Budget TRACK

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Foreword

This issue of Budget Track draws attention to government provisioning for some basic problems confronting the common people – concerns relating to food security and nutrition, livelihood security and adaptation to climate change.

Our piece on *Budget and Policy Tracking* is set at a time when the government is grappling with issues like the global economic downturn, drought, rising prices and food insecurity. For the first time, the piece tracks the major issues that were deliberated and discussed in Parliament in response to the Union Budget, and flags some important legislations that were introduced or have been passed such as the Right to Education Bill. It also assesses critical policy proposals such as the Unorganised Sector Workers' Social Security Bill, the new Direct Tax Code 2009 and the Unique National Identity number/card (UID) project. A brief discussion on the mid-term review of the Eleventh Five Year Plan is also made.

In the context of assessing the progress made in the Eleventh Plan commitments and as a pre-budget exercise, CBGA attempted estimation of the financial resource requirement of some of the programmes and schemes that cater to critical needs of the common people. The articles on *Right to Food* and *Integrated Child Development Services* discuss the key issues as well as outline what is needed in terms of finances if these critical entitlements are to be made available to the people. The piece on *Climate Change* traces the developments in the discourse on government policy stance on public provisioning for climate change. Unarguably, the most successful initiative of the UPA – the National Rural Employment Guarantee Scheme (NREGS) has improved livelihood security among rural households in the country. However, concerns with regard to the existing design and implementation of NREGS persist. The guest article by Dr. Mihir Shah throws light on this.

We do hope this issue would be useful in your advocacy efforts.

Budget and Policy Tracking

Divya Singh

The Congress-led United Progressive Alliance (UPA) government has completed over six months in office in its second consecutive term at the Centre during which it presented the Union Budget, ostensibly delivering on the electoral plank of promoting "inclusive growth and equitable development". The budget was prepared at a time when the economy was in a slump, confronting issues like the global economic downturn, drought, rising prices and food insecurity. With political buoyancy, new hopes set in. However, complacency has taken root in the renewed commitment halfway through the first year.

The current *budget and policy tracking* macro-scans policy measures of UPA II, beginning with an appraisal of Union Budget 2009-10 to assess the real priorities of the government with regard to specific sectors. The major issues that were deliberated during the course of debate and discussion in response to the budget are summarised, and some important legislations introduced, pending or passed such as the Right of Children to Free and Compulsory Education Bill, are evaluated. It also assesses the Unorganised Sector Workers Social Security Bill and Womens Reservation Bill, which are still under consideration, and examines the proposed new Direct Tax Code, 2009, mid-term review of the Eleventh Five Year Plan and expansive Unique National Identity number/card (UID) project.

Union Budget 2009-10 in Parliament

There are several steps involved in legislative approval of the budget like presentation by the finance minister, general discussion and detailed discussion and voting on it. Two months after the UPA returned to power, the Union Budget for 2009-10 was presented by Finance Minister Pranab Mukherjee on July 6. Before elaborating on the budget and its ramifications for the social sector and common people, this policy scorecard does a quick recap of the time spent on debates and legislation, and time lost due to interruptions and legislations passed during the first Budget Session of the 15th Lok Sabha from July 2 to August 7.

The Lok Sabha spent around 50 percent of productive time on budgetary matters while topical issues like inflation, swine flu, drought, Naxalite problem and terrorism consumed greater space during debates in the house. Considerable time was spent on legislation of Finance and Appropriation Bills, and three such bills were tabled and passed during the session. Besides the Right to Education Act the lower house passed the Constitution (109th Amendment) Bill to extend reservation for Scheduled Castes/ Scheduled Tribes (SC/ST) in the Lok Sabha and State Legislative Assemblies. The Workmen s Compensation (Amendment) Bill pertaining to revision of the minimum wage ceiling, and the National Commission for Minority Educational Institutions (Amendment) Bill removing the requirement of consultation with the state governments on appeals on minority status, were also introduced in the house. On the other hand, a large part of productive time in the Rajya Sabha went into discussing working of various ministries, and three bills were passed by it.

The time spent on budget discussion in both houses has gone up ever since department related Standing Committees for examination of bills were constituted in 1993. Prior to that, budgetary proposals were straight away discussed on the floor of the house instead of being referred to the Parliamentary panels, the number of which has increased from 17 to 24 over the past 15 years.

Meltdown and Budget: The ongoing global economic meltdown has had a ripple effect on India and the new governments maiden budget too. As stated by Mr Mukherjee in his Budget speech, short-term measures were required for economic revival to "counter the negative fallout of the global slowdown on the Indian economy". The recession and its ramifications can be seen through three interlocking problems – credit crunch leading to the financial crisis, fluctuations in oil prices with a trend towards upward movement, and food shortages. The convergence of crises in credit, energy and agriculture holds serious implications for the Indian economy and the budget. Commendably, the government ignored the target set by the Fiscal Responsibility and Budget Management (FRBM) Act and demonstrated its inclination to expand the budget size even at the cost of increased borrowing. Several commentators, however, attributed the significant increase in the budget to salary hikes under the Sixth Pay Commission and higher interest payments, sowing the seeds of doubt about whether there was any positive impact of increased expenditure on the social sector. This is borne out by the fact that there is an insignificant increase in allocations towards sectors like education and health. The social sector accounts for a mere 1.8 percent of Gross Domestic Product (GDP), as spending from the Union Budget

How Much and to Whom?

The Central governments budgetary outlays for education rose nominally to 0.76 percent from 0.7 percent in the last fiscal. This is hardly enough. While technical education got a better package, in the setting up of new Indian Institutes of Technology and Indian Institutes of Management, elementary education was practically neglected with allocations for *Sarva Shiksha Abhiyan* (SSA) and Mid-Day Meal (MDM) schemes remaining almost stationary. The outlay for Health and family welfare increased from Rs 18,467 crore in 2008-09 (RE) to Rs 22,641 crore in 2009-10 (BE), still an insignificant proportion of total expenditure. Of this, Rs 308 crore was apportioned to *Rashtriya Swasthya Bima Yojana*, which is grossly inadequate for health insurance coverage of all below poverty line (BPL) families.

The share for rural water supply inched

up and that of rural sanitation stagnated. Urban water supply and sanitation fared even worse with outlays for Integrated Low Cost Sanitation Scheme being slashed from Rs150 crore in 2008-09 (BE) to Rs 60 crore in 2009-10 (BE). Nonetheless, rural development received a quantitative hike (almost 43 percent higher than allocations in 2008-09). This was because of outlays for National Rural Employment Guarantee (NREGA) Scheme, *Indira Awaas Yojana,* Accelerated Irrigation Benefit Programme and *Rashtriya Krishi Vikas Yojana*. Government spending on rural development has increased over the years and the corpus for NREGA went up 30 percent in 2009-10 (BE) over 2008-09 (RE). This essentially demonstrates its political importance, given that the Congress-led coalition partly rode to victory in the General Election on the NREGA and Right to Food platform.

Food insecurity and farmers suicides notwithstanding, agriculture has not received the priority it deserves. Government expenditure on rural economy as a proportion of GDP has risen but mainly for payment to manufacturers/agencies for concessional sale of decontrolled fertilisers. The finance minister did announce an entitlement of 25 kg of rice/wheat per month to every BPL family in rural and urban areas, in keeping with the election promise of bringing in a National Food Security Act, but no specific measures were initiated to boost agriculture.

In the environment sector, the budget increased the grants under National River and Lake Conservation Plans and proposed allocations for the eight independent missions under National Action Plan on Climate Change (NAPCC), which represent a multi-level, long-term and integrated approach to address global warming. Welfare schemes for women suffered a major setback with budgetary allocations slumping a staggering 42 percent from 2008-09 (BE), especially important programmes like *Swadhar*, *Swayamsiddha* and Hostels for Working Women. Likewise, spending on welfare of children remained low and recorded a meagre increase from 4.13 percent of Total Budget Expenditure in 2008-09 to 4.15 percent in 2009-10 (BE). The duration of Integrated Child Development Services was extended, as per the National Common Minimum Programmes commitment to universalise the scheme by 2012.

The vulnerable SCs and STs were also neglected with no new ministry/ department reflecting plan allocations in Union Budget 2009-10 as compared to 2008-09, which allotted packages for Scheduled Caste Sub Plan and Tribal Sub Plan and for most ministries/departments. The minorities were given a moderate budget with the outlay for the Ministry of Minority Affairs increasing by 73 percent from 2008-09 (BE).

The budget does reflect the willingness of the Congress-led UPA to recognise the need for adopting a progressive fiscal policy in the country, instead of blindly adhering to fiscal orthodoxy in the sphere of public spending. However, this recognition seems to have come only in the wake of the global economic recession, and it could be short lived depending on when the Indian economy regains its growth trajectory. There is no evidence to believe that the present government is going to remain committed to even the small shift towards a more progressive fiscal stance, which Union Budget 2009-10 has shown.

Debates during Session

The Budget Session was witness to a number of crucial debates like rising fuel prices, its implications and actions the government must initiate. It saw Railways Minister Mamata Banerjee present the Rail Budget in which she announced setting up an expert committee to advise her on financing and implementation of socially desirable but economically unviable projects and promised to bring out a "white paper" on the organisational, operational and financial position of Indian Railways based on the past five years. She spoke of developing 50 world-class railway stations in the country with financing through public-private partnership mode. Several MPs raised concerns over discrimination of certain regions Himalayan region, state of Bihar and tribal areas of the northeast. Basudeb Acharia (CPI-M) stressed on the need to improve railways infrastructure, ensure on-board and out-board safety and security as well as to check red-tapism, corruption and pilferage. Hansraj G Ahir (BJP) pointed out the low provisioning for tribal-dominated forest and hilly areas.

Another issue that figured prominently in the Lok Sabha was the swine flu pandemic, reasons for spread of the H1N1 virus in India and possible mitigation and prevention measures. Sandeep Dikshit (Cong) called for strengthening the public health system to combat the threat. With less than a year to go for the prestigious sporting event, quite a few members underscored the need for speeding up preparation for Commonwealth Games 2010. Issues like cross-border terrorism, Indias support for relief and rehabilitation in Sri Lanka and to the peace process in Nepal – including material assistance to its civil security forces and law-enforcing machinery and support to elections in the Himalayan republic – were also discussed.

The General Discussions on the budget saw the ruling UPA come in for criticism from the Opposition on various counts. Senior BJP leader Murli Manohar Joshi remarked that allocation for agriculture amounted to only one percent of total expenditure and that provisioning for health was grossly inadequate. He also raised issues like scarcity of water, inflation and rising prices and demanded insurance cover/adequate sources of credit for farmers. M Thambi Durai (AIADMK) said there was no long-term strategy on fiscal consolidation and stressed on investment in irrigation. Bhartruhari Mahtab (Biju Janata Dal) said the outlays for social sector flagship schemes were low and that it reflected a lack of seriousness on the part of the government. Kirodi Lal Meena (BJP) commented that allocations aimed at addressing the issues of food security, financing of Right to Education

Bill and NREGA were insufficient while Nama Nageswara Rao (Telugu Desam Party) called for minimum support price to address farmers grievances.

During Demands for Grants, only four ministries were discussed in detail Agriculture, Home Affairs, Power and Women and Child Development. BJP President Rajnath Singh pointed out that allocation towards agriculture was extremely low and the budget for food processing was meagre. Rewati Raman Singh (Samajwadi Party) contended that the loan waiver announced by the government would help only those farmers who have availed loans from government banks and not those who were tied to moneylenders while Tarun Mondal (independent) demanded better irrigation facilities, seeds and fertilisers. Reviving of the public distribution system to make it more affordable and food security were also emphasised.

The issue of national security was raised by Sushma Swaraj (BJP) who said the Rs 100 crore allocated to the Ministry of Home Affairs for maintenance of national security was inadequate.

She questioned the purpose of the new UID card project when a similar scheme (Multipurpose National Identity Card) was already in operation as well as the rationale of allocating Rs 10 crore to MNIC and Rs 120 crore to UID. The Deputy Leader of the Opposition also pointed out that a paltry sum was allotted to rehabilitation of the displaced people in Jammu and Kashmir. Sanjay Nirupam (Cong) raised the issue of Naxalite violence in Chhattisgarh and Jharkhand, and urged for more funds for development of these areas. Under the MHA purview, more allocations were demanded for stricter vigil in coastal areas and for police reforms. Kalikesh Singh Deo (BJD) stressed the need to evolve a national refugee law for immigrants living in the country and for increasing the allocation towards security of metropolitan cities.

The outlay for the Ministry of Power was increased from Rs 40,000 crore in 2008-09 to Rs 50,000 crore this year but, given the power shortfalls in most states of the country, this seems inordinately low. MPs raised several issues relating to the power sector including supply-side bottlenecks, demand-side management and unacceptable levels of financial losses in distribution. There was a general demand for stepping up new electricity generating units and for sufficient investments in renovation and modernisation of existing plants. State Electricity Boards/Utilities (SEBs) have been incurring heavy losses due to erratic power supply, discouraging investments by private players. The Central Electricity Regulatory Commission (CERC) needs to announce regulations under National Tariff Policy, 2006, to rationalise tariffs and the policy of power subsidies to farmers requires a review. More often than not, flat rate pricing tends to benefit large landowners more than the targetted small/ marginal farmers and programmes to address this problem need to be devised and implemented. Some MPs pointed out that a large number of beneficiary families of the of *Rajiv Gandhi Grameen Vidyutikaran Yojana* were living without electricity and demanded that new mechanisms be put in place for better outreach of the scheme. Members from Bihar and Uttar Pradesh complained of neglect of their states in terms of power supply.

In Demands for Grants relating to the Ministry of Women and Child Development, BJP MP Sumitra Mahajan initiated the discussion by pointing out that Integrated Child Development Services (ICDS) was not specifically mentioned in the budget and that an insignificant outlay of 0.08 percent of total expenditure was made towards child protection schemes. She said the allocation for National Nutrition Mission was highly inadequate and that for *Swadhar Yojana* a scheme for rehabilitation of widows and harassed and abandoned women was stagnant. The allocation has remained Rs 13.5 crore since its inception in 2002-03. She also pointed that the funds for welfare of Muslim women was below par. Sushila Saroj of SP referred to the poor allocations for addressing malnutrition, lack of proper health facilities, literacy and child labour and urged minimum wages for *Anganwadi* workers. The need to strengthen National Rural Health Mission and start comprehensive schemes for women and children living in urban slums was underscored and budgeting demands were made for protection of adolescent women, construction of hostels for working women, imparting training to women in agriculture, fisheries, animal husbandry etc. The Houses attention was brought to the overall decline in allocations to schemes for women and children, including for implementation of the ban on child labour, and the low outlay of Rs 3.6 for new interventions like the Conditional Maternity Benefit Scheme. It was also mentioned that allocations for SSA and MDM have remained the same. Similarly, there were demands for depoliticising and revamping of the National Commission for Women (NCW) and State Commissions for Women with suitable amendments in the NCW Act. This was followed by presentation and discussion on the Finance Bill.

Problems arising from drought and floods in various parts of the country were also discussed with the assertion that food security for all be the primary priority of the government. Members stressed that priority be given to agriculture through sustained fertility of land, reduced use of chemical fertilisers and water harvesting. The need for proper water management to avoid floods and droughts in the future was underscored and a suggestion made for issuance of Kisan smart cards, based on land holdings with subsidy/bonus deposited directly into their account, to give a fillip to the farm-based economy.

Important Bills Passed or Pending

Over the years, several important legislations aimed at addressing the rights and needs of the marginalised sections of society, have gathered dust in the hallowed portals of Parliament. Some of these bills relating to the development sector were passed during budget session 2009-10; some are under consideration while still others are at the drawing board stage. A quick look at the legislations tabled this session and what promises the enacted bills hold for the common people.

Bills Enacted:

Right to Education: The Right to Education Act, 2008 is an "Act to put into Effect the Right to Free and Compulsory Education to all children in the age group of 6-14 years". It ensures all children of the stipulated age group free and compulsory education of an equitable quality. The Act delineates the right of every child; the responsibility of the state, parents, schools, teachers; the content of education; and the monitoring process for its implementation.

The main tenets of the Act are:

- Every child who has attained the age of six years and is under 14, should have the right to full time elementary education.
- It would be the responsibility of the state to ensure provision of free education to all children between 6 and 14 years. It must ensure availability of neighbourhood schools or provision of transportation for the children in case the schools are not close by.
- It would be the responsibility of parents to admit every child/ward in a school as soon as he/she reaches the age of four, and to ensure completion of their elementary education.
- All state schools, barring fully aided schools/schools of certain specified categories, must provide free and compulsory education to all entitled children. Aided schools, except fully aided ones, must admit at least 25 percent children belonging to weaker and disadvantaged groups.
- Schools of specified categories and unaided schools must admit at least 25 percent children admitted to class I from among children belonging to weaker sections, randomly selected by the school, and ensure their continued education till completion of elementary education or till they seek transfer from the school.
- A School Management Committee consisting of elected representatives of the local authority, parents, teachers and community members should be constituted for every state school and aided school. Three-fourths of the members should be parents or guardians of those studying in the school.
- After commencement of the RTE Act, only persons possessing qualifications as prescribed by the National Council for Teachers Education (NCTE) Act should be appointed teachers while those serving who do not possess the requisite qualifications should be encouraged to acquire an equivalent degree.

The Act has been criticised for allegedly perpetuating discrimination against children from government schools since it prescribes additional deployment of government schoolteachers for conduct of censuses, elections etc. This adversely affects the childrens studies. The definition of "equitable education" has also come under a cloud as it refers only to physical infrastructure and not to expectations on learning outcomes. Further, the Act prohibits anybody from preventing children from going to school but does not address the related issue of child labour. It excludes children in the 0-6 age group, hence ignoring the importance of early childhood education for overall development. The bill has also been denounced by some commentators for not providing for a common school system and thereby promoting discrimination through the multi-layered education system.

Bills under Consideration

The Unorganised Sector Workers Social Security Bill: The Unorganised Workers Social Security Bill would enable the Central and state governments to formulate welfare schemes for unorganised sector workers, providing benefits in areas like life and disability insurance, health and maternity benefits, old age protection, provident fund, employment injury benefits, housing, educational schemes for children, skill upgradation and so on. The schemes will be financed by the Central and state governments, employers and employees.

The bill is not a first step in this direction. There are a number of programmes/ schemes providing benefits to unorganised sector workers, both rural and urban. The bill lists 11 previously existing schemes and the government requires legislative approval for funding of any of the schemes. It would also require legislative approval if the schemes are to be partly funded by employers and employees.

The draft social security bill was formulated by the National Commission for Enterprises in the Unorganised Sector (NCEUS) chaired by Arjun Sengupta in September 2004. NCEUS was constituted to examine problems faced by unorganised sector workers and suggest remedial steps, to review existing schemes and recommend ways to increase their coverage. The bill has made various recommendations regarding improvement in working conditions and provision of social security benefits to informal sector workers, both agricultural and non-agricultural. The panel drafted two bills Unorganised Sector Workers Social Security Bill, 2005, and Unorganised Sector (Conditions of Work and Livelihood Promotion) Bill, 2005.

The draft legislation covers the entire country and all workers earning below Rs 5,000 per month including small and marginal farmers, self-employed workers, and informal workers in the organised sector without any semblance of social security. It seeks to provide minimum social security cover comprising (1) old age pension for workers above 60, (2) health insurance for self, spouse and children below 18, (3) maternity benefits for women workers and spouses of men workers, (4) death insurance and disability insurance in case of accidents at workplace.

The bill does not aim to replace existing schemes for the welfare of informal sector workers but recommends that if the requisite funds are available, additional schemes might be formulated for their benefit. It has chalked out an elaborate institutional set up for implementation through social security boards supported by a general council and executive councils at the Central and state government levels. Workers would be entitled to benefits through workers organisations or other bodies like *panchayats* decided by the state board concerned. Every worker above 18 would be eligible for registration and be given a unique identity card and social security number. This would help migrant workers to claim social security even if they have migrated to distant places.

The Parliamentary Standing Committee on Labour examined the bill and recommended several amendments including provision of a statutory right for national minimum benefits, coverage within specified a time-frame and constitution of a National Social Security Fund.

The Left parties have demanded that the recommendations of the Standing Committee be included in the draft legislation. While the bill has been tabled several times, it still has to be passed. The informal sector workers, whose numbers have swelled over the years, work without minimum job security, minimum wages or any other benefits like medical insurance and disability benefits. Despite a few shortcomings (that can be ironed out), the bill would contribute to addressing some of the crucial needs of unorganised sector workers as and when it gets passage through Parliament.

Womens Reservation Bill: For over a decade now, the Women s Reservation Bill has been a thorny issue among politicians and a subject of heated debate within Parliament and outside. It also featured as one of the women-centric welfare measures on the UPA governments agenda for its first 100 days in power, but the bill failed to see the light of day in Budget Session 2009 either.

The highlights of the bill are:

- The Constitution (108th Amendment) Bill, 2008, seeks to reserve one-third of all seats in the Lok Sabha and State Legislative Assemblies for women. This determination of reserved seats would be done by an authority prescribed by Parliament.
- One third of the seats for SC/ST would be reserved for women in the Lok Sabha and State Legislative Assemblies. The reserved seats will be allotted to various constituencies through rotation in the State/Union Territory.
- The reservation will cease 15 years after commencement of the Amendment Act.

Context of the Bill: There are extremely divergent views on reservation of seats for women in the legislature with its proponents arguing that such a measure would help in improving the status and visibility of women in public life while its opponents call it elitist. It is especially important as women constitute a vulnerable section of the population and are agents in the development process. Several international reports indicate that India s poor development indices are largely due to the lack of women in policy-making. In this respect, womens empowerment through enhanced decision-making capacity in the political sphere is crucial for inclusive development and the logical first step towards it would be reservation of legislative seats.

Right from its adoption, the Constitution has deemed reservation an important mechanism to secure economic, political and social rights of vulnerable groups like SCs and STs. It also approves of appropriate use of legislation to redress inequality and prevent the infringement of womens fundamental, democratic and human rights.

One of the biggest hurdles in passage of the bill is the demand for "quota within quota" raised by some political parties. They want reservation for women from Other Backward Classes (OBCs), and an appropriate amendment to this effect, on the contention that women from upper castes/classes would otherwise be elected to the legislature leading to uneven representation of those from economically and socially backward sections.

Some commentators and scholars argue that the provision might "ghettoise" women in politics and lead to women fighting one another in women only constituencies, which would not give them the requisite confidence or experience in the political arena. Hence, a measure seeking to bridge gender divisions would end up "creating new gender divisions," they say. There are also apprehensions about proxy politics, with women representatives being pawns of vested interests, gaining ground.

Despite fears about the proposed bill, it is likely that women lawmakers represent gender interests better. Moreover, their importance in influencing the policy agenda cannot be overlooked. Greater representation of women in decision-making bodies would also help in changing/reforming the norms and principles that govern distribution of power and resources in the country.

Important Policy Measures in Pipeline

(a) Mid-Term Appraisal of Eleventh Five Year Plan: The Government of Indias resolution in March 1950 setting up the Planning Commission envisaged that each stage of the Plan needs to be reviewed periodically and. If need be, adjustments of policies made and measures recommended. In line with this role, the panel has initiated the process of mid-term appraisals, which detail the performance of the economy as a whole and the individual sectors in comparison with the plan targets. Its primary objective, as described by Planning Commission Deputy Chairman Montek Singh Ahluwalia, is a "course correction" and not a mechanical exercise undertaken one in five years.

The Planning Commission is due to complete the mid-term review of the 11th Five Year Plan period by the yearend, and submit its report before the National Development Council, the countrys highest decision-making body, in January. The drought and spiralling prices of essentials combined with the global economic recession have brought along with them unforeseen challenges and the review would help address these, while also redefining the priorities and policies of the government.

Apart from the plan panels report, a civil society initiative The Peoples Mid-Term Appraisal would review the 11th Plan from the perspective of the people for whom the development schemes/programmes have been formulated. It would assess the extent to which the Plan has been able to achieve its stated objectives and address the needs of the people.

(b) The 13th Finance Commission: The primary responsibility of the Finance Commission as laid down by Article 280 (3) of the Constitution is to make recommendations to cover at period of five years from 1st April, 2010 to 31st March, 2015. These relate to (1) Distribution of the net proceeds of taxes between the Centre and the states, (2) Rules governing grants-in-aid to states from the Consolidated Fund of India and (3) Steps needed to improve resources of panchayats and municipalities in the states. It will also review the financial condition of states with regard to debt consolidation and fund relief expenditure. The recommendations are usually intended to reflect emerging fiscal trends in Centre-state relations and, ideally, governments at both levels should be treated as equal partners to resolve the vertical imbalances between the two.

The Terms of Reference (ToR) of the 13th Finance Commission appear in favour of the Centre. One of the important demands on the Union Budget is gross budgetary support to the Central and state plans but no mention has been made of the needs of the states. However, the ToR that favour the Centre, the commission can take into account the needs of the states in its report expected to be submitted by the end of December. The base year of the 13th Finance Commission is 2008-09, a year of low revenue, and its main challenges are improving the fiscal situation, addressing anomalies in distribution of resources and responsibilities between the Centre and states both the vertical imbalances and the existing horizontal inter-state imbalances. It has been mandated to come up with a revised roadmap for a new fiscal architecture, keeping in view the urgent need to formulate a more comprehensive goods and services taxes.

Despite an improvement, the fiscal situation is a matter of concern in light of the continuous rise in global oil prices, increased capital flows and the governments "obligations on the deficit" target (ToR). The commission, therefore, needs to focus on augmenting investment in physical and social infrastructure to support higher growth given the wide disparities between states and pressures from competitive politics.

(c) Initiative for Integrated District Plans by the Planning Commission: An expert group chaired by V Ramachandran, former Chief Secretary of Kerala and Vice-Chairman of the state Planning Board, has been appointed to carry out a study and chalk out steps to make grass-root level planning a reality. In its report, the exert group has made a number of suggestions, including an action plan for local-level planning in the Eleventh Five Year Plan. It has recommended making panchayats the nodal agencies for effective implementation of national flagship schemes/ programmes in areas like health, education, employment and poverty alleviation. It has also advised clear, unambiguous mapping of activities at various levels of the panchayats on the principle of solidarity for better management and planning; streamlining and consolidation of schemes; and assignment of significant revenue raising capacity to the local governments. Based on its recommendations, the Centre has issued directives to governments in all the states and union territories to formulate and incorporate the District Plans in the Annual State Plans.

(d) Unique National Identity number/ card: On the recommendations of the Administrative Reforms Commission report on e-Governance, the government in June appointed a high-powered committee to evolve a database of permanent identifiers of Indian citizens, to deal with illegal immigration, cross-border terrorism and other national security issues. The UID project, if implemented, would also address development sector issue by delivering/targetting schemes to those who really need them. The Centre is currently pilot testing the project in select districts of a few states, particularly in border areas of the country.

Infosys co-founder Nandan Nilekani, who has taken over as chairperson of the Unique Identification Authority of India, describes the UID project as a single, non-duplicate way of identifying a person through a mechanism that can be authenticated anywhere in the country. The unique identity number card would carry the name, age, sex, date of birth, address as well as individual biometrics, which could be a combination of fingerprints and photograph this is yet to be finalised by the biometrics committee. The government deems the project crucial for improving efficiency of public service delivery of interventions to the needy and wants to ensure that the database developed is foolproof and secure. This could be a major challenge once the UID system is in operation and it becomes ubiquitous in many applications. The project has also come in for criticism due to the massive investment required to develop and apply the technology to catalog identification parameters of an over one-billion population. The money, some commentators and political parties say, could be put to better use in various social sectors and have a more significant impact on the life of the ordinary citizens.

(e) Direct Tax Code: The Finance Minister in his Budget speech referred to completing the economic reforms process by building "a trust based simple, neutral tax system with almost no exemptions and low rates designed to promote voluntary compliance". He said the purpose of the new Direct Taxes Code was to "simplify the enormous complexities in the direct tax system since the enactment of Income Tax Act of 1961". The main objective of the tax reforms is to improve efficiency and equity of the tax system by "eliminating the distortions in the tax structure, introducing moderate levels of taxation and expanding the tax base". The draft code seeks to consolidate and amend the law relating to all direct taxes to establish an economically efficient, effective and equitable direct tax system that would facilitate voluntary compliance and help increase the tax-GDP ratio.

The income tax structure has become extremely complex owing to the number of exemptions and tax preferences, which have eroded the tax base and affected resource allocations. The new tax code proposes an all-round reduction of the tax rate. Media and corporate houses welcomed the draft proposal on the assumption that they would have to pay lower taxes. The loss of revenue that might be incurred in the process would purportedly be compensated by expansion of the tax base and greater taxpayer compliance due to simplified procedures.

The code seeks to broaden the tax base by doing away with a lot of concessions and preferences to avoid distortions in the economy, reduce compliance costs and ensure greater horizontal equity. It helps eliminate bias, which over the years have become an inextricable part of the tax structure, and to raise revenues with lower tax rates. Some economists are of the view that the new code would lead to greater transparency in the revenue structure. The government has decided to reduce the tax rates by widening the tax slabs and reducing rates but this decision may not go well with some corporates, which have been reaping the benefits of tax sops in the past. The economists say this might lead to restoration of the exemptions while retaining the new reduced tax rates and slabs. In the long run, actual implementation of the new direct taxes code would depend on how effectively the Finance Minister resists pressure from corporate lobbies and tax payers who might want the new reduced tax rates along with the old exemptions.

Universalising ICDS: Skewed Outreach and Poor Service Delivery

Jawed Alam Khan

"The UPA will universalise the Integrated Child Development Services (ICDS) to provide a functional anganwadi in every settlement and ensure full coverage for all children." (National Common Minimum Programme of United Progressive Alliance government, 2004)

"The Indian National Congress commits itself to the universalisation of ICDS by March 2012 and to provide an anganwadi in every habitation and full coverage of children upto the age of six for food, nutrition and pre-school education." (Congress Election Manifesto, 2009)

More than three decades since the cross-sectoral programme was launched to target the health, nutrition, non-formal education and other development needs of underprivileged children below six years of age, the outreach of ICDS has remained limited with the government having to periodically renew its pledge of universalisation. As things stand today, India still posts alarmingly high figures on child and maternal mortality, malnutrition and anaemia, largely due to poor quality of early childhood care services, inadequate public provisioning and weak integration of various ICDS components catering to a vulnerable population of 15.8 crore who have just started out in life.

Recognising that early childhood is the most crucial period for laying the foundation for lifelong learning and development, the Central government brought out the National Policy on Children in 1974 declaring them to be "supremely important assets" of the country. It also admitted that a "significant proportion" of children live in conditions of abject poverty with poor environmental sanitation that leaves them prone to disease and infection, and have unequal access to primary healthcare, pre-school education and other life chances.

Against this backdrop, ICDS was launched on October 2, 1975, in 33 Community Development (CD) Blocks of various states and gradually expanded to cover 6,110 projects and 1,044,269 *Anganwadi*, or childcare, Centres (AWCs) by March, 2009. It is supposedly one of the biggest integrated programmes for early childhood care (India also has the world's largest child population) with the key objectives of tackling the "challenge of providing pre-school education on one hand and breaking the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality, on the other". The scheme primarily focuses on supplementary nutrition, non-formal pre-school education, immunisation, health check-ups, referral services, and nutrition and health education for children/ pregnant and nursing mothers. Its beneficiaries are children in the 0-6 age group, adolescent girls, pregnant and lactating mothers.

Thirty-four years down the line, the programmatic intervention does not seem to have made a significant dent in outcome indicators as reflected through statistics of National Family Health Survey-3 (NFHS-3) in 2005-06:

- Around 46 percent of all children under three are underweight (it was 47 percent as per NFHS-2 in 1998-99)
- Almost 80 percent children in the age group of 6-35 months are anaemic.
- Only 23 percent babies are breastfed within one hour of birth, and just about 46 percent are exclusively breastfed for the first six months.
- Only 44 percent of all children in the 12-23 months age group have

Table 1: Services, Target Groups & Service Providers under ICDS

Services	Target Group	Services Provided By
Supplementary Nutrition	Children below 6 years, pregnant and lactating mothers	*Anganwadi* Workers (AWW) & *Anganwadi* Helpers (AWH)
Immunisation	Children below 6 years, pregnant and lactating mothers	ANM/MO/ASHA
Health check-ups and lactating mothers	Children below 6 years, pregnant ASHA	ANM/MO/AWW/
Referral and lactating mothers	Children below 6 years, pregnant ASHA	AWW/ANM/MO/
Pre-School Education	Children between 3-6 years	AWW
Nutrition & Health Education	Women between 15-45 years	AWW/ANM/MO

Source: Ministry of Women and Child Development (MWCD), Government of India received all the recommended vaccinations

- Only half the pregnant women have availed of at least three ante-natal care (ANC) health check-ups.
- As many as 57 out of every 1,000 children die before they reach the age of one.

ICDS is currently being implemented nationwide with the help of state governments and its outreach and coverage area has gone up considerably over time, but several studies point out that the quality aspects of services delivery is a sphere of major concern. There are also inter-state disparities within the scheme in terms of the vastly different local circumstances, financial performance and quality of services.

Most research findings on ICDS implementation highlight the main reasons for delivery of poor quality of services as: lack of adequate funds (one percent of total Union Budget for children under six years), poor utilisation of funds, shortage of staff, lack of effective training of staff, weak monitoring and supervision, poor participation of the community and panchayats (rural local bodies) and setting unrealistic unit costs. In this context, the outlays, outputs, quality of service delivery and implementation problems specific to ICDS need looking into.

Scheme Design

ICDS was designed to effectively reduce infant mortality, combat malnutrition and improve maternal and child health. At the village level, AWC is the only institution responsible for health, pre-school education and welfare of mothers, children and adolescent girls. In this process, *Anganwadi* Workers (AWWs), Auxiliary Nurse Midwives (ANMs), Accredited Social Health Activists (ASHAs) and Medical Officers (MOs) play key roles in delivery of services by childcare centres. The community and panchayats have specific roles in programme implementation and monitoring of the scheme, which covers three components of essential services for early childhood care Supplementary Nutrition Programme (SNP), Pre-School Education (PSE) and Health Services.

Supplementary Nutrition Programme (SNP)

SNP under ICDS is primarily aimed at combatting child malnutrition but it also covers pregnant and nursing mothers, adolescent girls and children. The beneficiaries are provided supplementary nutrition in the form of hot cooked meals (children in 3-6 age group) and take-home ration (children below 3 and pregnant and lactating mothers). The financial provision in terms of daily unit (per beneficiary) costs for each category is given in Table 2.

Table 2: Financial Provisions in Unit Costs for SNP

Category	Old Norms*			Revised Norms**		
	Rate per beneficiary (in Rs)	Calorie intake	Protein intake (in gm)	Rate per beneficiary (in Rs)	Calories intake	Protein Intake (in gm)
Children below 3	2.00	300	8-10	4.00	500	12-15
Children below 3-6	2.00	300	8-10	4.00	500	12-15
Severely malnourished children	2.70	600	20	6.00	800	20-25
Pregnant and lactating mothers	2.30	500	20-25	5.00	600	18-20

Source: MWCD. *Guidelines issued (with regard to unit cost, calorie and protein intake) vide letter No. 19-5/2003-CD-I (Pt.) dated 19.10.2004. **As per the Supreme Courts directives (Peoples Union for Civil Liberties versus Union of India) on 22nd April, 2009. Compliance reports on new norms to be filed by all states and union territories by 15th January, 2010.

Pre-School Education

The pre-school education component for the 3-6 age group is crucial for the holistic development of children by making them school-ready and inculcating in them a positive attitude towards education. AWCs impart pre-school education through non-formal methods and play. In view of the importance of early childhood development to realise the goal of universal elementary education, the focus has been on improving the quality of education in AWCs. A new initiative was taken in the year 2000 for regular provision of Pre-School Kits to the centres and Central government norms provide for Rs. 500 per annum to every AWC for procurement of kits. This is done through funds released to the states from time to time under ICDS.

Health Services

A package of health services is also provided under the scheme to children and mothers in the form of immunisation, health check-ups, referral services, nutrition and health education which is vital for the overall development of children. The beneficiaries avail these services through coordination between the Health Department of the state concerned and the AWWs. Besides, the Central government provides Rs. 600 to every AWC annually for procurement of medicine kits.

Since ICDS deals with multiple components and services, inter-departmental coordination for delivery of health services is crucial for greater impact. AWWs, AWHs, ANMs and BMOs (Block Medical Officers) are the key functionaries to ensure delivery of its basic health services.

Table 3: Physical Performance under ICDS (as on March 31, 2009)

S.No.	Institutions and Services	Performance
1	Sanctioned Projects	7073
2	Operational Projects	6120
3	Sanctioned AWCs	1356275
4	Operational AWCs	1044269
5	*Anganwadis* providing SNP	935605
6	Children receiving SNP (0-3 years)	37542197
7	Children receiving SNP (3-6 years)	34654461
8	Children receiving SNP (Total)	72195568
9	Mothers receiving SNP	15147245
10	Total SNP beneficiaries	87343813
11	Children attending Pre-school Education	34060224

Source: MWCD

Budgetary Provision and Physical Performance under ICDS

Several interventions directed at under-6 children are being implemented by MWCD and Ministry of Health and Family Welfare, some of which are the Integrated Child Protection Scheme (ICPS), Routine and Pulse Polio Immunisation campaigns, Reproductive and Child Health Programme (RCH), Manufacture of Sera and BCG Vaccine and Kalawati Saran Children's Hospital besides the flagship ICDS. *The annual outlays for ICDS have increased more than four-fold from Rs 1,623.4 crore in 2004-05 (BE) to Rs. 6,705 crore in 2009-10 (BE) and budgetary allocations for all seven schemes have risen substantially in the corresponding period, but the provisioning is still meagre in terms of ground to be covered. Consider the figures - almost 16 crore children under the age of six and less then one percent of the Union Budget apportioned for their welfare!*

Since its inception, progress has been made in infrastructure, staff and coverage of beneficiaries under ICDS but the pace is slow and much remains to be done to improve the quality of services delivered. This is evident from Table 3, which charts the physical performance of the scheme. The total number of SNP beneficiaries (mother and child) is 8.7 crore while 54 percent of the 3.4 crore children are getting pre-school education.

Bottlenecks in Implementation & Quality of Services

Universalisation of early childhood care services under ICDS has been a major challenge for the Centre and governments of some states, particularly those with low development indices, for several reasons. One, instances from Chhattisgarh, Uttar Pradesh and Rajasthan highlight the unwillingness of mothers to send their children to AWCs due to distance of the childcare centres from habitation, irregular opening hours and low quality of pre-school education and food provided. Two, lack of recognition by the community of services rendered by AWWs and low priority accorded by politicians on early childhood development constrains effective implementation of the scheme. Three, delivery and quality of services are affected by institutional and procedural bottlenecks, low levels of budgetary allocation and poor participation of community and panchayats. Besides, factors like fixing low unit costs, delay in fund flows from one level to the other, weak decentralised planning, low priority accorded to capacity building, shortage of staff, poor coordination and multi-tasking hampers the quality of services.

Unit Cost of Services

Honorarium for AWWs and AWHs: The Central government currently gives Rs. 1,500 and Rs. 750 as honorarium to anganwadi workers and helpers respectively, which has been increased from Rs. 1,000 and Rs. 500 respectively. In addition, a few state governments pay Rs. 200 and Rs. 100 as honorarium to AWWs and AWHs respectively. Officials from Uttar Pradesh, Chhattisgarh and Rajasthan reported that ideally the government should allot Rs. 3,000 instead of Rs. 1,500 to an AWW and Rs. 2,000 instead of Rs. 750 to AWH in order to pay them as per the common minimum wages. Due to the low honoraria, contractual nature of the job and huge workload, anganwadi workers and helpers feel insecure and demotivated.

Cost of SNP: The Central and state governments contribute 50 percent each to the total cost of SNP. Owing to spiralling prices and the high cost of living, unit costs were found to be inadequate (Rs. 2 for children in 0-6 age group and Rs. 2.30 for lactating and pregnant mothers) for conversion cost in SNP. The price rise of food items (especially pulses, vegetables, edible oils, jaggery etc) has led to diminishing food quality. Shortages and delays were observed in the supply of dry ration to self-help groups in Chhattisgarh. The popular perception is that the government should allocate Rs. 4 to under-6 children and Rs. 5 to pregnant and lactating mothers under SNP to address the shortfalls due to rising prices.

Untied Grants: No substantial funds have been earmarked by the Centre for fuel costs and for Information, Education and Communication (IEC). The AWW receives only Rs. 300 as an untied grant once a year to buy registers, soaps, towels and chart paper. In some cases, she has to meet the expenses from her own pocket. Hence, the untied grant should also be increased to Rs. 1,500 given the recurring nature of the expenses.

Keeping the inadequacy of fund and unit costs in mind, the current exercise tries to capture new unit cost of services delivery specific to the ICDS scheme in

Table 4.(a): Funds Required from Union Budget 2010-11 based on Revision of Unit Costs in ICDS (for the already operational AWCs)

	Services	Number of Beneficiaries/ Institutions	Old Rates (in Rs.)	New Rates (in Rs.)	No. of Days / Months	Amount (in Crore)
Recurring	A. SNP					
Costs	Children 0- 3 years	37542197	2	4	300	4505
	Children 3 -6 years	34654461	2	4	300	4158
	Pregnant /Lactating mothers	15147245	2.30	5	300	2272
	Total SNP					**10935**
	B. Service Kit		1000			
	Pre-School Education Kit per AWC	1044269	500	2000	1	208
	Health Kit per AWC	1044269		2000	1	208
	IEC material per AWC	1044269	300	1500	1	156
	Untied Grants (Machine Sajja) per AWC	1044269		1500	1	156
	Total Service Kit					**728**
	C. AWW &AWH Honorarium					
	Anganwadi Worker (Ist)	1044269	1500	5000	12	6265
	Anganwadi Worker(2nd)	1044269		5000	12	6265
	Anganwadi Helper	1044269	750	3000	12	3759
	Total AWW and AWH Honorarium					**16289**
Total Recurring Costs	(A+B+C)					27,952
Non-recurring Costs	***D. Construction of AWCs*** (If only50 percent of the operational AWCs in the country require new *pucca* buildings)*	522135		295000	1	15,403
Grand Total	(A+B+C+D)					43,355
Non-recurring Costs	***E. Construction of AWCs*** (If all operational AWCs in the country require new *pucca* buildings)	1044269		295000	1	30,805
Grand Total	**(A+B+C+E)**					**58,757**

Source of Basic Data: Ministry of Women and Child Development, Government of India.

Notes:

1. The new estimation of SNP is based on directives of Supreme Court of India on ICDS (PUCL vs. Union of India) on 22nd April, 2009. A compliance report on new norms has to be filed by all the States and Union Territories by 15th January, 2010.

2. * According to a study titled *Rapid Facility Survey of Infrastructure at Anganwadi Centres* conducted by the National Council for Applied Economic Research (NCAER), New Delhi, during 2004-05, only 46 percent of the (then operational) AWCs were running from pucca buildings. In the absence of any other recent evidence in this regard, it may be assumed that at present 50 percent of the operational AWCs are running from pucca buildings. However, this assumption is meant solely for the purpose of arriving at a benchmark to assess the Budget outlay for ICDS programme.

Table 4.(b): Funds Required from Union Budget 2010-11 based on Revision of Unit Costs in ICDS (for all AWCs to be operational by 2012)

	Services	Number of Institutions	Old Rates Beneficiaries/	New Rates (in Rs.)	No. of Days / (in Rs.)	Amount (in Crore) Months
Recurring	A. SNP					
Costs	Children 0- 3 years	37542197	2	4	300	4505
	Children 3 -6 years	34654461	2	4	300	4158
	Pregnant /Lactating mothers	15147245	2.30	5	300	2272
	Total SNP					**10935**
	B. Service Kit					
	Pre-School Education Kit per AWC	1400000	1000	2000	1	280
	Health Kit per AWC	1400000	500	2000	1	280
	IEC material per AWC	1400000		1500	1	210
	Untied Grants (Machine Sajja) per AWC	1400000	300	1500	1	210
	Total Service Kit					**980**
	C. AWW and AWH Honorarium					
	Anganwadi Worker (Ist)	1400000		5000	12	8400
	Anganwadi Worker(2nd)	1400000		5000	12	8400
	Anganwadi Helper	1400000		3000	12	5040
	Total AWW and AWH Honorarium					**21840**
Total Recurring Costs	(A+B+C)					33755
Non-recurring Costs	***D. Construction of AWCs*** (If only 50 percent of the operational AWCs in the country require new *pucca* buildings)*	522135		295000	1	15,403
Grand Total	(A+B+C+D)					49158
Non-recurring Costs	***E. Construction of AWCs*** (For Universalisation of ICDS country requires new *pucca* buildings)	1400000		295000	1	**41300**
Grand Total	**(A+B+C+E)**					**75055**

Source of Basic Data: Ministry of Women and Child Development, Government of India.

Notes:

1. The new estimation of SNP is based on directives of Supreme Court of India on ICDS (PUCL vs. Union of India) on 22nd April, 2009. A compliance report on new norms has to be filed by all the States and Union Territories by 15th January, 2010.
2. * According to a study titled *Rapid Facility Survey of Infrastructure at Anganwadi Centres* conducted by the National Council for Applied Economic Research (NCAER), New Delhi, during 2004-05, only 46 percent of the (then operational) AWCs were running from pucca buildings. In the absence of any other recent evidence in this regard, it may be assumed that at present 50 percent of the operational AWCs are running from pucca buildings. However, this assumption is meant solely for the purpose of arriving at a benchmark to assess the Budget outlay for ICDS programme.

*The Union Government has allocated **Rs. 6705 crore** for ICDS in 2009-10 (BE).*

consultation with grassroots organisations and government officials in Jharkhand, Chhattisgarh, Rajasthan and Uttar Pradesh.

From tables 4 (a) and (b), we find that the magnitude of funds required from the Union Budget 2010-11 for ICDS appears to be in the range of Rs. 43,355 crore to Rs. 75,055 crore depending on the total number of AWCs to be taken into consideration and the proportion of them that need construction of new *pucca* buildings. There is an urgent need to increase the unit cost of services to address the problems in the scheme's implementation. In addition, the two-worker model should be adopted for children under three combined with effective pre-school education for children aged 3-6 years. Staff honorarium must be at least in keeping with minimum wages.

Delays in Fund Transfers: Delays in transfer of funds is a major bottleneck for many centrally sponsored schemes and ICDS is no exception. The scheme allotments require State Finance Department sanctioning for many activities, which often get delayed to such an extent that the stipulated time for implementation lapses. There are many activities (AWC construction, AWW honorarium and SNP) for which the Women and Child Development Department (WCD) has to get sanctions from the State Finance Department inspite of the fact that these have already been provisioned in the state budget. Moreover, the Directorate of WCD does not have the authority to decide on financial matters except those related to minor activities. The upshot of the delays in fund transfers is that the nutrition needs of beneficiaries under the scheme are neglected, several research studies point out.

Decentralised Planning: The mode of annual plan preparation of ICDS differs from other society-based schemes like *Sarva Shiksha Abhiyan* and RCH. In ICDS, demands for funds for different components are invited from below and consolidated at the state level for provisioning in the state budget. All ICDS incomes and expenditures are routed through the state budget. Micro planning is done at the AWC for six months with the help of ANMs for coordination of health-related activities at the community and panchayat level. At the district and project level, the role of communities and panchayats is found to be negligible. Further, the health department officials do not appear involved in the planning process.

Monitoring: Lack of vehicles, vacancies for supervisors and drivers and meagre amounts allocated as fuel costs have affected the monitoring process of ICDS. Community participation and involvement of panchayats, essential for implementation and monitoring of the scheme, was also found to be insufficient. In many states, the subject of women and child development has been devolved to panchayats without them having any control over funds and functionaries. There have been many instances where the Panchayati Raj institutions (PRIs) are not at all involved in monitoring and implementation at the district, block and village panchayat levels while there was also a general shortage of staff for monitoring purposes.

Training and Capacity Building: Central funds have been provided for training but many staffs at the project and district levels were found under-qualified and ill-trained. Some state governments conduct training programmes for staff working with the scheme but infrastructural facilities and able trainers are inadequate. The training centres are often located very far from the project offices and childcare centres. Moreover, the training workshops are usually of short duration, one-month for AWWs after recruitment, which several district project officers (DPOs) in Chhattisgarh and Uttar Pradesh feel is inadequate for quality training. They have suggested increasing the entry-level training to at least three months and carrying out regular on-the-job training.

Staff Shortage: Acute shortage of staff at every level of implementation of the flagship scheme is affecting fund flow, fund utilisation and service delivery. There are around 26 percent vacancies for the post of AWWs, 40 percent for Child Development Project Officers (CDPOs)/ Assistant CDPOs and 45 percent for supervisors countrywide. Posts for clerk-cum-accountants and drivers at project offices are also not being filled up. The job of record keeping, health, nutrition and informal education has to be done by a single AWW. Other activities such as maintaining accounts, preparing Monthly Expenditure Reports (MER) and Quarterly Progress Reports (QPR) and finance related issues have also been affected due to the large number of vacancies. Table 6 looks at the status of vacancies.

Coordination between PRIs and Line Departments: Convergence of the ICDS components is weak as all the departments are already overburdened with work. The

Table 5: Vacancies of Staff under ICDS at all-India level as on 31.03.09

Staff	Sanctioned	In position	Vacant	% Vacancies to Sanctioned Posts
CDPOs/ACDPOs	9003	5419	3584	39.81
Supervisors	53529	29309	24220	45.25
AWW	1356027	998216	357811	26.39
AWH	1242096	984792	257304	20.72

Source: MWCD

role of PRIs has been limited to construction of AWCs and there is very little with the line departments in day-to-day activities of the scheme at the panchayat level. ICDS is largely dependent on the health department for effective implementation of its health component (RCH). ICDS guidelines require micro-planning process to be done with the help of ANM for six months with AWWs and ANMs undertaking surveys of beneficiaries and immunisation coverage. This entails inter-departmental support and cooperation but research findings indicate that the convergence between the WCD health departments is not effective. Moreover, AWWs and ANMs were not working in coordination with each other in many cases.

Multi-Tasking Role of AWWs:
Maintenance of registers along with other activities (health, pre school education and SNP) is an arduous task for the *anganwadi* workers. They were updating upto 17 registers on a regular basis and complained that the time spent on the clerical work could be better utilised in providing informal education to the 3-6 age group. In some states, the children enrolled in an AWC are less than the number of registers and it is very difficult for them to update these within the four hours a day spent in the childcare centres. The total number of registers maintained by AWWs is given in Table 6.

In view of the grievances, it has been decided from 2008-09 to introduce six registers which would be a consolidation of the earlier 17 registers. The move is yet to be put into practice because the AWWs are not familiar with the new registers and need orientation training. The six registers which have been prescribed to each of AWC are given in table 7.

Table 6: Number and Details of Registers Maintained by AWWs

1.Monitoring & Supervision (Officer related)	7.Mahila Samooh (SHG) Record	13. Weight
2. Monitoring & Supervision Chart	8. Pregnant and Lactating Mothers (Mothers Committee)	14. Grade
3.Stock Monitoring & Supervision	9. Gramin survey register	15.Meeting with Households
4. Worker Attendance	10. Population	16. Stock
5. Birth Attendance	11. Register for Malnourished	17.
6. Immunisation	12. Pregnant and Lactating mothers, Handicapped	

Source: MWCD.

Table 7: New Registers prescribed by MWCD for AWCs

1.Anganwadi survey	2.Services for pregnant and lactating mothers	3.Immunisation
4. SNP and Pre-School meetings	5. Mortality register	6.Daily

Source: CBGA field surveys in Uttar Pradesh and Chhattisgarh, 2008.

Considering the huge workload on a single anganwadi worker, it is suggested that a second AWW be provided to childcare centres so that the SNP and pre-school education requirements the 3-6 age group in adequately met.

Available data, research and field observations indicate that the benefits of ICDS have not reached nearly half the children in the 3-6 age group, especially those from far-flung areas and the most vulnerable sections of society. A significant proportion of SC, ST and other backward classes (OBC) too have not been covered by the World Bank assisted intervention, which point to flaws in government's policy. Scientific studies infer that two-thirds of the human brain develops during the first two years of life and the rest in the next two years. So, it is up to the Planning Commission and the Central and state governments to make a course correction, focusing on sustained development programmes aimed at the crucial formative years instead of ad hoc planning and budgeting. With the UPA's goal of universalising the scheme less than three years away, this would involve a major policy shake-up incorporating better service delivery, increased financial and human resource allocations, effective integration of ICDS components with Centre-state coordination and efficient implementation.

Climate Change: External and Internal Realities for India

Gyana Ranjan Panda & Kaushik Ganguly

Copenhagen Accord: An Overview

The Conference of Parties (COP 15) in Copenhagen has finally ended. Notwithstanding the frantic negotiations on different issues by different blocs of countries and aggressive opinion building along with lobbying activities by the civil society groups, the "Deal" in Copenhagen has fallen short of expectations and aspirations of people around the world. While the world waited anxiously for an agreement on legally binding emission cuts, finances and technological cooperation for adaptation and mitigation, leaders from USA, Denmark, China, India, Brazil, South Africa and a small group of other countries gathered at the Danish capital came out with a *Copenhagen Accord*, which is a weak outline of the legally binding agreement that was originally envisaged. The *Accord* merely acknowledged the scientific evidences put forward by IPCC as a case for keeping temperature rises to no more than 2 degree Celsius but shied away from making any commitment to reduce emissions in order to achieve that goal and also for providing new, additional, adequate and sustainable finances for adaptation and mitigation in developing countries.

The *Copenhagen Accord*, yet to be endorsed by many countries (and in fact rejected by quite a few), has been hailed by world leaders largely from developed nations as a positive step towards clinching a climate deal in the next COP to be held at Mexico City in 2010. Given the stalemate situation that had arisen in Copenhagen due to the inadequate and unambitious commitments made by the Annex I countries and the intransient demand by developing and less developed countries alike on deeper emission cuts by the developed and industrialised world, the *Copenhagen Accord* is a compromise solution to appease the dominant countries within the climate talks. Whether the Accord will fulfil its destiny by paving the way for a treaty within the Kyoto framework or it will subvert Kyoto Protocol remains uncertain. A lot would however, depend on the honest intent of the developed countries and strong diplomacy from blocs of developing and less developed economies. This article provides a review of the present development and its policy implications for India.

Expectations from a Climate Deal and the "Outcome" of Copenhagen

After the Bali Road Map was set in motion in 2007 and the steps of negotiations were finalised for a successor to Kyoto Protocol after 2012, expectations ran high for a convergence of the two-track negotiating processes by the end of 2009 at Copenhagen for a binding agreement on the issues of mitigation, adaptation, technology and issues of finances. The essential parameters for a successful and equitable deal needed to be guided by the following objectives:

a) Keeping global warming below 2° Celsius and to that end industrialised countries as a group taking on a emission reduction target ranging between 25 to 40 percent below 1990 levels by 2020 and atleast 50 percent by 2050;
b) Developing countries be supported with finance and technology in their efforts to limit the growth of industrial emissions making substantial reductions below business as usual;
c) Commitment for substantial mobilisation of public finance by developed countries to support low emissions development, in addition to funds for adaptation to climate change in developing countries;
d) Instituting an Adaptation Framework that immediately and massively scales up predictable and reliable support to developing countries to adapt to the adverse impact of climate change.

In order to keep global warming well below 2° Celsius, scientific evidences have pointed out that concentration of greenhouse gases (GHGs) in the atmosphere has to be reduced to 350 ppm carbon dioxide equivalent. In order to achieve this target, emission of GHGs in the atmosphere need to peak within the period of 2013-2017 and thereby rapidly decline by 80 percent below 1990s level by 2050. To achieve this, developed and industrialized countries (Annex I countries) as a group need to take up a target of more than 40 percent below 1990s level by 2020. Additionally, emission and its removal from Land Use, Land Use Change and Forestry (LULUCF) as well as emissions from degradation of forests and peat lands need to be accounted.

The *Accord* at Copenhagen although emphasised the commitment of Annex I countries (individually or jointly) to implement emission targets for 2020, stopped short of pronouncing any timeline or specify quantity of emission reduction or the period for peaking of emissions. The *Accord* however pledges implementation of mechanisms that supports reduction of emissions from deforestation and degradation and substantial financial resources to support such activities in developing countries. In addition, for meaningful mitigation actions and transparency in implementation, developed countries committed to a goal of mobilizing jointly USD 100 billion a year by 2020 to address the needs of developing countries. The commitment to mobilize funds however, does not automatically translate into a pledge for transferring it to developing countries in a manner that is useful to them. The commitments on availability of finances for developing countries to take action on mitigation are again welcome measures to foster a low carbon development path but do not address the major point of concern for developing and less developed countries which is the growing emissions from developed and industrialized countries leading to increased vulnerability of the

Box 1: The Copenhagen Accord: Salient Features

The Accord underlines climate change as one of the greatest challenges of our time and emphasises a strong political will by the Parties to urgently combat climate change in accordance with the principle of common but differentiated responsibilities and respective capabilities.

It agrees that deep cuts in global emissions are required according to science, and as documented by the IPCC Fourth Assessment Report with a view to reduce global emissions so as to hold the increase in global temperature below 2 degrees Celsius, and take action to meet this objective consistent with science and on the basis of equity.

Adaptation to the adverse effects of climate change and the potential impacts of response measures is a challenge faced by all countries particularly, least developed countries, small island developing States and Africa. It is agreed that Developed countries shall provide adequate, predictable and sustainable financial resources, technology and capacity-building to support the implementation of adaptation action in developing countries.

Annex I Parties commit to implement individually or jointly the quantified economy wide emissions targets for 2020. Annex I Parties that are Party to the Kyoto Protocol will thereby further strengthen the emissions reductions initiated by the Kyoto Protocol. Delivery of reductions and financing by developed countries will be measured, reported and verified in accordance with existing and any further guidelines adopted by the Conference of the Parties, and will ensure that accounting of such targets and finance is rigorous, robust and transparent.

Non-Annex I Parties to the Convention will implement mitigation actions, consistent with Article 4.1 and Article 4.7 of the Convention and in context of their goal of sustainable development. Mitigation actions taken by Non-Annex I Parties will be subject to their domestic measurement, reporting and verification, the result of which will be reported through their national communications every two years. Additionally, nationally appropriate mitigation actions seeking international support will be recorded in a registry along with relevant technology, finance and capacity building support. These supported nationally appropriate mitigation actions will be subject to international measurement, reporting and verification in accordance with guidelines adopted by the Conference of the Parties.

The Accord recognises the crucial role of reducing emission from deforestation and forest degradation and agrees on the need to provide positive incentives to such actions through the immediate establishment of a mechanism including REDD-plus, to enable the mobilization of financial resources from developed countries.

It also recognizes the need to pursue various approaches, including opportunities to use markets, to enhance the cost-effectiveness of, and to promote mitigation actions. Developing countries, especially those with low emitting economies should be provided incentives to continue to develop on a low emission pathway.

Scaled up, new and additional, predictable and adequate funding as well as improved access shall be provided to developing countries, in accordance with the relevant provisions of the Convention, to enable and support enhanced action on mitigation, including substantial finance to reduce emissions from deforestation and forest degradation (REDD-plus), adaptation, technology development and transfer and capacity-building, for enhanced implementation of the Convention.

The collective commitment by developed countries is to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010-2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa. In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilizing jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries.

A High Level Panel will be established under the guidance of and accountable to the Conference of the Parties to study the contribution of the potential sources of revenue, including alternative sources of finance, towards meeting this goal.

A Copenhagen Green Climate Fund shall be established as an operating entity of the financial mechanism of the Convention to support projects, programme, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity building, technology development and transfer.In order to enhance action on development and transfer of technology a Technology Mechanism will be established to accelerate technology development and transfer in support of action on adaptation and mitigation that will be guided by a country-driven approach and be based on national circumstances and priorities.

An assessment of the implementation of this Accord to be completed by 2015, including in light of the Convention's ultimate objective. This would include consideration of strengthening the long-term goal referencing various matters presented by the science, including in relation to temperature rises of 1.5 degrees Celsius.

Source: Copenhagen Accord, Draft Decision CP 15, United Nations Framework Convention on Climate Change (UNFCCC), 2009.

world to the onslaught of climate change.

Developing countries, less developed countries and small island states are already facing the adverse impact of climate change in terms of impending sea level rise, possibilities of crop loss and change in crop cycles, loss of biodiversity, spread of epidemics and increased incidence of other forms of disaster. With rising emissions, development and adaptation to climate change will increasingly become costlier across the world and even more so in the developing and less developed countries.

In this regard, the expectations from an agreement in Copenhagen envisaged commitment from developed countries (Annex I Parties) on financial support for adaptation which would be new and substantially scaled up, adequate, predictable, sustainable, timely, country and demand driven and additional and separate from the Official Development Assistance (ODA) targets. Access to the financial support needed to be simplified, expeditious and not dependent on the completion of national adaptation plans by countries. Moreover, this financial support should be provided through a financial architecture which should be under the authority, guidance and accountable to the COP. To further the objective of adaptation and its implementation, developed countries (Annex I Parties) should in partnership with developing countries support research and development, transfer and diffusion of appropriate technology including creation of related knowledge base, expertise and capacity building for successful adoption of technologies.

The Copenhagen Accord, in the above context, promises scaled up, new and additional, predictable and adequate funding as well as improved access to developing countries for adaptation, technology development and transfer and capacity-building, for enhanced implementation of the Convention. In addition, the developed countries made a collective commitment to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010-2012 with balanced allocation between adaptation and mitigation. The quantum of promised funds for adaptation in the short term is a pittance given the requirement of additional funds for adaptation and the manner in which the issue of mitigation has also been hyphenated with it. Moreover, the *Accord* stops short of making any long term commitment on providing funds for adaptation in the developing world.

A *Copenhagen Green Climate Fund* has also been proposed as an operating entity of the financial mechanism of the Convention to support projects, programme, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity building, technology development and transfer. For enhancement of technological cooperation and development, a Technology Mechanism will be established to accelerate technology development and transfer in support of action on adaptation and mitigation that will be guided by a country-driven approach and be based on national circumstances and priorities.

In a nutshell, the outcome at Copenhagen although was not entirely unexpected given the non-committal attitude of a few developed countries, it is nonetheless quite antithetical to what the world desired. The usefulness of the Copenhagen Accord for working towards an agreement in 2010 is also suspect given the lack of depth in commitments made and also the shallow support base that it has garnered within the UNFCCC[1]. At hindsight, taking into consideration the circumstances leading to Copenhagen debacle, it may have been a worthwhile exercise had world leader strove towards smoothening of the differences rather than coming forth with a political statement whose validity is circumspect.

India and Climate Change Negotiations

India's policy advocacy on climate change stems largely from former Prime Minister Indira Gandhi's famous statement at the first UN Conference on the Human Environment (UNCHE) in Stockholm in 1972: "Poverty is the biggest polluter". Since then poverty eradication and low per-capita carbon emission status has motivated the country's negotiating stand on climate change at all subsequent international conferences apart from the core national adaptation strategies and policy priorities on the issue (see Box 2). Accordingly, India has been working closely with developing country blocs like G-77 and has rallied together countries like Brazil, South Africa and China for an equitable climate deal. Historically, India has maintained a hardened position that developed countries (Annex I) having occupied much larger carbon space in the world need to shoulder legally binding and deeper carbon emission cuts. In addition they must provide finance and technology to developing and less developed countries for their adaptation and mitigation actions. In short, India's stand on climate negotiations have centered around continuance of the dialogues under the Kyoto framework of "common but differentiated responsibility" and the consensus evolving through the UNFCCC processes.

In the run up to the Copenhagen Summit, India's negotiating position under the leadership of Minister of State for Environment and Forest, Jairam Ramesh adopted a certain degree of "flexibility" in its approach. The minister in his submission to the Parliament on India's negotiating position had elaborated on the "non-negotiables" for India in Copenhagen and the area in which it needs to show some flexibility. The minister reiterated that the first non-negotiable for India is that it will not accept legally binding emission reduction. The second non-negotiable for India is that it will not accept any agreement that stipulates a peaking year for emissions in

[1] United Nations Framework Convention on Climate Change.

Box 2: India's Stand on Climate Change

1. Prime Minister Manmohan Singh has stated that India's per capita emission levels will never exceed that of developed countries
2. India cannot and will not take on emission reduction targets because: Poverty eradication and social and economic development are the first and overriding priorities
3. Each human being has equal right to global atmospheric resources (Principle of Equity)
4. "Common but differentiated responsibility" is the basis for all climate change actions.
5. India will continue to be a low-carbon economy.
6. The primary focus is on "adaptation", with specific niches for "mitigation".
7. India has already unveiled a comprehensive action plan on climate change, the activities of which are in the public domain. Work on the NAPCC has been initiated.
8. Only those Nationally Appropriate Mitigation Actions (NAMAs) can be subject to international monitoring, reporting and verification that are enabled and supported by international finance and technology transfer.
9. India advocates collaborative research in future low-carbon technology and access to intellectual property rights (IPRs) as global public goods.

India. The third non-negotiable, on which the minister emphasised that India needs to exercise some flexibility, is partially opening up its mitigation action to international review. The minister in this regard opined that India should open its mitigation action supported by international finance and technology for international scrutiny.

Additionally, given the circumstances that reduction in carbon emissions from developed countries may not singularly prevent the global temperature to rise by 2° Celsius, India may be required to target its carbon emission along the lines of China, Brazil and Indonesia, but for which India should be nationally accountable rather than acceding to international commitment. An initiative along this line, the minister reiterated, will enable India to approach the negotiations from a position of strength and allow it to extract larger concessions from the developed world.

In view of the fact that emerging realities in the international arena may open up possibilities of India undertaking emission reduction, even if it is accountable nationally, the consequence on developmental paradigm and prospects of economic growth needs to be carefully considered. It is however apparent that the country would require a large sum of sustained additional public investments in acquiring and assimilating new technology and financing of adaptation to facilitate the transition to a greener and a more sustainable economy. The fiscal implication and the architecture of additional public funding and possibility of raising resources from external sources needs to be ascertained domestically before any decisive action on mitigation is considered.

Priorities in Financing Adaptation

Bali Action Plan 2007 holds that socio-economic development and poverty eradication are global priorities and the Human Development Report of UNDP for 2006-07 points out that climate change will undermine both national and international efforts to combat poverty. It is also established that climate change has increased the vulnerability of the poor through multiple channels. If left unchecked, the climatic changes would lead to deep cuts in agricultural productivity, and thereby, increased food insecurity. It would also mean increased spread of vector-borne diseases and spawn a host of health problems that would challenge the adaptive capacities and resilience of the disadvantaged. Given such alarming portents, poverty reduction strategies in India need to be radically revamped to a holistic development plan that includes agriculture, health, education, rural development and other areas linked to its roots.

Since the First Five Year Plan, the domestic policy focus on poverty eradication appears to have only scratched the surface, addressing symptoms of poverty instead of its root cause by enabling the poor and marginalised sections to increase their adaptive capacity to the changing times. The first poverty eradication programme was the Community Development Programme launched in 1954 and several governments and Plan periods later, not much has changed for a large segment of the population. The poverty ratio, as per Uniform Recall Period (URP) consumption distribution data of the National Sample Survey Organisation (NSSO) for 2004-05, is 27.5 percent for the entire country (28.3 percent in rural areas and 27.5 percent in urban areas). The N C Saxena Committee Report (2009) in its poverty survey has recommended upward revision of the below poverty line (BPL) category to cover half the population of the country. Malnutrition, which is perhaps the most visible indicator of poverty, is extremely high with 45.9 percent of children below the age of three underweight, according to the National Family Health Survey (2005-06).

There is a direct relationship between aggregate poverty and average consumption. The National Commission for Enterprises in the Unorganised Sector (NCEUS 2006-07) report states that 77 percent of the population had a daily per capita consumption expenditure of less than Rs.20. NSSO consumption data shows that the monthly per capita expenditure (MPCE) improved in the three years from 2004 to 2007, but the

Box 3: National Action Plan on Climate Change

Eight Missions	Objectives of Mission	Mandated Ministry
National Solar Mission	20,000 MW of Solar power by 2020	Ministry of Non-Renewable Energy Source
National Mission for Enhanced Energy Efficiency	10,000 MW of EE Saving by 2020	Ministry of Power
National Mission for Sustainable Habitat	EE in residential and commercial buildings, public transport, Solid waste management	Ministry of Urban Development
National Water Mission	Water Conservation, river basin management	Ministry of Water Resources
National Mission for Sustaining the Himalayan Ecosystem	Conservation and adaptation practices, glacial monitoring	Ministry of Science & Technology
National Mission for a Green India	6mn hectares of Afforestation over degraded forest lands by the end of 12th Plan	Ministry of Environment and Forests
National Mission for Sustainable Agriculture	Drought Proofing, risk management, agriculture research	Ministry of Agriculture
National Mission on Strategic Knowledge for Climate Change	Vulnerability assessment, Research and observation, data management	Ministry of Science & Technology

Source: National Action Plan on Climate Change, Ministry of Environment and Forests.

amount in terms of actual money was extremely low at Rs.580 (rural) and Rs.990 (urban). These statistics bear out the fact that various poverty reduction measures over the years have had limited impact on the target groups, with a significantly large population still languishing within the clutches of poverty and deprivation.

With the burden of poverty and exclusion weighing heavily on the developmental priorities and policies in India, it is expected that any policy on adaptation would ascribe requisite importance on poverty alleviation measures in its execution. Accordingly, the existing adaptation framework as put forward by the National Action Plan on Climate Change (NAPCC) 2008 includes poverty alleviation as a crucial sector for intervention apart from sectors like a) Crop improvement and research, b) drought-proofing and flood control, c) health improvement and prevention of disease, d) risk financing, e) disaster management and f) forest conservation. The total government expenditure on adaptation in all these sectors is estimated to be around 2.6 percent of the Gross Domestic Product (GDP) and exceeds12 percent of the total budgetary expenditure. Out of this list of existing interventions in the area of adaptation, poverty alleviation constitutes more than 75 per cent of the resources allocation accounted for adaptation. These figures merely underline the fact that a significant portion of the government's development budget is dedicated to vulnerable sectors within the economy and does not entail any additional measure to tackle climate change. In fact the government is yet to come out with any concrete additional measure to address the vulnerabilities arising out of the differential impact of climate change on the crucial development sectors of the economy.

On the other hand, while it is essential that poverty alleviation receives adequate attention in any kind of policy formulation on adaptation, its linkages with other sectors like management of common property resources like pastoral lands, watersheds, forestry resources needs to be strengthened in order to generate climate resilient and sustainable livelihood options. In addition, given the multi-dimensional nature of poverty, any new and additional policy measure also needs to focus on aspects of rural and urban housing for the poor, educational infrastructure, strengthening outreach of basic health care and immunisation programmes and developing resilience of communities to natural disasters, among others.

A Mission Mode Approach to Climate Change

The NAPCC report pitches for the right to development for developing economies like India and has proposed setting up eight independent missions (see Box 3) with broad actionable objectives. Comprehensive mission documents detailing objectives, plans of action, timelines and requisite public provisioning were to be submitted to the Prime Minister's Council on Climate Change by the end of 2008, but only four of them - National Solar Mission, National Mission for Enhanced Energy Efficiency, National Mission on Strategic Knowledge for Climate Change and National Mission for Sustaining the Himalayan Ecosystem - have been able to do so ahead of the Copenhagen talks.

The report seems to lack vision and depth, considering the sheer size of the country and complexity of its climate system and terrain, and has several contradictions pertaining to climate sensitive sectors vis-à-vis development. The document says the government will formulate a "national strategy to adapt to climate change and to further enhance the ecological sustainability of India's development path", but is silent on how it would make a directional shift in the developmental pathway, according top priority to sustainable development in the face of market-driven forces. Incidentally, none of the Five Year Plan documents barring Eleventh Plan has made any reference to the problem of climate change or brought out a detailed roadmap on the national adaptation policy, strategies or priorities under developmental planning. Resources for the missions are expected from the Eleventh and Twelfth Plans.

By putting the economy ahead of environment, the NAPCC mission approach also favours mitigation over adaptation. The National Solar Mission and National Mission for Enhanced Energy Efficiency have got priority as per the accomplished objectives of the policy document while other crucial missions such as National Water Mission and Mission on Sustainable Agriculture have not. Its timing too seems prompted by external considerations by being "...compatible with our role as a responsible and enlightened member of the international community". It states that the country is ready to make contributions to tackling a global problem including fulfillment of obligations of all parties under UNFCCC to "formulate and implement programmes containing measures to mitigate climate change" short of binding targets.

Need For Holistic Climate Policy

Given the interlocked climate system, the various sectors pertaining to adaptation and mitigation cannot be taken in isolation. The policy focus needs to be on tackling the fallout of climate change by incorporating all the allied sectors concerned through national, sub-national, and grassroots planning, with improved governance and accountability at all levels. The framework of a national strategy for sustainable development should include:

1) National requirements for economic progress with an assessment of ground realities and interventions relating to poverty, malnutrition, low range of household consumption, inadequate support base for health improvement and so on.
2) Protection and preservation of 'global commons' (forests, oceans, land mass, cultural identities etc).
3) Involvement of nodal ministries (finance) and those governing the various affected sectors for mainstreaming them into an Adaptation Framework.
4) The Adaptation Framework needs to be bolstered through the constitution of a National Adaptation Fund to provide dedicated finances for the differential needs arising out of climate change, over and above the existing developmental interventions by the government. Such an initiative would enable the government to earmark and channelise dedicated financial resources to the vulnerable sectors already mentioned and strengthen the linkages that may exist between existing interventions or any additional intervention being formulated.

The issue of climate change needs to be high on the government's priority agenda given that the economy is closely tied to its natural resource base and climate sensitive sectors such as agriculture, water, and forestry. At the same time, it is essential to empower local communities with regard to social and technological adaptation processes and dissemination/exchange of information on climate change and their vulnerability. This would serve as a base for early warning and information distribution systems to anticipate and prevent weather-related disasters, given the inevitability of global warming.

Cost Provisioning towards Right to Food

Nilachala Acharya

India is home to the world's largest nutrition deficient population with over 20 crore people going to bed hungry every night, a fact that had prompted the United Progressive Alliance (UPA) government to make the election promise of enacting "a Right to Food law that guarantees access to sufficient food for all people, particularly the most vulnerable sections of society"[1]. It ranks 65 among 84 countries covered in the Global Hunger Index for 2009[2], which only reiterates the gravity of the problem. In fact, the index value for India (23.9 points) is higher than the average for most of sub-Saharan Africa (22.1 points).

The picture is even more disturbing if seen in conjunction with the spiralling food prices, unpredictable monsoons, and the "economic downturn", which according to the GHI report, has had a severe impact on the country. Various government initiatives over the years notwithstanding, malnutrition figures in India have remained static or worsened. The National Commission for Enterprises in the Unorganised Sector (NCEUS 2006-07) report states that 77 per cent of the population is "poor and vulnerable," with Rs 20 per day or less as consumption expenditure. The number of people in this group has risen from 81.1 crore in 1999-2000 to 83.6 crore in 2004-05, it says. The situation is more acute in rural areas where 50 per cent children are underweight and over 75 per cent women are anaemic, as per the N C Saxena Committee report[3], which has recommended including half the rural population in the below poverty line (BPL) benchmark for people who must be covered by the government interventions pertaining to rural development.

The extent and severity of the food crisis has been an important concern, particularly lack of prioritisation of public investment towards agriculture and allied activities, food access and food availability. The per capita foodgrains availability has declined from 186 kg per annum in 1991 to 166 kg in 2000 and 160 kg in 2007, raising concerns that current per capita foodgrain availability levels are even less than during the 'Green Revolution' of the 1970s (Table 1).

Table 1: Per Capita Net Foodgrains Availability Since 1951(kg per annum)

Year	Rice	Wheat	Other Cereals	Total Cereals	Gram	Total Pulses	Total Foodgrains
1951	58.0	24.0	40.0	122.0	8.2	22.1	144.1
1956	68.7	22.5	40.7	131.9	10.6	25.7	157.6
1961	73.4	28.9	43.6	145.9	11.0	25.2	171.1
1991	80.9	60.0	29.2	171.0	4.9	15.2	186.2
2000	74.3	58.4	21.5	154.3	3.9	11.6	165.9
2006	72.3	56.3	22.1	150.7	3.9	11.8	162.5
2007(P)	71.8	57.0	20.8	149.6	4.3	10.7	160.4

Source: 'Agricultural Statistics At a Glance 2008', Ministry of Agriculture, GoI.

Since independence, the government has taken several initiatives through poverty alleviation programmes and food subsidies under the public distribution system (PDS) to address the food insecurity issue. However, there has been criticism with regard to implementation of various schemes, the efficacy of a subsidy regime, and effectiveness of the PDS, which is billed as the largest such network in the world.

More recently, the UPA government committed itself to a National Food Security Act (NFSA) that would entitle each BPL family to 25 kg of subsidised rice/wheat (at Rs 3 a kg) every month, in keeping with the Congress manifesto for General Elections 2009. It is currently in the "consultation" stages on the proposed law. The draft legislation is broadly on the lines of the National Rural Employment Guarantee Act (NREGA) and contemplates making "Right to Food" (RTF) a Fundamental Right under the ambit of Article 21 of the Constitution (Protection of Life and Personal Liberty).

The present exercise goes into the budgetary implications of the proposed legislation in the light of the Saxena panel's suggestion of raising the BPL list to 50 per cent. It also advances an alternative costing approach, focussing on the demand for universalisation of PDS in the context of the Right to Food legislation. The government could consider this demand since it has been forgoing substantial revenues in tax waivers while the estimated cost to the exchequer for subsidising foodgrains for all is by comparison a small amount.

Overview Of Food Security Interventions

A number of interventions aimed at eliminating hunger and deprivation are under way, including Mid-Day Meal (MDM) scheme for children in primary and upper primary schools, Integrated Child Development Services (ICDS), *Kishori Shakti Yojana* (redesign of Adolescent Girls scheme to cater to nutrition and health needs of 11-18 age group girls), and *Pradhan Mantri Gramodaya Yojana*. MDM has been implemented in most parts of the country while the Central government has assured universalisation of ICDS by 2012.

The demand for job guarantees was partially met through NREGA scheme introduced in August 2005, legally entitling every rural household to 100 person days of employment in a financial year at the minimum wage of Rs 100 a day. The Act has yet to extend to urban areas.

In efforts to enhance production and productivity of wheat, rice, and pulses on a sustainable basis, the centrally sponsored National Food Security Mission (NFSM) was launched in August 2007. In this respect, the Eleventh Five-Year Plan targets an additional 200 lakh tonnes of foodgrains production with projected Gross Budgetary Support (GBS) of Rs. 4317.31 crore (at 2006-07 prices) for NFSM. The Village Grain Banks Scheme on the other hand, provides for safeguards against starvation during natural calamities or lean crop seasons. It was initially implemented by the Tribal Affairs Ministry, covering only tribal areas, and later extended by the Department Food and Public Distribution to BPL persons in drought-prone, desert and inaccessible hill areas.

Table 3: Amount of Foodgrains Needed for Proposed RTF Act

Sl. No	Items	Value
A	Number of BPL households other than AAY	950 lakh
I	Annual foodgrains requirement (rice/wheat) per household (at 25 kg a month for every BPL household)	300 kg
II	Annual foodgrains for BPL families other than AAY	285 lakh tonnes
B	Existing number of *Antodaya* families	250 lakh
III	Annual foodgrains requirement per household (at 35 kg a month for every AAY family)	420 Kg
IV	Current annual foodgrains requirements for AAY scheme	105 lakh tonnes
C=II+IV	**Total annual foodgrains requirement under 390 lakh tonnes PDS for BPL and AAY schemes**	

Since the 1960s, PDS has been a major government instrument to ensure availability of rice, wheat, sugar, and kerosene to the public at affordable prices through fair price shops (FPS). The Targeted Public Distribution System (TPDS) replaced PDS in 1997 with two-tier subsidised pricing to include transitory allocations for the Above Poverty Line (APL) population. Of the network of nearly five lakh FPS across the country at present, 83,000 are managed by cooperatives, women's self-help groups, village *panchayats*, and urban local bodies in different states[4].

Table 2: Combined Expenditure on Food Subsidies (Rs Crore)

Year	Subsidies to FCI	Food Subsidies by States	Total Food Subsidies
1990-91	2450	42	2492
1995-96	5377	338	5715
1996-97	6066	355	6421
1997-98	7500	408	7908
1998-99	8700	309	9009
1999-2000	9435	512	9947
2000-01	12060	493	12553
2001-02	17499	403	17902
2002-03	24176	618	24794
2003-04	25160	753	25913
2004-05	23280	1199	24479
2005-06	23077	1163	24240
2006-07	24014	1120	25134
2007-08 RE	31546	1502	33048
2008-09 BE	43627 *	1327	44954
2009-10 BE	52490	NA	52490

Source: Expenditure Budget Vol-II, 2009-10; Indian Public Finance Statistics, Ministry of Finance, GoI, Various issues; Note: * Revised Estimates for 2008-09

Antyodaya Anna Yojana (AAY) was launched under TPDS in December 2000 to identify one crore poorest of the poor among BPL families and provide them 35 kg of foodgrains (rice at Rs 3 per kg and wheat at Rs 2 per kg) a month though FPS. The scheme, which is backed by a Supreme Court ruling, also provides for special '*antyodaya* ration cards' to each destitute family and has since been expanded to cover an estimated 2.5 crore households. AAY requires the states and union territories to bear distribution costs (including margin to dealers and retailers) and transportation costs. **As of March 2009,** the government had procured 226.82 lakh tonnes of wheat and 261.36 lakh tonnes of rice/paddy[5] for subsidised foodgrains provisioning.

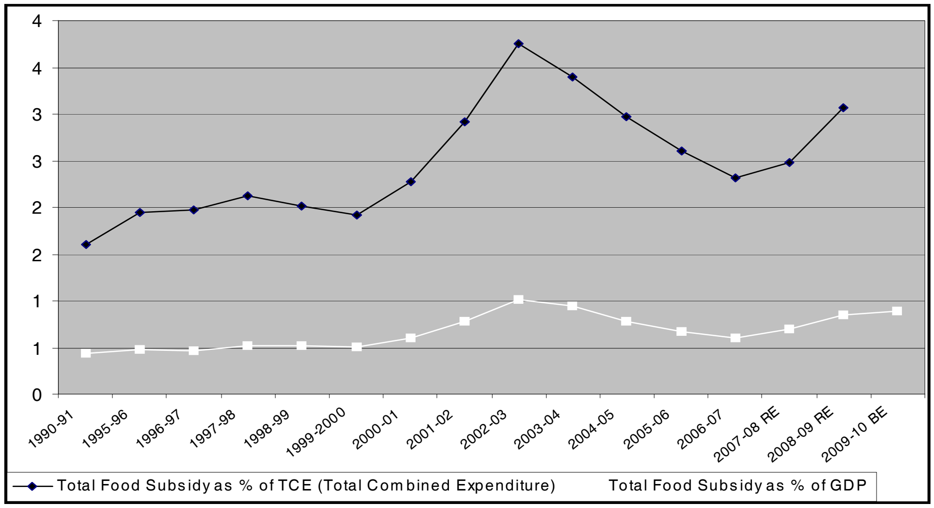
Provisioning for Right to Food

Looking at the period from 1990-91 to 2009-10, we observe a gradual rise in the magnitude of food subsidy provided by the Central government, with a decline during 2003-04 to 2006-07. The food subsidy of the Central government refers to the amount paid to the Food Corporation of India (FCI) for covering the difference between the *economic costs* for food grains (which comprises the cost of procurement of food grains at the

Minimum Support Prices and the cost of storage, transportation and administration) and *Central Issue Prices* (i.e. the prices at which food grains are distributed under the PDS). Since 2007-08, the Union Budget allocation for food subsidy has improved; however, there is no positive trend in the state governments' expenditures in this regard (Table 2).

Given the limitations of the poverty identification process, there is a growing demand for "universalisation of all social and economic entitlements", even among members of the Saxena Committee expert group. A section of the group says that the targeted approach (TPDS) has created further strata within the BPL category and the panel has suggested introducing a new poverty identification methodology.

Figure 1: TCE on Food Subsidy as %age of GDP and TE



Source: Expenditure Budget Vol-II 2009-10; Indian Public Finance Statistics, Ministry of Finance, GoI, Various issues; Data on GDP for 2009-10 is from Budget at a Glance 2009-10 and for 2008-09 taken as Revised Estimates released by CSO. Economic Survey, 2008-09, GoI.

Table 4: Required Amount of Subsidy for BPL Beneficiaries Outside AAY

A		Total amount of foodgrains to be distributed per annum	285 lakh tonnes
	I	Total amount of rice to be distributed per annum	190 lakh tonnes
	II	Total amount of wheat to be distributed per annum	95 lakh tonnes
B		Proposed CIP for foodgrains (per tonne = Rs 3 per kg × 1000)	Rs 3000
C		Total amount to be recovered through CIP (Rs 3000 × 285 lakh tonnes)	Rs 8550 crore
D		Economic costs per tonne of Rice (Rs 1789.8 ×10 kg)	Rs 7898
	I	Total cost for distribution of proposed amount of rice	Rs 34006.2 crore
E		Costs per tonne of wheat (Rs 1392.7 × 10 kg)	Rs 13927
	II	Total cost for distribution of proposed amount of wheat	Rs 13230.7 crore
F	=I+II	Total cost for distribution of proposed amount of foodgrains	Rs 47236.9 crore
G		**Difference as food subsidy per annum (F-C)**	**Rs 38686.8 crore**

Costing Right to Food

Before going into the costing factors under the proposed food-for-all legislation, budgetary aspects relating to food and nutrition security in the country need to be outlined. Every year, FCI purchases a percentage of total foodgrains output for distribution among the needy in the form of subsidy and the amount is reimbursed by the government through the annual Union Budget. State governments also allocate food subsidies from their respective budgets. However, Total Expenditure (TE) by the Centre and states on food subsidies from 1990-91 to 2009-10 has hovered at around one per cent of the Gross Domestic Product (GDP). The priority for food subsidy in Total Combined Expenditure (TCE) of the Centre and states too, has been abysmally low (between 2.5 and 3.5 per cent) with it peaking in 2003-04 (see Figure 1).

The draft framework of RTF act envisages 25 kg of wheat or rice (at Rs 3 per kg) to be issued every month to rural and urban BPL households and setting up "subsidised community kitchens" in all cities for homeless people and migrants. *Antyodaya* families are currently getting 35 kg of subsidised foodgrains every month (rice at Rs 3 per kg and wheat at Rs 2 per kg). Implementing the Saxena panel's recommendation of categorising 50 per cent of the population as BPL means coverage of around 12 crore of the total rural and urban households. The annual quantum of subsidised foodgrains to be distributed to the new BPL and AAY households would then work out to 390 lakh tonnes at current estimates (Table 3).

If MSP and CIP remain at present levels, the *economic cost* per quintal of rice would be Rs 1,789.8 and that of wheat Rs 1,392.7 (inclusive of procurement incidentals and distribution costs)[6]. An estimated 285 lakh tonnes of subsidised foodgrains would, therefore, be required for distribution to BPL families outside AAY. Assuming that rice and wheat are issued at the ratio of 2:1, the total subsidy required for BPL households would work out to Rs. 38,686.8 crore. (Details of calculations are given in Table 4).

Working on the same assumption of MSP and CIP remaining stationary, the total foodgrains required for distribution

Table 5: Required Amount of Subsidy for AAY Beneficiaries

A	Total amount of foodgrains to be distributed per annum	105 lakh tonnes
B	Proposed CIP for foodgrains (per tonne = Rs 3 per kg × 1,000 kg)	Rs 3,000
C	Quantum to recovered through CIP (Rs 3000 × 285 lakh tonnes)	Rs 3,150 Crore
D	Economic costs per tonne of rice (Rs. 1,789.8 × 10 kg)	Rs.17,898
I	Total costs for distribution of proposed amount of rice	Rs 12,528.6 Crore
E	Costs per tonne of wheat (Rs. 1,392.7 × 10 kg)	Rs13,927
II	Total costs for distribution of proposed amount of wheat	Rs 4,874.5 Crore
F	Total average economic cost for distribution of proposed amount of foodgrains at a ratio of 2:1	Rs 17,403.1 Crore
G	**Difference as food subsidy per annum (F-C)**	**Rs 14,253.1Crore**

among AAY families would be 105 lakh tonnes. Again, if rice and wheat are issued at a 2:1 ratio, the subsidy required for *Antyodaya* families amounts to around Rs. 14, 2 53.1 crore.

The total food subsidy provisioned by the Centre and state governments in their annual budgets for 2009-10 is Rs 52,489.7 crore. This is a little less than the amount required for implementing the Saxena Committee recommendations – an estimated Rs 52,939.9 crore (Rs. 38,686.8 for BPL families outside AAY + Rs. 14,253.1 crore for AAY families).

Alternate Costing Approach

The proposal for making RTF a Fundamental Right and demand for universalising PDS underscores the need for alternative cost estimation against the backdrop of food insecurity in the country. If the total number of households (estimated 22 crore) demand 25 kg subsidised food grains a month at Rs 3 per kg (with MSP and CIP remaining at present levels), foodgrains required for the PDS would be approximately 660 lakh tonnes and the subsidy around Rs 89,590.6 crore.

In the alternative framework, the extra amount needed for budgetary provisioning under a universal PDS would be around Rs 37,000 crore, which is not a very high sum considering that the Central government is prepared to forgo revenues of Rs 4,18,096 crore in tax sops in a single fiscal. The average per day tax revenue waived by the government in 2008-09 was Rs 1,145 crore. *Implementing the proposed RTF law would require additional Rs 101 crore per day, which is less than one eleventh of the amount in tax waivers.*

Although the magnitude of the problem of hunger in the country is well chronicled, not enough has been done to frame a credible food security system that addresses the issue from its roots of agricultural production and productivity, foodgrains availability, procurement, and distribution, to purchasing power of the people. The government has introduced programmes/schemes and legislations but the benefits have not properly percolated down to the grass roots. Hence, there is an urgent need for integrating the policies relating to land rights, employment generation, healthcare, education, housing and so on if the goal of a hunger-free India is to be reached. In fact, the current

Table 6: Required Amount of Foodgrains and Subsidy under Universal PDS

A	Total amount of foodgrains to be distributed per annum at 25 kg a month per household	660 lakh tonnes
B	Proposed CIP for foodgrains (per tonne = Rs 3 per kg × 1000 Kg)	Rs 3000
C	Total amount to be recovered through CIP (Rs 3000 × 660 lakh tonnes)	Rs 19,800 Crore
D	Costs per tonne of rice (Rs 1,789.8 × 10 kg)	Rs 17,898
I	Total cost for distribution of proposed amount of rice	Rs 78,751.2 Crore
E	Costs per tonne of wheat (Rs 1,392.7 × 10 kg)	Rs 13,927
II	Total costs for distribution of proposed amount of wheat	Rs 30,639.4 Crore
F	Total average cost for distribution of proposed amount of foodgrains at a ratio of 2:1	Rs 1,09,390.6 Crore
G	**Difference as food subsidy per annum (F-C)**	**Rs 89,590.6 Crore**

climate in the policy discourse is for a holistic approach that includes agricultural production, distribution, land management, and food-based employment generation schemes.

Apart from policy, the government needs to streamline the PDS to root out corruption and make the system more accountable to the needs of the people by means of regular monitoring. It has in recent years given much importance to foodgrains imports to tide over shortages caused by deficient monsoons instead of improving the grain storage system or acceding to the farmers' demand for raising the MSP. In the proposed food security legislation, the government needs to also focus on expanding the public procurement system to collect surplus foodgrains from farmers. It might consider introducing community participation in foodgrains procurement and distribution at the village level as a cost-cutting measure.

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1 Excerpt from the Congress manifesto for General Elections to the 15
the Lok Sabha held in April-May 2009.
2 GHI for 2009 was established for 121 developing countries and newly industrialised nations, 88 of which were ranked using the index
developed by the International Food Policy Research Institute (IFPRI). GHI combines three indicators: child malnutrition, child mortality, and estimates of the proportion of people who are calorie-deficient.
3 Report of the committee, set up by the Ministry of Rural Development and chaired by Supreme Court-appointed food commissioner N C Saxena, to conduct the below poverty line (BPL) census for the 11 the Five Year Plan. The panel's draft recommendations were submitted in August 2009.
4 Annual Report 2008-09, Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, GoI.
5 Ibid
6 Calculations based on data in Economic Survey, 2008-09, GoI.

Taking Goals of NREGA-I Forward

Mihir Shah

Envisioning NREGA-II is important to realise the unfulfilled dreams of NREGA-I, which has failed thus far to break free of the shackles of a debilitating past.

The National Rural Employment Guarantee Act (NREGA) promises a revolutionary demand-driven, people-centred development programme. Planning, implementation and social audit by gram sabhas and gram panchayats can engender millions of sustainable livelihoods following initial rounds of wage employment. But NREGA-I has had to battle against the legacy of an ignominious past. Rural development programmes over the last 60 years have been dependent on the munificence of the state. They have been implemented top-down, using labour-displacing machines and contractors who have customarily run roughshod over basic human rights.

NREGA is poised to change all that. And there is no doubt that its promise has charged the hearts and minds of the rural poor with unprecedented hopes and expectations. But the first three years of the programme have also shown that NREGA suffers from many ills — leakages and delays in wage payments, non-payment of statutory minimum wages, work only for an average of 50 days per annum as against the promised 100 days, fudged muster rolls, few durable assets and even fewer sustainable livelihoods.

Envisioning NREGA-II is important to realise the unfulfilled dreams of NREGA-I, which has failed thus far to break free of the shackles of a debilitating past. At least seven key elements need to characterise NREGA-II. One, strengthening the Panchayati Raj Institutions (PRIs) by providing them requisite technical and social human resource so that plans can be made and implemented genuinely bottom-up. Without a cadre of social mobilisers or lok sewaks (at least one in every village), it is difficult to convert NREGA into a truly demand-driven programme, where works are undertaken in response to the needs and aspirations of a fully aware citizenry. Otherwise, the current practice of works being imposed from above will continue unchecked. And without much greater technical support to the PRIs, it will be hard to stop the backdoor entry of contractors.

Two, there needs to be a renewed focus on improving the productivity of agriculture and convergence to engender allied sustainable livelihoods. NREGA is not the usual run-of-the-mill relief and welfare programme of the past. It is not merely about transferring cash to people in distress. It is about creating durable assets that will ultimately lead to a reduced dependence of people on NREGA. The percentage of agricultural labour households in India who own land is around 50 in Rajasthan and Madhya Pradesh, 60 in Orissa and Uttar Pradesh and over 70 in Chhattisgarh and Jharkhand. And if we focus on Adivasis, the proportion shoots up to as high as 76-87 per cent in Chhattisgarh, Jharkhand and Rajasthan. Millions of our small and marginal farmers are forced to work under NREGA because the productivity of their own farms is too low to make ends meet. NREGA will become really powerful when it helps to rebuild this decimated productivity of small farms and allows these people to return to full-time farming, thereby also reducing the load on NREGA.

What would accelerate this strengthening of small and marginal farming is the proposal to allow assets creation through NREGA on these farmers' lands. This is element three of NREGA-II and would help the poorest 80 per cent of farmers in India. It is not entirely clear why certain sections of civil society are opposed to this idea, which will also mitigate the apparent conflict perceived by some Gandhians between small farmers and NREGA. Especially given the just demand for extending the work guarantee of 100 days to every person (as promised in the Congress manifesto), there is need to extend the scope of NREGA to small and marginal farmers' lands. This remarkably inclusive provision can potentially transform Indian agriculture, which is crying out for greater public investment. Apparently there is an apprehension that if work is allowed on poor farmers' lands, the provision will be misused by powerful rich farmers in the village. Let me begin by stating that Magsaysay award winner Deep Joshi believes that NREGA should actually be used for assets creation on all lands, much as in a watershed programme, so that plans can be made and implemented on a watershed basis. I disagree with him only because I feel priority must be given to the poor. But I fail to understand opposition to work on farms of the poor themselves. Misuse of NREGA provisions is a genuine fear but that should be addressed with element four of NREGA-II — strengthening social audit.

Here we have two possible ways forward, what I call MKSS-I and MKSS-II. The Mazdoor Kisan Shakti Sangathan (MKSS) blazed the trail of social audit in Rajasthan. I call that MKSS-I, a process that has been fraught with violent opposition from vested interests, and by the MKSS' own admission, has been less than successful. MKSS-II refers to the social audit pro-actively promoted by the government of Andhra Pradesh and guided by the MKSS that has achieved unprecedented success. However, this remains a predominantly top-down approach with relatively weak roots. What we need to do is to combine the strengths of MKSS-I with those of MKSS-II, because social audit is undoubtedly the weakest link of NREGA so far, even though it was hailed initially as its most attractive *differentia specifica*. Pramathesh Ambasta, National Coordinator, Civil Society Consortium on NREGA, is working on a blueprint of a National Authority for NREGA, which should become a matter of serious reflection and debate if we are to strengthen social audit, evaluation and grievance redressal, by making them independent of the implementing agency. Element five has to be more creative use of information technology (IT), which can greatly strengthen social audit and reduce chances of fraud and leakage. As in Andhra Pradesh, computer systems need to be tightly integrated end-to-end so that any work registered in the system is alive, status-visible and amenable to tracking. Delays at any stage can thus be immediately identified and corrected. The system keeps track of the work from the day the work-ID is generated and flags delays in the payment cycle as soon as they occur. Because the network secures all levels from the ground up to the State headquarters and data are transparently and immediately available on the website, a delay at any stage is instantly noticed by the monitoring system. Free availability of this information on the website also facilitates public scrutiny, greater transparency and better social audit.

IT has one more new dimension. Ever since it was decided to make payments only through banks and post offices, NREGA-I has run into serious trouble caused by delays and corruption in payments. Workers, especially in remote rural India, find it very hard to travel long distances to get money. This promotes a nightmarish variety of malpractices. It is now imperative that we roll out the banking correspondent model using handheld computer devices and mobile phones to all gram panchayats in India by the end of the Eleventh Plan period. The government needs to commit the support required to make this happen in a time-bound manner to achieve unprecedented financial inclusion at the doorstep for our poorest people living in distant hinterlands. The demand-driven, pro-poor unique ID project can play a key role in this regard and also greatly benefit from the demand created by this exercise.

Element six of NREGA-II is a reformed schedule of rates (SoRs). The commitment to pay real (indexed to inflation) wages of Rs.100 a day can never be fulfilled if we continue to use antediluvian SoRs that were meant to serve the "contractor-machine raj." Using these rates will inevitably underpay labour, especially women. We need gender, ecology and labour-capacity sensitive SoRs that are themselves indexed to the real minimum wage, undergoing revisions with each revision in the statutory wage. Otherwise, complaints of underpaid labour will never cease.

Finally, element seven — the role of civil society, which is crucial in making NREGA realise its potential. Whether it is grass-roots activists assisting PRIs in social mobilisation, developmental NGOs building capacities of panchayats and supporting them in planning and implementing NREGA works, academic institutions helping to improve the standards of evaluation or eminent citizens acting as ombudsmen, there is an urgent need to mandate civil society action in strengthening NREGA. On its part, civil society needs to adopt a strategy of dialogue and support to make NREGA a success. Revamped and revitalised CAPART (Council for People's Action and Rural Technology) and NIRD (National Institute of Rural Development) based on vibrant partnerships with civil society could help facilitate this change.

Each of these seven elements was part of the original NREGA vision. What NREGA-II will do is to place renewed emphasis on key aspects of this vision and build new strategies to help the programme realise its true potential. It is good that the Ministry of Rural Development is engaging in detailed discussions with various stakeholders as also the Central Employment Guarantee Council before unfurling the NREGA-II blueprint.

(The writer is Member, Planning Commission.)

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