Why can’t we sit inside and study?

Don’t you know dalits can’t go inside? Be happy with what you’ve got!
Foreword

Time and again the government in power has expressed concern over the widespread discrimination on the basis of gender and caste and has made references to the Constitutional mandates. Numerous schemes run by the government contain explicit provisions for the marginalized groups. However, at the same time the dismal state of disadvantaged groups so clearly evident from the macro indicators and grassroots realities cannot be denied. The recently released Global Hunger Index, 2007 places India at the 94th position, a rank even worse than some of our neighboring countries. It reinforces the plight of women, children, lower castes and ethnic minorities who have been unable to reap the benefits of ‘faster growth’.

The present issue of Budget Track draws attention to the marginalized groups, the existing budgetary provisions and attempts to track the recent policy initiatives. The regular column on Budget Policy and Tracking of the Union Government briefs the developments taken place in the realm of Budget and Public Policy during the last quarter of the financial year 2007-08. An exclusive interview with Dr. L.C. Jain brings to the forefront the utter betrayal of the Constitutional mandate in relation to the 73rd and 74th amendments.

We hope that you find the contents of the issue useful.
Over six months have elapsed since the Finance Minister, Mr. P Chidambaram, announced the Union Budget 2007-08 on February 28, 2007. It was the fourth budget presented by the United Progressive Alliance (UPA) Government in its governance tenure. The budget was described as ‘insipid’ one and adopted the ‘please-all’ policy in order to capture maximum political dividends. On the other hand, there has been considerable increase in allocation for the social sectors/services - a clear sign of the government’s intention to continue focusing on the social sectors. Also, the month-long Monsoon Session that commenced on August 10, 2007 concluded on September 10, 2007. Several key legislations were passed during these two Sessions. A brief note on the budgetary provisions made is followed by highlights of the Monsoon Session. With regard to tracking some of the key policy initiatives and developments at the Centre, critical policies and their impact on the masses is examined.

1.1 BUDGETARY PROVISIONS MADE FOR KEY SECTORS IN UNION BUDGET 2007-08

Allocations for major sectors have been increased considerably. To summarise, while allocations for education has been increased by 34.2% to Rs.32,352 crore, for Health and Family Welfare, the increase has been 21.9% to Rs.15,291 crore. Allocations in the health sector are only marginal although provisioning for National Rural Health Mission and Integrated Child Development Services have been raised by Rs.1740 crore and Rs.674 crore respectively. Allocation to the tune of Rs.3,271 crore in respect of schemes benefiting only SCs and STs and Rs.17,691 crore in respect of schemes with at least 20% of benefits earmarked for SCs and STs have been made in the Union Budget 2007-08. A critical sector whose provisioning has stagnated in the recent years is Urban Water Supply and Sanitation while that on Rural Water Supply and Sanitation has been on the rise. Under Bharat Nirman, with respect to the physical targets set and achieved in the last two years, there is a substantial gap in the physical targets set vis-à-vis the corresponding achievement in 2005-06 as well as 2006-07. Allocation for Rajiv Gandhi Drinking Water Mission to be increased by Rs.1170 crore as compared to 2006-07 and Total Sanitation Campaign by Rs.234 crore. With regard to outlays for children proportionate to the total budget, there has been an overall increase (5.08% in 2007-08 [BE]), which is still insufficient. Similarly, while the total magnitude of the Gender Budget has gone up by Rs.8925.59 crore since 2006-07 (RE), in terms of priorities for women in the first year of the 11th Five Year Plan, Budget 2007-08 is a poor representation. Apart from providing for computerisation of the Public Distribution System (PDS), announcement of Aam Aadmi Bima Yojana (AABY) is a welcome step. Given the huge extent of crop loss in the country, outlays made for National Agricultural Insurance Scheme (NAIS) is grossly inadequate. NAIS to be continued for Kharif and Rabi 2007-08 with a provision of Rs.500 crore apart from a weather-based crop insurance scheme to be started by Agricultural Insurance Corporation on a pilot basis as an alternative to NAIS with an allocation of Rs.100 crore. For rural employment, in the financial year 2007-08, while 130 more districts have been brought under National Rural Employment Guarantee Act, the allocation has not been proportionate. The tardy implementation of NREGS in high potential states (Bihar, Jharkhand, Uttar Pradesh, etc.) has been the main reason behind low levels of physical as well as financial progress of this scheme. Allocations to infrastructure under Bharat Nirman have been raised by 31.6%. However, halfway through the programme, it becomes clear that apart from rural telephone connectivity, none of the sectors have been able to reach the target, electrification and road connectivity being considerably way off the mark. Provision of resources for the panchayats in the 2007-08 Union Budget is only indicative to the neglect of a critical sector that has perhaps the greatest possibilities in so far as a ‘participatory democracy’ is concerned. With reference to the North Eastern Region, although

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1 This section is extracted from the findings presented in the Response to the Union Budget 2007-08, Centre for Budget and Governance Accountability, March 2007. For further details, refer to the document online at www.cbgaindia.org

2 Union Budget 2007-08. Available at: http://indiabudget.nic.in
the Union Government has made explicit commitments in the past for earmarking adequate resources, when seen as a proportion of total plan outlay of the Union Government, the plan outlay has increased only marginally from 6.7% in 2006-07 RE to 6.9% in 2007-08 BE.

2. MONSOON SESSION IN THE PARLIAMENT

The Monsoon Session 2007 that has only just concluded was marked by an unprecedented number of disruptions. The Indo-US Nuclear deal, introduction of poorly-framed Bills such as the Unorganised Sector Workers Social Security Bill, 2007 and the ensuing disorder resulted in scant attention being paid to critical issues such as price rise, unabated farmers’ suicides and the Sachar Report’s recommendations. Both Lok Sabha and Rajya Sabha worked for less than 50% of their scheduled time during the Monsoon session which ended four days ahead of the schedule. Estimates show that Lok Sabha lost 42 hours due to interruptions and that four Bills were passed in the people’s forum without any debate3. Although 380 starred questions were listed for the more-than-month-long session, only 35 questions could be answered in the house.

Graph 1: Monsoon Session 2007: Some Comparative Estimates

Having had a summary glance at the Budget provisions and the recently concluded Monsoon session of the Parliament, it is useful to examine key policy and recent developments from the perspective of its implication on the aam aadmi.

THE SACHAR COMMITTEE RECOMMENDATIONS

On May 18, 2007, the Union Cabinet approved the recommendations of the Rajinder Sachar Committee on Muslims as also those of a subsequent special panel, headed by Minister of State for Human Resource Development, A A Fatmi, on the empowerment and education of the community. It directed the various Ministries to initiate comprehensive programmes to implement the recommendations effectively. This would be followed by presentation of an Action Taken Report in the Parliament to highlight the stark reality of the socio-economic conditions of the Muslims. The Report although presented in the Monsoon Session could not be discussed at length owing to frequent disruptions in the Lok Sabha.

The Sachar report clearly emphasizes that the objectives of improving their socio-economic conditions can be achieved only “when the importance of Muslims as an intrinsic part of the diverse Indian social mosaic is squarely recognised.” The report notes that the community exhibits “deficits and deprivation” in practically all dimensions of development.

The report falls short of recommending reservation in education and jobs for the community as a whole. However, the welcome aspect is that, it makes a forceful case for “multifarious measures, including reservation” for Muslims with similar traditional occupations as that of the Scheduled Castes “as they are cumulatively oppressed.”

The recommendations of the Report in general ask for the establishment of a national level data bank

Box 1: Facts About the Monsoon Session, 2007 (Parliament of India)

- Lok Sabha worked for 65 hours (47%). On an average, on the days that Lok Sabha was convened, it worked for 4 hours compared to the scheduled time of 6 hours per day. On 6 days, the House met for less than 1 hour, and on 2 days, for more than 8 hours. 42 hours were lost due to interruptions.
- Rajya Sabha worked for a total of 52 hours (45%). On an average, on the days that the Rajya Sabha was convened, it worked for 3 hours compared to the scheduled time of 5 hours per day. On 4 days, the House met for less than 1 hour, and on 6 days, between 5-7 hours.
- Lok Sabha spent 28 hours deliberating 6 Bills. 4 Bills were passed without any discussion. Non legislative matters like the flood situation in the country, bomb blasts in Hyderabad, etc. were discussed for 27 hours. Lok Sabha spent 6 hours on the Question Hour, which is scheduled for 1 hour each day.
- Rajya Sabha spent 24 hours deliberating 8 Bills. 3 Bills were passed without any discussion. Non legislative matters (as mentioned above) were discussed for 14 hours. Rajya Sabha spent 7 hours on the Question Hour, which is scheduled for 1 hour each day.

Source: Compiled from Press Release, Ministry of Parliamentary Affairs

to maintain relevant particulars of socio-religious communities; setting up an Inter-Ministerial Group to monitor the implementation of a comprehensive programme for skill and entrepreneurship development of Muslims; introduction of a 24-hour Urdu television channel, etc. It also recommends the creation of an Equal Opportunity Commission, modelled on the U.K. Race Relations Act, 1976, to look into the grievances of religious minorities.

**KEY FINDINGS OF THE REPORT**

Some of the key findings of the Report are summarized as follows:

- Share of Muslims at higher government positions in states where their population is at least 15.4% is just 5.7%; Muslims’ presence in lower judiciary is a mere 7.8% in 14 states with significant Muslim population.
- In poverty level, deprivation of Muslim OBCs is 40% more than the national average. In land holdings too, Muslim OBCs are behind Hindu OBCs. Poverty level of urban Muslims is 44% as opposed to national average of 28%.
- Among graduates and matriculates, Muslims trail the national average by 30% and 40% respectively.
- In all government jobs, including PSUs, the average representation of Muslims in the 12 major states is 15.4%. In state jobs, it is 6.4%.
- Percentage of Muslim inmates in jails is disproportionately high. In Maharashtra, it is as high as 40% whereas the community makes up only 10.6% of the total population in the state. In Gujarat, there are 9.06% Muslims in Gujarat, but they form 25% of inmates in jails.

The report suggests specific policy initiatives to address educational, career and political deprivation among Muslims. On education, its recommendations include a special focus on free and compulsory education; institutionalizing the process of evaluating school textbooks so that they better reflect community-specific sensitivities; setting up quality government schools, especially for girls, in areas of Muslim concentration; and providing primary education in Urdu in areas where the language is widely in use.

However, the government at the center as well as some BJP led government in various states is showing reluctance in implementing the Sachar recommendations in various programmes. This shows their insensitivity in improving the socio-economic condition of the Muslim community and their dubious intent in keeping the most significant minority group under incessant poverty and deprivation.

**RESERVATION FOR SCs AND STs IN PRIVATE SECTORS**

A crucial policy floated by the UPA government was providing reservations to SCs and STs in the private sector. This was followed after Government announced its desire to implement the reservation for Other Backward Classes (OBCs) in the Central Educational Institutions. Though nothing specific has been done on the legislative front, negotiations are on between Government and Private industries consortium to mutually implement the proposals.

The idea was first mooted by the Commission for SCs and STs in response to the demand raised by the National Convention of SC and ST unions. The Commission claimed that the employment of SC and ST workers in private sector was negligible due to low level of education and technical training among the dalit workers. The Confederation of Indian Industry (CII) and Associated Chamber of Commerce (ASSOCHAM) formed a ‘Task Force’ under the chairmanship of J J Irani, a retired executive of Tata House, to find out ways and means of avoiding legislation on this question. The Task Force drafted a memorandum on “Proposed Concrete Steps by Indian Industry on Affirmative Action for Scheduled Castes and Scheduled Tribes,” which was submitted to the Prime Minister, Dr Manmohan Singh. Related to this are the CAG’s findings on the status of the education of SCs and STs. When seen in the context of the level of progress made, the policy proposal for reservation of SCs/STs in the private sector seems to be a step in the right direction.

**The CAG’s Performance Audit report on “Educational Development of Scheduled Castes and Scheduled Tribes”** produces the following stark highlights:

- Two indicators of educational development i.e gross enrolment rate (GER) and gross dropout rate (GDR) displayed an adverse trend with respect to Scheduled Caste and Scheduled Tribe boys and girls. The gap in GDR between general candidates and Scheduled Caste and Scheduled Tribe candidates which was 6.7 per cent and 15.1 per cent in 2001-02 deteriorated to 10.4 and 16.6 per cent in 2003-04 respectively.
- Underutilization of funds, inter-state imbalances in allocation of funds, non availing of central assistance, delayed/non/short release of funds, unspent balances lying with States/UTs, diversion of funds etc which are symptomatic of deficient financial management were observed in respect of most of the schemes.
- The schemes were not given adequate publicity resulting in poor awareness of different schemes amongst the target population.
- Large number of cases of short delivery and non delivery of benefits i.e scholarships, book banks, hostels, coaching classes, awards, etc with respect to most of the schemes came to notice in the audit.
- There were delays in disbursement of...
scholarships, establishment of book banks, construction of ashram schools and hostels etc.

- Ineligible beneficiaries including those whose parents’ income exceeded the prescribed limit were recipients of benefits such as scholarships indicated lax internal control.
- The hostel accommodation provided to beneficiaries lacked basic facilities like drinking water, toilets, furniture and power supply etc.
- In respect of schemes operated through NGOs, deficiencies included non-adherence to ceilings/norms of schemes, inadequate facilities of coaching staff and accommodation, failure to make alternate arrangements for beneficiaries in the event of closure of projects etc.
- Funds were not recovered from NGOs who were blacklisted and assets acquired from grants-in-aid were not recovered from NGOs to whom financing was discontinued due to unsatisfactory performance.
- Failure to monitor the receipt of different reports and returns relating to the schemes, maintain databases in respect of different schemes, carry out on the spot inspections in the states/UTs/NGOs, conduct independent evaluation of schemes and inadequate internal audit rendered the internal controls weak.

With regard to the Employment Situation among Social Groups in India, 2004-05, the NSSO in its Sixty First (61st) survey came out with the following statistics:

- About 9 per cent of the households in the country belonged to the category Scheduled Tribe (ST), about 20 per cent belonged to scheduled caste (SC) and about 40 per cent belonged to the other backward class (OBC). The proportions of households belonging to the categories STs, SCs and OBCs were about 11, 22 and 42 per cent, respectively in the rural areas and about 3, 15 and 36 per cent, respectively in the urban areas.
- In rural India, proportion of households depending on self-employment was highest among ‘the others’ category of households (61 per cent) followed by OBC households (56 per cent) as compared to that among the ST (46 per cent) and SC (34 per cent) households. In urban India too, proportion of households depending on self-employment was higher among the OBC households (40 per cent) and others category households (39 per cent) as compared to that among the ST (26 per cent) and SC (29 per cent) households.
- The proportion of households cultivating larger holdings of size 4.01 hectares and above was the highest among others category of households (about 5 per cent), followed by the OBCs (about 3 per cent), the STs (2 per cent) and SCs (1 per cent).
- About 26 per cent of the households in the rural areas and 8 per cent in the urban areas had no literate member of age 15 years and above. The proportion of households without any literate adult (15 years and above) member or without any literate adult female member was much higher among the households belonging to the STs and SCs compared to the OBCs or others category households in both rural and urban India.
- About 34 per cent people of India were illiterate. The literacy rate was the highest among the others (78 per cent) category of people, followed by the OBCs with a gap of nearly 13 percentage points, and the lowest among the STs (52 per cent).
- The Worker Population Ratio (WPR) was the highest among the males (56 per cent) and females (44 per cent) belonging to the STs (50 per cent). In urban India, however, the proportion of persons employed was the same among SC and ST workers (38 per cent each) and was about 35 per cent among others.
- Among the rural males, WPR was higher for persons belonging to STs (89 per cent) and SCs (86 per cent) than that for OBCs (85 per cent) and others (82 per cent). However, for the educated rural males*, WPR for OBCs and others was higher (76 per cent each) than that for the STs and SCs (72 per cent each). Among urban educated males, WPR was the highest for OBCs (79 per cent) and the lowest for others (74 per cent). For females, WPR was the highest among the STs followed by SCs, OBCs and others. While affirmative action policies in other countries have been used both for private and public sector from the very beginning, in India, the privatization process concomitant with the withdrawal of the state from many spheres under the liberalisation regime, have further narrowed and compressed the little space that the discriminated groups had gained till now. If the societal discrimination in private domain is the justification for reservation in public sectors, why cannot such a policy be extended to the private sector? Precisely because of this consideration, the Common Minimum Programme of the UPA calls for a national dialogue on reservation in private sector. Maharashtra and MP governments on the other hand have already approved the reservation for SCs/STs in jobs in private sector and in government contracts respectively.

* Persons with general educational level secondary and above

**Source:** Press Note, Employment and Unemployment Situation among Social Groups in India, 2004-05.
NATIONAL FOOD SECURITY MISSION

Keeping in view the challenges of growing population and the need for food security, two major programmes have been launched recently to augment food production and availability in the country. The first one is the ‘National Food Security Mission’ targeted to push both production and productivity of staple food grains such as wheat, rice and pulses on a mission mode. The other programme ‘Rashtriya Krishi Vikas Yojna’ provides for additional assistance by Central Government as 100% grant to incentivize States to take up agriculture development on priority and in a comprehensive manner with definite action plans.

The Cabinet Committee on Economic Affairs (CCEA) gave its approval on August 16, 2007 to a Centrally Sponsored Scheme on the National Food Security Mission (NFSM) to enhance foodgrains production and Rs.29,000 crore Additional Assistance Scheme to incentivise states during the 11th Five Year Plan from 2007-2012. The National Development Council (NDC) in its 53rd meeting in May 2007 had adopted a resolution to enhance the production of rice wheat and pulses by ten, eight and two million tons respectively by 2011.

The NFSM is to have three components, namely NFSM-Rice, NFSM-Wheat and NFSM-Pulses toward this goal and to enhance the farm growth rate to 4 per cent. The total financial implication for the NFSM is to be Rs 4882.48 crores during the XI Plan. Beneficiary farmers are to contribute 50 per cent of the cost of the activities/work to be taken up at their farm holdings. Under NFSM-Rice, 133 districts of 9 states, under NFSM-Wheat, 138 districts of 9 states and under NFSM-Pulses, 168 districts of 14 states are to be covered.

This is a welcome move by the UPA government to ensure social safety net for food and nutritional security for citizens. This was planned to limit any adverse impact on food security in the country.

NEED FOR FOOD SECURITY MISSION

- The growth in food grain production has stagnated during the recent past while the consumption need of the growing population is increasing.
- To meet the growing food grain demand, National Development Council in its 53rd meeting adopted a resolution to enhance the production of rice, wheat and pulses by 10, 8 and 2 million tons respectively by 2011.
- The proposed Centrally Sponsored Scheme ‘National Food Security Mission (NFSM) is to operationalize the resolution of NDC and enhance the production of rice, wheat and pulses.

KEY FEATURES OF NFSM

- The scheme is to be implemented in a mission mode through a farmer centric approach.
- All the stakeholders to be actively associated at the district levels for achieving the set goal.
- The scheme aims to target the select districts by making available the improved technologies to the farmers through a series of planned interventions.
- A close monitoring mechanism is proposed to ensure that interventions reach to the targeted beneficiaries.

OBJECTIVES OF THE MISSION

- Increasing production of rice, wheat and pulses through area expansion and productivity enhancement in a sustainable manner;
- Restoring soil fertility and productivity at individual farm level; and
- Enhancing farm level economy (i.e. farm profits) to restore confidence of farmers of targeted districts

CAG’S REPORT ON PERFORMANCE AUDIT ON MANAGEMENT OF FOODGRAINS

- NSSO disclosed that nearly 71 per cent of the country’s farmers had not even heard of Minimum Support Price (MSP) while 81 per cent were effectively unaware of how to use the MSP.
- The Union Government incurred excess expenditure of Rs. 263.01 crore due to various inefficiencies in the procurement operations of foodgrains by procurement agencies.
- There was no evidence that the amount of Rs. 934.53 crore collected as Rural Development Cess by the Punjab Government during 2001-05 was utilised for the specified purposes.
- In some States, the economic cost of procurement under the scheme of Decentralised Procurement (DCP) was higher in some cases than the corresponding cost of FCI’s operations.
- Improper estimation of local requirements led to avoidable handling operations resulting in payment of avoidable incidental charges of Rs. 92.74 crore to the State Governments of Uttar Pradesh and Uttaranchal for transferring food grains to and from the FCI during the period 2002-03 to 2004-05.
- During 2000-05, the total off-take of foodgrains by the Above Poverty Line (APL) category was just 10.88 per cent of the total allotment.
- The States had identified a total of 861.76
In order to cater to the slow growth of agriculture and allied sectors, the NDC in its 53rd meeting (held in May 2007) also resolved to launch a special Additional Central Assistance Scheme Rashtriya Krishi Vikas Yojana (RKVY) along with National Food Security Mission (NFSM). The reason was to reorient strategies for agricultural development to meet the needs of farmers and therefore the NDC called upon the Central and State governments to evolve a strategy to rejuvenate agriculture. The target set by RKVY is to achieve 4% annual growth in the agricultural sector during the 11th plan.

As agriculture is a state subject, the implementation of the RKVY completely rests with state government. However as RKVY seeks to encourage convergence with schemes like NREGS, SGSY and BRGF, the Planning Commission and the Ministry of Agriculture will together examine the States’ overall plan proposals for agriculture and allied sectors as part of the Annual Plan approval exercise.

**BASIC FEATURES OF THE RKVY**

The RKVY aims at achieving 4% annual growth in the agriculture sector during the XIth Plan period, by ensuring a holistic development of agriculture and allied sectors. The main objectives of the scheme are:

- To incentivise the states so as to increase public investment in agriculture and allied sectors.
- To provide flexibility and autonomy to states in the process of planning and executing agriculture and allied sector schemes.
- To ensure the preparation of agriculture plans for the districts and the states based on agro-climatic conditions, availability of technology and natural resources.
- To ensure that the local needs/crops/priorities are better reflected in the agricultural plans of the states.
- To achieve the goal of reducing the yield gaps in important crops, through focused interventions.
- To maximize returns to the farmers in agriculture and allied sectors.
- To bring about quantifiable changes in the production and productivity of various components of agriculture and allied sectors by addressing them in a holistic manner.

At present, more than 50% of the workforce still depends upon agriculture for its livelihood. However, the inauguration of the lop-sided economic reform has caused sharp deceleration in the agriculture growth and at present, its growth rate is just about 3%. The factors behind slow growth in agriculture and its allied sectors are due to fall of investments in the sector by the state government and the lack of government support to instill new scientific inputs and other required monetary support to the traditional pattern of agriculture. The obvious results of agriculture failure are seen in farmer suicides, poverty, massive migration, strain on urban planning, etc.

**SSA**

The Union Cabinet approved on September 13, 2007 a revision in the funding pattern for the Sarva Shiksha Abhiyan (SSA), bringing down the states’ share of expenditure to 35 per cent this fiscal (2007-08), with retrospective effect. Earlier, the states were to share 50 per cent of the expenditure on SSA right through XI plan. As per the new funding pattern, the Centre’s share is to be 65 per cent in the first two years of XI Five Year Plan, then the share is to be 60:40 in 2009-10, then 55:45 per cent in 2010-11 and finally to 50:50 in the last year of the Plan. A further concession has been granted to the eight North-Eastern states. Right through the plan, they have to share only 10 per cent of the expenditure. For higher education, the government has two more schemes ready for launch – one for the universalisation of access for secondary education and the other for the promotion of higher education on a large scale through the establishment of 30 Central Universities, eight Indian Institutes of Technology and five Indian Institutes of Science. The decision on formalizing the Centre: state share funding pattern is welcome given the confusion persisting among the status of the Scheme.

**OLD AGE PENSION SCHEME**

The Union Cabinet decided on September 13, 2007 to expand the scope of the National Old Age Pension Scheme by including all senior citizens above 65 years of age and living below the poverty line. At present, the scheme is applicable only to destitutes above the age of 65. The scheme is to be re-launched on November 19, 2007 the birth anniversary of former Prime Minister Indira Gandhi. On the face of it, the expansion is a welcome move. It remains to be
seen whether this trend is again mere ‘wordplay’ and goes beyond inauguration of newer schemes as a run up to the election in 2009. The other concern relates to the absence of any clear financial allocations made to the proposal.

**PENSION SCHEME FOR LABOURERS**

The Rajasthan state government has introduced a pension scheme for labourers in the unorganized sector on a contributory basis to provide social security to them after attaining the age of 60 years. Rajasthan has become the first state in the country to implement the scheme. Pension is to be given to workers through banks, in which the state government is expected to deposit its matching contribution up to a ceiling of Rs 1,000 a year. As many as 20 categories of unorganized labourers have been incorporated in the scheme. They include rickshaw pullers, kiosk operators, taxi drivers, domestic helps, barbers, motor mechanics, bidi workers, tailors, washermen, hotel and dhaba workers, self-employed electricians and construction workers. Again, the initiative holds promise and seems a step in the right direction.

**THE UNORGANISED SECTOR WORKERS’ SOCIAL SECURITY BILL**

The Unorganised Sector Workers’ Social Security Bill was introduced in the Parliament in September 2007 in a watered down version of what was originally to be two separate Bills: recommended for agricultural and non-agricultural workers by the government-appointed National Commission for Enterprises in the Unorganized Sector (NCEUS). The two proposed Bills drafted by the NCEUS suggested a minimum standard of conditions of work and a minimum level of social security. The provisions in the Bill in its present form only confirm the commonly held impression that the government has not adhered to the NCMP commitment. The new Bill entails no financial obligation on the part of either the state governments or the Centre, providing merely for welfare schemes to be recommended by a National Social Security Advisory Board, on whose advice the Central government will formulate welfare schemes for the unorganized sector workers. In the absence of any financial commitment or a clear time frame, the legislation that could have been a powerful tool to bring about social change has been reduced to being just some pages in a statute book.

The Bill has, even before its introduction in the Parliament, drawn sharp reactions, mainly from the Left parties. A timeline of the events renders better clarity:

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<tr>
<td>September 20, 2004</td>
<td>Constitution of NCEUS under the Chairmanship of Arjun Sengupta</td>
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<td>2005</td>
<td>Initial draft Bill submitted by NCEUS</td>
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<td>May 16, 2006</td>
<td>Bill modified and submitted to Government</td>
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<td>August 8, 2007</td>
<td>Nationwide strike by unorganized sector workers demanded introduction of the Bill in its original form (as two separate Bills)</td>
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<td>August 11, 2007</td>
<td>Central trade union representatives meet the Union Labour Minister to voice their concerns and suggestions</td>
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<tr>
<td>September 8, 2007</td>
<td>CPI (M) delegation meets Prime Minister with a note urging the government to reconsider its decision to introduce a truncated version of the Bill</td>
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<tr>
<td>September 10, 2007</td>
<td>Bill introduced in the Rajya Sabha as a single Bill, not incorporating the suggestions made by the NCEUS</td>
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<tr>
<td>October 31, 2007</td>
<td>Proposed protests by the central trade unions opposing the Bill</td>
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Briefly, the rationale behind NCEUS recommending two separate Bills was to ensure that the interests of agricultural and non-agricultural workers in the informal sector are safeguarded as the two categories have specific needs and cannot be simultaneously addressed through one uniform policy. The highlights of the NCEUS Bill\(^5\) are as follows:

- Eight-hour working days with half-hour breaks
- One paid day of rest in a week
- The right to organize
- A national minimum wage for all employments (not provided in the Minimum Wages Act)
- Penal interest for deferred payment of wages
- Protection from sexual harassment
- Provision of child care and basic amenities at the workplace

The NCEUS report\(^6\) titled ‘Conditions of Work and Promotion of Livelihoods in the Unorganised Sector’ also brought to the fore critical aspects related to the working conditions of the informal sector workers. Some of the key observations are presented below:


\(^5\)http://nceus.gov.in/Report_Bill_July_2007_index.htm

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\(1\)http://nceus.gov.in/Report_Bill_July_2007_index.htm

77% of the ‘vulnerable’ population comprised of Dalits, Muslims, Other Backward Castes.

Most people do not spend even Rs.20 a day.

Only 0.4% of the unorganized sector workers have access to social security benefits such as Provident Fund, a situation that remains unchanged since 1999.

The report classifies population into 4 groups: ‘extremely poor’ with a per capita expenditure (PCE) of Rs.8.9/day, ‘poor’ who spend up to Rs.11.6/day, ‘marginally poor’ with Rs.14.6/day, ‘vulnerable’ that spend Rs.20.3/day.

Bulk of the consumption expenditure was on food, including cereals and pulses as opposed to the middle and higher income groups that spent more on non-essential non-food and food items and durable goods.

It seems extremely difficult to explain that when the government itself constituted a Commission to draft the legislation, which it (NCEUS) has done in keeping with the National Common Minimum Programme (NCMP), what is stopping the government from passing the same and make significant contribution towards promoting social justice and equity, by moving the marginalized a wee bit away from the margins to the centre.

To conclude, budgetary provisions and other policies formulated by the Government mirror the potential well-being of the citizen. Government being the trustee of the people is required to divest the necessary resources to realize the planned goals. The Central Government in the last fifty years of governance has not done much as the available data points to the grim state of affairs not only in the field of Rural Development and Human Development, but also in the total arena of society as a whole. The need of the hour is to reformulate the planning objectives, the mode of the developmental process and setting up new governmental responsibilities in order to uplift the standard of the masses and making it more people-friendly.
Gender Budgeting refers to a method of looking at the budget formulation process, budgetary policies and budget outlays from the gender lens. Gender Budget, with regard to the government at any level, does not refer to a separate budget for women; rather it is an analytical tool which scrutinizes the usual government budget to reveal its gender-differentiated impact and advocate for greater priorities for addressing the gender-based disadvantages faced by women. Gender Budgeting is concerned not only with public expenditure but also with the gender-differentiated impact of revenue mobilization by the government. In fact, Gender Budgeting, as an approach, is not confined to government budgets alone; it also includes analysing various socio-economic policies from the gender perspective. Since gender-based differences and discriminations are built into the entire social-economic-political fabric of almost all societies, a gender-neutral government budget is bound to reach and benefit the men more than the women unless concerted efforts are made to correct gender-based discriminations. Moreover, a gender-neutral government budget could even reinforce, instead of reducing, the gender-based disadvantages faced by women. Thus, a gender-neutral government budget is actually gender-blind.

THE BACKDROP

Over the last decade, Gender Budgeting has gathered some momentum in India. However, the progress in this direction at the level of State Budgets lags far behind that at the level of the Union Budget. Although, the Union Government needs to go a long way with regard to deepening its gender-responsive assessment of Union Budget and expenditure priorities of its different Ministries, a foundation for the same has certainly been laid. However, the progress in adoption of Gender Budgeting by the States remains very poor. Only a very few of the State Governments (like, those of Rajasthan, Madhya Pradesh and West Bengal) have taken concrete steps in this direction so far. Several civil society organisations, women’s rights groups and independent researchers, in many States, have initiated concerted efforts towards analysing the State Budgets from the perspective of gender. These efforts could play a very important role in getting the State Governments to take up gender-responsive assessment of their expenditure priorities. But the efforts with regard to Gender Budgeting analysis for States are likely to encounter some methodological problems.

When Gender Budgeting had started in India, towards the late 1990s, the focus of many of the studies undertaken at the level of State Budgets was rather narrow, mainly restricted to programmes/schemes in the State Budget which are targeted towards women and girls. However, it was soon realized that an in depth and meaningful analysis of the State Budget from the gender lens requires a much broader coverage so that it can include all those schemes in which a part/component is earmarked for women. But the paucity of gender-disaggregated information on beneficiaries of programmes/schemes being implemented in the States throws up a serious challenge in this regard. Moreover, the fiscal architecture of State Budgets is rather complicated, which only adds to the methodological problem confronted in Gender Budgeting analysis of State Budgets.

This article attempts to demystify a methodological problem confronted commonly in Gender Budgeting analysis of State Budgets and present an alternative to the conventional methodology being followed in India, drawing from the Gender Budgeting Study for West Bengal conducted by CBGA (S. Das, D. Thakur and S. Sikdar [2007], “Report of the Gender Budgeting Study for West Bengal”, Centre for Budget and Governance Accountability, New Delhi and Development and Planning Department, Government of West Bengal). As we shall discuss subsequently, the key feature of this alternative methodology is to capture that part of the total State Budget outlay which is earmarked to be spent for women as per concrete policy guidelines and ignore the incidental benefits that might accrue to women from the State Budget.
SOME QUESTIONS IN GENDER BUDGETING ANALYSIS

Before we discuss the central problem with the methodology of Gender Budgeting analysis for States, it would be worthwhile to first locate our analysis (i.e. the kind of analysis which concerns the present article) in a larger context. We can try to do this by thinking of the Questions relating to the State Budget that are usually asked when the State Budget is analysed from the gender lens. These questions can be broadly divided into the following two categories:

1) How does the State Government’s Revenue Mobilisation affect women? and
2) How does the State Government’s Expenditure affect women?

Unlike the second question, very little work has been done so far on the first question, i.e. with regard to scrutinizing the Receipts side of the State Budgets from a gender lens, although it is quite important. One of the reasons for the slow progress in this field could be that the technical expertise required for analysing the impact of tax and non-tax revenue policies (in a State Budget) on women, taking into account the gender-based disadvantages of women, would take some time to spread in the larger civil society. The present article, however, is concerned solely with the second question.

The second question, which leads to a scrutiny of the Expenditure side of the State Budget from the gender lens, can be broken up into the following three deeper questions:

2.1) What is the priority for women in the State Budget (or in total expenditure of the State)?
2.2) How do the schemes, which are intended to benefit women, actually reach women?
2.3) How do the schemes, which are intended to benefit women, address the gender-based disadvantages of women?

Let us briefly discuss these three questions, in the reverse order. The third question (2.3) requires us to examine whether the government programmes/schemes, which are intended to benefit women, actually reduce the gender-based disadvantages of women or they end up reinforcing such disadvantages. The latter could be possible because some of the programmes/schemes, funded by the Budget, may provide resources for addressing those needs of women which are in accepted gender roles for women. As a result, in the short run, when the division of labour between men and women (following the accepted gender roles for women) is given, such programmes/schemes benefit women; but in the long run, the gender stereotypes might get reinforced. The analysis of a State Budget following this kind of a question, however, would focus on an in depth examination of the objectives and design of the schemes meant for women rather than the resources provided in the Budget for such schemes.

The second question listed above (2.2) requires us to examine how many women (as compared to men), and women from which sections of the society, did actually benefit from a government programme/scheme. That is, an ex post examination of the beneficiaries of a scheme (after its implementation) would be needed to answer questions of this kind. However, undertaking this kind of investigation for many schemes would require a huge amount of time and other resources. It may not be feasible, even for a government agency, to address this question for all schemes in a State Budget. Hence, to begin with, this second question can be addressed only with respect to some selected schemes in the State Budget.

The first question listed above (2.1) is the most commonly asked question in Gender Budgeting analysis of State Budgets. As we shall discuss in the next section, this question can be put in more than one ways. Let us suppose, a State Government spent a total amount of Rs. 100 (through its State Budget) in the financial year 2006-07. Then, we can ask either of the following:

2.1.1) How much of this Rs. 100 was spent for women in 2006-07?
   (It would require gender-disaggregated data on ex post beneficiaries of all schemes.)
2.1.2) How much of this Rs. 100 in 2006-07 was earmarked (to be spent) for women?
   (It would require information on policy guidelines for all kinds of schemes.)

ASSESSING THE PRIORITY FOR WOMEN IN A STATE BUDGET

As has already been mentioned, the question relating to the priority accorded to women in a State Budget can be formulated in different ways. This section first discusses the central problem encountered when the said question is formulated in the conventional way; it then presents an alternative formulation of the question.

CONVENTIONAL QUESTION: HOW MUCH OF THE STATE BUDGET WAS ‘SPENT’ FOR WOMEN?

As regards gender-disaggregated information on beneficiaries of the various government programmes/schemes, the Ministries/Departments (both in the Union Government and in State Governments) segregate their programmes/schemes
“Usually, only the beneficiary-related schemes, i.e. those schemes in case of which its direct beneficiaries can be easily identified and counted, are considered as ‘divisible’; while others are considered as ‘indivisible’.

Therefore, even in case of ‘indivisible’ programmes/schemes a gender-responsive budgeting is very much feasible. However, the emphasis in the present article is on measuring the priority accorded to women in a State Budget, and hence it is concerned mainly with the ‘divisible’ programmes/schemes in the Budget. But we must note here that there is a dearth of gender-disaggregated information on the beneficiaries even for the ‘divisible’ schemes. Until last year, i.e. in 2006, only 10 Ministries in the Union Government were presenting gender-disaggregated information on their schemes in their “Annual Report”/“Performance Budget” documents. The gender-disaggregated information compiled by these few Union Government Ministries covered only some of their schemes and excluded several of their schemes. With regard to numerous important schemes, even these Union Government Ministries (which have taken concrete steps towards initiating gender-responsive assessment of their expenditures) cited paucity of gender-disaggregated data on beneficiaries. In fact, the paucity of gender-disaggregated data on beneficiaries of programmes/schemes poses a serious challenge in all States. Hence, a Gender Budgeting analysis of any government budget in India, which attempts to measure ‘how much of the Budget in an earlier financial year was actually spent for women’, would be compelled to exclude not only the entire range of ‘indivisible’ programmes/schemes but also many of the ‘divisible’ programmes/schemes in the Budget.

The paucity of gender-disaggregated information on actual beneficiaries of programmes/schemes has constrained almost all Gender Budgeting studies undertaken in the country so far. The experts, undertaking Gender Budgeting analysis of Union Budgets or State Budgets, have confronted serious problems of paucity of gender-disaggregated data. At the beginning of the present decade, the Department of Women & Child Development (DWCD) in the Union Government, in collaboration with United Nations Development Fund for Women (UNIFEM), had led the Union Government’s initiative for Gender Budgeting analysis of Union Budgets. The DWCD, in collaboration with UNIFEM, had commissioned the National Institute of Public Finance and Policy (NIPFP) to analyse the Union Budget 2001-02 from a gender perspective. Subsequently, the analysis done by NIPFP was incorporated in the Annual Reports of the DWCD. This study (A. Lahiri, L. Chakraborty and P.N. Bhattacharya, “Gender Budgeting in India: Post-budget Assessment Report”, NIPFP, August 2001) identified three categories of expenditure for women from the Union Budget. The three categories identified by this NIPFP study were:

(i) Expenditure on programmes/schemes specifically targeted to women and girls,
(ii) Pro-women allocations; which are the composite expenditure schemes with an earmarked component for women; and
(iii) Mainstream public expenditure that have a gender-differential impact.

While capturing the precise magnitudes of budget outlays on schemes that are targeted to women and girls (i.e. the first category listed above) was straightforward, the same task in case of composite public expenditure schemes with a pro-women component (i.e. the second category) faced problems due to the dearth of gender-disaggregated information on beneficiaries. With regard to this second category, the NIPFP study had depended significantly on the information compiled by DWCD on the status of implementation of Women’s Component Plan (WCP) by different Ministries/Departments in the Union Government. We may note here that the Ninth Five Year Plan (1997-2002) had adopted Women’s Component Plan (WCP) as an important strategy and directed both the Union and the State Governments to ensure that at least 30 % of the funds/benefits should earmarked under the WCP in all of the ‘women related sectors’. Subsequently, the Working Group for Empowerment of Women in the Tenth Five Year Plan had made an assessment of implementation of WCP by the Union Government Ministries and States, and it had highlighted the very poor implementation of WCP in the Ninth Plan period. However, for some of the Union Ministries/Departments, for which the DWCD could not provide precise information on flows to WCP from their budgets, the NIPFP study had...
assumed the flow to WCP from Gross Budgetary Support of the Ministry/Department to be 30%. This assumption was undoubtedly a major weakness in the methodology of the NIPFP study. Moreover, with regard to the third category of public expenditure affecting women (i.e. mainstream public expenditure that have a gender-differential impact), the NIPFP study had presented only an illustrative benefit-incidence analysis of Union Budget outlays on Elementary Education.

A study by Nirmala Banerjee and Poulami Roy (Gender in Fiscal Policies: The Case of West Bengal), which was published by Sachetana, Kolkata in 2003, has been one of the most significant Gender Budgeting studies on State Budgets in India. This study examined the nature and extent of West Bengal’s budgetary policies that were supposed to work towards removing some of the gender-based disadvantages of women. Nirmala Banerjee and Poulami Roy (2003) followed a different methodology than the model developed in the NIPFP study. The classification of the total identified budget outlays for women in West Bengal into different categories, which was adopted by them, laid emphasis on the gendered role of women in the society and their study analysed the impact of the women-oriented schemes in the State on the prevailing gender relations. However, as Banerjee and Roy (2003) themselves admitted in the study report, their calculation of total outlays for women in West Bengal Budget (actual expenditure figures for 1998-99) erred on the more generous side. The said study, besides all the schemes specifically targeted towards women, took into account several composite public expenditure programmes/schemes meant for both men and women. In case of the latter schemes, except for Primary and Secondary Education (where enrolment rates for girls and proportion of female teachers were taken into account), for almost all other (composite expenditure) programmes/schemes the proportion of women in the total population of West Bengal was considered for working out the pro-women shares in total outlays. It may be argued that such an assumption is quite generous, which could overestimate the priority accorded to women in the State Budget (something which the authors themselves have admitted).

Likewise, several other Gender Budgeting studies, which attempted to measure what part of a Government’s total expenditure in an earlier year was ‘spent’ for women, have faced a lot of difficulty in dealing with the composite public expenditure schemes (i.e. schemes which are meant for the benefit of both men and women) due to the rarity of gender-disaggregated information on the beneficiaries of such schemes. Undoubtedly, the Union and State Governments must take wide-ranging measures for collecting such information and conducting benefit incidence analysis for their programmes/schemes.

However, even if the Union Government and States initiate such data collection processes without delay, it would take a very long time to generate such information across all sectors/programmes/schemes of relevance to women. Until then, the assessment of the priority accorded to women in a State Budget based on ex post beneficiary data would confront major problems. Hence, we need to formulate the same question (i.e. what is the priority for women in the State Budget?), differently.

**ALTERNATIVE QUESTION: HOW MUCH OF THE STATE BUDGET WAS ‘EARMARKED’ FOR WOMEN?**

In view of the paucity of gender-disaggregated data on beneficiaries, a Gender Budgeting analysis of West Bengal State Budget done by Centre for Budget and Governance Accountability (CBGA) in 2006 adopted a different methodology. Instead of trying to assess the total public expenditure for women from the State Budget, this study assessed the total outlay in the State Budget which was ex ante ‘earmarked’ for women. In other words, the ‘Gender Budget’ (within the State Budget) identified by the CBGA study did not reveal the total State Government expenditure that actually reached women in the selected year, but it showed the total State Budget outlay which was ex ante ‘earmarked’ for women. In other words, the ‘Gender Budget’ (within the State Budget) captured in this study referred to the total outlay which was entitled for women through specific policy guidelines relating to the programmes/schemes in the State Budget.

The total ‘Gender Budget’ outlay captured on the basis of ex post beneficiary data for any particular year (if that would be possible) would also include the budget outlays which resulted in ‘incidental benefits’ to women (i.e. those benefits accruing to women which were not mandated by any policy guideline). However, the total ‘Gender Budget’ outlay captured by the alternative methodology (followed in the CBGA study) does not include any of the budget outlays that may have provided ‘incidental benefits’ to women; it captures only those budget outlays which were mandated through specific policy guidelines to be spent for women. Undoubtedly, the magnitude of the ‘Gender Budget’ (within a State Budget) captured by the alternative methodology would be smaller than that captured by the conventional methodology. However, there are two clear advantages with the alternative methodology:

- It allows the Gender Budgeting analysis to cover all sectors/departments in the State

“Nirmala Banerjee and Poulami Roy (2003) followed a different methodology than the model developed in the NIPFP study. The classification of the total identified budget outlays for women in West Bengal into different categories, which was adopted by them, laid emphasis on the gendered role of women in the society.”
In order to determine the total magnitude of State Budget outlay which is earmarked for women (in any particular year), we need to find out the outlays earmarked for women (that year) under each of the following three categories, viz. outlays for State Plan schemes, outlays for Central Plan/Centrally Sponsored schemes, and Non-Plan outlays.

MEASURING HOW MUCH OF THE STATE BUDGET IS ‘EARMARKED’ FOR WOMEN

We first need to understand the classification of the outlays made in a State Budget. The outlays in a State Budget can be broadly divided under the following categories:

(a) Non-Plan outlay (which covers the staff salaries, repair/maintenance costs and usual establishment costs for the Government activities, in various sectors, that function on a regular basis irrespective of the Five Year Plans); and

(b) Plan outlay (which funds the entire costs, i.e. salaries of new staff hired as well as construction of buildings and procurements, in the interventions envisaged under Five Year Plans).

The latter, i.e. Plan outlay, can be further classified into two categories, viz.

(b.1) State Plan schemes, and

(b.2) Central Plan/Centrally Sponsored schemes.

In case of State Plan schemes, the entire funds are provided by the State Government. The Union Government provides the entire funds for the Central Plan schemes (e.g. Reproductive & Child Health programme, ICDS, National Child Labour Project); whereas in case of Centrally Sponsored schemes, Union Government provides a substantial part of the funds and the State Governments are required to contribute matching grants (e.g. Sarva Shiksha Abhiyan, National Malaria Eradication programme).

Thus, in order to determine the total magnitude of State Budget outlay which is earmarked for women (in any particular year), we need to find out the outlays earmarked for women (that year) under each of the following three categories, viz. outlays for State Plan schemes, outlays for Central Plan/Centrally Sponsored schemes, and Non-Plan outlays.

HOW MUCH OF THE OUTLAYS ON STATE PLAN SCHEMES ARE EARMARKED FOR WOMEN?

Some of the State Plan schemes could be women-specific, i.e. meant exclusively for women. Clearly, in case of each women-specific State Plan scheme, the entire amount of budget outlay may be considered as outlay earmarked for women. However, many of the State Plan schemes could be composite expenditure schemes, i.e. meant for both men and women. As regards the latter, we can rely upon the information on flows to the Women’s Component Plan (if any) from the budget outlays for the schemes in order to determine the shares/proportions earmarked for women.

The strategy of Women’s Component Plan (WCP), which was started in the Ninth Five Year Plan, requires earmarking a specific quantum of funds/benefits for women in the schemes run by all Ministries/Departments that are perceived to be ‘women-related’. Under WCP, both Union as well as State Governments are required to ensure that “not less than 30 % of the funds/benefits are earmarked for women under the various schemes of the ‘women-related’ Ministries/Departments”.

Thus, the State Governments are required to show flows to WCP from the budget outlays for their State Plan schemes in all ‘women-related’ sectors. This information is usually given in the Annual Plan documents of the States. Hence, the information on flows to WCP can be used to find...
out the shares in the total outlays for various State Plan schemes which are earmarked for women. It may be useful to see an example here. Table 1, given below, presents the information (for a few selected sectors) on flows to WCP proposed by the State Government of Kerala during the 10th Plan period (2002-03 to 2006-07).

**Table 1: Flows to WCP from Kerala State Budget during the 10th Plan Period (in Selected Sectors)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Programmes/Schemes (State Plan)</th>
<th>Proposals for 10th Five Year Plan (2002-03 to 2006-07)</th>
<th>% of Total Outlay Earmarked under WCP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Rs. Lakhs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flow to WCP</td>
<td></td>
</tr>
<tr>
<td>CROP HUSBANDRY</td>
<td>Vegetable Promotion Programme</td>
<td>1250</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promotion of High-Tech Innovative</td>
<td>500</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Women Development Programme under Macro Management Mode</td>
<td>40</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Homestead Farming</td>
<td>300</td>
<td>16.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agave Cultivation in Rain Shadow Areas</td>
<td>25</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>ANIMAL HUSBANDRY</td>
<td>Poultry Farms &amp; Expansion of poultry</td>
<td>290</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>87</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intensive Piggery Development</td>
<td>110</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support to Training &amp; Employment of Women (STEP)</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>DAIRY DEVELOPMENT</td>
<td>Assistance to Women Groups for Milk Products Manufacturing &amp; Marketing</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>FISHERIES DEVELOPMENT</td>
<td>Development of Coastal Social Infrastructure Integrated Fisheries Development Project</td>
<td>1000</td>
<td>50.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>503.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employment Generation Schemes</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self Help Groups for fisher women/ Micro Enterprises</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assistance for upgradation of processing</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seed-capital to Matsyafed for NBCDFC and NMDFC Schemes</td>
<td>300</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>240</td>
<td></td>
</tr>
</tbody>
</table>


**How much of the outlays on central plan schemes & centrally sponsored schemes are earmarked for women?**

Some of the Central Plan schemes and Centrally Sponsored schemes (together referred to as Central Sector schemes) could be women-specific. In case of each women-specific Central Sector scheme (e.g. Kasturba Gandhi Balika Vidyalya scheme, Mahila Samakhya, Swashakti, Swadhar), the entire amount of budget outlay may be considered as outlay earmarked for women. However, many of the Central Sector schemes are composite expenditure schemes (e.g. SGRY, Indira Awaas Yojana, National Malaria Eradication programme, Total Sanitation Campaign). With regard to the latter, we need to take into account the specific policy guidelines (if any) relating to a scheme which may require the implementing agency (which is, usually, the State Government) to earmark a certain minimum share of the funds/benefits in the scheme for women.

The nodal agency for a Central Sector scheme would be the Union Government Ministry/Department which has launched it. So, the norms and guidelines for these schemes are prepared by the nodal Union Government Ministries/Departments. Therefore, the specific policy guidelines on earmarking for women a certain
minimum share of the funds/benefits in a scheme, if any, are to be found in the relevant publications of the nodal Union Government Ministry/Department, such as, its Annual Report, Performance Budget, or Outcome Budget. The Union Government Ministries bring out Manuals for some of the Central Sector schemes, which could also be referred to. Again, it would be worthwhile to see some examples here. Table 2, given below, presents the relevant policy guidelines in case of a few of the Central Sector schemes.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Name of the Scheme</th>
<th>Guidelines for Earmarking of Funds/Benefits for Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Development</td>
<td>Swarnajayanti Gram Swarozgar Yojana (SGSY)</td>
<td>In the guidelines, it is envisaged that 50% of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Groups formed in each Block should be exclusively</td>
</tr>
<tr>
<td></td>
<td></td>
<td>for women who will account for at least 40% of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>total Swarozgaris</td>
</tr>
<tr>
<td></td>
<td>Sampoorna Gram Rozgar Yojana (SGRY)</td>
<td>It’s stipulated in the guidelines that 30% of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>employment opportunities should be reserved for</td>
</tr>
<tr>
<td></td>
<td></td>
<td>women.</td>
</tr>
<tr>
<td></td>
<td>Indira Awaas Yojana (IAY)</td>
<td>It’s stipulated that IAY houses are to be allotted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in the name of Women members of the household, or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>alternatively, in the joint names of Husband and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wife.</td>
</tr>
<tr>
<td></td>
<td>Central Rural Sanitation Programme (CRSP)</td>
<td>In the Central Rural Sanitation Programme (CRSP) up</td>
</tr>
<tr>
<td></td>
<td></td>
<td>to 10% of funds could be utilized for construction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and maintenance of public latrines for women.</td>
</tr>
<tr>
<td></td>
<td>Swarn Jayanti Sahari Rozgar Yojana (SJSRY)</td>
<td>One of the major components of SJSRY is the Urban</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self Employment Programme (USEP), the other component</td>
</tr>
<tr>
<td></td>
<td></td>
<td>being Urban Wage Employment Programme (UWEP). It is</td>
</tr>
<tr>
<td></td>
<td></td>
<td>stipulated that under USEP, women beneficiaries must</td>
</tr>
<tr>
<td></td>
<td></td>
<td>be at least 30% of total beneficiaries.</td>
</tr>
</tbody>
</table>

*Compiled from Annual Reports (for 2005-06) and Performance Budgets (for 2006-07 or 2005-06, whichever is latest available) of the relevant Ministries in the Union Government.

However, we must note here that specific policy guidelines for earmarking for women a certain minimum share of the funds/benefits can be found only for a few of the Central Sector schemes. On the other hand, with regard to some of the Central Sector schemes, a State Government may have issued guidelines to earmark funds/benefits for women, in addition to the guidelines of the nodal Union Government Ministry/Department. Such guidelines issued by the State Government (if any) should also be referred to for determining the share earmarked for women in the outlay for Central Sector schemes.

**HOW MUCH OF THE NON-PLAN OUTLAYS ARE EARMARKED FOR WOMEN?**

As already mentioned, Non-Plan outlays cover the staff salaries, repair/maintenance costs and usual establishment costs for the Government activities, in various sectors, that function on a regular basis irrespective of the Five Year Plans. Moreover, the Non-Plan outlays in a State Budget also include the outlays towards interest payment/debt servicing by the State Government and those meant for maintenance of law and order. Hence, in case of Non-Plan outlays in general, it is very difficult for any State Government to earmark a proportion of the funds/benefits for women.

Some of the Non-Plan outlays could be meant for certain women-specific government services/interventions, e.g., Shelter Homes for destitute women, Hostels for girls, Schools/Colleges for girls, etc. In case of each such Non-Plan outlay, which is meant for a women-specific government service/intervention, we can consider the entire amount of the outlay as earmarked for women; though such Non-Plan outlays are usually very few.

However, Non-Plan outlay accounts for a very high share in the total outlay on Education in State Budgets; and it is mostly meant for provision of teachers’ salary, maintenance of the establishment and providing several recurring interventions in Education that are not covered by the Plan schemes. With regard to this significant component in the State Budget, we may assume that the proportion of girls in total enrolment in School Education and that in Higher Education give us the shares in Non-Plan outlays for Department of School Education and Department of Higher Education, which are ex ante earmarked for women. This would be based on the assumption that, for the government, the unit cost of provision of School Education and that in case of Higher Education in the State is the same for boys and girls.
Table 3: Non-Plan Outlays for School & Higher Education ‘Earmarked’ for Women: An Example from West Bengal State Budget for 2005-06

<table>
<thead>
<tr>
<th>Department of School Education</th>
<th>2003-04 Actuals (Rs. Crore)</th>
<th>2004-05 RE (Rs. Crore)</th>
<th>2005-06 BE (Rs. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Total Non-Plan Outlay for the Dept. of School Education, West Bengal</td>
<td>3623.81</td>
<td>3926.07</td>
<td>4081.93</td>
</tr>
<tr>
<td>(b) Non-Plan Outlay on Women-specific services/ interventions under Dept. of School Education, West Bengal</td>
<td>0.115</td>
<td>2.510</td>
<td>6.75</td>
</tr>
<tr>
<td>(c) Non-Plan Outlay for the Dept. of School Education Net of (b)</td>
<td>3623.695</td>
<td>3923.56</td>
<td>4075.18</td>
</tr>
<tr>
<td>Non-Plan Outlay for the Dept. of School Education- which may be seen as ‘earmarked’ for Women [47.6 % of the figure in (c)]</td>
<td>1724.87</td>
<td>1867.61</td>
<td>1939.78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Total Non-Plan Outlay for the Dept. of Higher Education, West Bengal</td>
<td>643.37</td>
<td>656.96</td>
<td>715.53</td>
</tr>
<tr>
<td>(b) Non-Plan Outlay on Women-specific services/ interventions under Dept. of Higher Education, West Bengal</td>
<td>0.006</td>
<td>0.05</td>
<td>0.052</td>
</tr>
<tr>
<td>(c) Non-Plan Outlay for the Dept. of Higher Education Net of (b)</td>
<td>643.364</td>
<td>656.96</td>
<td>715.53</td>
</tr>
<tr>
<td>Non Plan Outlay for the Dept. of Higher Education-which may be seen as ‘earmarked’ for Women [37 % of the figure in (c)]</td>
<td>238.04</td>
<td>243.05</td>
<td>264.72</td>
</tr>
</tbody>
</table>

1 In West Bengal, girls accounted for 47.6 % of all children enrolled in Schools (i.e. from Classes I to XII) in 2002-03, as per the data reported in Selected Educational Statistics 2002-03, Ministry of Human Resource Development, GoI.

2 In West Bengal, women accounted for 37 % of all students enrolled in institutions of Higher Education in 2002-03, as per the data reported in Selected Educational Statistics 2002-03, Ministry of Human Resource Development, GoI.

Assumption: Proportion of Girls in total students enrolled has been used in this Example with the assumption that the unit cost of provision of public education is the same for boys and girls.

It is quite likely that Education turns out to be the only sector in the State Budget where any share of the Non-Plan outlay can be considered to be ‘earmarked’ for women. However, in case of almost every State, Non-Plan outlay for the Education sector is quite vital and its contribution towards empowerment of women cannot be ignored. Hence, it may seem logical to include a certain share of this budget outlay within the ‘Gender Budget’, although the assumption that unit cost of provision of education to boys and girls is the same (for the government) is questionable.

Thus, we can find out the outlays earmarked for women under each of the three main categories in the State Budget, viz. outlays for State Plan schemes, outlays for Central Sector schemes, and Non-Plan outlays, in order to determine the total magnitude of State Budget outlay which is earmarked for women.

Quantifying the share in the government budget which is earmarked for women is only the first step in the efforts towards achieving a gender responsive development trajectory in the country. Nevertheless, it is a crucial step since it can be very useful in holding the governments at different levels accountable for their policies and performance from a gender perspective. Moreover, there is a strong need for assessing the Budgets of different States in India from the gender lens, following a uniform methodology, which would generate comparable results. These comparable results for different States can provide crucial insights about the policy priorities that need to be adopted in the Budgets of those States where women are more disadvantaged in comparison to other States. While the first step would be to ask the Union Government and State Governments to incorporate specific policy guidelines for earmarking funds/benefits for women in their budget outlays; the actual benefits accruing to women from the programmes/schemes as also their impact on the gender-based disadvantages of women must be examined subsequently.

“There is a strong need for assessing the Budgets of different States in India from the gender lens, following a uniform methodology, which would generate comparable results, which then can provide crucial insights about the policy priorities that need to be adopted in the Budgets of those States where women are more disadvantaged in comparison to other States.”
Democracy and development mean nothing for those who are not touched by the hand of progress. That's why the architects of our Constitution placed special emphasis on the empowerment of the Scheduled Castes, Scheduled Tribes and other weaker sections of society. In 60 years, we have seen many people climb the ladder of progress and social mobility. Yet, there are millions who still need our support and assistance. We are committed to the economic, social, political and educational empowerment of SCs, STs, OBCs and minorities.

Prime Minister's speech on Independence Day, 2007

The development trajectory over all these six decades since independence has failed to mainstream the concerns of socially disadvantaged groups and ensure their full participation in socio-economic development of the country. This is despite the fact that the commitment of empowerment of such groups enshrined in our constitution. According to the Census 2001, SCs and STs constitute respectively 16.23 and 8.2 percent of total population. Further segregation of the proportion of SCs and STs across different religions according to 61st NSS round reveals the proportion of SCs being largest amongst Buddhists (89.5%) followed by Sikhs (30.7) and Hindus (22.2%). Largest proportion of STs belong to the category of others (82.5%) followed by Christians (32.8%). Proportion of ST population among Hindus is 9.1%. Out of total Hindu SCs/STs, 20.5% belonged to urban areas while 34.5% belonged to rural areas. SCs/STs comprise almost negligible proportion amongst Muslims (0.8% and 0.5% respectively).

Till today, numerous instances are cited on discrimination against SCs widely described as ‘Dalits’ or ‘out caste’. Several socio-economic indicators point to the dismal state of disadvantaged groups. In spite of decades of planning and a sizeable amount of public resources being channelised in the name of welfare of SCs/STs, the actual benefits have hardly reached these groups.

SCS/STS: PROFILE

Among all social groups, SCs/STs suffer from highest infant and child mortality rates, a situation particularly of concern in Central India. The condition of child malnutrition is worse in the case of minority groups. As can be seen, the percentage of children belonging to SCs/STs who are stunted, wasted and underweight is higher than the national average. Although there is some

<table>
<thead>
<tr>
<th>Table 1: Population and Sex Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>19.7</td>
</tr>
<tr>
<td>Overall Sex Ratio</td>
</tr>
</tbody>
</table>

1 The Statistics have been compiled from the Sachar Committee Report
highest for SCs/STs. For middle and higher level education in rural areas, the statistics for Muslims and SCs/STs is almost equal and lowest. Looking at the temporal context in case of students who have matriculated, one witnesses some degree of increase in urban males and females and rural males. However, condition for rural females has not changed.

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

As high as 46% of workers in the SCs/STs groups are engaged in casual work, with the share of workers especially low in salaried work. In urban areas, the incidence of poverty is highest amongst SCs/STs.

### Table 2: Child Mortality & Nutrition

<table>
<thead>
<tr>
<th>MORTALITY</th>
<th>SCs (%) (2004-05)</th>
<th>STs (%) (2004-05)</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant Mortality</td>
<td>83</td>
<td>84</td>
<td>68</td>
</tr>
<tr>
<td>Under 5 Mortality Rate</td>
<td>119</td>
<td>126</td>
<td>95</td>
</tr>
</tbody>
</table>

### Table 3: Education

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

### Table 4: Employment Status

<table>
<thead>
<tr>
<th>Employment</th>
<th>SCs/STs</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Participation Rate</td>
<td>Urban Rural Male Female Urban Rural Male Female</td>
<td></td>
</tr>
<tr>
<td>Self-employed</td>
<td>58 74 85 55</td>
<td>34.6 39.1 53.6 21.5</td>
</tr>
<tr>
<td>Casual Workers</td>
<td>36 44 58 48</td>
<td>46.2 60.9 51.4 56.1</td>
</tr>
<tr>
<td>Regular-employed</td>
<td>26 50 46 45</td>
<td>15.6 32.7 23.7 24.6</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>10.5 10 10.2 9.9</td>
<td>8.3 8.2 7.8 9.2</td>
</tr>
</tbody>
</table>

“Scheduled Caste Sub Plan: The Status So Far

As high as 46% of workers in the SCs/STs groups are engaged in casual work, with the share of workers especially low in salaried work.”

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

**GOVERNMENT’S INITIATIVE**

Recognizing the fact, the Government of India at the initiative of Late Mrs. Indira Gandhi, formulated the Special Component Plan (SCP) [now being renamed as - Scheduled Caste Sub Plan (SCSP)] in the year 1979. The strategy which was introduced by the Central Government during the 6th Five Year Plan was made mandatory for all the State governments’ departments as well as Central Government ministries. The SCSP for SCs expected “to facilitate easy convergence and pooling of resources from all the other development sectors in proportion to the population of SCs and monitoring of various development programmes for the benefit of SCs”.

SCSP for SCs is not an isolated programme/scheme; rather it is an umbrella strategy for overall development of SCs. The main elements of SCSP2 are:

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

2. Every department of the state government should initiate concrete steps to evolve separate programmes, in accordance with specific needs and priorities of Scheduled Castes, under the SCSP. And notional allocations under SCSP (especially in sectors like Power, Irrigation, Education, and Health) need to be avoided.

3. Only those programmes specially meant for Scheduled Castes and the percentage amount of funds allocated, as per specific G.O.s, can be included in the SCSP.

4. Separate budget heads have to be shown in the “Plan-Budget Link” Book clearly mentioning the receipts and expenditures details of the SCSP (in order to prevent diversion, underutilization and mis-utilization of funds earmarked for Scheduled Castes).

5. The Department concerned with Scheduled Castes Welfare in the State should act as the Nodal Agency for the formulation and implementation of SCSP in the state.

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

1. The SCSP of the states and central ministries: the targets fixed under SCSP are disaggregated into district-wise and sector-wise targets. At the district level, the district collectors are responsible for coordinating the implementation of the schemes under SCSP.

2. The Special Central Assistance (SCA) for the SCSPs of the States: SCA is given as 100% grant by the Ministry of Social Justice and Empowerment to various States, to make up for any deficiency towards the implementation of the SCSP in the respective State.

3. Scheduled castes Development Corporations (SCDCs) in the States or the State Departments, which will play the role of Nodal Agencies, in the implementation of SCSP in the States.

Table 5: Incidence of Poverty

<table>
<thead>
<tr>
<th>Poverty</th>
<th>SCs/STs</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Poverty Incidence</td>
<td>36.4</td>
<td>22.8</td>
</tr>
<tr>
<td>Rural Poverty Incidence</td>
<td>34.8</td>
<td>22.7</td>
</tr>
<tr>
<td>Mean Per Capita Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban (Rs.)</td>
<td>Approx 420</td>
<td></td>
</tr>
<tr>
<td>Rural (Rs.)</td>
<td>520</td>
<td></td>
</tr>
<tr>
<td>Total (Rs.)</td>
<td>1150</td>
<td></td>
</tr>
<tr>
<td>Urban (Rs.)</td>
<td>579</td>
<td></td>
</tr>
<tr>
<td>Rural (Rs.)</td>
<td>712</td>
<td></td>
</tr>
</tbody>
</table>

2 This part of the paper (shown in italics) has been drawn solely from *Social Watch - Tamil Nadu* (2004), “Special Component Plan: Dalit Hopes Betrayed?” Second (Revised) Edition, Chennai, July 2004.
The allocations for SCs fall under two categories:

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

**Notional Allocations:** In contrast to Actual Allocations for SCs, by Notional Allocations for SCs we refer to a different kind of allocations that are shown by the Government Ministry/Department as directly benefiting the SCs from within the total allocations for a Scheme. These benefits, even if they really reach the SCs in the proportions shown by the Ministry/Department, are at best incidental benefits derived by SCs, for which there were no binding policy guidelines or instructions within the scheme.

**WELCOMING SOME RECENT INITIATIVES**

The National Common Minimum Programme as drafted by the UPA Government in 2004 is not just a policy document but lays down very clearly the six very basic principles to promote good governance. Once of those principles mentioned in the charter of governance is: ‘to provide for full equality of opportunity, particularly in education and employment for scheduled castes, scheduled tribes, OBCs and religious minorities’.

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

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

It is important to take stock of the actions taken on the commitments made.

Manual scavenging is one of the most dehumanising of the occupations ‘assigned’ to Dalits. The Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993, seeks to abolish manual scavenging by declaring employment of manual scavengers for removal of human excreta an offence, and to prohibit construction of dry latrines. The Prime Minister directed to treat the problem in a time bound manner. The Self Employment Scheme for Rehabilitation of Manual Scavengers was launched with the aim to assist the remaining scavengers for rehabilitation, which are yet to be assisted, in a time bound manner by March 2009. NSKFDC has been identified to be nodal implementing agency in various states.

The Working Group of the Development of Education of SC/ST/Minorities and other Disadvantaged Groups has made several recommendations to empower them. Some of the major ones include bridging the data gaps pertaining to disadvantaged sections, setting up of an Equal Opportunities Cell may be set up to make the target groups aware of the existing schemes, setting up of anti-discrimination cell in all the universities and enhancing provisions in the major schemes such as Sarva Shiksha Abhiyan, Mid Day Meal Scheme. Jan Shiksha Sansthan etc. Special provisions for girls belonging to disadvantaged groups have also been recommended.

Two new windows have been initiated in 2007 by the Prime Minister in order to provide educational opportunities to SCs namely The Central Sector Scholarship Scheme of Top Class Education for SC Students as well as Central Sector Scheme of National Overseas Scholarships for SCs etc.

A bill seeking to elevate reservations to a statutory right has been introduced in Parliament.

The Finance Minister had announced a scheme for water harvesting for SC/ST farmers in 2004-05 and a provision of Rs. 49 crore was made in 2005-06 Budget. The Budget 2007-08 proposed creation of irrigation potential of 10 lakh hectares by 2009 under Bharat Nirman through groundwater which will primarily benefit small and marginal farmers among the SCs and the STs.

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1 Status as on 10.07.2006 submitted by the Ministry of Social Justice & Empowerment on the actions taken
IMPLEMENTATION OF SCSP: DISTURBING EVIDENCES

Although the evolution of the SCSP dates back to the 6th Five Year Plan, evidences from the States (such as Tamil Nadu, Andhra Pradesh), where civil society groups have been tracking the implementation of SCSP in the State Budgets, present a very disturbing picture. The Ministry of Social Justice and Empowerment has been regularly pressurizing the States to ensure adequate allocations under SCSP. As an incentive, 25% of the Special Central Assistance is released to States/UTs on the basis of percentage allocation made by them under SCSP as compared to share of SCs in their total population.

According to the report of the Ministry of Social Justice and Empowerment, the performance of States such as Bihar, Haryana, Maharashtra, Tamil Nadu and Uttar Pradesh in earmarking allocations under the SCSP has been good. Whereas, other States/UTs do not present a satisfactory picture on the earmarking of allocations under SCSP for the development of SCs. The details of the total State plan Outlay, flow to SCSP as reported by States/UTs for the first three years of the 10th Plan shows that the percentage of allocation under SCSP in the first three years of the 10th Plan has not been in correspondence with the 16.23% share of the SC in the total population.

Table 6: Total State Plan Outlay, Flow to SCSP as Reported by States/UTs

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


Table 7: Status of Implementation of SCSP for SC’s by the Central Govt.

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

Source: Analysis done by CBGA and NCDHR
Transport and Highways etc., there are absolutely no concrete schemes for inclusion of SCs. They don’t even have notional allocations for SCs, set aside the actual allocations.

In totality, we find that only four Ministries/Departments in the Central Government (including the Ministry of Social Justice and Empowerment) have some small amounts of Plan allocations earmarked for SCs, while three other Departments have some amount of notional Plan allocations earmarked for SCs. The proportions of these Plan allocations earmarked for SCs are far below the proportion of SC population in total population of the country, i.e. roughly 16 %, which is in violation of the strategy of SCSP for SCs. Thus, there should not be any doubts as to why the SCs have been excluded from the growth process. We must recognize that empowerment of SCs requires that they get their due share in economic growth and wealth creation. The approach towards development of SCs needs to be an Entitlement-based/ Rights-based approach rather than that of Charity/ Placation. In this regard, a comprehensive review of the existing approach, strategies, priorities of the ongoing policies and programmes and their implementation for the development and empowerment of SCs is required on an urgent basis.
World over, food prices have been on a rise in the past few months. More specifically, it is food grains that have seen the maximum increase. Wheat, a staple food grain is currently riding these waves with alacrity. The situation in India is not much different. Despite being a wheat-surplus country till not too long ago, (India had a surplus stock of 53 million metric tones of wheat in December 2002\(^1\)) it has been quite a leap from surplus stocks to having to import wheat from the international open market.

However, does not seem to affect the demand for wheat as is evident from the big wheat buyers (Brazil, Egypt, Japan, Taiwan) putting in their demands early. With India being the world’s second biggest consumer of wheat, whenever India decides to import wheat, prices rise in the international markets. This happened earlier in 2006, when prices shot up by 18\% within four months of India deciding to import wheat. This time again, wheat prices have surged 54\% in the international markets over the past three months, ever since India first floated tenders for the import of wheat. However, even accounting for these factors, it becomes difficult to explain the sudden rise in prices of wheat.\(^4\)

The stock market shows us the way. It has become clear that financial investors see profits in the futures trading, especially commodities such as wheat. The Economist (September 6, 2007) observes that ‘Trading in agricultural futures, once a backwater, has boomed in recent years. In addition to agri-businesses, more institutional investors – ranging from hedge funds to pension funds – are investing. Last year, nearly $3 trillion (Rs.300,000 crore) in grain futures was traded on the Chicago Board of Trade (now part of CME [Chicago Mercantile Exchange] Group), the world’s largest such market.’ It is difficult to ascertain to what extent these factors have led to the rising prices in wheat. But it also equally true that mere demand-supply imbalances and fluctuations in the stock cannot rationalise the rising trends. It is also contended that wheat imports are being resorted to, not due to shortages. With increased output, there is a good stock in the country. The private traders and MNCs take advantage of the removal of stocking limits and resort to large-scale stocking, creating artificial shortages and a consequent rise in prices. Government agencies are unable to procure enough wheat, as the government’s purchasing price is deliberately kept low to allow multinational corporations to enter the trade.

The spurt in proposed imports of wheat is surprising, especially with the Minister himself admitting last year that wheat output has increased by 1.5\%, to 73.1 million tonnes. The

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1. Waldman, Amy, Poor in India Starve as Surplus Wheat Rotts, New York Times, December 2, 2002
4. Ibid
5. Sharma, Ashok B, Importing a Farming Crisis, May 11, 2006, India Together
area under wheat also registered an increase of 400,000 hectares in 2006 over the previous year. Coincidentally, a United States Department of Agriculture (USDA) report urged India to import 2 million tonnes of wheat in 2006. The import decision preempted the negotiations at the World Trade Organization over international trade in agriculture. The G-33 block of 42 countries and the African group insisted on reaching an agreement on Special Products (SPs) and Special Safeguard Mechanisms (SSMs). SPs and SSMs are effective instruments for developing nations to protect their products, but these are under attack from developed countries trying to gain access to Third World markets. Responding to the G-33 proposal on SPs and SSM, the US submitted a paper on SSM, which is intended to make the application of this mechanism practically difficult by developing countries.

In the absence of quantitative restrictions on imports, or tariff barriers, designation of SPs and application of SSM are the only available options left for the developing countries to check a possible urge of cheap subsidised imports. In contrast, the developed countries are not too eager to reduce their high levels of subsidies and tariffs, and instead want greater market access in the Third World. By taking up imports on a large scale, India appears to have conceded the possibility of designating wheat as its SP. Will it then be able to defend its applied tariff and bound rates on wheat? Can it apply SSM to check any possible surge in wheat imports in future? Can it apply stringent quarantine and SPS norms in future, when it has relaxed the same now? Can India remain faithful to the interests of the developing bloc? These and several such questions remain.

In recent years, the Indian State has had a history of subverting procurement and price support mechanisms. Back in 2002, dairy cooperatives were on the brink of being wiped out courtesy dumping by the developed countries, thanks to the State policy. In case of cotton, the Maharashtra government subverted the monopoly cotton procurement scheme and today the price being paid to cotton farmers is a fraction of what they received earlier. Similarly, Marketfed in Kerala, which procures pepper from farmers, is facing subversion. The cases of cardamom, coconut, cashew - in fact, almost all agri-commodities - have a common thread running through them: deliberate subversion of procurement mechanisms, and manipulation of support prices. While it is a well-acknowledged fact that there are problems at Food Corporation of India (FCI) and in the Public Distribution System (PDS), dismantling these will amount to removing a critical safety net for farmers, as well as the poor who depend on the PDS.

Further, the measures adopted by the Government hardly provide any solace. Against the Rs.850 per quintal offered to Indian farmers, the government is paying Rs.1,600 per quintal for its imports - almost twice that of the minimum support price paid to farmers. The Government finds itself in an extremely sticky situation. It is a recipe for disaster if the Government does not increase its buffer stocks, which would result in higher wheat prices and make the aam aadmi very unhappy. On the other hand, having exercised the option of imports at prices much higher than prices offered to Indian farmers, the government is likely to antagonize the latter. Unabated farmers’ suicides and cases of their lands being grabbed by governments at low cost to hand them over to industrialists for setting up special economic zones means there is no love lost between the farmers and the Government. This (wheat import issue) will only prove to be the last straw.

With the recent political upheavals owing to the Indo-US Nuclear deal, (Left strongly in disagreement with the Congress about the deal), impending mid-term polls is already a serious concern for the Government. Which might be the reason for the recent modification in the support price offered to farmers to the tune of Rs.1,000 per quintal of wheat, rice (Rs.725/quintal), barley (Rs.650/quintal), gram (Rs.1,600/quintal), masur (Rs.1,700/quintal), mustard oilseed (Rs.1,800/quintal) and safflower (Rs.1,650/quintal). Related to this, concessional loans have been offered to sugar mill owners so that they can now pay off debts to farmers. It remains to be seen in the next few months, how the electorate reacts to the Government’s vacillations with regard to facilitating the basics, i.e. roti, kapda and makaan.

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7 Parsai, Gargi, Wheat MSP Hiked by Centre to Rs.1000 Per Quintal, The Hindu, October 10, 2007
Meeting the octogenarian Dr. L.C. Jain was a riveting moment that we cherish as a fresh reminder of the purpose with which the Centre for Budget and Governance Accountability was conceived. There was a set of questions that we had on fiscal decentralisation which he answered in the context of larger institutional environment, the sanctity of the Constitution of India and most explicitly with thrust on the individual spirit of championing the cause of liberty. He spoke in one go, not allowing himself to be limited to the rather technical elements we had in mind! In the process, the best of the freedom fighter and a beacon to a generation of value seekers came out as a strikingly well structured, unequivocal commentary on the need for meaningful devolution.

Some of his thoughts are presented here which serve to draw attention to the most important but ignored elements in the debates on decentralisation in India.

Q: Sir, can we have a case for inclusion of PRIs in the formal state budget documents. Do you not think it is fair that some system of accounting at the state level for monies to be vested in the Panchayats?

Dr Jain: We must understand the place of the Budget. It is an instrument of policy and the decision whether to collect money by taxes or to spend must not be left to those who frame or operate the budget. Their terms of reference are determined by the Constitution of India particularly the Directive Principles of State policy. These Principles begin with a declaration that the aim is to build a new social order based on equity and equality of opportunities. The Budget makers have therefore to ensure that the resources which they raise are applied to or spent in a manner that promote the mandate enshrined in Directive Principles of State Policy. This is the over riding perspective and principle that must be kept in mind by those who make the Budget, those who operate on it and those who want to understand its working, such as CBGA.

The normal plea made by the budget makers is that this is in accordance with, for example, in the present situation with the Common Minimum Programme of the current government. But the primary question is: Is it focused in tune and harmony with the priorities set in Directive Principles which are fundamental to the resources raised by the state through the budget?

The next point is that today decentralisation in India is not by administrative design and choice. It is mandated by the Constitution and when the amendment bills were moved in the preamble, it was admitted by the government that they had so far failed to empower Panchayats and town municipalities which had resulted in continuation of poverty, unemployment and deprivation in education, health, nutrition etc.

These amendments were then an assurance that thereafter the Panchayats, which were then described in the Constitution as institutions of self government will be given autonomy and fiscal resources to enable them to discharge the responsibilities devolved to them namely of self government as detailed in the 29 subjects but this had to be done in accordance with an area plan for the village for economic development and social justice.

What the budget should then have done was to...
provide funding which could be used by these institutions of self government for their respective area plan. Instead of doing that, the system has murdered the purpose and perspective of decentralisation by not giving a penny for funding local area plan developed by the Gram Sabha and Gram Panchayats but by reducing them as agents for implementing schemes and programmes conceived in Delhi and State capitals without the participation of the Panchayats just as they were doing before the amendments were enshrined in the Constitution. The non inclusion of Panchayats in the state budgets is thoroughly unconstitutional. If there is no allocation for local bodies, then how is ‘centralisation’ different from decentralisation?

Q: What can the civil society do about it?

Dr. LC Jain: You must question that after the amendments, what are the mechanisms adopted for fiscal transfer both in size and manner so that the government and bureaucracy carries the obligations imposed on them by service to the area plan for social justice.

Q: There are mechanisms in place which do not seem to work. What is the root of it?

Dr Jain: The State Finance Commission (SFC) has a de facto power. It makes recommendations to the centre on the funds to be transferred to the states for local bodies but the State Finance Commission is itself beset with several difficulties. One instance- This Joint Secretary was concerned with the functioning of fund devolution in line with the recommendations of the State Finance Commission, when he cited an instance where a particular Chief Minister expressed inability to meet the requirements as per the directives of the SFC to the Prime Minister. The Prime Minister sent directions to the concerned officials to waive the requirements that particular year. Now the state resources cannot be dealt with in this manner. It is unconstitutional. When Dr. Manmohan Singh became the Finance Minister, he announced Rs. 100 crores for the Rajiv Gandhi Foundation which was at that time, not even registered! The furore by the opposition led to the withdrawal of this recommendation the next day itself. But the questions are: Whose money is this which can be treated like a personal bank account! The Budget belongs to people, it is not private property! Party Manifestoes too are promises to the people but they too must fall in line with the Directive Principles.

Q: There are instances when many lacunae have been brought to light? What are the ways in which we might address these is what we wonder!

Dr. Jain: There was a Standing Committee of Parliament report in 2003 which did a ten year review of the situation after the 73th and 74th amendments. What it says can be summed as willful dereliction of duty by the centre and state governments. You must ask the Ministry of Panchayati Raj and the Ministry of Rural Development as to what concrete steps have they taken to address the lacunae pointed in the report.

You must also question the government as to how the parallel bodies which it has set up help the Panchayats except sabotage their powers?

Q: The progressive elements in the government agree…..

Dr. Jain: (Interrupts!) I have seen the persistent problem with the NGOs to be in a relation with the bureaucracy where they want a favorable equation! If the government is progressive, it must inform what it is doing on the standing committee report. What is the meaning of well meaning bureaucrats when no change is witnessed on the ground? You know recently the Karnataka Assembly proposed a bill by which they wanted powers to vest with the MLAs. The massive protest that followed when the PRI functionaries locked the offices and challenged the MLAs to open and operate them, prompted the governor to disallow the approval of the bill. It is not the government but the people who matter. That is where you must draw your strength from.

If you want to learn, please read the Constitution of India. The majesty and the mandate of the Constitution must meet the structure and style of Budget which means allocations must be made therein for the local bodies. I wonder why you even asked if it would be fair to argue for such a case!

My firm belief is that no change in the system is possible unless rural local bodies have the money to function.

Inadequate Decentralisation is a betrayal of India’s Constitution

“There was a Standing Committee of Parliament report in 2003 which did a ten year review of the situation after the 73th and 74th amendments. What it says can be summed as willful dereliction of duty by the centre and state governments.”
Civil Society Initiative to Influence the Union Budget

CONTEXT
There is hardly any debate that public budgets are critical to human development and for establishing a just society. Public budget is a reflection of the priorities of the rulers that affect all the sections of the society as this act as instruments for governance. This also acts as a tool of accountability of the government of the day to assess financial commitment with relation to the promises made by the government for the well being of the people. For civil society, it is critical to look at budgets from the perspective of the marginalized sections of population and use budgetary information as advocacy tools to democratise the process of development. Civil society also has this historic role today to deepen the process of participation of the common people in overall policy making in general and budget making in particular. The real challenge confronting civil society activism in budget work is, therefore, to influence the fiscal policies of the government in the favour of the toiling masses and enable the masses to take part in the development debate effectively through wider participation in the budget making process. Peoples’ Budget Initiative, conceived as a collective process of budget democratization by numerous civil society organizations at the national level, is an effort towards this goal.

HISTORY
Centre for Budget and Governance Accountability (CBGA), since its inception, has been making consistent efforts to influence the fiscal policies of the Union Government. Towards this goal, Peoples’ Budget Initiative is one of the most participatory processes evolved through a collective effort, of hundreds of organisations from across the country. We work along the Budget Cycle in the course of the year, trying to influence and make a dent in the system at points of critical intervention. However, realising that influencing the process of policymaking in India needs to be a continuous effort, we hope that a consolidated peoples’ initiative takes the lead in this direction. From last year onwards we saw the coming together of civil society organisations across the country under the platform of ‘Peoples Budget Initiative’, which is a process of education and action on policy analysis and campaign. Our effort has always been to broad base the process and to follow the methodology of ‘people centred advocacy’ to frame our concerns for the poor and the marginalised in concrete citizen charters and to follow with the policy makers at all levels of governance to make them aware of those concerns. In addition to raise just and rational demands the Peoples Budget Initiative also evolves and suggests mechanisms for public resource management, which is an integral part of people centred governance.

WHAT DO WE PROPOSE TO DO?
We propose to hold a National Convention in New Delhi at a critical time when budget and fiscal policy making processes are underway for the forthcoming year. This National Convention, with representation from civil society, academia, activists, media and concerned citizens across the country, would prepare a Peoples’ Charter of Demands for the forthcoming budget for inclusion and consideration by the policymakers. The Convention would resolve to follow up with the policy makers with the National Charter and derived charters (relevant for respective states) at all levels of governance. It is proposed that the key areas of policy formulation on which the National Convention would focus would be (a) Agriculture and Food Security (b) Gender and Children (c) Education (d) Health (e) Dalits and Adivasis.

The Convention would also try to be vigilant on the process of implementation of the budget and fiscal policies throughout the year.

DETAILS OF THE PROCESS
This entire process has been divided along three stages—the Pre-National Convention phase, the National Convention phase and the Post-National Convention phase.

It is important to underline that these events are part of a single process that flows until the end of the current financial year.

PHASE ONE: THE PRE-CONVENTION PHASE
The preparatory work to be done before the National Convention is what we have termed as the pre-convention phase. To facilitate this process of preparation, the following activities are proposed.

PHASE TWO: THE NATIONAL CONVENTION
The draft Peoples’ Charter of Demands in each sector will be collated and sharpened through discussion in groups (built around the specific themes as per the interest of the participants) to make the final Peoples’ Charter of Demands. The primary objective of the National Convention is to arrive at, through a process of wide-ranging dialogue and discussions amongst us, at the Peoples’ Charter of Demands, which will be a concrete set of demands that we will advocate for, in the forthcoming Union Budget. This Peoples’ Charter of Demands will be the key document to be used for advocacy.

PHASE THREE: THE POST CONVENTION PHASE
With the Peoples’ Charter of Demands in hand, a series of advocacy exercises will be initiated. This will include meeting relevant officials and groups critical to the budget making processes.