



# How Responsive is the Union Budget to the MDGs?


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## How Responsive is the Union Budget to the MDGs?

The United Nations, in its Millennium Summit in 2000, had chalked out a vision document for achieving human development, which articulated the Millennium Development Goals (MDGs) under eight broad sets of quantified and time-bound targets. The MDGs focus on eradication of poverty, hunger, illiteracy and diseases apart from advocating gender equality and empowerment of women, environmental sustainability and global partnership for development. Ten years have passed since, India along with 191 other countries, made a commitment to achieve the MDGs by 2015.

With only five years left for the deadline for achieving the MDGs, various stakeholders (including the government) have been trying to take stock of India's progress with respect to these goals. However, there is also a need to take stock of the priorities accorded to the MDGs in the country's public policies and governance. Over the last decade, many observers and development policy analysts have started recognizing the government budget as the most important indicator of the policy and governance priorities in the country. Hence, it would be pertinent to look at the budgets of the Union Government (i.e. the Union Budgets) from the lens of the MDGs.

In this context, the present paper makes an assessment of the priorities accorded to the development programmes / schemes oriented towards the MDGs in the last three budgets of the Union Government. The paper also highlights briefly some of the overall trends in the Union Budgets, which have a strong bearing on interventions oriented towards the various MDGs.

### India's Progress in Achieving the MDGs

Over the last decade, India's progress towards the MDGs has been rather slow. Table 1 presents a brief synopsis of the country's progress with respect to each of the eight goals, based on the information documented recently by the Union Ministry of Statistics and Programme Implementation.

**Table 1: Some Indicators of India's Progress in Achieving the MDGs**

MDGs	Description of the Goal	India's Status in the 1990s	India's Current Status
<b>Eradicate Extreme Poverty and Hunger</b>			
<b>Goal 1</b>	Halve, between 1990 and 2015, proportion of population below national poverty line	37.2% below poverty line in 1993-94	27.5% below poverty line in 2004-05
	Halve, between 1990 and 2015, proportion of people who suffer from hunger	320 million poor in 1993-94	301 million poor in 2004-05
	Halve between 1990 and 2015, proportion of children suffering from malnourishment	53.5% of the children below 3 years of age were underweight in 1990	46% in 2005-06
<b>Achieve Universal Primary Education</b>			
<b>Goal 2</b>	Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full	course of primary education For children in the age of 6-11 years, 75% Net Enrolment	Ratio (NER) in 1990 96% Net Enrolment Ratio (NER) in 2008

### Promote Gender Equality and Empower Women

<b>Goal 3</b>	Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.	Gender Parity Index of Gross Enrolment Ratio: 0.76 (Primary) & 0.60 (Secondary) in 1990-91	0.94 (Primary) & 0.82 (Secondary) in 2006-07
	Eliminating gender disparity in the share of Women in Wage employment in the non-agricultural sector by 2015	13% in 1990-91	18% in 2004-05
	Share of Women in the Parliament	9.7% in 1990	9.1% in 2007

### Reduce Child Mortality

<b>Goal 4</b>	Reduce by two-thirds between 1990 and 2015, the Under-Five Mortality Rate	125 per thousand live births in 1990	75 per thousand live births in 2005-06
	Reduce by two-thirds between 1990 and 2015, the Infant Mortality Rate	80 per thousand live births in 1990	53 per thousand live births in 2008
	Proportion of 1 year-olds (12-23 months) children immunised against measles	42% in 1992-93	69.6% in 2007-08

### Improve Maternal Health

<b>Goal 5</b>	Reduce by three quarters, between 1990 and 2015, the Maternal Mortality Ratio (age group 15-49)	437 per 1 lakh live births in 1990-91	254 per 1 lakh live births in 2004-2006
	Proportion of births attended by skilled health personnel	33% in 1992-93	52% in 2007-08
	Have halted by 2015 and begun to reverse the spread of HIV/AIDS (Age group 15-24)	0.45% (2.73m) in 2002	0.34%(2.31m) in 2007
	Proportion of population aged 15-49 years with comprehensive knowledge of HIV/AIDS	17.6% on 2001	29.3% in 2006

### Combat HIV/AIDS, Malaria and TB

<b>Goal 6</b>	Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	1.74% incidence rate in 2005	1.52% incidence rate in 2009
	Prevalence and Death Rates associated with TB	586 per 1 lakh population in 1990 (Prevalence Rate) Mortality Rate was 42 in 1990	283 per 100000 population in 2007 (Prevalence Rate)

### Ensure Environmental Sustainability

<b>Goal 7</b>	Proportion of Land Area covered by Forest	20.99% in 2005	21.02% in 2007
	Energy use (Kg Oil equivalent) per unit of GDP (Rupee)	0.17 in 1989-90	0.13 in 2007-08
	Halve by 2015, the proportion of people without sustainable access to improved water sources	68.2% in 1992-93	84.4% in 2007-08

Halve by 2015, the proportion of people without sustainable access to improved sanitation	70% of households in 1992-93 (without any toilet facility)	51% of households in 2007-08 (without any toilet facility)
By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers	No. of slum dwellers: 46.26 million in 1991	61.82 million in 2001

### Develop Global Partnership for Development

(In co-operation with the private sector, make available the benefits of new technologies, especially information and communication)

<b>Goal 8</b>	Telephone Lines and Cellular Subscribers per 100 Population	0.67 per 100 population in 1991 (Tele-density)	36.98 in 2009 (Tele-density)
	Internet Users per 100 Population	0.21 million in 1999	13.54 million in 2009

**Source:** Compiled from "Millennium Development Goals - India Country Report 2009: Mid-Term Statistical Appraisal", Central Statistical Organization, Ministry of Statistics and programme Implementation, Government of

Achievement of Goal 1 by 2015 seems a distant dream as the proportion of population below the official poverty line in India was as high as 28% in 2004-05 compared to 37.5% in 1993-94. In absolute numbers, 301 million people were in the grip of acute hunger in 2004-05. The figures for malnourishment and underweight children too are extremely high in the country. From an estimated 53.5% in 1990, the proportion of underweight children below 3 years has declined only marginally from 47% in 1998-99 to around 46% in 2005-06. At this rate, the proportion of underweight children below 3 years is projected to fall only up to 40% by 2015 and clearly miss the MDG timeline.

Goal 2 envisages universal primary education by 2015. In this regard, the official statistics show some encouraging results; for instance, the Net Enrolment Ratio (NER) for children in the age group of 6-11 years has improved from 75% in 1990 to 96% in 2008. India also appears to be on track as far as attaining 100% youth literacy (15-24 years age group) by 2015 is concerned.

Goal 3 envisioned eliminating gender disparity in primary and secondary education, preferably by 2005, and at all levels of education by 2015. By 2006-07, the Gender Parity Indices in primary and secondary education had reached 0.94 and 0.82 respectively (up from 0.76 and 0.60 in 1990-91), indicating that the country has made some progress in terms of gender parity in enrolment in school education. Gender Parity Index in tertiary education, however, has remained sluggish, improving very slowly from 0.61 in 1990-91 to 0.69 in 2006-07. Likewise, the degree to which women are able to access employment opportunities in industry and service sectors, as measured by the share of women in wage employment in the non-agricultural sector, has shown a small increase from 13% in 1990-91 to 18% in 2004-05. At this slow rate of progress, the share of women in wage employment in the non-agricultural sector can at best be expected to reach a level of around 24% by 2015, far short of a parity situation.

Prevalence of child mortality measured by the Under Five Mortality Rate (U5MR) is down from 125 per 1000 live births in 1990 to 75 per 1000 live births in 2005-06. The MDG target, under Goal 4, is 42 per 1000 live births by 2015, but India is expected to be able to bring it down only up to 70 per 1000 live births – way short of the signpost. The major factor underlying high U5MR is the large number of infant deaths; annually, around 1.5 million children in India are dying before reaching the age of one, as per available statistics. Prevalence of infancy deaths measured by the Infant Mortality Rate (IMR) in the country has shown a slow decline over the past two decades. From 80 per 1000 live births in 1990, IMR has come down to 53 in 2008. However, India is required to reduce its IMR to 26.7 per 1000 live births by 2015. The trend of decline since 1990, if continued, can only take India to an IMR level of about 46 by 2015 – again short of the MDG target.

The incidence of deaths of women in the reproductive age group of 15-49 years due to pregnancy related causes, as measured by Maternal Mortality Rate (MMR), has shown some decline over the last two decades. As per the available official statistics, it has gone down from 437 per 1 lakh live births in 1990-91 to 301 in 2001-2003 and 254 in 2004-2006. Under Goal 5, which pertains to improvement in maternal health, India is required to reduce the MMR to 109 per 1 lakh live births by 2015. At the current pace, however, India is likely to reach an MMR of 135 per 1 lakh live births by the MDG deadline, again falling short of the benchmark.

Combating HIV/AIDS, malaria and TB has been a significant indicator in MDGs, which pertains to the sixth Goal. The estimated adult prevalence of AIDS has come down to 0.34% in 2007 from about 0.45% in 2002. Among pregnant women in the 15-24 year age group, its prevalence declined from 0.86% in 2004 to 0.49% in 2007. In the case of pregnant women in the 25-49 year age group it dropped from 1.09% in 2004 to 0.52% in 2007. The proportion of people in the 15-49 year age group having awareness about HIV/AIDS has also increased, from 17.6% in 2001 to 29.3% in 2006. The incidence of malaria and malaria deaths in the country too is on the decline. It was 1.74% in 2005 and came down to 1.52% by September 2009. Likewise the cases of TB have also declined from 586 per 1 lakh population in 1990 to 283 in 2007. However, India is still the highest TB burdened country, accounting for almost 20% of global cases.

Goal 7 requires the country to ensure environmental sustainability. During 2005-2007, India's forest cover has increased by 728 sq km, which is only 0.03% of the country's geographical area. As a result, the total forest cover stands at 21.02% of the country's geographical area in 2007 over the forest cover of 20.99% in 2005. In the energy sector, India has succeeded in maintaining low per capita emission of carbon dioxide despite reasonable industrial growth and dependence on fossil fuels to meet energy needed for all-round development. The per capita emission of carbon dioxide was 1.31 metric tonnes in 2006, which is still much lower than that in some of the industrialised countries. The energy consumption per unit of GDP (Rupee) at 1999-2000 prices has decreased from 0.17 in 1989-90 to 0.13 in 2007-08. However, increasing energy efficiency remains the biggest challenge considering the fast depleting fuel resources. As per the official statistics, India is on track in achieving the MDG for sustainable access to safe drinking water. The overall proportion of households with access to improved water sources has increased from about 68.2% in 1992-93 to 84.4% in 2007-08; the coverage in the urban areas has gone up to 95% from 87.6% during the same period. However, even in the official data, access to improved sanitation facilities has not been impressive. Being one of the most densely populated countries in the world, India has the lowest sanitation coverage.

Thus, the information on India's present status with respect to the various MDGs, documented recently by the Union Government, show that while the country is on track with respect to a few of the goals it is likely to miss the deadline of 2015 in respect of several of the goals. The goals which, as per the official statistics, are likely to be achieved by 2015 include universal primary education and combating HIV/AIDS, malaria and TB. On the other hand, India's progress has been visibly slow with respect to several of the goals, which include eradication of poverty and hunger, reduction of child mortality, improvement in maternal health, gender equality and empowerment of women, and environmental sustainability. With this assessment as the backdrop, the following section examines the last three Union Budgets from the lens of MDGs.

### Assessing the Responsiveness of the Union Budget to the MDGs

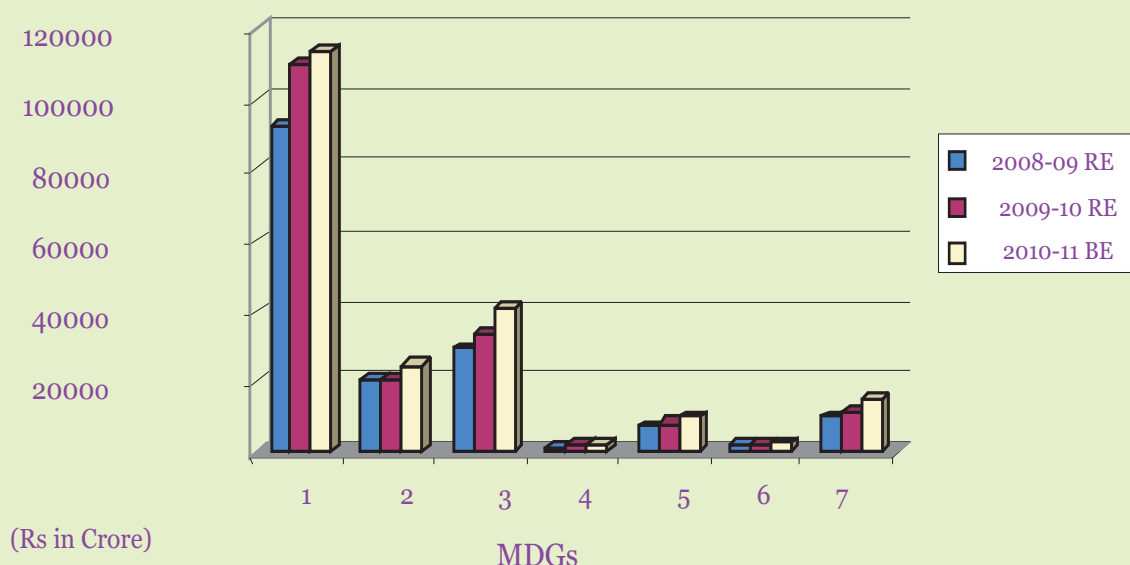
The expenditure from the Union Budget accounts for more than half of the total budgetary expenditure in the country, with the remaining part coming from the State Budgets. The expenditure from the Union Budget covers many sectors, which include both 'non-development' sectors like defence, law and order, debt servicing and interest payments, pensions, running of organs of the state etc. and 'development' sectors like education, health, water and sanitation, nutrition, agriculture, rural development, urban development, telecommunication, road and surface transport, industry and mines etc. The interventions by the Union Government, which directly address the various MDGs, fall within the 'development' sectors.

In most of the 'development' sectors, especially in those which are relevant from the perspective of the MDGs, Union Government's interventions are in the form of development programmes / schemes, for instance, the National Rural Employment Guarantee Scheme (NREGS), Sarva Shiksha Abhiyan (SSA), National Rural Health Mission (NRHM), and Integrated Child Development Services (ICDS) etc. Many of these development programmes / schemes of the Union Government are oriented towards one or more of the MDGs. Hence, we can assess the priority accorded to the MDGs in the expenditure from the Union Budget by assessing the priority accorded to the programmes / schemes which are oriented towards the MDGs.

With this understanding, the present paper tries to identify all those programmes / schemes of the Union Government, which are directly addressing one or more of the MDGs. The Annexure to this paper lists out all these programmes / schemes, which in our assessment are directly addressing the MDGs. This selection of schemes under various MDGs, as shown in the Annexure, is based on a careful perusal of the objectives and main interventions of the schemes. Moreover, we have also taken into account the information contained in the relevant Statements in the Union Budget, such as, the Gender Budget Statement and the Statement on Budget Provisions for Schemes for the Welfare of Children. The outlays for the selected schemes, provided in the last three Union Budgets (i.e. 2008-09 Revised Estimates, 2009-10 Revised Estimates and 2010-11 Budget

**FIGURE 1**

**Union Budget Outlays for Schemes addressing the various MDGs**



As shown in Figure 1, over the last three years, the magnitudes of Union Budget outlays for the schemes addressing the MDGs have increased (in absolute numbers) for most of the Goals.

However, the magnitude of total Union Budget outlay on the relevant schemes varies significantly across the seven Goals. For instance, in 2010-11 (BE), this magnitude is only Rs. 1,914 crore for Goal 4 (Reduce child mortality) and Rs. 2,341 crore for Goal 6 (Combat HIV/AIDS, malaria and TB); while, it is Rs. 1,12,747 crore for the schemes addressing Goal 1 (Eradicate extreme poverty and hunger).

The wide difference in the magnitudes of Union Budget outlays on the schemes addressing the different Goals seems to be rooted in factors, like, the scope for interventions by the Union Government vis-à-vis that for the State Governments with regard to the different Goals and the extent of India's development deficits pertaining to the different Goals. However, one of the factors leading to such wide differences in budgetary commitments could also be the sense of urgency of the Union Government to address the issues covered in the MDGs, which has not been the same for all the issues covered in the MDGs.

The Union Government of India has been responsive to the problem of extreme poverty and hunger, which reflects in its budgetary commitments over the last three years. In fact, some of the Union Government's interventions for eradication of poverty and hunger have been in place since long. However, its responsiveness to the other kinds of deficits in development emphasized in the MDGs appears to have been much less, and, for several of these problems, the Union Government does not yet have strong interventions. Accordingly, the budgetary commitments towards these appear to have been much lower than the government's commitment towards elimination of extreme poverty and hunger. For instance, with regard to eradication of poverty and hunger, two major interventions by the Union Government, viz. food subsidy (for the Public Distribution System of food grains) and National Rural Employment Guarantee Scheme, have large budget outlays with Rs. 55,578 crore and Rs. 40,100 crore respectively (2010-11 Budget Estimates). But there are no such large interventions by the Union Government with regard to any of the other issues emphasized in the MDGs.



**Table 2: Union Budget Outlays for the Schemes oriented towards MDGs\***

MDGs	2008-09 RE		2009-10 RE		2010-11 BE	
	Union Budget Outlays for the Schemes oriented towards the Goal (in Rs. Crore)	As a proportion of Total Outlay from the Union Budget (in %)	Union Budget Outlays for the Schemes oriented towards the Goal (in Rs. Crore)	As a proportion of Total Outlay from the Union Budget (in %)	Union Budget Outlays for the Schemes oriented towards the Goal (in Rs. Crore)	As a proportion of Total Outlay from the Union Budget (in %)
<b>Goal 1</b>	94526	10.5	109129	10.7	112747	10.2
<b>Goal 2</b>	20310	2.3	20459	2.3	24440	2.2
<b>Goal 3</b>	28874	3.2	33015	3.2	40818	3.7
<b>Goal 4</b>	1438	0.2	1935	0.2	1914	0.2
<b>Goal 5</b>	7369	0.8	7974	0.8	9666	0.9
<b>Goal 6</b>	1978	0.2	1820	0.2	2341	0.2
<b>Goal 7</b>	9942	1.1	11366	1.1	14470	1.3

**Notes:**

\* For details, please see the Annexure.

RE: Revised Estimates; BE: Budget Estimates.

Total Outlay (Plan + Non-plan) from the Union Budget: Rs. 9,00,953 Crore in 2008-09 (RE); Rs. 10,21,547 Crore in 2009-10 (RE); Rs. 11,08,749 Crore in 2010-11 (BE).

**Source:** Compiled from Expenditure Budget (Vol. I & Vol. II), Union Budget, Govt. of India, various years; please see the Annexure for details.

Table 2 presents the Union Budget outlays (in the last three budgets) for the schemes addressing Goals 1 to 7, and, compares these outlays with the Total Outlay from the Union Budget in order to measure the priority accorded to each of the Goals. What we observe with respect to the priorities in the last three Union Budgets for the schemes addressing the various MDGs is briefly discussed in the following.

**Goal 1 (Eradicate extreme poverty and hunger):** As shown in the Annexure, the Union Government has a number of major programmes / schemes that address the first Goal of eradication of extreme poverty and hunger, the most prominent ones being the provision of food subsidy for the PDS and the NREGS. The combined budget outlay for the set of schemes addressing Goal 1, at Rs. 1,12,747 crore, accounts for 10.2% of the total Union Budget in 2010-11 (BE). This share in the total Union Budget, however, was higher at 10.7% in 2009-10 (RE). The decline in the priority from 10.7% to 10.2% of the Union Budget seems to have resulted from the very small increase in the outlay for NREGS (from Rs. 39100 crore in 2009-10 to Rs. 40100 crore in 2010-11) and a reduction in the outlay towards food subsidy (from Rs. 56002 crore in 2009-10 to Rs. 55578 crore in 2010-11) in the latest Budget.

This is rather disturbing since the country has witnessed a very high rate of inflation, especially in food articles, over the last year, and hence, there was an urgent need for a significant scaling up of the government interventions for food security. Likewise, the Union Government's Economic Survey 2009-10 (brought out in February this year) had warned that despite the indications of a recovery of our economy from the recessionary impact of the global financial crisis, it could be premature to withdraw the fiscal stimulus measures of the Union Government in the financial year 2010-11 itself. NREGS has perhaps been the most effective fiscal stimulus measure in the rural areas of the country, and the meager 2.5% increase in the outlay for NREGS in 2010-11 (over the outlay for 2009-10) indicates the complacency of the Union Government on its interventions towards livelihood in the rural areas.

The 10.2% priority accorded to the set of interventions towards Goal 1 could be far from adequate even in a year, which is not witnessing any adverse effect of a global recession or a steep rise in prices, as the enormous size of the country and the gravity of its problem of poverty and hunger calls for much stronger and widespread government



interventions that would inevitably require far greater magnitudes of budgetary outlays. Moreover, many of the existing programmes / schemes addressing Goal 1 are constrained by poor design, low unit costs, weak institutions and archaic budgetary processes; as a result, even the prevailing quantum of budget outlays are not leading to any visible improvement in the development outcomes.

**Goal 2 (Achieve universal primary education):** Two of the Union Government's flagship schemes, viz. Sarva Shiksha Abhiyan (SSA) and Mid Day Meal (MDM), are pursuing Goal 2. The combined outlay for these two schemes has increased from Rs. 20459 crore in 2009-10 (RE) to Rs. 24440 crore in 2010-11 (BE), which, as a proportion of the total Union Budget, is a marginal increase from 2% in 2009-10 (RE) to 2.2% in 2010-11 (BE). While the availability of school infrastructure and primary school teachers in the country has improved over the last decade, SSA has induced large scale recruitment of para / contract teachers (instead of regular teachers) throughout the country. Developments like this have prompted educationists and child rights activists to point out that SSA has tried to institutionalize ad hoc and low cost public provisioning in school education instead of trying to create a platform for enforcing children's right to free education. In this context, we must note that while the Union Government has notified the Right to Education Act from April 2010, there has been no special measure in Union Budget 2010-11 for proper enforcement of this Act.

**Goal 3 (Promote gender equality and empower women):** The selection of schemes relevant for Goal 3 is based on the Gender Budget Statement in the Union Budget. The figures for Union Budget outlays under these schemes, which are shown in the Annexure, are supposed to be the amounts of budget outlays that are meant for the benefit of women (according to the Gender Budget Statement). The figures for Union Budget outlays (shown under Goal 3 in the Annexure) refer to the full amount of budget outlays for those schemes that are meant exclusively for women or girls, while, in other cases, the figures refer only to a part of the budget outlays for the schemes. As shown in Table 2 above, the priority for Union Government's interventions towards Goal 3 has improved from 3.2% to 3.7% of the total Union Budget in 2010-11 (BE), which is welcome.

Combined budget outlay for the Union Government schemes, which are addressing the MDG objective of eliminating gender disparity in all levels of education, has increased from Rs. 17,835 crore in 2009-10 (RE) to Rs. 24,500 crore in 2010-11 (BE). A major part of the incremental budget outlay in this regard has accrued in the Department of School Education under the Union Ministry of Human Resource Development. The share of women in wage employment in the non-agricultural sector is an important indicator under Goal 3. Schemes for employment generation in the non-agricultural sector, in which the Union Government has reported substantial budget outlays for women in 2010-11 (BE), are NREGS and Swarnajayanti Gram Swarozgar Yojana (SGSY) and interventions under the Ministry of Micro, Small and Medium Enterprises. Yet, the combined budget outlay for the schemes addressing the MDG objective of increasing the share of women in wage employment in the non-agricultural sector has registered a small 7.5% increase from Rs. 15,180 crore in 2009-10 (RE) to Rs. 16,318 crore in 2010-11 (BE).

**Goal 4 (Reduce child mortality):** Pulse Polio Immunisation and Routine Immunisation are the only schemes with substantial budget outlays among the few Union Government schemes directly addressing the problem of child mortality in the country. The low priority for the interventions towards reduction of child mortality is conspicuous from the fact that the combined budget outlay for these schemes accounts for a meager 0.2% of the total Union Budget in 2010-11 (BE). It is a matter of serious concern that the Union Government has not stepped up its budgetary commitment for addressing the problem of high levels of child mortality in the country.

**Goal 5 (Improve maternal health):** The priority for the schemes trying to improve maternal health in the country, at 0.9% of the Union Budget in 2010-11 (BE), appears somewhat better. However, the persistence of high levels of maternal mortality is widely seen as one of the most serious development challenges confronting India; and, the budgetary provisions for maternal health interventions of the Union Government need to be increased substantially for achieving the desired results in this area. One of the major government interventions in this area is the Janani Suraksha Yojana (JSY), which is a part of the Reproductive and Child Health (RCH) programme of the Union Ministry of Health and Family Welfare. Many experts and civil society activists have pointed out, among other problems, that JSY promotes institutional deliveries instead of promoting safe deliveries (which can be ensured at home also), it completely ignores the nutritional aspects of maternal health and that the amount of monetary assistance provided in the scheme is too little. In this context, the initiation of a new scheme in 2010-11 Budget, called the Indira Gandhi Matritva Sahyog Yojana, was commended; but this scheme has not been put in place yet. More importantly, we need to keep in mind the fact that government interventions focusing on maternal health are unlikely to produce the desired results as long as the public healthcare system in the country continues to languish due to the very low levels of public spending on the sector.

**Goal 6 (Combat HIV/AIDS, malaria and TB):** Union Budget outlay for the schemes addressing Goal 6 shows an increase from Rs. 1820 crore in 2009-10 (RE) to Rs. 2341 crore in 2010-11 (BE). More than half of this outlay (Rs. 1291 crore in 2010-11) has been provided for the National AIDS Control Programme, which is the core of the government interventions for combating HIV/AIDS in India. However, other important disease control programmes such as the National Vector Borne Diseases Control Programme (which is mainstay against malaria) have not been prioritised in this year's budget and, in fact, witnessed a reduction in the outlay from Rs. 367 crore in 2009-10 (RE) to Rs. 361 crore in 2010-11 (BE).

**Goal 7 (Ensure environmental sustainability):** Combined budget outlay for the set of schemes addressing Goal 7 has registered an increase from Rs. 11,366 crore in 2009-10 (RE) to Rs. 14,470 crore in 2010-11 (BE); it accounts for 1.3% of the total Union Budget in 2010-11 (BE). However, in the latest Budget, outlays for some important schemes for enhancing forest cover in the country have gone down. The *Integrated Forest Protection Scheme* has received a scant outlay of Rs 44.2 crore in 2010-11 (BE), which is lower than its 2009-10 (RE) outlay. Similarly, budgetary outlays for wildlife protection and preservation have not been prioritised this year. The outlay for 'Project Tiger' has gone down substantially over the previous year's figures, despite the fast dwindling numbers of the big cat. Programmes related to biosphere reserves, mangrove ecosystems and wetlands, and natural resources management have also been virtually neglected in the latest Union Budget. Provision of drinking water and sanitation facilities, both in rural and urban areas, have received some priority in the current budget, which is welcome. Also, Rajiv Awaas Yojana, a new scheme targeting the urban poor, has been started with an outlay of Rs. 1200 crore for 2010-11 (BE).

### Concluding Remarks

We find that the priority accorded to the schemes addressing the MDGs varies from 10.2% of the total Union Budget outlay for Goal 1 to a meager 0.2% of the Union Budget for Goal 4. Given the severity of the country's development deficits with regard to most of the MDGs much stronger and widespread government interventions are needed for addressing the same, which would require far greater magnitudes of budgetary outlays than what have been provided till now. Furthermore, many of the existing schemes addressing these development deficits are constrained by poor design, low unit costs, weak institutions and archaic budgetary processes; as a result, even the prevailing quantum of budget outlays are not leading to any visible improvement in the development outcomes.

Many of the problems relating to the financing of government interventions for MDGs stem from the fact that India has had very low magnitudes of public expenditure on development sectors until now. While the budgets of the United Progressive Alliance (UPA) government at the Centre from 2004-05 to 2008-09 had made some efforts to step up the country's public expenditure on development sectors, Union Budget 2010-11 rather shows a sense of complacency in this regard. The priority for Social Services in the Union Budget had been stepped up from around 8% in 2004-05 to around 13% in 2008-09, which translated into a rise in the total Union Budget expenditure on Social Services from 1.2% of GDP in 2004-05 to 2.1% of GDP in 2008-09. The total Union Budget allocation for Social Services, however, stagnates at 2.2% of the GDP in 2009-10 (RE) and 2010-11 (BE).

In its last two budgets, the Union Government had taken an expansionary fiscal stance to deal with the challenges emerging from the global financial crisis during 2008-09 and 2009-10. However the 2010-11 Budget underscores its intent to revert to the path of fiscal conservatism and pursue the deficit reduction targets prescribed in the Fiscal Responsibility and Budget Management (FRBM) Act. Instead of taking strong measures for expanding the tax revenue base of the country, the approach taken by the government for reducing its borrowing in 2010-11 is one of expenditure compression. Union Government's Total Expenditure is projected to fall from 16.6% of GDP in 2009-10 (RE) to 16% of GDP in 2010-11 (BE). In tandem with the compression of public expenditure, the Fiscal Deficit of the Union Government is projected to fall from 6.7% of GDP in 2009-10 (RE) to 5.5% of GDP in 2010-11 (BE), and the Revenue Deficit is estimated at 4.0% of GDP in 2010-11 (BE), significantly lower than the 5.3% figure for 2009-10 (RE).

Clearly, the Union Government needs to do a lot more to expedite the country's progress towards achieving the MDGs by 2015, which may require a fundamental reorientation of its fiscal policy as well as substantive changes in the processes and institutions of governance in the country.

# Annexures

## Union Budget Outlays for Schemes oriented towards the MDGs

(Figures in Rs. Crore)

<b>Goal 1 Eradicate extreme poverty and hunger</b>				
	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	Swarna Jayanti Shahari Rozgar Yojana*	515.20	428.69	564.60
2	Swarnajayanti Gram Swarozgar Yojana	2113*	2350.00	2984.00
3	National Rural Employment Guarantee Scheme*	30000.19	39100.00	40100.00
4	Sampoorna Gramin Rozgar Yojana*	7500.00	0.00	0.00
5	Prime Minister's Employment Generation Programme	738.00	602.20	906.00
6	Rural Employment Generation Programme	0.00	0.00	0.00
7	Special Assistance to Scheduled Castes Sub Plan*	577.71	469.00	585.00
8	Self-employment Scheme of Liberation and Rehabilitation of Scavengers*	100.00	47.00	4.50
9	Special Assistance to Tribal Sub-Plan*	860.50	481.24	960.50
10	Village Grain Banks*	15.30	15.59	15.30
11	National Food Security Mission*	973.42	984.00	1220.50
12	Food Subsidy	43627.20	56002.01	55578.18
13	Sub-Mission on Basic Services to Urban Poor	1656.54	1234.47	2000.00
14	Integrated Child Development Scheme*	5665.20	7344.80	7806.71
15	National Nutrition Mission*	0.90	0.03	1.00
16	Nutrition Education Scheme*	20.20	20.45	21.16
17	Nutritional Programme for Adolescent Girls (NPAG)	162.77	49.55	0.00
	<b>Total</b>	<b>94526.13</b>	<b>109129</b>	<b>112747.3</b>
<b>Goal 2 Achieve universal primary education</b>				
	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	Sarva Shiksha Abhiyan (SSA)	13100	13100	15000
2	Mid-Day Meal Scheme	7200	7359.15	9440
3	DPEP*	10	0	0
	<b>Total</b>	<b>20310</b>	<b>20459.15</b>	<b>24440</b>

**Goal 3 Promote Gender Equality and Empowerment: Eliminate gender disparity in primary, secondary and tertiary education**

**Ratios of girls to boys in primary, secondary and tertiary education**

	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	Mid Day Meal Scheme	3040	2796.42	3587.2
2	Post Matric Scholarship for SCs	186.75	245.57	502.5
3	Rajiv Gandhi National Fellowship for SCs	26.4	31.2	47.7
4	Top Class Education for SCs	1.5	2.7	7.2
5	Boys and Girls Hostels for BCs	10.1	7.95	12
6	Post Matric Scholarship for BCs	39.6	48.6	94.5
7	Rajiv Gandhi Scheme for Empowerment of Adolescent Girls	----	5	1000
8	Girls Hostel for SCs	----	60	80
9	Conditional Cash Transfer Scheme for Girl Child	10	5	10
10	Dept. of Biotechnology	3	3	3.5
11	Dept. of Information Technology	----	3.43	3.5
12	Ministry of Tribal Affairs	230.63	387.77	433.39
13	Ministry of Home Affairs	0.08	37.12	40.51
14	Department of School Education	10900.4	11052.99	14846.12
15	Ministry of Minority Affairs	215	465	882
16	Department of Higher Education	1954.73	2683.24	2950.29
	<b>Total</b>	<b>16618.19</b>	<b>17834.99</b>	<b>24500.41</b>

**Goal 4 Reduce child mortality<sup>@</sup>**

	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	Routine Immunization	232.6	414.21	450
2	Pulse Polio Immunization	1129.74	1191.39	1067.08
3	Reproductive & Child Health Project	9.25	252.94	315.5
4	Manufacture of Sera and BCG Vaccine	25.47	31.65	34.52
5	Kalawati Saran Children's Hospital*	41.27	44.77	47.26
	<b>Total</b>	<b>1438.33</b>	<b>1934.96</b>	<b>1914.36</b>

<b>Goal 5 Improve maternal health<sup>#</sup></b>				
	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	Reproductive & Child Health (RCH II- Flexible Pool	3066.01	3431.37	3850
2	Rural Family Welfare Services	2463.81	2654.41	3108.06
3	Mission Flexible Pool	1275.58	1605.32	1984.99
4	Urban Family Welfare Services	166.98	140.73	172.9
5	Contraception	396.8	141.5	199.5
6	Indira Gandhi Matritva Sahyog Yojana	0	0.9	351
	<b>Total</b>	<b>7369.18</b>	<b>7974.23</b>	<b>9666.45</b>

<b>Goal 6 Combat HIV/AIDS, malaria and other diseases</b>				
	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	National AIDS Control Programme*	1016.36	888.15	1291.25
2	National Vector Borne Diseases Control Programme*	313.49	367.16	361.32
3	National T.B. Control Programme*	266	296.25	330
4	Contraception	381.77	268	358
	<b>Total</b>	<b>1977.62</b>	<b>1819.56</b>	<b>2340.57</b>

<b>Goal 7 Ensure environmental sustainability</b>				
	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
1	Central Rural Sanitation Programme (CRSP)	1080*	1200	1580
2	Accelerated Rural Water Supply Programme (ARWSP) & Standalone Water Purification System in Rural Schools	6660*	8099	9000
3	Low Cost Sanitation Programme*	40.03	45	71
4	Urban Water Supply & Sewage*	---	---	—
5	National Coastal Management Programme*	3.54	5.5	150
6	Integrated Forest Protection Scheme (Currently it is known as Intensification of Forest Management)*	55.7	47.2	44.2
7	Wildlife Preservation: Project Tiger*	129.87	179.53	154.2
8	Wildlife Preservation: Project Elephant*	18.5	18.5	18.5
9	Wildlife Preservation: Welfare of Animals*	25.45	25.7	25.5
10	Wildlife Preservation: Bio-diversity Conservation and Rural Livelihood Improvement Project (EAP)*	0.69	0.4	3

	<b>Programmes / Schemes</b>	<b>2008-09 (RE)</b>	<b>2009-10 (RE)</b>	<b>2010-11 (BE)</b>
11	Assistance for Development of National Parks & Sanctuaries*	----	----	----
12	Wildlife Preservation: Integrated Development of Wildlife Habitats*	72.5	66.5	62.5
13	National Afforestation and Eco-development Programme: National Afforestation and Eco-development Board*	19	15.5	15.5
14	National Afforestation and Eco-development Programme: National Afforestation Programme*	290.62	253.17	228
15	National Afforestation and Eco-development Programme: Andaman and Nicobar Islands Forests and Plantations*	9.5	10.45	11
16	National Afforestation and Eco-development Programme: Social Forestry with Communities (Panchayat Van Yojana)*	0	0	20
17	Conservation Programme: Biosphere Reserves*	9.5	9.5	9.5
18	Conservation Programme: Mangroves Eco-systems and Wetlands*	17.5	17.5	17.5
19	Natural Resources Management Programme*	4	3	3
20	Biodiversity Conservation Programme*	3.34	3.85	4.5
21	Prevention and Control of Pollution: National River Conservation Plan*	271	361	672.93
22	Prevention and Control of Pollution: National Lake Conservation Plan*	45	45	50
23	Promotion of Common Effluent Treatment Plants*	4.45	5.02	5.71
24	Marines Fisheries*	44.49	60.5	91.98
25	Inland Fisheries*	25.75	56.8	24.95
26	Integrated Housing and Slum Development (IHSDP)	1111.38	777.13	1006.08
27	Rajiv Awas Yojana	0	60	1200
	<b>Total</b>	<b>9941.81</b>	<b>11365.75</b>	<b>14469.55</b>

#### Notes:

The figures for Union Budget outlays on these Schemes do not include the Lumpsum Provision of Funds for North Eastern Region & Sikkim (if any), as the relevant budget documents do not provide such information. However, such lumpsum provision of funds for NER & Sikkim, wherever they are provided, usually account for only 10% of the total Union Budget outlay for the Scheme.

\* The selection of Schemes for this section (i.e. Goal 3) is based on the Gender Budget Statement in Expenditure Budget Vol. I, Union Budget, Govt. of India. The figures for Union Budget outlays under these Schemes, which are shown in this section, are supposed to be the amounts of budget outlays that are meant for the benefit of women (according to the Gender Budget Statement). Thus, the figures for Union Budget outlays shown in this section refer to the full amount of budget outlays for those schemes that are meant exclusively for women or girls, while, in other cases, the figures refer only to a part of the budget outlays for the schemes.



© The selection of Schemes for this section (i.e. Goal 4) is based on the Statement - Budget Provisions for Schemes for the Welfare of Children, Expenditure Budget Vol. I, Union Budget, Govt. of India.

\* The selection of Schemes for this section (i.e. Goal 5) is based on the Gender Budget Statement in Expenditure Budget Vol. I, Union Budget, Govt. of India. The figures for Union Budget outlays under these Schemes, which are shown in this section, are supposed to be the amounts of budget outlays that are meant for the benefit of women (according to the Gender Budget Statement).

**Source:** Compiled from Expenditure Budget (Vol. I & Vol. II), Union Budget, Govt. of India, various years.