrolment Ratios for boys and girls at the level of primary schooling has gone up significantly, the **dropout rates** at this level still continue to be unacceptably high. In upper primary classes, the dropout rates for both boys and girls are very high at around 52 % (as of 2003-04). At the level of secondary schooling, even the enrolment rates for both boys and girls are very low, which need to be improved significantly. Also, in most of 15 major States, the dropout rate for girls has been higher than that for boys. While the indicators of school enrolment and dropout present a bleak picture, it must also be noted here that the learning achievements of children in many of the States have been found to be poor. Thus, child education continues to be one of the most significant areas where better state intervention is called for.

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

## SECTION II: PROMISES AND KEY INITIATIVES OF THE UPA GOVERNMENT

The present United Progressive Alliance (UPA) Government came to power at the Centre in May 2004 riding on an electoral mandate, which some observers had viewed as one against the development trajectory pursued by the previous National Democratic Alliance (NDA) Government. Accordingly, the UPA promised a correction in the development trajectory of India so as to ensure 'inclusive growth' of the economy. Its promises were documented in the much talked about National Common Minimum Programme (NCMP), many of which implied a significant stepping up of public spending on crucial economic and social services.

The promises made in the NCMP, which specifically talked about children, were the following:

- *The UPA government will protect the rights of children, strive for the elimination of child labour, ensure facilities for schooling and extend special care to the girl child.*
- *The UPA will also universalize the Integrated Child Development Services (ICDS) scheme to provide a functional Anganwadi in every settlement and ensure full coverage for all children.*
- *Nutrition programmes, particularly for the girl child, will be expanded on a significant scale.*
- *The UPA government will ensure that at least one-third of all funds flowing into Panchayats will be earmarked for programmes for the development of women and children.*

The Union Government has made specific commitments, at national as well as international fora, such as the national development goals as envisaged in the Tenth Five Year Plan (2002-03 to 2006-07) and MDGs (to be achieved by 2015) to strive for protection of children's rights and accelerate development of children in the country. Thus, the Union Government has made specific commitments, at national as well as international fora, to strive for protection of children's rights and accelerate development of children in the country. It would be worthwhile to take stock of the major initiatives taken by the present UPA Government with regard to the above-mentioned commitments.

In order to pay focused attention to the problems of women and children, the Government has created a separate **Ministry of Women and Child Development**, whose predecessor was the Department of Women and Child Development under the Ministry of Human Resource Development. A comprehensive **National Plan of Action for Children, 2005** has been drawn up for time-bound achievements in terms of reduction of infant and child mortality and HIV prevalence in infants, universal access to drinking water and basic sanitation, and the elimination of child marriages as well as the incidence of disabilities due to polio.

The Government has initiated some legislative interventions for protection of child rights, which include the **Commissions for Protection of Child Rights Bill, 2006** which provides for constitution of a National Commission, as well as State Commissions, for protection of child rights, and Children's Courts for trying offences against children and instances of violation of child rights without delay. A **National Commission for Protection of Child Rights** was constituted in February 2007, which would study and monitor all matters relating to child rights, examine and review legal safeguards, recommend measures for effective implementation of laws, review and suggest amendments to existing laws, look into cases

involving violation of child rights, and monitor implementation of laws and programmes for children. In 2006, the Government brought an **Amendment to the Juvenile Justice (Care and Protection of Children) Act, 2000**. This amendment is meant to incorporate progressive measures and safeguards and introduce model rules under the Act. The **Prohibition of Child Marriage Bill 2006** was enacted in the Winter Session of the Parliament in 2006.

Apart from these legislative initiatives, the UPA Government has also taken some specific policy initiatives for addressing the development deficits of children, which according to one of the UPA documents (*Report to the People: UPA Government 2004 - 2006*) include the following.

- *The phased expansion of ICDS scheme for universalising ICDS, the nearly universal National Cooked Mid-Day Meal Programme, and universalised Kishori Shakti Yojana.*
- *The scheme for crèches and day care centres has been revised with enhanced outlays for improved and better crèche facilities to children and working mothers, as well as training for service providers, and a new scheme launched, viz., the Rajiv Gandhi*
- *National Crèche Scheme for the Children of Working Mothers.*

*Over a thousand Kasturba Gandhi Balika Vidyalayas have been sanctioned in educationally backward blocks of 21 states to provide free residential education to underprivileged girls at the upper primary level.*

Public spending on important social services, like, education, health & family welfare, and water supply & sanitation, etc. are likely to have an impact on family well-being and the community which in turn can have significant positive implications for children. Hence, public spending on the social sector shapes the wider resource envelope within which investments for children are being made. The performance of the UPA Government in this regard has been appreciable. In the last three Union Budgets (i.e. 2005-06 to 2007-08), allocations for some of the important social sector schemes, such as, Sarva Shiksha Abhiyan (SSA), National Rural Health Mission (NRHM), ICDS, Mid Day Meals, and Total Sanitation Campaign (TSC) have been stepped up noticeably. Also, the National Rural Employment Guarantee Scheme (NREGS) launched by this Government is synergistically linked to the development of rural poor and marginalized communities and their children.

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

### Section III: Resources for Children in the Union Budget<sup>1</sup>

All kinds of public expenditure meant for development of a community can be expected to have some benefits for children as well. However, in a country where children are clearly a disadvantaged section of the population, there exists a strong case for identifying that part of the public expenditure which is meant specifically for addressing the needs of children. The total magnitude of public expenditure on child specific schemes is referred to as the magnitude of total 'Child Budget'. Thus, 'Child Budget' is not a separate budget, but a part of the usual government budget.

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

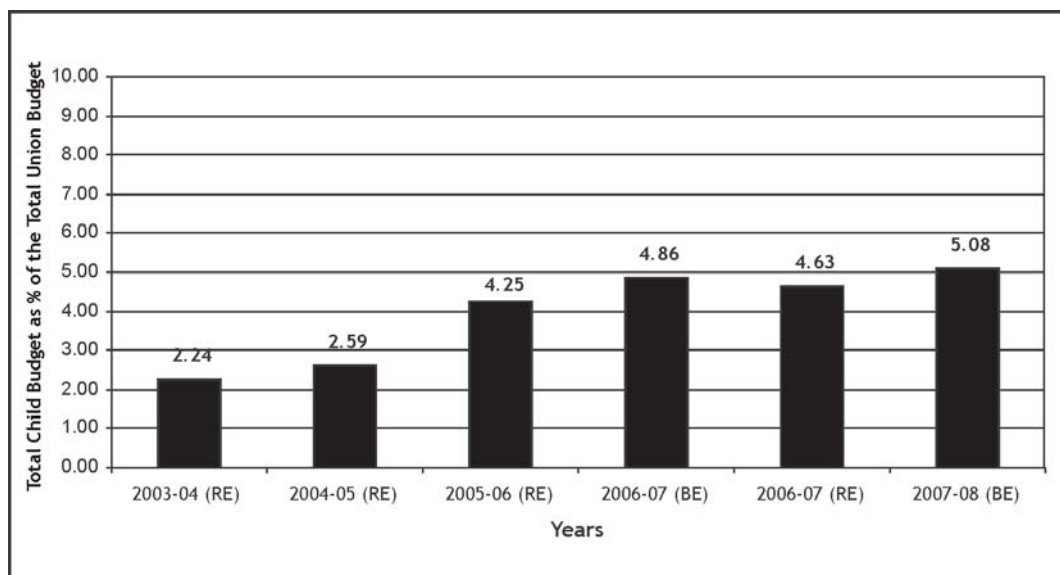
As shown in Chart 1 below, the total magnitude of 'Child Budget' within the Union Budget, i.e. the aggregate outlay for child specific schemes as a proportion of total budget outlay by the Union Government, has increased from 4.86 % in 2006-07 (BE) to 5.08 % in 2007-08 (BE). If we take into account the fact that children (i.e. all persons up to the age of 18 years) constitute more than 40 % of the country's population and that many of the outcome indicators for children, such as those captured by the successive rounds of National Family Health Survey (NFHS), point to the disadvantaged status of our children; the magnitude of Child Budget at 5.08 % of the total Union Budget in 2007-08 (BE) is quite inadequate. There can be little doubt about the fact that given the striking deficits in the development of children in India, the priority accorded to specific (or, direct) investments for children needs to be much higher than a meager 5 % of the Budget.

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

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<sup>1</sup> This section draws significantly from Das, S. and D. Thakur (2007), "Unravelling the Union Budget", *Seminar* (Children First issue), Vol. 574, June 2007.

**Chart 1: 'Child Budget' as a Proportion of the Total Union Budget (in %)**



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

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

Table 1 presents a Plan - Non-Plan break up of the total 'Child Budget' in the Union Budget 2006-07 and also compares the outlays earmarked for children under these two categories with the total Plan and Non-Plan outlays from Union Budget 2006-07.

**Table 1: Priority for Children in Plan & Non-Plan Outlays in Union Budget 2006-07 (BE)**

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

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

Out of the total Non-Plan outlay of Rs. 3,91,263 Crore in 2006-07 (BE), only Rs. 958.8 Crore (i.e. 0.25 %) was earmarked for children. A substantial part of this Non-Plan outlay was meant for educational institutions funded by the Central Government which provide Secondary and Higher Secondary level education to children. As regards the Plan outlay from Union Budget in 2006-07 (BE), we find that out of the total of Rs. 1,72,728 Crore about Rs. 26,462 Crore (i.e. 15.3 %) was allocated for child specific schemes. There are at least two strong reasons for demanding a significantly higher share of the Plan outlay (than the 15.3

% observed in 2006-07) for funding the child specific schemes% first is that the striking deficits in development of children and the unacceptable levels of vulnerabilities of children in the country call for a much stronger state intervention which in turn would require significant fund support; secondly, many of the States over the last decade have become heavily dependent on Central Government funds allocated for the Centrally Sponsored Schemes for children (such as, SSA, RCH, Universal Immunization, ICDS, National Child Labour Project) to undertake targeted interventions for child development<sup>±</sup>.

We must note here that even the currently observed level of priority accorded to the child specific schemes in Plan outlay from the Union Budget, which was 15.3 % in 2006-07 (BE), is significantly higher than what it was in the earlier Union Budgets. We can go back to Chart 1, which shows that the total Child Budget accounted for only 2.6 % of the Union Budget in 2004-05 (RE). The sharp increase in the magnitude of Child Budget within the Union Budget in 2005-06 (RE) was mainly on account of the significant increase in Union Budget outlays on SSA, ICDS and RCH programme. However, as has already been mentioned, analysis for the Budgets of States (such as, Rajasthan, Uttar Pradesh and Madhya Pradesh) indicates that many of the State Governments have become heavily dependent on Union Budget outlays for the Centrally Sponsored Schemes for children (such as, SSA, ICDS and RCH) for financing targeted interventions for children in their States. If we take into account this growing dependence of States on the Centrally Sponsored Schemes for children, we have to infer that the magnitude of Child Budget in the Union Budget is still grossly inadequate.

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

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

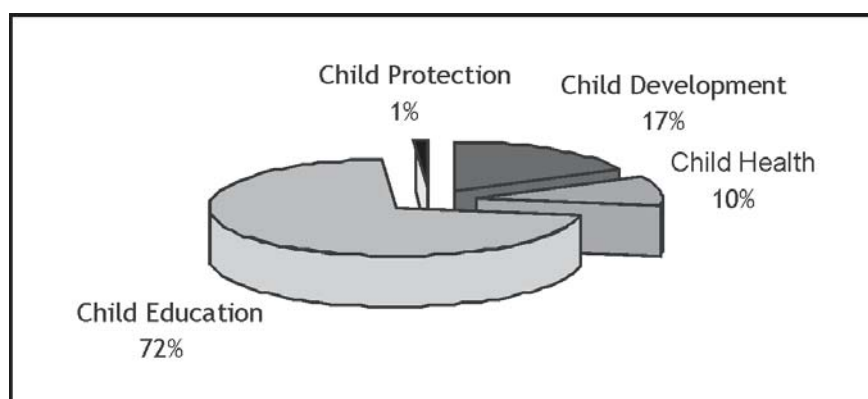
- *Child Development* (comprising mainly the schemes delivering early childhood care & nutrition),
- *Child Health* (comprising the schemes addressing the needs of child survival and child health),
- *Child Education* (all programmes/ schemes under Elementary & Secondary education), and
- *Child Protection*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

**Chart 2** shows the sectoral composition of the total Child Budget in Union Budget 2007-08. What it implies is: within the total resources earmarked for children in Union Budget 2007-08, 72 % is meant for Child Education, 17 % is meant for Child Development, 10 % is meant for Child Health and only 1 % is meant for Child Protection.

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<sup>±</sup> This has been discussed in Das, S., D. Thakur, R. Singh & S. Sikdar (2007), Unpublished Reports of a Study on *Public Resources for Children* conducted by Centre for Budget and Governance Accountability (CBGA) and supported by Unicef India Country Office

**Chart 2: Sectoral Composition of the Total Outlay Earmarked for Children in Union Budget 2007-08**



It would be worthwhile here to look at the outlays earmarked for each of these four sectors as a proportion of the total Union Budget, which would reveal the priorities accorded to these different sectors. Outlays for **Child Development** as a proportion of total budget outlays by the Union Government have increased from 0.86 % in 2006-07 (BE) to 0.88 % in 2007-08 (BE). Union Government's outlays for **Child Health** as a proportion of its total budget outlays shows a decline from 0.56 % in 2006-07 (BE) to 0.52 % in 2007-08 (BE). Budgetary provisions for **Child Education** shows an increase from 3.41 % of the total Union Budget in 2006-07 (BE) to 3.63 % of the total Union Budget in 2007-08 (BE). This increase in the priority accorded to Child Education in Union Budget 2007-08 has been mainly on account of a substantial rise in the allocation for *Mid-Day Meal* scheme and almost doubling of the allocation for Secondary Education (under the MHRD). The outlay on **Child Protection**, however, registers an increase from 0.034 % of the total Union Budget in 2006-07 (BE) to 0.053 % of the total Union Budget in 2007-08 (BE) [for details, refer to Table 3 in Annexure].

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

The priority accorded to Child Education sector, which stood at 3.63 % of the Union Budget in 2007-08 (BE), needs to be interpreted carefully. This is much higher than the priority for other three sectors, but in no way suggests that resources provided from the Union Budget for Child Education have been adequate. It has been argued by several observers that over the last decade, States' efforts towards containing their fiscal crisis have resulted in a reduction in the priority for education within their budgets. Also, even the current level of

total public spending on education, which was estimated to be 3.66 % of GDP in 2005-06,<sup>w</sup> is much less than the 6 % of GDP, which the *Kothari Commission* had recommended (in the late 1960s) as the desired level of total public spending on education in India to be achieved by 1986. Hence, there can be no doubt about the need for a significant increase in the Union Budget outlays for Child Education sector as well. What the significantly higher priority for Child Education in Union Budget- as compared to the same for Child Development, Child Health or Child Protection- does indicate is that while the Union Government, over the last decade, has indeed paid some attention to the acute need for greater public spending in Child Education sector; it has not paid any visible attention to the need for greater public spending in the other sectors relating to children.

## **Section IV: Budget 2008-09 in the Context of 11th Five Year Plan**

Union Budget 2008-09 assumes special significance from the fact that it would be the first Budget after the finalisation of 11<sup>th</sup> Five Year Plan for the country. Hence, the interventions recommended by the Planning Commission for the 11<sup>th</sup> Plan period would have to be incorporated in this Budget. A set of recommendations made by the *Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012)*, which was constituted by the Central Government's Ministry of Women & Child Development were identified as non-negotiable, which must find full support in the 11<sup>th</sup> Plan in terms of adequate financial allocations. And, the Working Group has also indicated the financial support required for these non-negotiable recommendations.

### **Box 1: Specific Non-negotiable Recommendations by the Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012)**

#### **ICDS and Nutrition**

- Universalisation of ICDS with quality
- Strengthening infrastructure and service delivery
- Restructuring programme management
- Strengthening of Human Resource Management
- Eradication of severe malnutrition
- Strengthening nutrition and health education
- Strengthening training and capacity building as well as monitoring and evaluation

#### **Early Childhood Education**

- Provision of an additional AWW to impart pre-school education in each AWC
- Strengthening and expansion of NIPCCD

<sup>w</sup> Provisional estimate for Total Expenditure on Education (as % of GDP) by Education Dept. and Other Dept.s in the Central and State Governments, given by *Gol, Min. of HRD, "Analysis of Budgeted Expenditure on Education: 2003-04 to 2005-06"*, published in 2006.

### Child Protection

- Initiation of a newly centrally sponsored Integrated Child Protection Scheme (ICPS)
- Expansion of Creche and Day Care Programme
- Review and reorganization of Adoption System in India
- Human resource development for strengthening counseling services
- Data systems, research, advocacy and communication
- Child budgeting
- Child impact audit
- Enhanced resource allocation for grant-in-aid scheme

### Girl Child

- A Cradle baby or 'Palna' Scheme to save the girl child
- A Pilot Scheme on Conditional Transfer (Cash & Non-Cash) for girl child with a provision for insurance cover for the girl child
- Expansion of NPAG and its merger with KSY
- Enhanced advocacy and communication on girl child survival and declining child sex ratio
- Amendment and implementation of child marriage law

**Table 2: Financial Allocations for Children in the 11<sup>th</sup> Five Year Plan Proposed by the Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012)**

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

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

## SECTION V: CONCLUDING REMARKS

Based on our discussion of the financing of government interventions meant for development and protection of children in India, we can arrive at a set of demands to be made to the present Union Government with regard to Union Budget for 2008-09. The following can be seen as pointers for such demands:

- The Planning Commission is expected to accord significant priority to protection of children and child development in the 11<sup>th</sup> Five Year Plan, which would be finalized by the end of year 2007. Union Budget for 2008-09 must reflect these higher priorities for protection of children and child development.
- The Union Government must recognize the fact that many of the States, especially the backward States accounting for a large share of the disadvantaged children in India, have become heavily dependent on Union Budget outlays for the central sector schemes and centrally sponsored schemes for financing their targeted interventions for child development. In light of this, the Plan outlays from the Union Budget on child specific schemes should be stepped up significantly starting from Union Budget 2008-09.
- Government interventions for protection of children in difficult circumstances still suffer from acute shortage of financial resources. Hence, the Union Government should initiate appropriate programmes/ schemes in this direction, following the recommendations of the *Working Group on Development of Children for the Eleventh Plan (2007-2012)*. The Union Budget outlays for the ongoing child protection schemes (like, *Integrated Child Protection Scheme, National Child Labour Project, Scheme for Prevention & Control of Juvenile Social Maladjustment, Scheme for Rescue of Victims of Child Trafficking, and Short Stay Homes*, etc.) should be enhanced significantly. Moreover, Union Budget 2008-09 should also pay attention to the need for stronger government interventions for the protection of girl children.
- Targeted interventions by the government for improving child survival and child health, e.g. the schemes like *Reproductive & Child Health (RCH) programme, Routine Immunization programme* and *Pulse Polio Eradication* (all of which are presently under the *National Rural Health Mission*), should receive adequate fund support in Union Budget 2008-09. The bottlenecks in the implementation of these schemes should be addressed immediately both by the Union and State Governments. The Union Government should also incorporate strong measures within its programmes/ schemes of the Department of Drinking Water Supply in order to ensure availability of safe drinking water facilities and adequate sanitation facilities to children.
- The outlay for ICDS scheme in Union Budget 2008-09 should be enhanced significantly taking into account the recommendations in this regard made by the Working Group on Development of Children for Eleventh Five Year Plan as also other independent organisations. In order to achieve universalisation of ICDS with acceptable quality of the services delivered, however, the Union Government should also take strong measures to address all identified bottlenecks in implementation of this crucial programme. Union Budget outlays for *Nutrition Programme for Adolescent Girls (NPAG)* and *Kishori Shakti Yojana (KSY)* must also be stepped up in order to strengthen these interventions.
- Despite the increases in Union Budget outlays for elementary education and secondary education in the last few years, the total magnitude of public spending on education in

India remains far short of 6 % of the country's GDP, mainly due to the inability of the States to step up their spending in this sector. Union Budget 2008-09 would provide the present UPA Government the last chance to move closer towards fulfilling its NCMP promise of raising total public spending on education to 6 % of the GDP by 2009. Union Budget for 2008-09 should, therefore, incorporate special measures from the Union Government towards stepping up the spending on education sector. Some of the important schemes delivering child education, e.g. *Sarva Shiksha Abhiyan* and *Mid Day Meal*, also require the Government to take wide-ranging measures for improving the process of their implementation. The Union Government should take the necessary steps towards improving the processes of district-level planning, flow of funds, community participation, capacity building of existing and new programme staff, and availability of adequate programme staff in order to improve the implementation of schemes like *Sarva Shiksha Abhiyan*.

## ANNEXURE

**Table 3: Union Government's Budgetary Provisions Earmarked for Children**

	2003-04 (RE)	2004-05 (RE)	2005-06 (RE)	2006-07 (BE)	2006-07 (RE)	2007-08 (BE)
Budgetary Provisions for Child Development (in Rs. Crore)	2166	2291.39	3947.91	4859.38	4864.55	5654.63
Allocations for Child Development as a proportion of Total Expenditure of Union Government (in %)	0.46	0.45	0.78	0.86	0.84	0.88
Budgetary Provisions for Child Health (in Rs. Crore)	1266.96	1576.71	2806.72	3133.54	2649.33	3301.53
Expenditure on Child Health as a proportion of Total Expenditure of Union Government (in %)	0.27	0.31	0.55	0.56	0.46	0.52
Budgetary Provisions for Child Education (in Rs. Crore)	6878.46	8831.41	14294.1	19231.24	19236.26	23244.43
Expenditure on Child Education as a proportion of Total Expenditure of Union Government (in %)	1.45	1.75	2.81	3.41	3.31	3.63
Budgetary Provisions for Child Protection (in Rs. Crore)	113.61	152.87	173.04	192.81	183.53	340.1
Expenditure on Child Protection as a proportion of Total Expenditure of Union Government (in %)	0.024	0.030	0.034	0.034	0.032	0.053
Total Child-specific Allocations (in Rs. Crore)	10425.03	13092.38	21597.82	27416.97	26933.67	32540.7
Total Expenditure in Union Budget (in Rs. Crore)	474254	505791	508705	563991	581637	640521
Total Child-specific Allocations as % of Total Expenditure in Union Budget	2.24	2.59	4.25	4.86	4.63	5.08

**Notes:**

1. BE: Budget Estimates; RE: Revised Estimates.
2. Expenditure Budget Volume II (Notes on Demands for Grants) in the Union Budget documents does not give Actuals, hence we have taken Revised Estimates for the years from 2003-04 to 2006-07.
3. Total Expenditure figures for 2002-03 to 2005-06 are also *Revised Estimates*, though *Actuals* are available. This has been followed for the sake of consistency in the analysis.

Source: Compiled from Expenditure Budget (Vol. I & II), Union Budget, Gol, various years.

## Implementation of the Charter of Demands for Union Budget 2007-08: Children

Sl. No.	Demand made for Union Budget 2007-08	Actual Implementation in Union Budget 2007-08
1	Union Government spending on Child Protection must be increased to at least 1 % of total Union Government expenditure.	Union Government allocations on Child Protection increased marginally from 0.034 % of total Union Budget in 2006-07 to 0.053 % of total Union Budget in 2007-08.
2	Union Government's allocations on Child Health were very low, at only 0.56 % of the total Union Budget in 2006-07. There is an urgent need for the Union Government to step up the expenditure on Child Health.	Union Government allocations on Child Health fell from 0.56 % of total Union Budget in 2006-07 to 0.52 % of total Union Budget in 2007-08.
3	Union Budget 2007-08 should allocate sufficient funds (up to 1 % of total Union Government expenditure) to address the needs relating to provision of safe drinking water and proper sanitation facilities to children. And, the Government should ensure timely release and proper utilization of the funds disbursed.	Union Budget allocations on the sector 'Water Supply and Sanitation' did increase from Rs. 2451.08 crore in 2006-07 (BE) to Rs. 3093.5 crore in 2007-08 (BE). However, even this increased level of total allocation for 'Water Supply & Sanitation' was less than 0.5 % of the total Union Budget 2007-08.
4	The Government must allocate adequate funds for Education sector (the total allocation for Education by Centre and States should be at least 6 % of the GDP), and track its proper utilization.	Union Government's allocations for both School Education and Higher Education were increased in 2007-08 (a 35 % increase for School Education and 29 % increase for Higher Education, over the allocations in 2006-07 BE). However, this is quite unlikely to have resulted in stepping up total public spending on Education in the country to the level of 6 % of the GDP. The share of Union Government in the total public spending on education (which was estimated to be 3.66 % of the GDP in 2005-06) still remains very small, with bulk of the resources coming from State Budgets.
5	Special measures should be taken to ensure that none of the intended beneficiaries of important programmes, like, SSA, ICDS etc., gets excluded from accessing the services delivered by these programmes due to their social or economic status.	Although the Min. of HRD and the Min. of WCD have paid attention to the problems in implementation of SSA and ICDS, respectively, no special measure seems to have been taken to ensure that none of the intended beneficiaries gets excluded from accessing the services delivered by these programmes due to their social or economic status.

# **Economic Empowerment of Dalits: Myth or Reality?**

**NCDHR**

India is considered to be the most stratified of all known societies in human history with its peculiar form of caste. The caste system is 'peculiar' in the sense that it is one of the greatest separating forces that divides human beings, mainly into two categories: higher castes and lower castes. As a result of this irrepressible caste system that the untouchables, who number more than 220 million and are known today as Dalits, have been systematically neglected and ostracised in Indian society throughout ages.

Even after 60 years of India's independence, the Dalits still suffer the stigma of untouchability albeit it has been declared as an offence under the law. They are socially frail, economically needy and politically powerless. They continue to be so despite protective discrimination policies being given effect by the government under various Constitutional provisions. Even though a small section of them have become well to do under government patronage and have moved up economically and professionally, socially they remain downgraded and unaccepted. When Dalits endeavour to rise up the social scale, they are too often brutally crushed by the upper castes and sometimes by the state machinery. Their oppressors resort to mob-raids, murder, arson and rape. Thus the Dalits have been subjected to deliberate insults and calculated humiliations over millennia.

Given this context it is imperative to discuss the Special Component Plan, which is being renamed as Scheduled Caste Sub Plan (SCSP) as an intervention/special strategy, which was adopted during seventies under the initiative of Mrs. Indira Gandhi, Former Prime Minister of India, and was introduced by the government during its 6<sup>th</sup> plan, to give focused attention to social, economic and educational needs of Scheduled Castes (SCs).

Under this strategy, States/UTs and Central Ministries are required to formulate and implement SCSP as part of their Annual Plans by earmarking resources from each general sectors of the Plan in proportion to the SC population. The targeted flow of resources through SCSP is intended to provide additional benefit to the SC population, over and above what they would get through the normal Plan. This is necessary to bridge the gap between the general population and SCs in terms of different indicators of development.

However, it has been observed that this important initiative is not getting the priority and importance that it deserves. Many of the states are not formulating and implementing SCSP as per the guidelines issued in this regard. The situation is also not that rosy if one analyses the Union Budget as well. In the Union Budget 2007-2008, the total budget allocation under Plan Outlay is Rs. 20,5100 Crore and as per the SCSP the Government of India was liable to allocate Rs. 32,816 Crore exclusively for SCs i.e., 16 percent of the total plan budget, but

**Table 1: Plan Outlay Earmarked for SCs by Central Government Departments/Ministries (2007-08)**

Sl. No.	Dept./ Ministries	Total Plan Allocation for the Dept./Ministry (Rs. in Crores)		Plan Allocation Earmarked for SCs (Rs. in Crores)		Proportion of Total Plan Allocation of the Dept. Earmarked for SCs (in %)		Amount Denied to SCs (Rs. in Crores)
		2006-07 RE	2007-08 BE	2006-07 RE	2007-08 BE	2006-07 RE	2007-08 BE	
1	Department of Science & Technology	954	1526	2.5	3	0.26	0.2	241.16
2	Ministry of Social Justice & Empowerment	1686.11	2001	1342.27	1581.75	79.6	79.04	-1261.59
3	Department of Rural Development	24275.6	27500	2293	2893	9.45	10.52	1507
4	Ministry of Labour & Employment	235	325.48	0.53	0.66	0.17	0.2	51.34
5	Department of Women & Child Development	4839.85	5793	641.24	1464	13.2	25.27	-538
6	Department of Secondary Education & Higher Education (Ministry of HRD)	3616	6480.5	259.28	769.86	7.17	11.88	266.94
7	Department of Elementary Education & Literacy (Ministry of HRD)	17128	22191	2493.5	3747.8	14.56	16.88	-197.3
8	Ministry of Youth Affairs and Sports	500	700	13.04	22.5	2.6	3.21	89.5
9	Ministry of Finance/Payments to Financial Institutions	36	0	24	0	0	0	0
10	Ministry of Agriculture & Cooperation	4860	5520	0	96.18	0	1.74	786.82
11	Ministry of Agro and Rural Industries	894.5	1112	0	102	0	9.7	75.9
12	Department of Information Technology	1090	1500	7.06	20	0.6	1.33	220
13	Department of Health & Family Welfare	10000	13875	1257.68	1704.72	12.5	12.28	551.28
14	Department of Small Scale Industries	466.33	530	0	31.47	0	5.94	53.33
15	Ministry of Textiles	1629.5	2243	0	88	0	3.92	270.8
16	Union Territories without Legislature	1499.61	1797.52	10.17	10.81	0	0.6	276.69
	<b>TOTAL</b>	<b>172730</b>	<b>205100</b>	<b>8344.27</b>	<b>12535.8</b>	<b>4.83</b>	<b>6.11</b>	<b>20280.25</b>

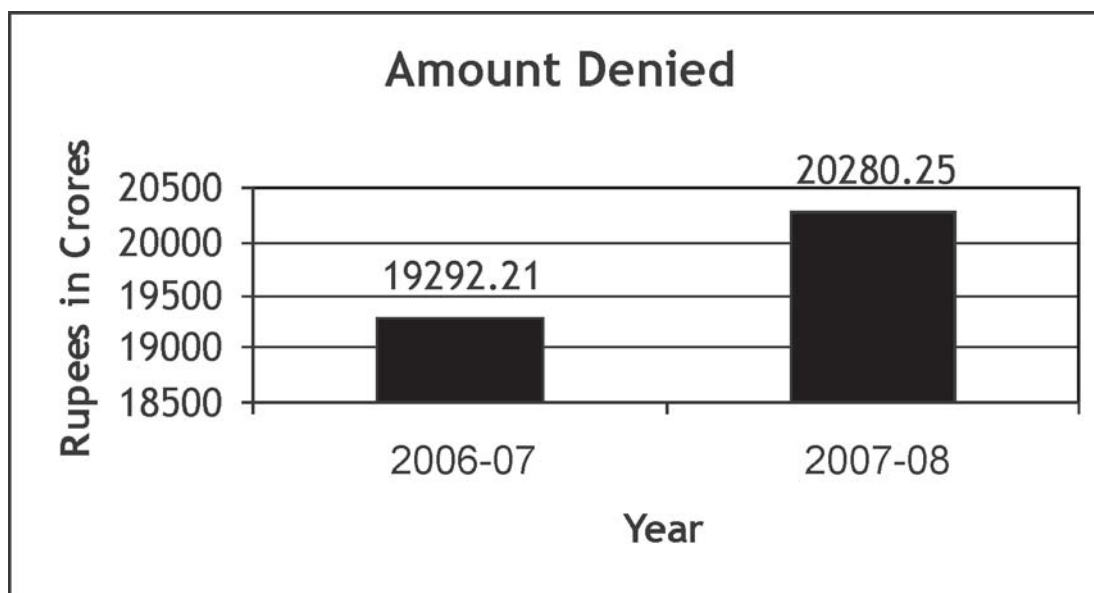
Source: Expenditure Budget Vol. I & Vol. II, Union Budget 2006-07 and 2007-08

it has allocated only Rs.12,535.75 Crore, which means again SCs have been deprived of their share of Rs. 20,280.25 Crore, due as per SCSP. The following table clearly shows the earmarked allocations for SCs by the central government Ministries/Departments and the amount denied.

According to Table-1, Department of Science and Technology has a total budget of Rs.1526 Crore, which means the actual allocation to SCs under SCSP should have been Rs.244.16 Crore. But the figure shown in the Expenditure Budget-Vol. I, Statement-21 is just Rs.3 Crore.

Looking at the graph one can easily find out that although this year more Departments/ Ministries have earmarked allocation under SCSP, the allocation amount has increased and also the percentage has increased from 4.83 percent in 2006-07 to 6.11 percent in 2007-08, the denied amount has also increased at the same time. In the last budget 2006-07, it was Rs.19292.21 Crore and this year it is Rs.20280.25 Crore.

**Figure 1**



The present government claims that it is committed to the welfare of SCs and STs in particular; ensuring equality of opportunity in education and employment. But only 15 departments such as Department of Women & Child Development, Department of Secondary Education & Higher Education (Ministry of HRD) and Department of Elementary Education & Literacy (Ministry of HRD) have made some allocation for SCSP; few other Departments have made only notional allocations. However, about 48 Departments do not mention any allocations for SCSP on the plea that their schemes are indivisible, which is sheer violation against the guidelines issued by the Planning Commission. For example there are 3 key Departments, namely, Power (plan allocation in the Union Budget 2007-08 is Rs.33,153.26 Crore, Transport (Rs.18,860.59 Crore) and Communication (Rs.27,625.76 Crore), who take more than 60% of the overall plan allocation have completely set aside the SCs much against the slogan of inclusive growth which has been made the central thrust of the 11th Five year plan.

Conceptually, SCSP constitutes a landmark in social budgeting anywhere in the world.

Recognizing the need for exclusive budgetary allocation for socially discriminated people and quantifying the proportion of allocation from the overall budget are the hallmarks of SCSP. We can hardly come across such a huge allocation (16%) provided for a typical class of people anywhere else in the world. But the willful negligence to this scheme from officials and policy makers has denied the opportunity of inclusive growth to Dalits.

Thus, the Ministry of Social Justice and Empowerment, and the Planning Commission should try to ensure that at least 16 percent of the Plan funds from all the Ministries/Departments should be clearly earmarked for the development of SCs. The empowerment of SCs requires that they should be a part of the economic growth and wealth creation of the country and above all the approach towards the development of SCs should be entitlement-based/rights-based rather than that of charity/placation. If the Finance Minister truly endorses the 11th plan's declared goal "faster and more inclusive growth", his priority should be the marginalized sections of the society.

## **Demands**

1. The philosophy of SCSP, allocations according to the SCs population (16.2%) should be followed as mandatory and all ministries and departments should allocate accordingly
2. SCSP allocation should be pooled in one and Ministry of Social welfare and justice should allocate in different sectors
3. SCSP allocations should focus on the development of schemes and programmes which empower Dalits like education and entrepreneurship
4. The Departments and Ministries where there are no divisible schemes for SCs, should allocate for SCs. The departments like transport, shipping, civil aviation and others can develop schemes based on the following:

<b>TRANSPORT</b>	<b>Unit</b>	<b>Rs. in crores</b>
<b>Railway tenders</b>		
Track Renewal, Electrification of routes, Gauge conversion, New lines, Manufacture of locomotives		100
Shops		50
<b>Metro</b>		
Constructions		20
Tenders for shops		10
<b>Roadways</b>		
Highways tenders		100
Shops, restaurants, hotels near highways		100
Roads in villages		250
<b>Shipping Tenders</b>		
Weigh-Bridges, Warehouses and storage tanks		
On-board catering services in ships		
Running of sea-fearers clubs		
		200

<b>Civil Aviation</b>		
Buses carrying passengers from Terminal to the craft and vice-versa.		
Luggage transporters.		
Airport-to-town taxis.		
Luggage scanner.		
Shops & cafes		
		200
<b>Communication</b>		
Postal services		
Mail motor boat services		50
Outsourcing couriers, parcels, speed post		100
Printing of Inland letters/cards/M.O. Forms/covers/and other forms		100
Tell-e communication & IT Industry		100
IT Parks, placement cells & others		100

5. Major thrust should be on higher education in the 2008-09 budget, the allocations can be utilised as such

**Rs. in Crore**

<b>Education</b>		
Medical College	5	500
Engineering college	6	120
Higher Secondary schools	100	100
Business Schools	5	250
Hostels	100	200
Nurses Training Colleges	50	250
Fashion/airhostess/Catering/BPO Training centres	25	150
Scholarships for overseas	100	200
Coaching Institutes for medical, engineering, management and others	100	100
Centre for Dalit Studies in Universities		80
Expansion of courses in colleges (SC included in courses)		100
Law Colleges	5	50
Computer Education		500
Village Libraries		100
Technical, vocational trainings		100

# Adivasis

Shakti Golder

Development and empowerment of socially disadvantaged groups and bringing them at par with the rest of the society is a commitment enshrined in our Constitution. But even in 60<sup>th</sup> year of our independence, a wide disparity in terms of various developmental indicators persists among the Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), and minorities compared to the rest of the population. Different official and unofficial data shows that **these disadvantaged groups are far behind the rest of the population in terms of basic income for subsistence, literacy rate, infant mortality, neo natal mortality, access of basic health care, access of safe water, sanitation etc.** According to the Census 2001, SCs and STs constitute 16.23 and 8.2 percent respectively of total population. And a very large section of these population, **suffer on account of severe socio-economic deprivation arising out of poor asset base, dependence on wage labour, subsistence level of farming, engagement in scavenging and other unclean occupations and related social evils.** Untouchability endures as a cover for exploitative socio-economic relationships where the Dalits (mainly the Scheduled Castes) or ‘*untouchables*’ are at the bottom of India’s caste system, the social exclusion extends to the economic realms of wages, jobs, education, and land. Therefore, the Dalits suffer from the dual discrimination of severe economic exploitation and social discrimination.

In the area of education SCs/STs are far behind the overall population. While, school dropout rates continue to remain high; children from lower castes such as the ‘*musahar jati*’ in Bihar do not go to school even today. The location of schools and training centres make them inaccessible to SCs and STs because these groups are socially excluded from certain areas in the community of the village. Untouchability is still alive in many parts of the country. In Rajasthan and Gujarat, dalit children are made to sit separately in the classrooms. In the Mid-Day meal scheme, parents of upper-caste children have protested against SC/ST women being employed to cook or serve meals.

**Table 1: Lower attainment of various Indicators among STs compared to National average in 2004-05**

	SCs	STs	All India
Infant Mortality	83	84	68
Under 5 Mortality	119	126	95
Children under 3 yrs underweight	52.2	56.7	45.9
Literacy Rate	54.7	47.1	65.4

Source: Sachar Committee Report.

Scheduled tribes are socio-economically backward by all accounts of indicators. The literacy rate among the STs is 47.1 percent while the national average is 65.4 percent. Infant mortality and under-5 mortality among the STs are 84.2 and 126 compared to the national average figures of 68 and 95 respectively. NSS survey (Household Consumer Expenditure among Socio-Economic Groups: (2004 - 2005) found that in the rural areas, the proportion of the population having Monthly Per Capita Expenditure (MPCE) below the average level (Rs. 558.8) was to be 65.7 percent for the entire population, while 79.6 percent for ST. Around 90 percent of the ST population is in rural area; but NSS survey (Household Ownership Holdings in India, 2003) shows that the share of land owned by STs was only 11 percent of the total. On the other hand, most of the time, **the STs usually bear the burnt of various mega-developmental projects and deforestations** due to which they are being continuously displaced from their lands without proper rehabilitation.

Considering the discrimination these groups face, there is definitely a case for increase in the allocations earmarked for SCs/ STs and implementing some special interventions aimed at their upliftment. It is also necessary for ensuring removal of disparities, eliminating exploitation and suppression and providing protection to the disadvantaged groups. In this respect firstly, a recent distressing trend of declining public expenditure in social sector as well as on the welfare of Adivasis (STs) must be reversed.

In 1979-80 special strategy of Special Component Plan (SCP) and Tribal Sub Plan (TSP) were introduced. These involve earmarking population-proportionate funds from the general development sectors for the overall development of SCs/ STs and raise them above the poverty line. The Central Standing Tripartite Committee (CSTC) reviews the implementation of SCP and (TSP) and guides the nodal Ministry of Social Justice and Empowerment and Tribal Affairs in ensuring earmarking of funds by the service-oriented Ministries/Departments on the basis of the SC/ST population. But, **mid-term appraisal report of 10<sup>th</sup> Five Year Plan shows that both the Centre and state governments have not earmarked adequate SC/ST population-proportionate funds under their SCP and TSP, as required.** However, the flow of funds in the states is comparatively better than that of the Central ministries/ Departments. During the first two years of the Tenth Plan, only a few states like Assam, Haryana, Punjab, Sikkim, Tamil Nadu and Uttaranchal, have earmarked funds under SCP in proportion to their respective SC population percentage.

**Table 2: Plan Allocations Earmarked for STs by Central Government Ministries in 2006-07 and 2007-08**

Department/ Ministry	Total Plan Allocation for the Dept./ Ministry in 2006-07 (in Rs. Crore)		Plan Allocation Earmarked for STs (in Rs. Crore)		Proportion of Total Plan Allocation of the Dept. Earmarked for STs (in %)	
	2006-07 BE	2007-08 BE	2006-07 BE	2007-08 BE	2006-07 BE	2007-08 BE
Dept. of Science & Technology	1340	1526	2.5	3.0	0.19	0.19
Ministry of Tribal Affairs	1656.9	1719.71	1656.9	1719.71	100	100
*Ministry of Social Justice & Empowerment	1750	2001	na	20.05	00	1.0
*Department of Rural Development	24025.62	27500	1161	1446	4.83	5.25
*Ministry of Labour & Employment	311.36	325.48	0.26	0.34	0.08	0.1
*Dept. of Women & Child Development	4795.85	5793	326.86	732	6.82	12.63
*Dept. of Secondary Education & Higher Education (Ministry of HRD)	3616	6480.5	185.66	384.93	5.13	5.93
*Dept. of Elementary Education & Literacy (Ministry of HRD)	17128	22191	1446.5	1873.89	8.45	8.44
*Ministry of Youth Affairs and Sports	600	700	8.23	11.3	1.37	1.61
*Ministry of Finance/ Payments to financial Institutions	36	00	12	00	33.33	00
*Ministry of Agriculture	4840	5560	00	48.08	00	0.86
*Ministry of Agro and Rural Industries	967	1112	00	51	00	4.58
*Department of Telecommunications	213.61	340	00	00	00	00
*Department of Information Technology	1090	1500	00	10	00	0.66
*Department of Health & Family Welfare	11289.62	13875	00	852.36	00	5.94
*Department of Small Scale Industries	466.33	530	00	15.7	00	2.96
*Ministry of Textiles	1349.5	2243	00	44	00	1.96
**Union Territories of Andaman & Nicobar Island, Daman & Diu, and Lakshadweep	1671.96	1791.33	00	342.01	00	19.09

**Notes:** \* As these Ministries/ Departments have no clear segregation of allocations earmarked for STs, we assume here that following the proportion of SCs and STs in total population of the country (i.e. 16.2 % for SCs and 8.2 % for STs in Census 2001), out of the funds earmarked for SCs and STs together, roughly one-third would be spent for STs.

\*\* As in these Union Territories larger section of population are STs, it is assumed that the total allocation earmarked for SCs/STs goes only for the welfare of STs.

**Source:** Expenditure Budget Vol. I and Vol. II, Union Budget- 2006-07 and 2007-08.

**Table 3: Status of Implementation of TSP by the Union Government in 2006-07 and 2007-08**

Total Central Plan Outlay excluding Central Assistance for State & UT Plans (in Rs. Crore)		Central Plan Allocations Earmarked for STs by all Departments/ Ministries (in Rs. Crore)		Proportion of Total Plan Allocation of the Central Govt. Earmarked for STs (in %)	
2006-07 BE	2007-08 BE	2006-07 BE	2007-08 BE	2006-07 BE	2007-08 BE
134757	154939	4999.71	7554.37	3.71	4.88

Source: Expenditure Budget Vol. I & II of Union Budget 2006-07 and 2007-08.

Table 2 & 3 show the dismal scenario in terms of the allocations earmarked for the STs of the centre. Among all the Central Government Ministries, only a few had some planned allocation earmarked for STs. Although, proportion of total plan allocation of the Central Government earmarked for STs has increased from 3.71 percent in 2006-07(BE) to 4.88 percent in 2007-08 (BE), it is also grossly inadequate considering the proportion of ST population in total population of the country, i.e. roughly 8 percent, which is clearly in violation of the strategy of Tribal Sub Plan (TSP) for STs.

Therefore, the budgetary allocations earmarked for STs are still far below the norms of Tribal Sub Plan (TSP), in spite of some attempts to increase the central allocations for STs in the Union Budget 2007-08. In summary, the central allocations are not yet matching to the demand i.e. to implement various schemes/ programmes under the Tribal Sub Plan.

The National Common Minimum Programme of UPA government promised the following policies for the welfare of Scheduled Tribes:

- To urge the states to make legislation for conferring ownership rights in respect of minor forest produce, including tendu patta, on all those people from the weaker sections who work in the forests. The UPA administration will take all measures to reconcile the objectives of economic growth and environmental conservation, particularly as far as tribal communities dependent on forests are concerned.
- To launch a comprehensive national programme for minor irrigation of all lands owned by Dalits and Adivasis. Landless families will be endowed with land through implementation of land ceiling and land redistribution legislation. No reversal of ceilings legislation will be permitted.
- To immediately review the overall strategy and programmes for the development of tribal areas to plug loopholes and to work out more viable livelihood strategies. In addition, more effective systems of relief and rehabilitation will be put in place for tribal and other groups displaced by development projects. Tribal people alienated from land will be rehabilitated.
- Eviction of tribal communities and other forest-dwelling communities from forest areas will be discontinued. Cooperation of these communities will be sought for protecting

forests and for undertaking social afforestation. The rights of tribal communities over mineral resources, water sources, etc as laid down by law will be fully safeguarded.

So, from the perspective of the welfare of the STs these are some good policy prescriptions in NCMP considering the problem of STs. As the livelihood of most of the STs is primarily based on forest and land, endowment of land and giving right of the forests would serve as basic foundation for their economic empowerment. Also, proper rehabilitation of the displaced tribal people is another important area of concern. So, the policy proposals are praiseworthy. But, unfortunately except the Forest Rights Act, 2006 all other policies are yet to be formulated even after the end of the third year of UPA Government.

The 11<sup>th</sup> Five Year Document also reiterates those issues like rehabilitation, giving rights to the STs along with issues of education, complete elimination of the abhorrent practice of manual scavenging through effective measures of liberation and rehabilitation of scavengers, abolition of bonded labour practices. It also reiterates the two strategic policy initiatives of Special Component Plan (SCP) for Scheduled Castes and the Tribal Sub-Plan (TSP) to secure overall development of the SCs/STs and to remove all socio-economic and educational disparities between them and the rest of the population. It admits that **“it is disturbing to see that both these schemes have not been implemented with a full sense of commitment and involvement, either by the Central or the State Governments”**. 11<sup>th</sup> Five Year Plan also envisages the realization of 50% of total irrigation potential in tribal areas by the end of the plan period and total potential by 2020.

As far as the Union Budget 2007-08 is concern, there was some increase in the allocation for SCs/STs and also in some schemes where at least 20 percent of benefits are earmarked for SCs/STs. There was some announcement in the budget to enhance the allocation for post-metric scholarships. But there was very less attention to fulfill the National Common Minimum Programme promises.

Sustained and high levels of economic growth in recent years provide a unique opportunity and momentum for faster social sector development, including the overall development of the STs. But for their development, firstly there is a very urgent need to reverse the declining resource allocation to this sector. Simultaneously, it should also be kept in mind that only the availability of resources will not guarantee faster development of STs. Identification of the problems of tribal people, proper participatory planning to address the problems, efficient implementation of the programmes and adequate resources, all are important.

Considering all these, the following issues might be considered in the forthcoming budget.

### **Demand for the Budget 2008-09**

- The Tribal Sub-Plan (TSP) is the strategic policy initiative to secure overall development of the STs and to remove all socio-economic and educational disparities between them and the rest of the population. However, only nine central government ministries have some allocations earmarked for STs, that too far less than the population-proportionate amount, which should have been directed towards the welfare Scheduled Tribes. **We would demand that all the ministries must fulfill the allocation norms of TSP in the forthcoming budget.**

- As the main occupation of the Tribal Population is agriculture; **there is an urgent need for land reforms** in NCMP. The coming budget must ensure allocation for this purpose and also the proper schemes.
- Also proper initiatives, allocations or schemes must be included in the coming budget to **fulfill the other NCMP promises in a time bound manner.**
- Education is one of the most effective instruments of social empowerment and is vital for securing horizontal and vertical equity. Considering the **lower educational attainments among STs, lack of educational infrastructure in tribal areas,** adequate resources must be provided and budget 2008-09 should ensure this.

