

# RAJASTHAN

## Tracking Public Investments for Children

Budgeting for Change Series, 2011



This report is the product of a collaboration between the Centre for Budget and Governance Accountability (CBGA), New Delhi and UNICEF India.

It focuses on analysis of public spending on children in selected states and districts of India. Field data reported in this summary report was gathered during 2007-08. The long version of this report is available on [www.cbgaindia.org](http://www.cbgaindia.org). CBGA and UNICEF gratefully acknowledge the valuable guidance provided by Dr. N.C. Saxena and Dr. A.K. Shivakumar at all stages of the research and analysis.

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**Note to readers:**

Rs. 10 million is equivalent to Rs. 1 crore

Rs. 100,000 is equivalent to Rs. 1 lakh

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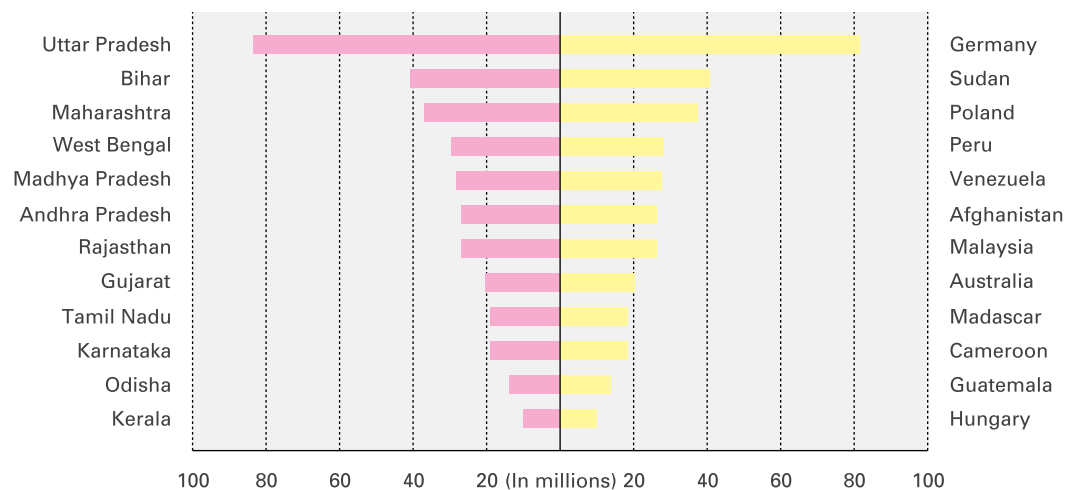
## 1. SETTING THE CONTEXT

Children (under 18 years) account for 47 per cent of Rajasthan's total population, and 6 per cent of India's children live in the state.

It is widely accepted that the future of India's development depends, to a large extent, on how well its children fare. Children below the age of 18 years account for over one-third (37 per cent) of India's population. Many Indian states have child populations that are similar to and even exceed the total populations of many countries (Figure 1). Investing in such a large young population is fundamental to the acceleration and sustainability of India's growth and human development.

**Figure 1: India: The Scale 2008**

India Population: 1,156 million Children (under 18 years): 424 million (37 per cent)  
Many Indian states have child population similar to population of countries



Source: Registrar General of India Population projections; State of the world's Children 2009

Rajasthan has made significant progress over the past decade in improving its human development outcomes; but gender gaps persist, particularly in education.

Children account for 47 per cent of Rajasthan's total population, and 6 per cent of India's children live in the state<sup>1</sup>.

Rajasthan has made significant progress in reducing its Infant Mortality Rate (IMR), which has been declining steadily over the past decade. Between 1990-2000, the IMR declined from 84 deaths per 1,000 live births to 79 deaths per 1,000 births, dropping more significantly to 63 deaths per 1,000 live births in 2008<sup>2</sup>. By 2010 the IMR had dropped further to 55 deaths per 1,000 live births in 2010, compared to the national average of 47 in the same year<sup>3</sup>. The percentage of children under 3 and underweight in Rajasthan also decreased from 50.6 per cent in 1998-99, to 44 per cent in 2005-06<sup>4</sup>.

The percentage of fully immunised children aged 12-23 months increased from 17.3 per cent to 26.5 per cent between 1998-99 and 2005-06, yet this was still significantly lower than the national average of 43.5 per cent in 2005-06<sup>5</sup>. However, by 2007-08 this figure had increased to 48.7 per cent<sup>6</sup>.

Educational attainment indicators in Rajasthan have also improved steadily. However, gender disparities persist. In 2008, 90 per cent of boys aged 6-10 years were attending schools, while this figure for girls was only 82 per cent. School attendance in urban areas was higher for both boys and

1 Calculated from unit level records of 61st round of NSS by the institute of Human Development (IHD).  
2 SRS Bulletin 2003 and SRS 2008 in *The Situation of Children in India: A Profile*. UNICEF, 2011.  
3 SRS Bulletin 2010, released in 2011.  
4 NFHS (1998-99) and (2005-06) in *The Situation of Children in India: A Profile*. UNICEF, 2011.  
5 Ibid.  
6 DLHS (2007-08) in *The Situation of Children in India: A Profile*. UNICEF, 2011.

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Despite improvements in several child specific indicators Rajasthan has much catching up to do.

girls aged 6-10, however the difference in school attendance for urban and rural boys was less pronounced than for girls (90 per cent and 92 per cent for rural and urban boys respectively, versus 80 per cent and 91 per cent for rural and urban girls respectively)<sup>7</sup>. Data suggests that gender gaps in educational attainment are less pronounced in urban Rajasthan than in rural parts of the state (one per cent as compared to ten per cent).

## 2. SCOPE AND METHODOLOGY

Although India has recorded unprecedented economic growth over the past one and a half decades, the benefits of economic expansion, in the form of improvements in the quality and provision of public services, have not reached all segments of the population equitably. Partly responsible for the uneven development outcomes are distortions in the patterns of development expenditures that fail to create sufficient entitlements for the poor and disadvantaged groups. Allocation of sufficient budgetary resources and the development of appropriate planning processes can contribute to systematically promoting child rights.

**This summary report, prepared by the Centre for Budget and Governance Accountability (CBGA), New Delhi with support from the United Nations Children's Fund (UNICEF) India, presents an analysis of public spending on children in Rajasthan, drawing on secondary data analysis and field interviews conducted in 2007-08.**

Key aspects of budgets analysed include the following:

- a. Trends/patterns of public spending on social services over the past decade (social services meaning education, health and family welfare, water and sanitation, housing and so forth);
- b. Trends/patterns of public spending on child specific interventions (by major sectors and programmes)
- c. Sector wise composition of budgetary resources earmarked for children; and
- d. Factors that aid or hinder spending

The following indicators, corresponding to the components above, have been used to analyse the available data, including both trends across years as well as across states.

- a. expenditure on social services as a proportion of Net State Domestic Product (NSDP)/total state budget (1993-94 - 2009-10); also per capita expenditure on social services and how Rajasthan fares viz. other states and across time (1998-99 to 2009-10);
- b. expenditure on child specific programmes as a proportion of state budget – trend from 1993-94 to 2006-07;
- c. sectoral composition of budget for children (1993-94 to 2006-07)/per child expenditure on child specific programmes (1996-7 to 2006-07); and
- d. unpacking four child centered national flagship programmes (SSA, RCH, ICDS and TSC) by considering expenditure as a proportion

<sup>7</sup> NSS (2007-08) in *The Situation of Children in India: A Profile*. UNICEF, 2011.

of approved outlay, funds available and funds released (looking at the three is important as funds released are only a subset of funds available and approved outlay; further even for this fraction, quality of utilisation is poor).

### 3. CHILDREN AND PUBLIC INVESTMENTS

Children benefit from general public investments and development spending on a variety of services delivered by the government including Education, Health and Family Welfare, Water Supply and Sanitation, Housing and Urban Development, Social Security and Welfare, and Nutrition. Children from socially disadvantaged groups further benefit from targeted measures provided under budget heads for the welfare of Scheduled Castes, Scheduled Tribes, and Other Backward Classes.

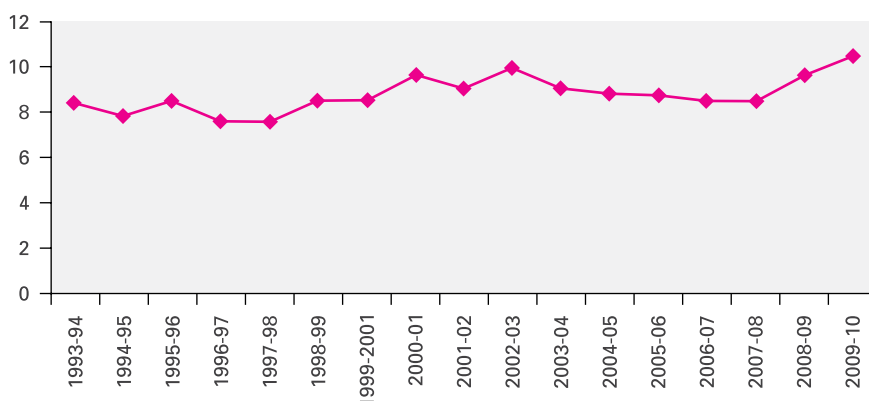
Budgetary allocations to the social sectors both as a proportion of Net State Domestic Product, and as a percentage of total development expenditures reflect the priority assigned by the state government to social sectors. A better sense of the relative adequacy of public spending can also be obtained by examining annual per capita (or per child) public spending on social services.

The summary report examines public expenditures on child-centred government interventions. The total 'Child Budget' (namely, the total pool of budgetary resources earmarked for child-centred interventions) is made up of the following four components.

- **Child Education** (which includes expenditures on government schools up to higher secondary level, and all kinds of education related interventions up to higher secondary level)
- **Child Development** (which includes expenditures on nutrition and early childhood care such as expenditures towards the Integrated Child Development Services and the National Crèche scheme)
- **Child Health** (which includes expenditures on child survival and health such as expenditures towards the immunisation programmes as well as the Reproductive and Child Health programme)
- **Child Protection** (which includes expenditures on protection of children in difficult circumstances – such as child labourers, street children, disabled children, children affected by calamities, and children affected by trafficking).

It is important to note, however, that the allocation of sufficient budgetary resources is only the first step. There is often a gap between budgeted outlays for child-centred interventions and actual expenditures that arises due to insufficient capacity to disburse and utilise public resources. The problem of low resource absorption capacity of state governments has its roots in many bottlenecks in the budgetary processes. Efficiency in public spending is also affected by limitations in the institutions involved in the planning, implementation and monitoring of development programmes.

**Figure 2: Expenditure on Social Services as per cent of Net State Domestic Product (1993-2010)**



Source: Compiled from the data provided in State Finances: A Study of Budgets, Reserve Bank of India, (various years); and the Website of the Central Statistical Organisation (CSO).

### Budgetary allocations to social sectors

Figure 2 shows trends in public expenditure on social services as a proportion of Net State Domestic Product between 1993-2010. The share of Rajasthan’s budget earmarked for social services declined gradually in the second half of the 1990s, after which it increased sharply in 1998-99 following an increase in the salaries of government staff across all sectors (including the social sectors like education and health) and the adoption of the Fifth Pay Commission’s recommendations by the Union government. These policy changes placed considerable strain on resource availability for many states, including Rajasthan.

An acute fiscal health crisis affected Rajasthan, and most states, between 2000-01 and 2004-2005. During this time, social sector spending in Rajasthan declined from around 33 per cent of the State Budget in 1993-94, to around 23 per cent in 2003-04 (Figure 3).

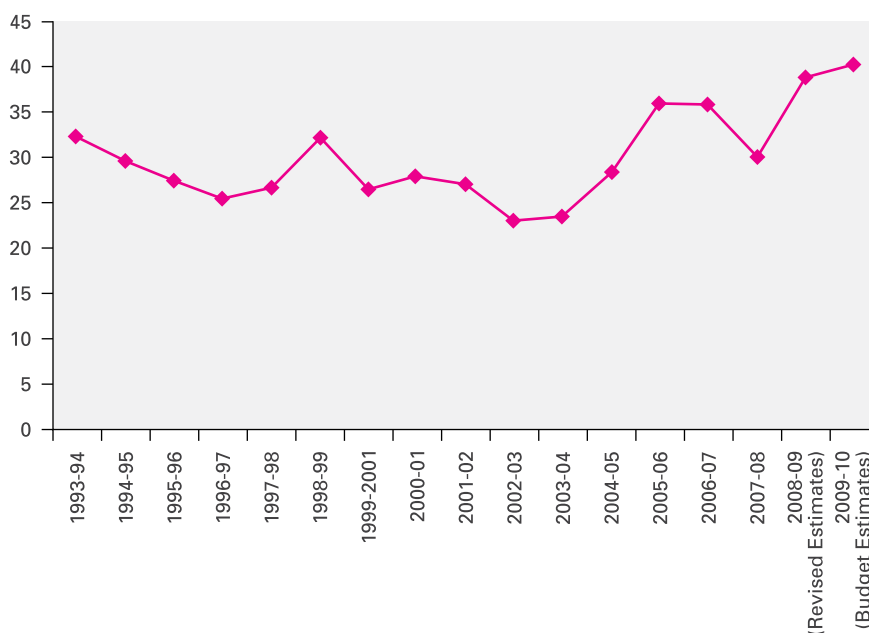
**Social sector spending accounted for two-fifths of Rajasthan’s total budget expenditure in 2009-10.**

After 2004-05, however, the fiscal health of most states, including Rajasthan, improved considerably as a result of several factors including larger transfers of resources from the Union Government to the states as recommended by the Twelfth Finance Commission, the acceleration in economic growth, and the consequent improvement in tax revenue collections. This coincided with a gradual increase in spending on social services. In Rajasthan, the expenditure on social services as a proportion of total expenditure from the State Budget increased from around 29 per cent in 2004-05 to slightly above 40 per cent in 2009-10 (Figure 3). The priority accorded to social services increased visibly between 2004-05 and 2005-06, and subsequently again between 2008-09 (Revised Estimates) and 2009-10 (Budget Estimates).

Between 2000-01, Rajasthan’s expenditure on social services hovered at around 10 per cent of its Net State Domestic Product, declining steadily



**Figure 3: Expenditure on Social Services as per cent of Total Expenditure from the State Budget (1993-2010 Budget Estimates)**



Source: Compiled from the data provided in Rajasthan State Budget, Government of Rajasthan, various years; State Finances: A Study of Budgets, Reserve Bank of India, (various years).

**While Rajasthan’s annual per capita spending on social services increased by about 28 per cent between 2001 and 2008, still spent less than states like Jharkhand and Chhattisgarh.**

between 2003-04 and 2007-08 (Figure 2). This trend was reversed only in the last two State Budgets i.e., 2008-09 (Revised Estimates) and 2009-10 (Budget Estimates).

Similarly, Rajasthan’s budgetary expenditure on social services, as a proportion of total spending from the State Budget (Figure 3), reduced in the first few years of the present decade and reversed only in 2008-09.

A further analysis of per capita annual public expenditures on social services in Rajasthan (Appendix Tables A-C) highlights that Rajasthan’s annual per capita public expenditure on social services increased from Rs.1,020 during 1998-99 to 2000-01 (average for the three years) to Rs.1,821 during 2005-06 to 2007-08 (average for the three years). This rise would not look as impressive if the effect of inflation were taken into account<sup>8</sup>. If one assumes inflation to be captured by the Wholesale Price Index, then Rs.100 at the price level prevailing during the 2005-06 to 2007-08 time period would be equivalent to Rs.72 of the time period 1998-99 to 2000-01. Hence, Rs. 1821 of annual per capita expenditure on social services would be equivalent to Rs. 1311– which is a small increase over a period of nearly six-seven years.

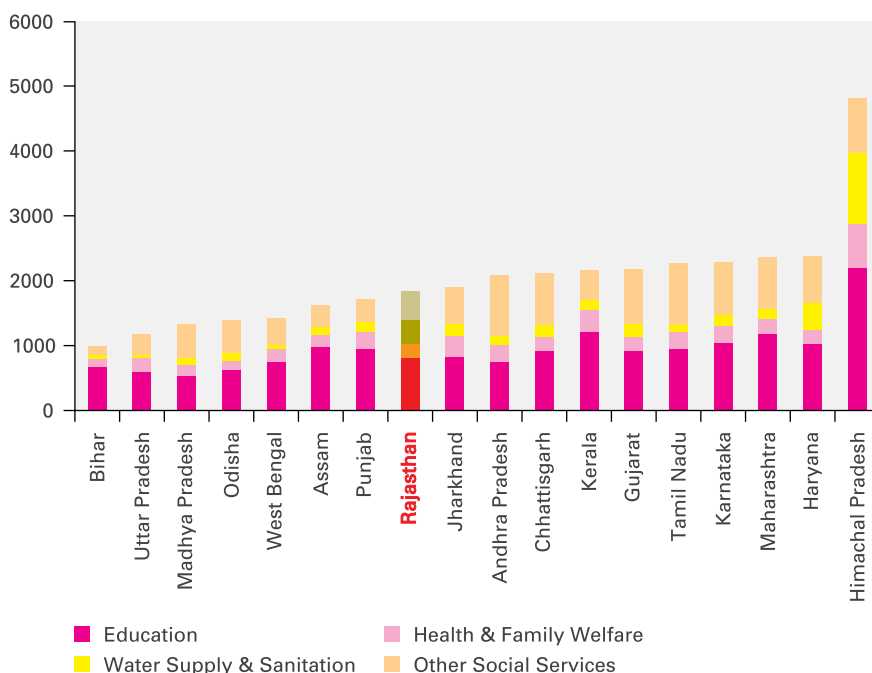
<sup>8</sup> For instance, if the extent of inflation captured by the Wholesale Price Index data is taken into account Rs.100 at the price level prevailing in 2005-06 to 2007-08 time period would be equivalent to Rs.72 at the price level prevailing between 1998-99 and 2000-01. Hence, Rs.1,821 at the price level prevailing between 2005-06 and 2007-08 is equivalent to Rs.1,311 at the price level prevailing between 1998-99 and 2000-01.

Despite the relative improvements in the public expenditure allocations to social services, Rajasthan did not fare well compared to other states (Figure 4).

What about the sectoral break-up of expenditure by social services provided? Rajasthan’s per capita expenditure on education from the state

Most of the increments in social sector spending went towards financing education and water and sanitation initiatives, with relatively little improvements in spending on health.

**Figure 4: Per Capita Expenditure on Social Services by States from 2005-06 to 2007-08 (in Rs. per annum)**



Source: Computed from data available in State Finances: A Study of Budgets, Reserve Bank of India, various years; and the website of the Central Statistical Organisation (CSO).

budget increased from Rs. 545 between 1998-99 and 2000-01 (average for the three years) to Rs. 811 between 2005-06 and 2007-08 (average for the three years). This figure increased from Rs. 128 to Rs. 216 for Health and Family Welfare and from Rs. 112 to Rs. 361 for Water and Sanitation. While the incremental budgetary allocation for social services increased notably for education and Water and Sanitation, this was not true of spending on Health and Family Welfare.

### Allocation for Child-Centred Programmes

An analysis of allocations by the Government of Rajasthan to major child-centred sectors – child development, child education, child health and child protection – reveals some interesting patterns and the need for greater public investments in children (Figure 5). The priority given to child-centred interventions declined sharply from 15 per cent of the State Budget in 1998-99 to 10 per cent in 2003-04<sup>9</sup>.

An analysis of the sector-wise break-up of the total pool of resources set aside for children (i.e., sector-wise composition of the total 'Child Budget') in the State Budget of Rajasthan between 1993-94 and 2006-07 (Figure 6) reveals the following:

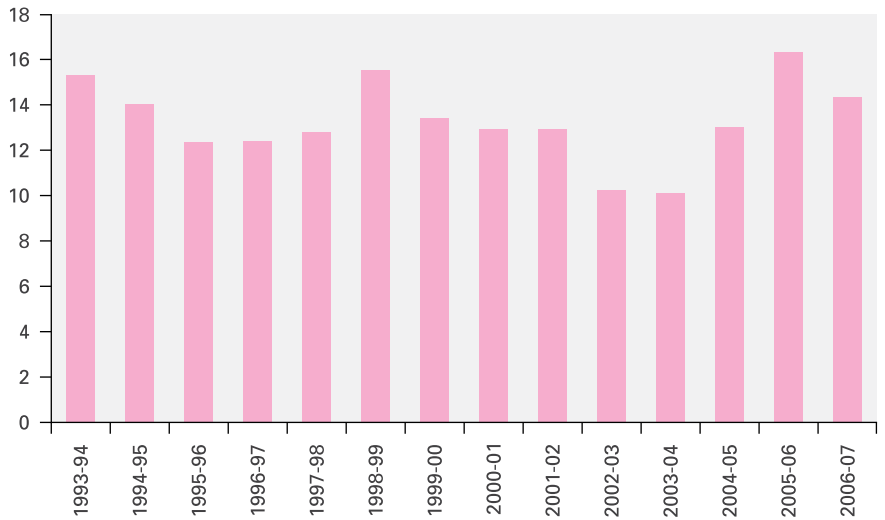
- **Child Education:** The share of Child Education in the total budgetary resources allocated for children has been consistently high (95 per cent in 1996-97, 92.2 per cent in 2001-02, and 91.5 per cent in 2006-07).
- **Child Development:** The share of child development<sup>10</sup> in the total 'Child Budget' has been somewhat higher than allocations towards

Rajasthan sets aside anywhere between 12-15 per cent of its state budget for children.

<sup>9</sup> Detailed Demands for Grants (of the State Budget) of Rajasthan.

<sup>8</sup> i.e., State Budget expenditure on interventions focusing on child nutrition such as the Integrated Child Development Services and care of infant children.

**Figure 5: Expenditure on Child-Centred Programmes as per cent of Total State Budget (1993-94 to 2006-07)**



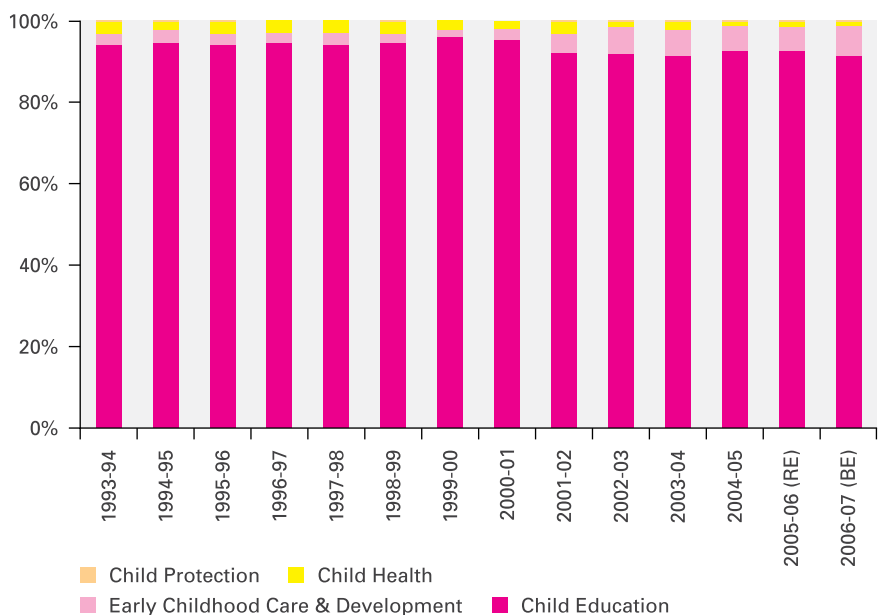
Source: Compiled from Detailed Demands for Grants, Rajasthan State Budget (various years).

In 2006-07, expenditure on child health accounted for under 1 per cent of budgetary resources set aside for children; about 92 per cent was spent on education.

child health and protection, increasing gradually from 2.28 per cent in 1996-97 to 4.9 per cent in 2001-02 and further to 7.3 per cent in 2006-07, reflecting a significant increase in Union government funding for the Integrated Child Development Services in 2005-06 and 2006-07.

- **Child Health:** The share of Child Health in the total budgetary resources reserved for children was quite low, at 2.6 per cent in 2001-02 and 0.85 per cent in 2006-07.

**Figure 6: Composition of the 'Child Budget' in Rajasthan (1993-94 to 2006-07)**



Source: Compiled from Detailed Demands for Grants, Rajasthan State Budget, (various years)

**Table 1: Per Child Expenditure on Child-Centred Programmes from Rajasthan Budget (Amount in Rs.) (1996-97 to 2006-07)**

	Child Education	Child Development	Child Health	Child Protection	Total Expenditure on Child-Centred Programmes
1996-97	746.7	17.9	20.5	1.7	786.8
2001-02	1125.0	59.7	32.1	3.2	1219.9
2006-07 (Budget Estimates)	1643.6	130.3	15.3	6.2	1795.3

Source: Based on the data compiled from Detailed Demands for Grants, Rajasthan State Budget, (various years); and the Website of the Central Statistical Organisation.

- **Child Protection:** Child Protection has had a negligible share in the total allocations for children, and has been consistently low though it increased marginally from 0.2 per cent in 1993-94 to 0.3 per cent in 2006-07.

Annual per child expenditure from the State Budget of Rajasthan in 2006-07 was only Rs.1,795 (Table 1). Of this, the per child annum expenditure (from the State Budget) on Child Education was Rs.1,644. The per child annum expenditure on Child Development was Rs.130, and for Child Health and Child Protection, annual per child expenditure was Rs.15 and Rs. 6 respectively.

It would, however, be erroneous to conclude that Child Education has been provided enough public resources. Public expenditure on education at the national level as well as in most of the states continues to be far below the desired levels and is considered one of the main reasons for low educational attainments in the country, particularly in the backward states. The sectoral composition does however suggest that the financing of government interventions for children in Rajasthan in the Child Health and Child Protection sectors is inadequate relative to sectors like Child Education.

In terms of funding, the total amount of Union government funds for child-specific programmes such as the *Sarva Shiksha Abhiyan*, Reproductive and Child Health programme, Pulse Polio Immunisation and National Child Labour Project bypassing the State Budget of Rajasthan has grown over the past decade from Rs 53 crore in 1999-2000 to Rs 795.6 crore in 2005-06. These funds are transferred directly to autonomous programme implementing societies in the states instead of being routed through the State Budgets. However, even if the expenditures funded through such funds were included, total public expenditure on children in Rajasthan is still very low and its composition in terms of shares for the different child related sectors is heavily skewed.

Rajasthan is an efficient performer as far as the *Sarva Shiksha Abhiyan* and NRHM go: it spent nearly 90 per cent of the outlay approved for SSA in 2007-08; and 97 per cent of outlays approved for NRHM between 2005-06 and 2009-10.

## Fund Utilisation in Major Child-Centered National Flagship Programmes

The analysis below provides an overview of trends and factors in effective fund utilisation with respect to four key social sector programmes – *Sarva Shiksha Abhiyan*, Reproductive and Child Health Programme (subsumed under the National Rural Health Mission), Integrated Child Development Services and the Total Sanitation Campaign in Rajasthan. Institutional and procedural bottlenecks in delivery systems often constrain the ability of the state government to utilise higher public expenditure, thereby reducing the potential impact of increased budget outlays on citizens and communities. Even when increased budget outlays do translate into higher levels of actual expenditure on the ground, deficiencies in composition and patterns of spending could reduce the impact of such expenditures.

### 1. Sarva Shiksha Abhiyan (SSA)

Tables 2 and 3 present the extent of fund utilisation under the *Sarva Shiksha Abhiyan* between 2002-03 and 2007-08. Expenditure under the programme increased from Rs.386 crore in 2004-05 to Rs.1,117 crore in 2007-08, improving distinctly in 2005-06. Since then, the state's actual expenditure under the programme as a proportion of the annual outlay approved for Rajasthan, has been close to 90 per cent. The pace of increased fund utilisation by Rajasthan under the *Sarva Shiksha Abhiyan* since 2005-06 has been driven primarily by improved fund utilisation in two key components – teachers' salaries and civil works (Tables 2 and 3).

However field interviews with implementing officials suggest that planning for the programme continues to be weak. To quote the Appraisal Committee report on the Annual Work Plan & Budget (2006-07) for the programme in Rajasthan, "The plan documents discuss only broad issues like access, enrolment, retention and quality improvement. Disadvantaged area and social group specific issues and strategies emerging out of the village and block level discussions are not properly reflected. Besides, last minute submission of the complete state

**Table 2: Utilisation of Funds in *Sarva Shiksha Abhiyan* in Rajasthan**

Year	Expenditure Reported for the Year (in Rs. Crore)	Expenditure as per cent of Total Funds Released	Expenditure as per cent of Total Funds Available	Expenditure as per cent of Approved Outlay
2002-03	36.8	47.7	-	21.1
2003-04	220.3	102.4	-	51.2
2004-05	385.9	115.0	-	62.5
2005-06	758.8	98.0	94.2	88.8
2006-07	1127.4	106.7	99.1	89.9
2007-08	1116.8	-	-	89.1

Source: 1. For 2002-03 to 2004-05: State Implementing Society, *Sarva Shiksha Abhiyan*, Jaipur, Rajasthan.

Source: 2. For 2005-06 to 2007-08: Website of the National *Sarva Shiksha Abhiyan* Mission ([www.ssa.nic.in](http://www.ssa.nic.in))

**Table 3: Component-wise Utilisation of Funds in Sarva Shiksha Abhiyan in Rajasthan (2003-04 to 2006-07)**

Sl. No.	Name of Component	Expenditure as per cent of Total Expenditure in Sarva Shiksha Abhiyan				Expenditure as per cent of Approved Budget			
		2003-04	2004-05	2005-06	2006-07	2003-04	2004-05	2005-06	2006-07
1	Teachers' Salary	4.6	20.1	39.9	35.3	22.9	49.4	90.9	95.6
2	Textbook	1.3	0.0	0.0	0.4	40.5	1.5	-	100.0
3	Civil Works	38.7	48.2	39.7	44.1	53.3	77.0	99.9	100.0
4	Maintenance Grant	8.6	5.3	1.9	2.0	98.5	89.7	96.1	100.0
5	Teaching Learning Equipment	2.7	4.2	1.8	2.3	39.0	60.3	61.5	100.0
6	School Grant	2.6	1.4	0.8	0.9	92.1	84.7	95.3	100.0
7	Teachers Grant	2.6	1.5	0.9	0.5	81.4	76.6	96.1	100.0
8	Teacher Training	3.1	2.6	1.7	1.3	42.9	50.3	55.3	90.5
9	Community Mobilisation	0.4	0.1	0.1	0.1	52.0	64.2	84.0	69.6
10	Integrated Education for Disabled	0.3	0.4	0.5	1.2	20.5	42.9	97.8	79.4
11	Research, Evaluation, Monitoring and Supervision	0.6	0.8	0.3	0.6	19.5	42.1	63.7	92.8
12	Management Cost	1.2	3.2	2.5	2.6	16.1	61.2	71.9	75.1
13	Innovation	1.5	1.6	1.4	1.3	20.2	57.8	88.3	98.8
14	Block Resource Centre	0.0	0.4	0.4	0.4	77.6	66.4	69.6	84.1
15	Cluster Resource Centre	0.1	0.6	1.1	1.0	70.7	16.5	56.5	78.5
16	Education Guarantee Scheme/ Alternative and Innovative Education (specific provisions for out of school children)	31.6	9.6	7.0	6.1	71.3	50.5	70.6	77.2
	<b>Total</b>	100.0	100.0	100.0	100.0	51.2	62.5	89.3	95.1

Source: 1. For 2002-03 to 2004-05: State Implementing Society, Sarva Shiksha Abhiyan, Jaipur, Rajasthan.

Source: 2. For 2005-06 to 2007-08: Website of the National SSA Mission ([www.ssa.nic.in](http://www.ssa.nic.in))

plan after several rounds of revision during appraisal contradicts the statement (of the state government) that the plan was developed by trained manpower in a time-bound consultative process."

## 2. Reproductive and Child Health (RCH) Programme

The Reproductive and Child Health programme, which was brought under the National Rural Health Mission in 2005-06, has been a major government intervention in the child health sector. One of the main criticisms of the first phase of the programme, implemented from 1996-97 to 2004-05, has been the limited involvement of the states in its design and, therefore, limited ownership by the states. As a matter of fact, the "one size fits all" design of the Reproductive and Child Health (Phase I) was one of the reasons for the inability of several states to fully utilise the funds available to them under the programme.

Delays in fund disbursement were noted during Phase I (1997-8 to 2004-05) of the Reproductive and Child Health programme

**Table 4: Expenditure by Rajasthan on National Rural Health Mission from 2005-06 to 2009-10 (in Rs. Crore)**

2005-06	2006-07	2007-08	2008-09	2009-10	Total Expenditure from 2005-06 to 2009-10
190.0	320.2	588.4	895.1	942.2	2935.9

Source: Data provided on the Website of the National Rural Health Mission, Ministry of Health and Family Welfare, Government of India.

**Table 5: Utilisation of Funds by Rajasthan in National Rural Health Mission from 2005-06 to 2009-10**

Total Funds Allocated (by the Union Government) from 2005-06 to 2009-10 (in Rs. Crore)	Total Funds Released (by the Union Government) from 2005-06 to 2009-10 (in Rs. Crore)	Total Expenditure (from Union Government funds and State Government's additional funds) from 2005-06 to 2009-10 (in Rs. Crore)	Total Expenditure as a proportion of Total Funds Released (by the Union Government) from 2005-06 to 2009-10 (in per cent)
3130.6	3025.6	2935.9	97.0

Source: Data provided on the Website of the National Rural Health Mission, Ministry of Health and Family Welfare, Government of India.

**In comparison, fund utilisation under ICDS has been slow primarily on account of delays in staff hiring.**

in Rajasthan. These delays were exacerbated by vacancies in Programme Management Units at the state and district level. Actual expenditure on the programme, as a proportion of funds released, during Phase I was 73.1 per cent in 2003-04 and 104.9 per cent in 2004-05. During Phase II, (2005-06 to 2009-10), Rajasthan spent Rs.2,936 crore<sup>11</sup> on the National Rural Health Mission, as much as 97 per cent of the total funds released for the programme by the Union Government to the state during that period. This reflects the state's ability to expedite the utilisation of funds under the programme (Tables 4 and 5).

### 3. Integrated Child Development Services (ICDS)

Rajasthan's expenditure on the Integrated Child Development Services (General)<sup>12</sup> increased from Rs.121.8 crore in 2006-07, to Rs.137.1 crore in 2007-08 and further to Rs. 202.3 crore in 2008-09. In comparison, some other states (like Uttar Pradesh, Andhra Pradesh and West Bengal) registered a faster increase in the level of spending on this programme (Table 6). Delays in operationalising the sanctioned projects under the Integrated Child Development Services as well as delays in staff recruitment in Rajasthan have been cited as some of the main factors inhibiting the state's ability to expedite fund utilisation under the programme.

### 4. Total Sanitation Campaign (TSC)

Rajasthan's expenditure on the Total Sanitation Campaign between 1999-2000 and 2010-11 was 69 per cent of the total funds released, but only 26 per cent of the total budget that was approved for the state over this period (Table 7). Staff shortages in the districts, coupled with delays in the release of funds and inadequate engagement by Panchayat and local bodies, have each contributed to low levels of fund utilisation under the programme.

<sup>11</sup> This figure refers to resources from Union government funds on the Reproductive and Child Health programme.

<sup>12</sup> Integrated Child Development Services has three main components, namely Integrated Child Development Services – General, Supplementary Nutrition Programme, and Integrated Child Development Services – Training.

**Table 6: State-wise Expenditures reported under Integrated Child Development Services (General) (in Rs. Crore) (2006-07 to 2008-09)**

States	2006-07	2007-08	2008-09
Goa	4.3	4.6	6.3
Uttarakhand	23.5	28.3	32.6
Himachal Pradesh	39.2	45.7	71.6
Jammu and Kashmir	54.7	51.8	85.3
Punjab	54.0	61.7	87.1
Haryana	59.8	65.2	88.0
Jharkhand	72.2	89.4	98.5
Chhattisgarh	70.5	83.7	120.5
Kerala	89.0	112.9	137.3
Gujarat	114.9	115.6	156.0
Odisha	121.0	132.8	180.8
Tamil Nadu	136.0	151.4	172.0
Rajasthan	121.8	137.1	202.3
Karnataka	141.0	167.8	224.7
Bihar	155.5	172.9	207.6
Madhya Pradesh	168.4	215.7	241.4
West Bengal	195.8	230.3	330.8
Maharashtra	233.8	300.9	278.9
Andhra Pradesh	224.0	240.0	472.4
Uttar Pradesh	315.6	347.7	482.3

Source: Data provided on the Website of the Ministry of Women and Child Development, Government of India.

**Table 7: Fund Utilisation in Total Sanitation Campaign in Rajasthan during 1999-2000 to 2010-11\***

	1999-2000 to 2010-11*				
	Total Approved Budget (in Rs. Crore)	Total Released Funds (in Rs. Crore)	Total Expenditure (in Rs. Crore)	Expenditure as per cent of Funds Released	Expenditure as per cent of Total Approved Budget
Union Government's Share for Total Sanitation Campaign	517.5	207.8	140.3	67.0	27.0
State's Share for Total Sanitation Campaign	208.2	70.0	51.5	74.0	25.0
<b>Total</b>	<b>725.7</b>	<b>277.8</b>	<b>191.7</b>	<b>69.0</b>	<b>26.0</b>

Note: Total Approved Budget, Released Funds and Expenditure incurred are for the 32 approved project districts till 2010-11. This excludes the shares of beneficiary.

\*The Financial Progress Report as per information received up to 06/08/2010.

Source: Data provided on the Website of the Department of Drinking Water Supply, Ministry of Rural Development, Government of India (www.ddws.nic.in)



## 4. DISCUSSION

Rajasthan has taken positive steps towards expanding the provisioning of basic developmental services for children. However, challenges remain, especially in rural areas, with girls being particularly disadvantaged.

Budgetary spending on social services decreased during the first few years of the decade. This trend seems to have reversed only in 2008-09. Poor human development indicators, most visible amongst children, require increased public spending on social services in the state.

Improvements in fund utilisation under *Sarva Shiksha Abhiyan* and the National Rural Health Mission over the last five years, demonstrates that increases in budgetary allocations for social sector programmes in Rajasthan are possible.

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Despite Rajasthan's relatively impressive performance in accelerating the pace of fund utilisation under various child specific programmes, implementation bottlenecks related to delays in fund transfer and staff and infrastructure shortages persist.

However, despite Rajasthan's relatively impressive performance in accelerating the pace of fund utilisation, implementation challenges persist. While improvements in fund utilisation under the *Sarva Shiksha Abhiyan* and National Rural Health Mission over the past five years have been encouraging, in the case of the Total Sanitation Campaign, for example, *Panchayati Raj* Institutions in Rajasthan have not been adequately involved in planning and implementation processes, and there have been delays in the release and subsequent flow of funds. Also, processes of fund utilisation for social sector programmes in the state remain challenging. In this context, the state government needs to address implementation bottlenecks related to staff shortages, inadequate infrastructure, deficiencies in decentralised planning, inadequate training and capacity building of staff, delays in the transfer of funds and weaknesses in the supervision and monitoring of programmes.

Given the persisting gaps in development outcomes for children, who constitute nearly 50 per cent of the state's population, the priority currently being given to the 'Child Budget' is inadequate. The financing of government interventions on Child Health and Child Protection sectors require particular attention.

## APPENDIX

**Table A: Per Capita Expenditure on Social Services by the States (1998-99 to 2000-01)**

States	Average for the years from 1998–99 to 2000–01 (in Rs. per annum)			
	Social Services (Total)	Education	Health & Family Welfare	Water Supply & Sanitation
<b>Bihar</b>	474.0	311.1	50.9	19.1
<b>Uttar Pradesh</b>	558.5	340.4	63.4	20.0
<b>Madhya Pradesh</b>	781.3	344.5	86.2	63.4
<b>Assam</b>	929.9	615.2	92.2	59.2
<b>Odisha</b>	931.2	463.1	94.7	56.2
<b>West Bengal</b>	958.2	512.3	136.8	42.5
<b>Rajasthan</b>	1020.7	545.3	128.3	111.5
<b>Andhra Pradesh</b>	1004.1	411.7	118.2	57.7
<b>Karnataka</b>	1083.9	558.3	135.7	60.3
<b>Haryana</b>	1145.4	587.6	122.1	102.1
<b>Tamil Nadu</b>	1240.9	651.5	154.4	38.3
<b>Kerala</b>	1254.8	713.3	172.3	52.3
<b>Maharashtra</b>	1276.1	730.9	131.7	79.7
<b>Punjab</b>	1220.5	716.3	221.1	55.0
<b>Gujarat</b>	1331.3	664.4	154.3	39.0

Note: Figures for Bihar, Uttar Pradesh and Madhya Pradesh considered above pertain to the undivided States.

Source: Government of India, Report of the Twelfth Finance Commission, December 2004.

**Table B: Per Capita Expenditure on Social Services by the States (2005-06 to 2007-08)**

States	Average for the years from 2005-06 to 2007-08 (in Rs. per annum)			
	Social Services (Total)	Education	Health & Family Welfare	Water Supply & Sanitation
<b>Bihar</b>	967.0	668.4	130.4	55.5
<b>Uttar Pradesh</b>	1157.7	589.3	209.6	55.1
<b>Madhya Pradesh</b>	1318.3	532.2	169.7	110.5
<b>Odisha</b>	1369.3	611.7	155.0	108.7
<b>West Bengal</b>	1408.7	739.4	201.3	67.7
<b>Assam</b>	1618.9	966.8	190.4	127.8
<b>Punjab</b>	1695.6	942.4	276.1	146.6
<b>Rajasthan</b>	1821.5	811.0	216.0	360.6
<b>Jharkhand</b>	1895.0	828.6	322.7	185.1
<b>Andhra Pradesh</b>	2085.0	752.2	255.6	136.8
<b>Chhattisgarh</b>	2101.2	907.3	225.6	179.6
<b>Kerala</b>	2151.3	1,203.1	343.9	158.3
<b>Gujarat</b>	2184.4	909.4	217.4	211.6
<b>Tamil Nadu</b>	2276.4	950.6	263.1	108.3
<b>Karnataka</b>	2281.6	1,041.0	256.7	178.0
<b>Maharashtra</b>	2356.1	1,175.4	232.9	153.2
<b>Haryana</b>	2363.0	1,021.9	219.1	416.4
<b>Himachal Pradesh</b>	4814.9	2,204.8	673.5	1098.4

Note: Figures for Bihar, Uttar Pradesh and Madhya Pradesh considered above pertain to the divided States.

Source: Compiled from the data provided in State Finances: A Study of Budgets, Reserve Bank of India, (various years); and the Website of the Central Statistical Organisation (CSO).

**Table C: Per Capita Expenditure on Social Services by the States (2008-09 to 2009-10)**

States	Average for 2008-09 (Revised Estimates) and 2009-10 (Budget Estimates) (in Rs. per annum)			
	Social Services (Total)	Education	Health & Family Welfare	Water Supply & Sanitation
<b>Bihar</b>	1746.5	870.1	188.2	128.2
<b>Uttar Pradesh</b>	1973.6	864.2	329.5	46.0
<b>Madhya Pradesh</b>	2010.4	878.2	228.1	148.6
<b>West Bengal</b>	2563.5	1197.5	311.1	129.8
<b>Jharkhand</b>	2813.6	1278.3	373.9	217.6
<b>Rajasthan</b>	2823.9	1279.6	354.1	569.8
<b>Odisha</b>	2892.1	1248.4	336.8	182.6
<b>Maharashtra</b>	3075.7	1655.1	329.2	69.9
<b>Punjab</b>	3169.4	1519.5	426.7	232.6
<b>Gujarat</b>	3226.7	1114.7	309.8	270.9
<b>Assam</b>	3278.2	1530.7	510.4	256.5
<b>Kerala</b>	3369.9	1741.6	475.6	344.7
<b>Karnataka</b>	3568.0	1535.9	403.1	305.7
<b>Tamil Nadu</b>	3726.4	1534.8	462.4	148.2
<b>Chhattisgarh</b>	3911.9	613.0	390.8	212.8
<b>Andhra Pradesh</b>	3999.0	1283.7	427.4	160.1
<b>Haryana</b>	4144.9	1946.7	380.5	595.5
<b>Himachal Pradesh</b>	6505.0	3434.0	918.9	1074.0

Note: Figures for Bihar, Uttar Pradesh and Madhya Pradesh considered above pertain to the divided States.

Source: Compiled from the data provided in State Finances: A Study of Budgets, Reserve Bank of India, (various years); and the Website of the Central Statistical Organisation (CSO).

## GLOSSARY

### Acronyms

<b>CBGA</b>	Centre for Budget and Governance Accountability
<b>CSO</b>	Central Statistical Organisation
<b>DLHS</b>	District Level Household Survey
<b>ICDS</b>	Integrated Child Development Services
<b>MDM</b>	Mid Day Meal
<b>NFHS</b>	National Family Health Survey
<b>NRHM</b>	National Rural Health Mission
<b>NSDP</b>	Net State Domestic Product
<b>NSS</b>	National Sample Survey
<b>RCH</b>	Reproductive and Child Health
<b>SRS</b>	Sample Registration System
<b>SSA</b>	Sarva Shiksha Abhiyan
<b>TSC</b>	Total Sanitation Campaign
<b>UNICEF</b>	United Nations Children's Fund

### Translations

*Sarva Shiksha Abhiyan* : Education for All Scheme

### Key Terms

**Actuals:** The figures (of receipts and expenditure) for the previous fiscal year would be referred to as Actuals or Accounts.

**Approved Budget:** It is the total amount of funds approved by the Central Government as expenditure for the financial year.

**Budget Estimates (BE):** The estimates presented in this Budget for the approaching fiscal year would be called Budget Estimates (BE).

**Central Sector Schemes (also known as Central Plan Schemes):** The entire amount of funds for a Central Sector Scheme/Central Plan Scheme is provided by the Central Government from the Union Budget. The State Government implements the Scheme, but it does not provide any funds for such a Scheme from its State Budget.

**Centrally Sponsored Schemes (CSS):** Government schemes wherein the Central Government provides a part of the funds and the State Government provides a matching grant. The ratio of contributions by the Centre and a State is pre-decided through negotiations between the two. CSS were formulated with monitorable targets at the central level with adequate provision of funds in the Union Budget under various

Ministries. The objectives, strategy and methodology of implementation are prescribed and funds are released to the States based on their requirements. These schemes which were initially restricted to a few well defined activities, have multiplied to include considerable areas of activity performed by the State Governments. CSS came into being also due to the availability of external funding for social sector programmes which was earlier available only for economic activities of the Government.

CSS also introduced a new mechanism for fund transfer from the Centre to the States, by routing the funds outside the State Budget through autonomous societies. This was done to address the growing fund flow problems faced by States during the first half of the financial year, leading to untimely releases and delayed implementation.

**Electronic Fund Transfer (EFT):** The Electronic Fund Transfer system (or National Electronic Fund Transfer) was introduced by Reserve Bank of India in March 2004 through which electronic instructions can be given by banks to transfer funds. EFT allows for paperless direct debit and credit transactions by banks. Prior to this system, a pay order was sent followed by the cheque, which delayed the transfer of funds from one level of government to the other.

**Funds Available:** It includes the total approved budget for the financial year plus unspent balances with the State Government plus the interest earned on money parked in the bank account.

**Funds Released:** It is the total amount of funds that are released by the Central Government as expenditure for the financial year. Owing to the problem of poor fund utilisation, the total funds released are usually lower than the total budget approved for the financial year.

**Gross Domestic Product (GDP):** The Gross Domestic Product (GDP) of a country indicates the size of the country's economy. Usually, GDP of a country for any particular year is expressed as a comparison with its value for the previous year. For instance, if we read somewhere that the GDP in 2007-08 will grow by 5 per cent, what it means is the economy will be 5 per cent larger than what it was last year.

**Non-Plan expenditure:** Any expenditure of the government that does not fall under the category of Plan Expenditure is referred to as Non-Plan Expenditure. Sectors like Defence, Interest Payments, Pensions, Subsidies, Police, Audits etc. have only Non-plan Expenditure since these services are completely outside the purview of the Planning Commission; while sectors like Agriculture, Education, Health, Water & Sanitation etc. have both Plan and Non-plan Expenditure.

**Net State Domestic Product (NSDP):** Net State Domestic Product (NSDP) equals the Gross State Domestic Product (GSDP) minus

depreciation on capital goods. GSDP refers to the size of the State's economy. NSDP is the most complete measure of productive activity within the borders of a State, though its accuracy suffers from the difficulty of measuring depreciation (or capital consumption allowance).

**Plan Expenditure:** Plan Expenditure is meant for financing the development schemes formulated under the given Five Year Plan or the unfinished tasks of the previous Plans. Once a programme or scheme pursued under a specific Plan completes its duration, the maintenance cost and future running expenditures on the assets created or staff recruited is not regarded as Plan Expenditure.

**Public Expenditure:** In the present set of outputs, the terms public expenditure and government expenditure are used interchangeably. Public expenditure is the amount of funds spent by the Government on provision of critical services and functions.

**Revised Estimates (RE):** The estimates presented in this Budget for the current/ongoing fiscal year based on the disbursements in the first two to three Quarters of the fiscal year would be called as Revised Estimates (RE).

**Social Services:** There are three kinds of government services/ functions – economic, social and general. Government services/ functions which usually lead to income generating activities for people and promote the expansion of economic activities in the country are called Economic Services. Social Services usually refer to the interventions by the Government which are expected to promote social development. Although better outcomes in the social sector, like better education and better health, also contribute towards economic development, this effect would be indirect and take more time to be realized. The term General is meant to distinguish these services from the other two kinds of services, i.e. Economic and Social. E.g. interest payments, repayment of debt, defence, law and order and pensions.

**Social Sector:** In the discourse on public policy in India, the terms Social Services and Social Sector are used interchangeably. In the present set of outputs, however, the term Social Sector refers to Reserve Bank of India's (RBI) definition of Social Sector. According to the RBI (in its document – State Finances: A Study of Budgets), Social Sector includes all Social Services, Rural Development, and Food Storage and Warehousing.

**State Own Tax Revenue:** Every State Government mobilises its Own Revenues from various sources. State Governments have been vested with the powers to levy certain types of taxes and duties, which include: Sales Tax (tax on intra-State sale of goods), State Excise (a duty on manufacture of alcohol), Stamp Duty (a duty

on transfer of property), Land Revenue (a levy on land used for agricultural/non-agricultural purposes), Duty on Entertainment and Tax on Professions.

**State Own Non-Tax Revenue:** State Governments can also mobilise from Non-Tax Revenue. Interest receipts, Fees/User Charges, and Dividend & Profits from Government Enterprises together constitute the Non-Tax Revenue of the Government. For instance, if a State owns a hospital and levies user fees, the revenue accruing from the same would comprise part of the State's Own Non-Tax Revenue.

**State Plan Schemes:** There are three different kinds of Plan Schemes, which are implemented in any State, viz. State Plan Schemes, Central Sector Schemes and Centrally Sponsored Schemes. The funds for State Plan Schemes are provided only by the State Government, with no 'direct contribution' from the Centre. However, the Centre may provide, at the recommendation of Planning Commission, some assistance to the State Government for its State Plan schemes, which is known as 'Central Assistance for State & UT Plans'. Unlike the Centre's grants to a State under central schemes, the 'Central Assistance for State & UT Plans' cannot be tied to any conditionalities of the central government ministries.

**Total Central Transfers:** Total Central Transfers to State Governments include three components – Share of State in Central taxes, Loans from Centre and Grants from the Centre. Grants comprise of both Finance Commission-recommended grants as well as Planning Commission-recommended grants.





NOTES:

A series of 27 horizontal dotted lines for writing notes.





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